

WORKING GROUP ON POSTS

11TH FIVE YEAR PLAN



RECOMMENDATIONS

MINISTRY OF COMMUNICATIONS & IT

DEPARTMENT OF POSTS

JANUARY 2007

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REPORT OF THE WORKING GROUP ON THE POSTAL SECTOR

1. Introduction

1.1 Constitution of the Working Group

In the context of preparation of Eleventh Five Year Plan (2007-2012) the Planning Commission constituted a Working Group on the Postal Sector to make recommendations on the various policy matters relevant to the formulation of the Eleventh Five Year Plan. A copy of the order constituting the Working Group is at Annex-I.

1.2 Terms of Reference of the Working Group on the Postal Sector

The Terms of Reference to the Working Group were as under:

1. To recommend on the vision statement to be adopted for the Eleventh Five Year Plan with a focus on the social commitment, technology induction, entrepreneurial management and envisages becoming a self-supporting institution.
2. To make suitable recommendations on re-structuring the organisation and corporatising certain business units and possibility of segregating its banking and insurance functions. Also recommend possibilities of joint ventures or tie-ups for a larger presence nationally and internationally.
3. To make recommendations on formulation of a corporate plan and strategy for the formulation of a National Postal Policy (Keeping in view the present status and future potential of the Department of Posts against the background of the existing and anticipated national and international scenario, the universal service obligations of India Post and its commitment at the Universal Postal Union).
4. To recommend short-term, medium-term and long-term strategies to meet the objectives of the Department of Posts and make recommendations for rationalization and consolidation of the Postal Network through computerization, establishing the National Data Centre for providing increased access to postal facilities covering both rural and urban areas and developing an integrated plan for meeting emerging demand for services in rapidly growing urban areas.
5. To make suitable recommendations for – Legislative reforms and regulations of the postal sector.
6. To make recommendations on a composite sub-plan for the North East during the Plan period, instead of scheme-wise allocation of funds for the North East.
7. To recommend a technology policy for the Department of Posts, including the possibility of taking up a technology partner or recruiting technology experts; utilizing GIS; creating a seamless integration of software for converting Post Offices as delivery points to the citizens for providing services relating to e-governance, banking, insurance and other postal services.

8. To make recommendations on setting up a Special Purpose Vehicle for management of postal estates. This will also cover such areas as improvement in the brand image, commercial utilization of building and real estates' face lift for the existing building, acquisition and construction of estates, ergonomics of postal premises etc.
9. To make recommendations relating to various quality initiatives such as setting standards, sharing them with customers, prescribing measurement tools, best practices and publicizing them etc and even perhaps creating an India Post Quality System for measuring specified tasks such as delivery performance.
10. Any other item which the Working Group deems necessary to be included for making recommendations effective.

The Working Group was permitted to set up Sub Groups to go into specific issues/areas in the sector and or for detailed information gathering and analysis or co-opt any person whose knowledge or expertise was considered useful to the Working Group or the Sub Groups.

2. Deliberations Of The Working Group

2.1 The Working Group met on 9th August, 2006. A presentation on the Approach Paper to the Eleventh Five Year Plan of the Department of Posts was made by the DDG (Corporate Planning), Department of Posts and the approach was discussed at length. A copy of the Approach Paper is at Annex-II. A copy of the gist of discussions in the Working Group meeting held on 9th August, 2006 is at Annex-III. The Working Group set up 16 Sub Groups to look into various areas which would require Plan support. The details of Sub Groups constituted are at Annex-IV. The Sub Groups submitted their reports, which are available in Appendices 1 to 16. The report of the Chief Postmaster General, West Bengal Circle, subsequently obtained on the proposals for the Andaman & Nicobar Islands, is in Appendix 17. The Draft Eleventh Five Year Plan recommendations were framed by the Corporate Planning Division of the Department of Posts, based on the reports of the Sub Groups and these draft recommendations were circulated to all the Working Group members. Since no further comments were received from the Working Group members, these recommendations have been incorporated in the present report.

2.2 The Working Group also examined the financial results of the Department over the years and found that the total revenues of India Post have grown at a compounded annual growth rate of over 8% for the past four years from Rs.3697 crores in 2001-02 to Rs.5022 crores in 2005-06. While the total expenditure in 2001-02 was Rs.5252 crores, it had risen to Rs.6698 crores by 2005-06. The deficit as a percentage of revenues has progressively reduced from 52% in 1999-2000 to 38% in 2001-02, 33% in 2003-2004 and 24% in 2005-06. Thus, it was noted that the Department is showing a healthy growth of revenue and has been able to control the deficit in the Tenth Plan period.

3. Recommendations

3.1 The Working Group has addressed the Terms of Reference through the deliberations of the various Sub Groups constituted by it. Since the Terms of Reference cut across various areas of operation and supporting areas of the Department, these have been kept in view while working out the detailed recommendations of the Working Group, that are contained in the Draft Eleventh Five Year Plan proposal of the Department of Posts (Annex-V).

3.2 The Draft Eleventh Five Year Plan recommendations (Annex-V) have been drafted keeping in view the vision statement of India Post, which reaffirms its social commitment, and its focus on technology induction, entrepreneurial management and achieving financial self-sufficiency. The Approach Paper is the base document on which the Eleventh Five Year Plan proposal has been built. The reports of the Sub Groups constituted by the Working Group have been studied and suitably incorporated in the detailed recommendations on the Draft Eleventh Five Year Plan proposal.

3.3 The structure of the Draft Eleventh Five Year Plan has been prepared so that it covers each operational and support area of the Department of Posts. In addition, separate provisions have been proposed for the North Eastern Region under a Sub Plan and for the areas of Ladakh, Andaman & Nicobar Islands and Lakshadweep Islands under Special Component Plans. The status of implementation of various Plan schemes over the years, particularly those relating to technology induction has been examined. It has also been ensured that the schemes are so designed as to enable the Department to fully utilize the capacities already developed up to the Tenth Five Year Plan and further build upon the existing Plan schemes. The specific recommendations for the Eleventh Five Year Plan of the Department of Posts relate to schemes that will enable it to capitalize on its strengths, utilize the market opportunities and face challenges such as competition. Since this can be done only by improving services and adapting them to the needs of a rapidly evolving and increasingly technology-driven world, the main focus of all the schemes is on technology and efficiency. There is also increased focus on non-core financial and non-financial activities and information technology-based services that can garner substantial revenues.

3.4 The Working Group observes that the Department is now poised to compete with the best of its competitors in all its operations. It is recommended that substantial investments be made in upgrading the infrastructure and moving towards a fully networked, central server based technology in the Eleventh Plan period, so that, despite the burden of the highly subsidized network, the Department has a level playing field with its competitors. Through the investment in various Plan schemes, the Department will be able to fulfill its Universal Service Obligation, increase customer satisfaction and garner additional revenues to further bring down the deficit. This investment will also enable other Government organizations to utilize the unparalleled retailing strength of the network, thereby reducing unnecessary Government investment in creating a parallel infrastructure. This network can also be used by private / Non-Government Organisations for effective delivery of services.

3.5 The Working Group recommends that the Department should make suitable changes in its organizational structure and Plan implementation approach to enable implementation of the proposal for the Eleventh Five Year Plan, since the existing structure and approach is not likely to be able to facilitate implementation of this complex yet essential Five Year Plan.

4. Conclusion

The recommendations of this Working Group, if effectively carried forward and implemented in the Eleventh Five Year Plan, can have far reaching consequences and lead to the optimal utilization of the vast postal network to support provision of a wide range of services, not only of the Department of Posts but also those offered by other organizations.

**No.M-13040/4/2006-C&I
Government Of India
Planning Commission
(C & I Division)**

**Yojana Bhawan, Sansad Marg,
New Delhi – 110 001
Dated: 30.05.2006**

OFFICE MEMORANDUM

**Subject: Working Group on Postal Sector for the Eleventh Five Year Plan
(2007-2012)**

In the context of preparation of Eleventh Five Year Plan (2007-2012) it has been decided to constitute a Working Group on Postal Sector to make recommendations on the various policy matters relevant to the formulation of the Eleventh Five Year Plan for Communication & Information Sector.

II. The Composition of the proposed Working Group will be as follows:

Name & Designation	
1. Secretary, Posts	Chairman
2. Member (O&M)	Member
3. Member (Development)	Member
4. Smt. Vatsala Raghu, CPMG, Tamil Nadu	Member
5. Shri S. Sarkar, DDG (Technology)	Member
6. Shri S.K. Sinha, PMG, Aurangabad	Member
7. Smt. Shoba Koshy, PMG, Kochi	Member
8. Shri P.T.S. Kumar, DDG (Personnel)	Member
9. Shri A.K. Sharma, DDG (Establishment)	Member
10. Shri D.V. Mahesh, Director (FP & M)	Member
11. Shri K.K. Sharma, Director	Member
12. Shri Sachin Kishore, ADG (Philately)	Member
13. Representative of DOT	Member
14. Representative of DIT	Member
15. Representative of M/o Railways	Member
16. Representative of M/o Civil Aviation	Member
17. Representative of M/o Rural Development	Member
18. Representative of M/o Finance (Insurance)	Member
19. Representative of M/o Finance (Expenditure)	Member

20. Representative, CII	Member
21. Adviser (C&I), Planning Commission	Member
22. Smt. Devika Kumar, DDG (CP)	Member Convenor

III. The Terms of Reference to the Working Group shall be as under

1. To recommend on the vision statement to be adopted for the Eleventh Five Year Plan with a focus on the social commitment, technology induction, entrepreneurial management and envisages becoming a self-supporting institution.
2. To make suitable recommendations on re-structuring the organisation and corporatising certain business units and possibility of segregating its banking and insurance functions. Also recommend possibilities of joint ventures or tie-ups for a larger presence nationally and internationally.
3. To make recommendations on formulation of a corporate plan and strategy for the formulation of a National Postal Policy (Keeping in view the present status and future potential of the Department of Posts against the background of the existing and anticipated national and international scenario, the universal service obligations of India Post and its commitment at the Universal Postal Union).
4. To recommend short-term, medium-term and long-term strategies to meet the objectives of the Department of Posts and make recommendations for rationalisation and consolidation of the Postal Network through computerisation, establishing the National Data Centre for providing increased access to postal facilities covering both rural and urban areas and developing an integrated plan for meeting emerging demand for services in rapidly growing urban areas.
5. To make suitable recommendations for – Legislative reforms and regulations of the postal sector.
6. To make recommendations on a composite sub-plan for the North East during the Plan period, instead of scheme-wise allocation of funds for the North East.
7. To recommend a technology policy for the Department of Posts, including the possibility of taking up a technology partner or recruiting technology experts; utilizing GIS; creating a seamless integration of software for converting Post Offices as delivery points to the citizens for providing services relating to e-governance, banking, insurance and other postal services.
8. To make recommendations on setting up a Special Purpose Vehicle for management of postal estates. This will also cover such areas as improvement in the brand image, commercial utilisation of building and real estates' face lift for the existing building, acquisition and construction of estates, ergonomics of postal premises etc.
9. To make recommendations relating to various quality initiatives such as setting standards, sharing them with customers, prescribing measurement tools, best practices and publicizing them etc and even perhaps creating an India Post Quality System for measuring specified tasks such as delivery performance.
10. Any other item which the Working Group deems necessary to be included for making recommendations effective.

- IV. The Working Group may set up Sub Groups to go into specific issues/areas in the sector and or for detailed information gathering and analysis. The Chairman of the Working Group may co-opt any person whose knowledge or expertise is considered to be useful to the Working Group or the Sub Groups any may invite any such person to specific meetings.
- V. The non-official members of the Group will be paid TA/DA by Planning Commission as per SR 190 (a) for attending meetings of the Committee.
- VI. The Group shall be serviced by Department of Posts and DDG (CP) would be the coordinating Officer, who could be reached at the following address:

Smt. Devika Kumar

DDG (CP)

Department of Posts

Dak Bhawan, Parliament Street

New Delhi – 110 001

Tel: (011) 23096095, 23036976

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Email: de_vi_ka@hotmail.com

- VII. The Group shall submit its report by 31st July 2006.

(S.A. Rahim)

Under Secretary to the Govt. of India

APPROACH PAPER FOR THE 11TH PLAN

1. Introduction

1.1 Vision

The vision statement of India Post reaffirms its social commitment, and its focus on technology induction, entrepreneurial management and achieving financial self-sufficiency.

In order to fulfill its universal service obligation, India Post operates a network of 1,55,516 post offices (as on 31/3/05), including 1,39,120 post offices in rural areas and 16,396 post offices in urban areas. Thus, 89% of the post offices are in the rural areas. In addition, 6962 Panchayat Sanchar Sewa Kendras are also providing basic postal facilities in rural areas. 5.40 lakh employees, including 2.47 departmental and 2.93 lakh extra-departmental employees run the operations as on 31-03-2005.

Over the last three Five Year Plans, the focus on technology induction to support its operations has increased exponentially. Keeping in view the opportunities and threats, India Post has rapidly expanded the range of products and services offered and has used innovative methods to leverage the vast network. The post office network now provides a wide range of services such as collection, transmission and delivery of mail (including premium products), money transfer, financial services such as banking and insurance and a variety of retail services.

Despite the range of services offered and the steps taken to enhance revenue and control expenditure, the services are still subsidized from the Central budget. Largely, the subsidy arises out of the fact that India Post has a social obligation in extending its services, at subsidized cost to it, across the country to urban, rural, tribal, remote, hilly, desert and other areas. Further, the services and products for the common man are priced so as to be affordable. The Department of Posts also absorbs pension payments of about Rs. 1100 crores to its past employees, unlike most other Ministries/ Departments of the Central Government. Keeping in view the commitment to achieving financial self-sufficiency, through sustained effort, the alarming increase in deficit over the earlier Five Year Plans was contained in the 10th Plan period. In the first 3 years of the 10th Plan, the deficit was almost constant at about Rs. 1300 crores, despite the fact that salaries went up with substantial increase in Dearness Allowance. The projections for 2005-06 indicate that the deficit will fall below Rs. 1000 crores.

1.2 Approach in the earlier Five Year Plans

1.2.1 The central purpose of planning was identified at the time of the First Five Year Plan, in 1951, as that of initiating a “ process of development which will raise living standards and open out to the people new opportunities for a richer and more varied life”(First Five-Year Plan). The manner in which this purpose has been translated into specific objectives has varied from plan to plan. However, in a broad sense, the basic objectives of planning in India can be grouped under four heads: growth, modernisation, self-reliance and social justice. In one form or the other, but possibly with varying emphasis, Department of Posts has kept pace through the previous plans in fulfilling the above objectives.

- 1.2.2 During all the Five Year Plans, the Plan outlay constituted a very small fraction of the total expenditure. The entire Plan outlay is funded through budgetary support. At present, there are no externally-aided projects.
- 1.2.3 Up to the 7th Five Year Plan, the Department focused on expanding the postal network, providing buildings and improving transport facilities. However, the Seventh Plan saw the commitment of modernization and technology induction on a small scale, along with introduction of Speed Post.
- 1.2.4 The principal objective of the Eighth Five Year Plan was to transform the postal system into a modern one with necessary technological inputs and introduce new services based on modern technology. The recommendations made by the Expert Committee on Excellence in Postal Services provided the basic framework of the modernization effort. Emphasis was laid on upgrading estates management and expansion of postal network to rural areas not yet having postal facilities.
- 1.2.5 The two major thrust areas of the Ninth Plan were expansion of postal services in the uncovered areas, especially remote and rural areas, and modernisation of the postal operations. Technology upgradation was accorded the highest priority for the first time under the Five-Year Plans with 58 % of the total approved outlay of the Ninth Plan being allocated for this purpose. The Ninth Plan also marked the beginning of diversification, with a view to generating more revenues, mainly through introduction of premium products like express parcel service and financial services like international money transfer, and by providing agency functions for mutual funds and other institutions and information technology (IT) products like e-post.
- 1.2.6 In view of the burgeoning deficit, the Tenth Plan aimed at achieving self-sufficiency by the end of the Plan period. The major objectives envisaged for Tenth Plan were-provision of universal postal services at affordable prices, ensuring quality of services at par with international standards, modernisation and process re-engineering with a view to achieving better administrative efficiency and financial management, upgrading existing infrastructure to reduce cost of operations and enhancing customer satisfaction. Computerisation, connectivity and networking of the postal network were the cornerstones of Plan activity during the Tenth Plan. Coupled with the modernisation and mechanisation programme, the technology upgradation component constituted nearly 80% of the outlay proposed for the Tenth Plan. The other major focus areas included business development and financial services with emphasis on improving the quality of service and customer support. The policy of opening of post offices was reviewed and it was decided that in order to rationalize the postal network any new offices should be set up only through the redeployment of staff or relocation of existing post offices. The Planning Commission also advised that a comprehensive review of all existing post offices should be carried out in a time-bound manner and all units which do not fulfill the norms and where resources are underutilized should be closed down. Innovative, low-cost methods to provide access to the postal network were to be introduced.

1.3 Major achievements in the earlier Five Year Plans

The details of major achievements in the 8th, 9th and 10th Plans are in Table....

1.4 Challenges to be addressed in the 11th Plan

1.4.1 Considering the significant decline in mail traffic, increasing competition and recurring operating losses (partly on account of non-definition of its universal service obligation and lack of reimbursement for this), India Post faces great pressure to reduce costs, increase revenue and operate on a far more commercial basis, while fulfilling the rising expectations of the customers. There is an urgent need to define the universal service obligation and regulate the postal sector. These challenges can be faced only by improving services and adapting them to the needs of a rapidly evolving and increasingly technology driven world. India Post will also need to focus on non-core activities – financial and non-financial, and on information technology-based services, provided mainly by leveraging its network and its last mile reach through partnerships with foreign and domestic private firms.

1.4.2 The internal postal market faces a number of opportunities and threats:

- i) *Communication Market* – Electronic alternatives as well as organized and ad hoc couriers are both eating into the market share of India Post.
- ii) *Logistics Market* – National and international players are entering the logistics and express markets to offer ever more sophisticated solutions aimed at large business customers.
- iii) *Mass Media Market* – Opportunities exist to develop direct mail and target the growing middle class community with targeted marketing.
- iv) *Retail and Financial Market* – With its extensive network India Post is well placed to partner with banks, insurance companies, and financial services providers as well as providing a greater scope for retail products.

1.4.3 In addition to the development of the postal market in India, external factors are also changing the dynamics of the market including:

- i) *Challenge of Globalisation* – Companies such as Deutsche Post and TPG (Dutch Post Office) have already developed into global companies with the acquisition of DHL and TNT respectively. Such global companies are a direct threat to India Post in the domestic and international express markets and India Post must consider how best to deal with such a threat.
- ii) *Challenge of Corporatisation* - The Government must give serious consideration to the most appropriate structure for India Post to face its commercial and environmental challenges.
- iii) *Challenge of Liberalisation* – The worldwide trend is to liberalise postal markets to provide customers with greater choice. De facto liberalization is happening in India with the emergence of a number of competitors to India Post. The Government must consider the impact of de facto liberalization and also how best to regulate the postal sector.

The Eleventh Plan will have to be devised, taking into consideration the internal and external opportunities and challenges.

2. Approach to the Eleventh Plan

2.1 *Outline of the Approach*

Carrying forward the Xth Plan approach, the XIth Plan will focus on using alternate means to provide greater access to postal services, such as franchising, and on utilizing this unparalleled network to support e-governance initiatives of the Central and State Governments and as a retail outlet / interface between the customer and the Governments both Central and State, particularly in rural areas.

In the XIth Plan period, with a view to further reducing the deficit, the DoP must define its Universal Service Obligation (USO), introduce suitable legislative amendments and set up a regulatory mechanism for the postal sector, to ensure a level playing field. Simultaneously, the DoP needs to carry out a restructuring exercise, carrying forward the recommendations of the Inter Ministerial Group and the Systems Study Report prepared by M/s KPMG. In order to exploit its professional expertise, the DoP should take initiatives like setting up a Post Bank and bringing Postal Life Insurance by bringing it under the IRDA umbrella. A Special Purpose Vehicle for Postal Estates management should also be planned, for effective utilization of these assets.

Focus on technological support for all the initiatives and extensive computerization of the network, using integrated software and central server technology, will be essential in the XIth Plan. A grid of Automated Mail Processing Centres would support mail sorting. Other focus areas would be human resource development including addressing the problem of an aging workforce, improvement of support systems and quality management. A Sub Plan would be prepared for the North East, to address the special needs of the region.

2.2. *Detailed Approach*

2.2.1. Network

The ongoing rationalization and consolidation of the postal network needs to be carried forward in the Eleventh Plan, with introduction of alternate, innovative means of providing access to the postal network, such as franchising and extension of mobile post office facilities. There is need to reassess and rationalize the justification for the existing network of Post offices, Letter Boxes, Panchayat Sanchar Seva Kendras Postal Agents, and to introduce alternate access mechanism like franchise etc, on the basis of customer requirements, Universal Service Obligation accessibility standards and business potential. Given the lack of connectivity in rural areas especially in the hilly, tribal and desert areas, the element of present level of subsidy to the extent of 66-2/3% for normal rural areas and 85% for other areas, is required to be continued. Further, a relook is required at the need for a separate network of mail offices that supports the mail operations. This will go a long way in improving the quality, enable greater control on the processes and lead to substantially better utilization of the managerial skills and resources. To facilitate the rationalization of the network, it is essential to develop a comprehensive management information system that is regularly updated and fully accessible both at the operative and policy level.

There is an urgent need to utilize this unparalleled network to support various retail services through tie-ups with Government and private organizations and also support e-governance initiatives of the Central and State Governments. Post offices can function as retail outlets and as an interface between the customer and the Governments both Central and State, particularly in rural areas. Support can also be provided in the Eleventh Plan to facilitate access to information relating to the Government sector, as required under the Right to Information Act, 2005, through post offices. Considering the experience of India Post in the financial services sector and the stable accounting system, the postal network can be used as a conduit to make payments under various social security / rural employment guarantee schemes and for collection of Government revenues. Plan support for such activities could also be provided.

2.2.2. Operations

2.2.2.1 Mail

Operations, mail transmission and quality of service would require focus. The working of the mail system needs to be on the hub and spoke arrangement, with major national level hubs supported by smaller hubs, which in turn will feed the mail arrangement till the District Headquarters level. There has to be a substantial investment in automated mail handling systems for various hubs in the country. These automated systems would have the capability of handling letter and parcel mail. Automated mail processing centers functioning at Mumbai and Chennai would need to be upgraded. Modern mail offices to handle letter and parcel mail, with specialized offices handling various premium mail products, would need to be set up. In addition, mail operations require efficient transport systems. Higher investment in procurement or leasing of fast moving trucks, conveyors, transport for delivery and pick staff and purchase or leasing of aircrafts will be required. Mechanization of Runner Lines in rural areas is required for faster conveyance of mail in these areas.

So far, mail transmission has mainly been dependent on external agencies through air and rail. During the Eleventh Plan, it is proposed to increase the mail transmission by road. There is also a need to streamline the existing track and trace systems and introduce track and trace systems for all accountable articles like parcels, registered items, money orders etc. More modern and sophisticated Mass Mailing Centres, Business Post Centres will be set up in XIth Plan with substantial investment in high speed franking machines and other equipment.

Establishment of Parcel Post as a major Strategic Business Unit (SBU) of India Post will be planned in the Eleventh Plan, as this business is expected to become a major source of revenue. The major parcel hubs will be provided with automatic parcel sorting systems, RFID systems, hydraulic pallet trucks, Fork Lifts, Taper Rollers and other parcel handling equipments. It proposed to develop and establish a commercial system for Parcel Post for providing end -to-end solutions, covering booking, tracking, billing and customer information system. During the Eleventh Plan, it is proposed to work towards making India Post a major player in the logistics and supply chain management arena by providing distribution channels, inventory management, packaging services, warehousing, transportation and time-definite distribution programs. During the 11th Plan, it is proposed to establish logistics centres in metro cities and major business towns and a logistics centre for international operations. India Post can also enter the international parcel and logistics

business and function as the logistics partner for Trade Fairs, Commonwealth games and State sponsored events.

As India Post provides distribution solutions to the customers and aims to be the market leader in the distribution industry, it should develop the ability to provide multi-modal systems including road, rail and air transportation in association with other organizations. In the area of express cargo, India Post, in association with airline companies, could provide air cargo solutions to the customers in the domestic as well as international sector. During the 11th Plan, it is proposed to establish some computerized cargo complexes at airports.

Creation of big letter shopping facilities in public –private partnership mode, a sustained interaction with stakeholders, and a professional and dedicated team would be required for the growth of direct mail, which has immense potential. A special unit is required to be created for this purpose.

India Post proposes to establish a web store and develop e-commerce solutions to provide customers various products which will be delivered through post, through partnerships with suppliers.

2.2.2.2 Up-gradation of International Mail Processing facilities at Offices of Exchange:

International Mail segment has become highly competitive with the emergence of private operators in the sector and cross border posting of mails. The Offices of Exchange (OE) in India i.e. Airmail Offices, SPCCs (International EMS) and Foreign Post Offices at Delhi, Mumbai, Kolkata, Chennai and Kochi process the international mail. Over the next five years of 11th plan these centres would require capacity augmentation, high speed processing of mails, Conveyer belts, hydraulic trolleys, remote scanners connected with wireless network etc in order to meet the challenges of competitive market.

2.2.2.3 Financial Services

In addition to providing Post Office Savings Bank and insurance facilities, India Post has the potential to provide financial services on behalf of other public/private service providers through its vast network. In the Eleventh Plan, it is proposed to focus on provision of new financial services through tie-ups, in addition to the existing services.

2.2.2.3.1. Banking

The Post Office Savings Bank is the single largest source of revenue for the Department. During 2004-05, it fetched a revenue of Rs. 2027 Crores. With a customer base of 14 Crore account holders, annual deposits exceeding Rs.1,60,000 Crores, a branch network double the size of all the banks in the country put together, and a diverse product range, the Post Office Savings Bank (POSB) is the largest retail banking network in the country. This network and reach should be utilised to implement the “Sampoorna Dak Khana Bachat Yojana Gram” Scheme. Investment is justified to support provision of POSB services. It is also proposed to set up a Post Office Savings Bank and Financial Services Directorate to provide an impetus to developing the post office network into a leading financial services provider, which will require substantial investment.

India Post could also provide savings bank retail outlets on behalf of existing banks, particularly small banks, in the country. The services provided could include collection of application forms for loans, opening of POSB accounts for loan-takers and providing for encashment of post-dated POSB cheques for the bank. on behalf of financial companies/banks, and provide for credit appraisal/rating of loan applications. Adequate funds would need to be provided to support these initiatives.

During the Eleventh Plan, it is proposed to expand the Plan programme for creation of Postal Finance Marts (PFM), which were first developed as One-Stop Shops for financial services in the Tenth Plan. The PFMs would help in creating a distinct identity and branding for postal financial outlets, which can serve as a front end for the tie-ups with financial institutions and banks for vending their retail services.

During the Eleventh Plan, it is proposed to switch over the computerization programme of savings bank and allied functions from LAN in individual post offices to Central Server based technology to provide for Any Time Any Where banking. This would entail investment on technology infrastructure options, hardware and software requirements and networking. The programme should be planned in the context of increased business volumes, induction of new information technology, growing customer expectations, competition, need for operational interface with other banks (electronic clearance, card based payment solutions, Internet and tele banking, ATMs etc.) and to reduce operating costs.

Process re-engineering of POSB operations is required, including counter operations, back office operations, accounting and audit trail. A comprehensive MIS also needs to be developed on the computerized network.

2.2.2.3.2. Money Transfer

Some investment would be required to support and expand the instant Money Order (iMO) Service, which was launched in the X Plan, and extend its scope to interface the iMO with the international payment gateway. India Post could also retail foreign exchange to individual resident Indians going abroad through special counters / dealing rooms.

2.2.2.3.3. Insurance

Postal Life Insurance(PLI) is proposed to be brought under the umbrella of the IRDA. This will enable removal of the restriction for introduction of new products which exists since PLI is not under the IRDA. Investment will be required for customization of products, improvement of after sale service and modernization of customer interaction points. Funds would also be required for hardware and software support to the existing and new initiatives in PLI and Rural PLI.

There is a need to develop internal expertise for fund management to enable investment of POIF/RPOIF as per investment pattern of IRDA and for hiring an Asset Management Company. Subsequent investment would be required for corporatization of the postal life insurance segment, which is also being considered.

2.2.2.3.4. Philately

Considering the experience of several foreign postal administrations that have capitalized on the huge revenue generation potential of philately, the focus of the X Five Year Plan was to

target the potential / uninitiated philatelists, the young individuals and the small-town segments, for creation and expansion of a minimum base level of philately business and infrastructure. In the XI Five Year Plan it is proposed to continue with some of these efforts, while also breaking new grounds in promotion, product innovation and quality, and technology induction.

2.2.2.4 Retail/ Counter Services

There is tremendous scope to leverage the network. However, the offices must be supported with adequate equipment and modern technology, including computers, with networking. There must be a focus on selected ED Post Offices also, since these would be the nodal points for e-governance programmes in collaboration with other Ministries/ Departments of the Central Government, State Government and other organizations.

2.2.3. Support Systems

2.2.3.1 Technology Induction

Extensive technology induction/ upgradation in the Department in XIth Five Year Plan is required to achieve the goal of financial self-sufficiency of the Department. Technology induction will facilitate increase in gross revenue through an improvement in the quality of service and by creating opportunities to expand new value-added services. In the long run reduction in the cost of operation of services is expected.

By the end of the Xth Plan, the Department will have computerized and networked about 8000 large departmental Post Offices. There is a need to computerize and network all 26,000 departmental Post Offices to obtain and extend to the customer the full advantage of computerization and networking. Thus, an additional 18000 departmental Post Offices will have to be computerized in the XIth Plan. In addition, about 15 to 20% (about 18000 to 24000) selected Branch Post Offices that are located in block/tehsil headquarters or in remote areas also need to be computerized. This network of computerized post offices will enable increase in revenue through consolidation of existing services and introduction of new value-added services and also support the e-governance initiatives of the Central Government. Remaining Administrative Offices including Postal Directorate, PSD/CSDs, Civil Wing offices, etc. will also be taken up for computerization in the XIth Plan. During the Eleventh Plan, it is proposed to computerize administrative offices at the sub divisional level, since these are the offices that directly monitor operations and are involved in marketing of new products. All divisional offices would have been computerized in the Tenth Plan.

Funds will also be required for replacement of obsolete hardware, such as servers, computers and other peripherals, supplied during the IX and X Five Year Plans.

To network the above offices, the National Data Centre will have to be strengthened and some regional data centers need to be set up in Circles/States to enable all levels to access management information on real time basis helping to take quicker decisions and cut processing costs. With net-working of Post Offices the Department can start various on-line services viz. any time, any-where Savings Bank and other financial services, improve delivery of its existing services and get additional revenue by introducing e-based value-added services. Funds will be required for maintenance of data centers and for the network.

Networked hand-held digital devices could be developed to be carried by Postmen / Postal staff to enable not only delivery of articles and intimation of their status in real time, but also for booking of articles and offering other services like accepting deposits, bill payment, etc. The same devices could be used to create a franchise network, where the franchisees could retail postal service on such hand-held machines. Similarly, technology should empower customers, by allowing them to buy postage on line, book these articles on line or send the booking data on line etc.

The software should be devised to cover all operations, customer relationship management, multi-channel retailing, from call center management to the seller and distribution of all services / products and seamless integration with processes / systems of our customers and stakeholders like transporters / airlines, franchisees etc.

It should be designed as a quality management tool, with a comprehensive MIS, providing strategic enterprise management support including business planning, financial management, performance measurement and process consolidation. It should also facilitate human resource management to deliver comprehensive, integrated HR processes including recruitment, training, payroll, legal reporting etc., provide integrated facility management to optimize site usage and occupancy rates, inventory etc.

Since ERP would involve a high capital investment, a three tier approach would need to be adopted for its implementation. A core group would be set up from within India Post for domain knowledge, a technology partner brought in to advise India Post in the selection of platform, software etc. and also act as the conduit for transfer of knowledge to the third tier, the development team of the ERP solution provider. Some of the Postal officers should also be embedded in this team on deputation. The Department will need an integrated software with Central Server based technology for its various services, probably using an ERP solution. The software would have to ensure seamless integration with processes and software of UPU, other postal administrations, Airlines, Customs, major customers etc. Funds will be required for development and maintenance of the software.

The new mail arrangement, outlined in para 2.2.2.1, needs to be backed by several other measures. Track and trace and RFID would be required in almost all the products as the customer today is interested in knowing the status of the article as soon as it is given. There is great need for right investments in technology for better monitoring by use of diagnostic system as well as tracking of mails all over India. This is intended to meet the demand of the customers of tracking and delivering according to international service standards.

Simultaneously, the infrastructure facilities in the Software Development Centres will have to be upgraded so that these centres can play a much more effective role in development and maintenance of various application software.

2.2.3.2 Human Resource Development

2.2.3.2.1 Development of a Technology Cadre:

To sustain and implement technology induction programmes, required training will have to be given to the staff and the department will have to develop a technology cadre.

2.2.3.2.2 Training

During the XI Plan, there is a need to increase the focus on human resource development, particularly training, in order to develop adequate skill sets to support the delivery of services to customers, induction of new technology, specialization in banking and insurance sectors, marketing and legal matters. The training programmes must be designed to cater to the varying training needs at each operative and administrative level. Behavioural training is also essential to enable effective customer interaction. The introduction of self e-learning packages should supplement the work place / in house training programmes, which also need to be extended. Upgradation of facilities, training material and equipment in training centers and improvement of the building infrastructure is also essential. A project for restructuring of the Postal Staff College India (PSCI) and the postal training center network needs to be prepared. A proposal for evolution of the role of PSCI from a training institution to a nodal training policy institute with international linkages, would be incorporated in the Eleventh Plan.

2.2.3.3 Market Research and Development

A separate Marketing and R&D Cell and centers would need to be set up with the following objectives:

- a) To carry out academic research and create a knowledge bank: research on postal management (link with PSCI and universities)
- b) To evolve strategies and plans and implement them through the concerned Divisions to change the mindset of the people about the role of the Post Office
- c) To develop a market intelligence system and carry out research and planning by experts/ in-house
- d) To develop and maintain national address database
- e) Increase brand visibility and presence through all items/ equipment
- f) To get people to the Post Office through promotional offers and incentives.
- g) To develop internal marketing strategies as well as point of sale customer relation programmes
- h) To achieve and sustain effective quality of service
- i) To build the brand image of the Post Office which will amongst others also entail identity, positioning, clarity and visibility and relevance of products and services provided by the Department.
- j) Become media savvy and make a media plan, with high investment
- k) Develop specialized plans for premium products, financial services and philately
- l) Recruit young persons for marketing

2.2.3.4 Estates Management

Investment will be required to provide functionally useful modern space for post office operations, improve the general ambience and aesthetics of postal buildings and provide convenient, modern facilities and amenities to customers. It is necessary to design buildings to reflect the brand image of India Post, which needs to be evolved.

As a strategy, no buildings would be constructed for offices running in loss. Since 54% of double handed and 60% of single-handed post offices are running in losses, as a policy no

buildings should be constructed for single or double handed offices. During 10th Plan focus has been on construction of operative offices with more than 15 staff strength.

At present all divisional headquarters have a Head Post Office, so one building should house both units. It is proposed to accommodate postal units in departmental buildings which would entail having departmental buildings for all Circle offices, Regional offices and HO cum divisional offices and sub post offices with > 15 staff strength.

The department will have 1827 vacant plots of land at the end of Xth Plan. Classification of vacant plots of land in high commercial areas, non- commercial areas has been completed. The strategy for construction would be to construct buildings in identified in highly commercial locations with private partnership, while continuing with the existing programme for construction of buildings with Government funding on plots with low commercial value. While construction on vacant available plots with Govt. funds can be done as at present through the Engineering Wing of the Department, for others expertise to garner private funding and operate within the legal framework for operationalising public private partnerships will be required. The Department is processing setting up of an SPV for management of postal estates for the purpose of optimal utilization of postal land. Once this SPV comes into existence dependence of the Department on government funding for construction of buildings will reduce and be eliminated in due course. The outer limit of time frame for self-dependency would be end of Eleventh Plan.

2.2.3.5 Materials Management

2.2.3.5.1 Supply of Equipment

It is imperative that the Department builds up its own printing facilities, and this can be done in an effective manner if Risograph machines are supplied to all Divisions.

Fork lift trucks, pallets and other handling equipments would be required at logistics centers and PSDs/CSDs, where the work involves loading and unloading of heavy crates. These are by way of examples. Other modern equipments required for running Post Offices and Mail Offices, such as machines related to work involving packing, moving, unpacking, binding, stapling, cash counting etc., would also have to be procured. Equipment such as PDAs, stamp cancelling machines, improved stamps and seals will have to be supplied to all Post Offices.

2.2.3.5.2 Total Computerization of all PSDs

All the PSDs should also be fully computerized, using all the latest inventory management techniques. In the 9th Five Year Plan, supply of two computers for each PSD was made, but this did not have adequate impact because with just two computers the process of issuing indents merely got changed from manual mode to computerized mode. Data entry of all kinds of forms and stores at the time of adding to the stock and deleting at the time of supply could not be made with just two computers because the work in the PSD is distributed between various branches which are sometimes operating on different floors of the PSD. For effective data base management and ensuring date exchange between the Post Offices and various PSDs within and outside the Circles, proper networking is required. This will be possible only if all the PSDs can be fully computerized and networked across the country through the NDC.

2.2.4 *Quality*

2.2.4.1 Setting up of an R&D/Design Centre:

There is a need to develop an R&D Centre under the Marketing and R&D Cell to encourage development of indigenous franking machines, mail processing equipment, vending machines etc. Investment will be necessary in this area. Further, the Department has to have its own Rate Contracts for items which are not available on the DGS&D Rate Contracts. For this, the Department should have the wherewithal and know-how for standardization of products. The Department should also have means of checking the quality of various products, keeping in mind the needs of ergonomics and eco-friendliness of the products being designed/used/to be used by the Department. Therefore, to have quality measurement techniques and standardization of products, it is necessary to have a Research & Development Centre, with its own qualified personnel and laboratory for testing and design development of materials and equipments specific to the needs of the Department.

2.2.4.2 Upgradation of infrastructures for providing better Customer services:

The Department has already set up 1150 computerized Customer Care Centres. They will also act as hubs to accept applications for various citizen centric services like Right to Information Act. Such centres need to be strengthened further by providing needed infrastructures and extended to cover the country in a balanced and even manner to function more efficiently. There will also be a need to set up national and regional call centres to provide proper after sales service to the customers.

2.2.4.3 Monitoring systems of quality of International mail

Reliability and efficiency are the key objectives to be achieved to increase the volume of mails. Postal Administrations have to ensure higher standards of quality performance in transmission and delivery of international mail. The 23rd UPU Congress has linked the terminal dues payments with quality of service. Countries have to monitor the quality of service performance at least at four stages i.e. posting, dispatch from outward OE, receipt at inward OE and delivery. India is a large country with substantial mail volumes. In order to protect the revenue from international mails computerized systems of quality testing of international mail on each segments of handling is the need of the hour. A plan project may be taken up in 11th plan to develop/ install systems of quality monitoring of international mail.

2.2.4.4 Implementation of Citizen's Charter in Post Offices

The Department, over the last five years, has taken up implementation of its Citizens Charter in major post offices as a quality control measure. The exercise began with chosen head post offices and has been gradually extended to all departmental sub offices upto LSG level by 30th September, 05. The other departmental sub offices are also being gradually covered. The entire exercise so far has been undertaken from the allotted funds under non-plan heads. The Citizen's Charter, however, involves a lot of activities that could be provided in the best manner possible if planned in a project mode. The Citizen's Charter, inter-alia, involves setting up of a Post Forum and service teams involving the staff, awareness and training, improving the environment, the process and customer service, evaluation and monitoring of

performance and reward and recognition. While training needs in different fields are catered to by various existing plan schemes, the needs specific to the implementation of the Citizen's Charter and customer services are largely unattended. A specific fund requirement to that effect is therefore to be projected. Further, while schemes for developing a corporate look for the post offices externally are developed, the specifications for the internal environment need greater attention for the implications they have for the ergonomics of the office as well as the facilities available to customers. Special provisions for improving these facilities are necessary. These facilities include improvement and modernization of counters, providing information through signboards on service norms etc., proper seating arrangements for citizens in the public hall, facilitation counters, water coolers for the customers, good furniture etc.

2.2.4.5 Process improvement of services using Six Sigma

For improving the quality of services and achieving greater efficiency, removing bottlenecks in the process chain is necessary. Various scientific tools are available today to enable organizations to do this. Six Sigma is one such process, which has benefited a number of organizations. Six Sigma is a five-stage process popularly known by the acronym DMAIC, which stands for define, measure, analyse, improve and control aspects of a process. It is proposed to adopt the process in the Department of Posts to improve the quality of services in respect of all the popular services of the Department as also the revenue earning services provided by it. The exercise is expected to yield exponential benefits for the Department by delivering quality as per expectations of customers and also measuring each aspect of its activities in uniform units. As the scope of the project in an organization like the Department of Posts is huge in terms of the number of products, the area, the number of personnel and other stakeholders to be covered by it, it can only be undertaken in a project mode under the Plan. Through this project, the Department hopes to take the quality of its services to the next level that can compare and compete with the best players in the postal and courier sector. The items of expenditure will include consultancy and training.

2.2.4.6 Setting up Call Centres based on Interactive Voice Response System.

For customer care the Department has set up computerised customer care centres during the 10th Five Year Plan. However, it is seen that customers want to have a facility over telephone with easily identifiable numbers to get responses to their routine as well as specific enquiries. Even for specific enquiries, instant replies can be sent to the extent the Department can provide track and trace. For other enquiries it can develop a system of deferred response with the use of the existing customer care centres and the proposed IVRS system. It is proposed to set up Call Centres all over the country at 22 locations initially. The project would be implemented in three phases- consultancy to plan implementation of the project, implementation of a pilot project at a selected site and roll out for implementation at the other sites.

2.2.4.7 Business Process Reengineering

Some studies will have to be carried out for business process reengineering, keeping in view the customer's perspective.

**Gist of discussion in the first meeting of the Working Group on the Postal Sector
for the Eleventh Five Year Plan**

The first meeting of the Working Group on the Postal Sector, to make recommendations on the various matters relevant to the formulation of Eleventh Five Year Plan for the Communication & Information Sector, was held on 9.8.2006 at 1100 hrs in the Committee Room, Dak Bhawan, New Delhi. The list of Working Group Members and other Officers who attended the meeting is at Annex. The meeting was chaired by Ms. Jyotsna Diesh, Secretary (Posts) & Chairperson of the Working Group.

2. Secretary (Posts) gave a brief overview of the proposed approach to the 11th Plan and explained the background to the formulation of the approach and the challenges to be addressed in the 11th Plan. Thereafter, a presentation on the draft Approach Paper was made by Mrs. Devika Kumar, DDG (Corporate Planning), Department of Posts (DoP).

3. The following points were raised by various Members of the Working Group:

3.1 Adviser (C&I), Planning Commission:

- (a) The formulation of the 11th Plan would involve an exercise for zero based budgeting, review of the existing schemes to weed out and reorient the schemes which have not given the desired results and also for introduction of new schemes.
- (b) There is a need to dovetail the recommendations of the KPMG report and the report of the Inter-Ministerial Group set up by the Cabinet Secretary into the 11th Plan. Thus, a note on the main recommendations of these two reports should be circulated among the Working Group Members, while also indicating how the recommendations have been taken into account in the 11th Plan approach.
- (c) The Department should set a target in the 11th Plan for progressively reducing deficit and ultimately achieving financial self-sufficiency.
- (d) Only an outline of the 11th Plan Schemes has been suggested in the draft approach paper. Details of the schemes would need to be elaborated by the Working Group.
- (e) In the case of the technology component, in particular, it would be necessary to assess the achievements against the targets set in the 10th Plan and only then decide how to carry forward this component in the 11th Plan.
- (f) The present status of the National Data Centre project should be informed to the Working Group.
- (g) The Department should coordinate with the Jawahar Lal Nehru Urban Renewal Mission so that the requirement of postal services is also incorporated.

3.2 DDG (Technology), DoP

- (a) The Department has already supplied computers to 8163 post offices against the 10th Plan target of 7700 post offices. The status of operationalisation of application software has been reviewed across the country. It is expected that all

- the modules will be working in the post offices by December, 2006, so the project would be successfully completed in the 10th Plan.
- (b) The National Data Centre Project is being carried out with the support of NIC and it is expected that more than 1500 post office will be networked by December, 2006.
 - (c) The global tender for setting up Automated Mail Processing Centres (AMPCs) will be issued next week and delivery of machines/equipment would take 4-6 months after placing orders. It is expected that the expenditure on the AMPCs would be incurred within the 10th Plan period.
 - (d) The draft Approach Paper should contain a statement of objectives sought to be achieved by the end of the 11th Plan. Details of timeframe and the financial dimension should also be included.

3.3 Chief Information Officer, CII

- (a) The focus of the Department on technology is commendable and increasing use of ICT tools is required to modernize the postal system. ICT tools must be used for networking of data centres. The Department should utilize available software and hardware solutions.
- (b) There is a need to focus on the postman who is the main and best recognized interface point with the customers. The postman is almost a family member in rural areas.
- (c) The use of CDMA handsets by postmen, for providing telecommunication connectivity, should be expanded through coordination with the DOT, which is emphasizing on network coverage expansion.
- (d) There could also be tie-ups for use of DoP's vacant plots of land with DOT for tower placement and also with other organizations, including private organizations.
- (e) The Department of Posts has tremendous potential, as it is a data repository and, with proper data management, it can provide business intelligence, with substantial commercial spin off.
- (f) The Department should look at scale related reduction in cost of services.
- (g) The Department could provide training outreach through its expertise and its institutions like PSCI as there is a dearth of good man-power for training in postal operations. The Department could devise a certification programme, perhaps with a tie-up with an international organization, and offer the programme to various postal service operators, including couriers. This would be a good business opportunity.
- (h) There is a need to revamp the structure of the Department and look at outsourcing, particularly at the point of customer interface. There is also a need to revamp processes and redesign forms.

- (i) The Department should focus on the Commonwealth Games and also other games which will be held prior to these games such as Military Games and Games for Young People. This could be another business opportunity.
- (j) Human resource training could focus on developing good experience centres for customers.
- (k) CII has national committees for telecom, IT, Electronics and a Knowledge and Skills Mission. The CII is also emphasizing e-commerce. The DoP could become involved in these activities and industry members could increase the participation in post related issues. The CII also has some focus areas, like Small and Medium Enterprises(SME) and is commencing pilot projects at locations like Pune, Tirupur and Ahmedabad in which the Department of Posts could also be involved. The CII would send a letter on this to the DoP.
- (l) There is a need to prepare scalable replicable projects in the use of ICT.
- (m) Any infrastructure being planned for convergence, devices etc. should factor in the present inter-net addressing protocol i.e. IEC.
- (n) While outsourcing, it would be advisable to utilize local persons as the local language would be useful, particularly in rural areas and the number of persons leaving would also be reduced if they are picked up locally.
- (o) While formulating North-East Sub Plan, the Department could consider interacting with NABARD and the Ministry of Defence on a project relating to Ex-Servicemen being handled by the Assam Regimental Centre.

3.4 Executive Director (Coaching), Railway Board:

- (a) The growth of railways is at about 10-11% with the passengers segment growing at 9-10% and freight at 14-15%. This is leading to shortage of space. The routes have been made longer and the timings have shrunk. It is expected that there would some improvement after introduction of trains to new areas and increased penetration of railway network.
- (b) The areas where the demand for space by Department of Posts is expected to increase should be indicated to the railways to ensure proper coordination. Interaction should be at the apex level.

3.5 Director, Ministry of Civil Aviation, Officers of Indian Airlines and Air India:

- (a) There has been unprecedented growth in the aviation sector particularly in the last six months and both passenger and cargo have increased substantially. However, now more airlines are operating, leading to increased frequency of flights on traffic routes and increased connectivity to new areas.
- (b) Indian Airlines and Air India will support the Department of Posts fully in mail carriage and would like to discuss the commercial aspect of operations and similar issues of the draft Bill separately.

- (c) The cargo segment of Indian Airlines is being completely computerized and the networking will be completed this year. This will enable reservation of space in advance as the system will indicate the available weight that can be carried to different destinations. Each of the customers like India Post will be provided a password for access to this system on line. Track and trace is also being introduced.
- (d) The Department of Posts should focus on improving the quality of mail bags and stationery as this will have a great impact on customer services.
- (e) The upgradation of facilities and technology should be taken up only on commercial principles.
- (f) Cargo services will be operational by next financial year.
- (g) A terminal will be provided to the major customer at specified points for accessing the network.
- (h) Commercial issues such as clearance of pending dues from 1994, shortest distance factor etc., can be discussed separately.

3.6 Director (Insurance), Department of Economic Affairs (Banking Division), MOF:

- (a) On the lines of tie-ups with OIC Limited, the Department may consider tie ups with other insurance firms also for marketing of non-life insurance products.
- (b) The Department would need to have a separate corporate entity for bringing PLI/ RPLI under the IRDA umbrella. An investment would also be required to commence the operations.

3.7 Senior Director, Incharge E-governance Services, DIT:

- (a) The Department of Posts should have a closer interaction with DIT particularly with regard to three projects i.e. CSCs, SWAN which provides the last mile reach and state level centres.
- (b) The state level data centres could perhaps be utilized by the Department of Posts as regional data centres linking with the National Data Centre.
- (c) The Department should utilize its rural presence particularly in the financial service sector and also intensify its initiatives for providing payments for various schemes like Rojgar Yojana through post offices.
- (d) The Department should hire a team of experts with core competence on contract basis to work out outsourcing proposals as has been done by DIT in the National e.governance programme for developing state level capacity building projects.
- (e) E-learning and interactive/ on line testing can be developed in coordination with DIT, which has prepared such software for the Police Department.

3.8 DDG (Establishment), DoP:

- (a) The franchising details should be specified in the approach paper to indicate whether this would cover new areas or also replace existing post offices.
- (b) The Department should not attempt to develop prototype in its R&D centres through in-house personnel, as there would be a capability issue.
- (c) It needs to be clarified whether there would be a new technology cadre and if so, how this would be developed.
- (d) The existing AMPC would need replacement in the 11th Plan and this should be provided for.

3.9 DDG (Personnel), DoP:

- (a) The main focus area in the 11th Plan should be modernization.
- (b) In HRD, there should be assessment centres for personnel evaluation.
- (c) The Department also needs to look at process re-engineering and revamping the organization.
- (d) There is a need to develop very high quality monitoring of mail and third party validation. The public delivery system also needs such evaluation and third party validation.
- (e) The approach paper should also address itself to issues relating to the Accounts Wing and Civil Wing of the Department.

3.10 Director (Foreign Post), Chennai:

- (a) Under the quality management programme, certification projects should be taken up for which funding would be required. BIS representatives should be coopted for this purpose.
 - (b) BPOs should be involved in data entry, SB and Rural PLI.
4. Member (O&M) advised that there is a need to join hands with various organizations and the Planning Commission to achieve the objectives of the 11th Plan. She suggested that the CII could address the Department of Posts giving details of the activities in which the Department could be involved so that an institutionalized interaction can commence. With regard to technology upgradation and product expansion, she expressed the view that there was now a need to focus on consolidation to ensure the impact of the initiatives already taken.
5. Member (Development) made the following observations:
- (a) There should be a more institutionalized, interactive framework in the DOP to deal with other organizations- both government and private, including those in the area of industry and commerce.

- (b) There must be coordination with the Civil Aviation Ministry to ensure integration of the software to be developed by DoP in the 11th Plan with the cargo software being developed by Civil Aviation.
- (c) Due importance should be given to the core activity of mails in the 11th Plan and a project aimed at restructuring should be included to develop a mail business organization, handling not merely backroom operation but all activities from collection to delivery and marketing of mails.
- (d) The decentralization aspect of insurance should again be looked at and substantial investment in computerization and infrastructure, particularly in RPLI would be required to support the move to bring PLI / RPLI under the IRDA and make market investment of the corpus.
- (e) The focus on technology induction should increase.
- (f) The approach for network access needs to be reviewed with the introduction of alternative mechanism like franchising. The focus on remote areas should be continued. Work norm revision also needs to be looked into.
- (g) At the branch office level, the possibility of partnership with other government organizations like Census Commissioner, Election Commission, Ministry of Rural Development (for NREGS) and with private organizations should be explored.
- (h) In the area of personnel, there is a need for attitudinal change and focus on customer relations management, for which there should be internal marketing.
- (i) The quality of services project being funded by World Bank should be handled by the Postal Staff College India, Ghaziabad, and implications, if any, with regard to the 11th Plan should be examined.
- (j) Project for restructuring/process re-engineering and modernization, total computerization and networking of the Accounts Wing of the Department should be included in the 11th Plan.
- (k) Since the Civil Wing has been brought under the ambit of the DOP, projects for computerization and training / orientation of the staff and streamlining of its functioning could be included in the 11th Plan.

6. Secretary (Posts) approved suggestions of the Members to co-opt members from the Ministry of Urban Development & Poverty Alleviation, FICCI and from the Indian Banks Association (IBA) as Members of the Working Group. She also advised that the Ministry of Rural Development and the Department of Telecommunications be requested to send their Members for future meetings of the Working Group as the nominated members or their representatives were not present for this meeting. She also drew attention to the need to immediately set up / constitute Sub Committees of the Working Group to work out the details of recommendations for various areas covered in the Approach Paper within 3 weeks. Thereafter, the Working Group Members could take a week to study the Sub Committee recommendations and then meet again.

7. The meeting ended with a vote of thanks to the Chair.

SUB-COMMITTEES FOR 11TH PLAN SCHEMES

Scheme	Subject	Chairperson	Members
1.	Access to Postal Network	CPMG Karnataka	Ms.Indu Gupta, DDG(E&PN) Ms. Shoba Koshy, PMG Kochi, Mr. K.K. Sharma, DPS(HQ) Bangalore Ms. Vandita Kaul, Director(PN)
2.	Mail Operations (Transport Management)	CPMG Tamil Nadu	Mr. Faiz-Ur-Rehman, DDG (MM & TS) Mr. John Samuel, GM (P&L) Ms. Humera Ahmed, PMG (MM), Mumbai Ms. Karuna Pillai, PMG (MM), Chennai Mr. Ashish Kumar, Director (Mails)
3.	Banking Operations	CPMG Maharashtra	Mr. Monojit Kumar, PMG(MM), Kolkata Region Ms. Rameshwari Handa, DDG(FS) Ms. Sharada Sampath DPS Hyderabad Region Mr. D.V. Mahesh, Director (Foreign Post & Marketing) Chennai
4.	Insurance	CPMG J&K	Mr. S.K. Sinha, PMG, Aurangabad. Mr. V. Pati, AGM, PLI Mr. Anil Kumar, DPS, Patna.
5.	Money Transfer Operations	CPMG Bihar	Ms. P.M. Lal, Director(PG) Mr. L.N. Sharma, Director, PTC, Saharanpur Mr. Raj Kumar, ADG(IMTS) Mr. Nirmaljit Singh, SSPOs, Chandigarh
6.	Philately Operations	CPMG MP	Ms. Kavery Banerjee, DDG (Philately) Ms. Meera Handa, PMG(MM), Delhi Mr. S.M. Alexander, DPS (HQ) Kerala
7.	Retail Services Operations	CPMG UP	Ms. Shanti Nair PMG, South Karnataka Region Mr. Gautam Bhattacharya, DPS, Mizoram Ms. Manju Pandey, AGM(Mktg), BDD Ms. Manisha Mishra, ADG(FS)
8.	Estates Management	CPMG Punjab	Ms. Indu Gupta, DDG (E & PN) Ms. Rameshwari Handa, DDG (FS) Mr. N.K. Tyagi, Chief Engineer(Civil)
9.	Material Management	CPMG, AP	Mr. S.K. Chakrabarti, DDG(MM) Mr. Ashish Kumar, Director(Mails) Mr. Alok, AGM(P&L)
10.	Technology Upgradation & Modernization	Addl. DG APS	Mr. S. Sarkar, DDG Technology Mr. S.K. Sinha, PMG, Aurangabad Mr. P.K. Bisoi, Director (Tech-I) Mr. P.D. Tshering, Director (Tech-II)
11.	Human Resources Management	CPMG Delhi	Mr. P.T.S. Kumar, DDG (P) Ms. Manju Kumar, Director, PTC, Vadodara Mr. Shibu Job, DPS, Kozhikode Ms. Trishaljit Sethi, Director (T&E)
12.	Customer Relations Management	CPMG Kerala	Ms. Kalpana Tewari, DDG (PG & QA) Mr. S. Gauriar, PMG, Indore
13.	Marketing and R&D	CPMG Gujarat	Mr. M.S. Bali, GM (Marketing) BDD Mr. K.K. Sinha, DPS Delhi Mr. Harpreet Singh, Director, PLI, Kolkata Mr. Adnan Ahmed, APMG, BD, Mumbai
14.	Quality Management	CPMG Rajasthan	Ms. Kalpana Tewari, DDG (PG &QA) Mr. R.R.P. Singh, PMG Bareilly
15.	Restructuring/Modernization/Upgradation of technology of PA & Civil Wing	DDG(Establishment)	Mr. S.K. Mishra, DDG(PAF) Mr. N.K. Tyagi, Chief Engineer(Civil) Ms. Smriti Saran, Director(Staff) Mr. P.K. Bisoi, Director(Tech)
16.	North-East Sub-Plan	CPMG N.E.	Mr. Lalhluna, PMG NE Circle Ms. Mildred Iawphina, PMG,Rajkot Region Mr. Tilak De, PMG (Siliguri) Mr. I. Pangerungsang, DPS, Nagaland

- sub-plan on Ladhakh region is included in the report of the Sub committee on Insurance while a Sub –plan on Andaman Nicobar Islands is placed separately along with other reports.

CHAPTER I INTRODUCTION

1. The Network

The Department of Posts is responsible for the operation of a network of 1,55,333 post offices (as on 31/3/06), including 1,39,074 post offices in rural areas and 16,259 post offices in urban areas, in order to fulfill its Universal Service Obligation. Thus, 89% of the post offices are in the rural areas. The operations are run by about 5.4 lakh employees, including about 2.47 lakh departmental and 2.93 lakh extra-departmental employees known as Gramin Dak Sewaks (GDS).

2. Earlier Five Year Plans

2.1 Up to the 7th Five Year Plan, the Department focused on expanding the postal network, providing buildings and improving transport facilities. However, the Seventh Plan saw the commitment of modernization and technology induction on a small scale, along with introduction of Speed Post.

2.2 The principal objective of the Eighth Five Year Plan was to transform the postal system into a modern one with necessary technological inputs and introduce new services based on modern technology. Emphasis was laid on upgrading estates management and expansion of postal network to rural areas not yet having postal facilities.

2.3 The two major thrust areas of the Ninth Plan were expansion of postal services in the uncovered areas, especially remote and rural areas, and modernisation of the postal operations. Technology upgradation was accorded the highest priority for the first time under the Five-Year Plans with 58 % of the total approved outlay of the Ninth Plan being allocated for this purpose. The Ninth Plan also marked the beginning of diversification, with a view to generating more revenues, mainly through introduction of premium products, financial services like international money transfer, and agency services.

2.4 In view of the deficit, the Tenth Plan aimed at achieving self-sufficiency by the end of the Plan period. The major objectives envisaged for Tenth Plan were- provision of universal postal services at affordable prices, ensuring quality of services at par with international standards, modernisation and process re-engineering with a view to achieving better administrative efficiency and financial management, upgrading existing infrastructure to reduce cost of operations and enhancing customer satisfaction. Coupled with the modernisation and mechanisation programme, the technology upgradation component constituted nearly 80% of the outlay proposed for the Tenth Plan. The other major focus areas included business development and financial services with emphasis on improving the quality of service and customer support. The policy of opening of post offices was reviewed and it was decided that in order to rationalize the postal network new offices should be set up through the redeployment of staff or relocation of existing post offices and use of innovative means of providing access to postal facilities, such as franchising, should be considered.

2.5 During all the Five Year Plans, the Plan outlay constituted a very small fraction of the total expenditure. The entire Plan outlay is funded through budgetary support, with very negligible external aid. Using the budgetary support optimally, India Post has rapidly expanded the range of products and services offered and has used innovative methods to leverage the vast network. The post office network now provides a wide range of services such as collection, transmission and delivery of mail (including premium products), money transfer, financial services such as banking and insurance and a variety of retail services.

3. Approach in the Eleventh Five Year Plan

3.1 The Eleventh Five Year Plan proposal has been drafted keeping in view the vision statement of India Post, which reaffirms its social commitment, and its focus on technology induction, entrepreneurial management and achieving financial self-sufficiency.

3.2 While framing the various schemes, it has been kept in view that the Department of Posts needs to fully exploit the latent potential of the vast network of post offices and the wide range of services offered through enhancement of revenue, while continuing to fulfill its Universal Service Obligation. As a result of the effective implementation of various Plan schemes over the years, particularly those relating to technology induction, the Department is now poised to compete with the best of its competitors in all its operations. However, in the Eleventh Plan period it is necessary to make substantial investments in upgrading the infrastructure and moving towards a fully networked, central server based technology, so that, despite the burden of the highly subsidized network, the Department has a level playing field with its competitors. Through the investment in various Plan schemes, the Department will be able to fulfill its Universal Service Obligation, increase customer satisfaction and garner additional revenues. This investment will also enable other Government organizations to utilize the unparalleled retailing strength of the network, thereby reducing unnecessary Government investment in creating a parallel infrastructure. This network can also be used by private / Non-Government Organisations for effective delivery of services.

4. Zero Based Budgeting

1.4.1 The Eleventh Plan proposal has been formulated after in-depth deliberations, following a truly zero based budgeting approach. The entire structure of the Plan has been revamped to cover all areas of operation and supporting services, keeping in view the imperatives highlighted above. Each existing Plan activity has been critically reviewed and restructured wherever necessary. Plan activities that are no longer required have been dispensed with and new Plan activities that were found to be essential have been introduced. As a result of this exercise, the Plan proposal formulated is very cohesive, forward looking and fully oriented towards actualizing the vision of the Department of Posts.

5. Broad Details of the Eleventh Five Year Plan Schemes

5.1 The Eleventh Five Year Plan of the Department of Posts includes schemes that will enable it to capitalize on its strengths, utilize the market opportunities and face challenges such as competition. Since this can be done only by improving services and adapting them to the needs of a rapidly evolving and increasingly technology-driven world, the main focus of all the schemes is on technology and efficiency. There is also increased focus on non-core financial and non-financial activities and information technology-based services that can garner substantial revenues.

5.2 It is proposed to have one Sub Plan and three Special Component Plans in addition to the main Plan for the Department of Posts. The North Eastern Region requires special focus so that those of its needs, which are different from other areas of the country, can be addressed. Therefore, a Sub Plan is proposed for the North East. Three areas which require special attention have been identified for having Special Component Plans. These areas are – the Andaman & Nicobar Islands, the Lakshadweep Islands and Ladakh. The gist of the outlays proposed for various schemes under the Eleventh Five Year Plan of the Department of Posts and the Sub Plan and Special Component Plans is given below:

NAME OF SCHEME/ SPECIAL COMPONENT/ SUB PLAN		PROPOSED OUTLAY (IN RS. CR.)
A. SCHEMES		
I	ACCESS TO THE POSTAL NETWORK	118.60
II	MAIL OPERATIONS	502.00
III	BANKING AND MONEY TRANSFER OPERATIONS	2858.50
IV	INSURANCE OPERATIONS	195.02
V	PHILATELY OPERATIONS	55.00
VI	ESTATES MANAGEMENT	703.00
VII	TECHNOLOGY UPGRADATION AND MODERNIZATION	6140.10
VIII	MATERIALS MANAGEMENT	71.00
IX	HUMAN RESOURCE MANAGEMENT	189.50
X	MARKETING, RESEARCH AND PRODUCT DEVELOPMENT	1316.40
XI	QUALITY MANAGEMENT	75.39
A.	TOTAL FOR SCHEMES I TO XI	12224.51
B. SPECIAL COMPONENTS		
I	ANDAMAN & NICOBAR COMPONENT	4.93
II	LAKSHADWEEP COMPONENT	4.39
III	LADAKH COMPONENT	3.38
B. TOTAL FOR SPECIAL COMPONENTS		12.7
C. NE SUB PLAN		116.63
GRAND TOTAL (A+B+C)		12353.84

1. SCHEME I: ACCESS TO THE POSTAL NETWORK

1.1 Objective

The objective of this Scheme is to increase access to the postal network, keeping in view the Universal Service Obligation, customer satisfaction and the need to move towards self-sufficiency.

1.2 Scheme Details

This Plan scheme is based on the Tenth Plan Scheme “Expansion of the Postal Network”. However, some new activities have been introduced while others have been modified, in keeping with the new approach of increasing access to the postal network by innovative means and not just by expansion of the network by opening post offices. The activity relating to support for Non Returnable Contribution (NRC) Post Offices in the North East has been included in the North East Sub Plan. The Plan programme wise details are as below:

1.2.1 Increasing Access to the Postal Network

1.2.1.1 Under this programme, the major activities are expansion of the network and opening of franchised outlets. The Department had not been permitted to open new post offices after the first two years of the Tenth Plan period since rationalization of the postal network had to be carried out. While rationalization is an ongoing exercise, the experience in the Tenth Plan has shown that there is still a genuine need and demand for opening new post offices, which cannot be met by relocation of existing post office where these are not justified. Thus, in the Eleventh Plan, it is proposed to open 3000 branch post offices and 2500 sub post offices in the country, for which one time non-recurring costs are proposed to be sought.

1.2.1.2 In keeping with the directives of the Planning Commission, the Department proposes to open 10,000 franchised outlets in the country for which a provision of Rs.25.00 crores is sought, to cover the cost of branding, forms and stationery, advertising and publicity. It is also proposed to set up 600 post shops in areas where high business is expected.

1.2.1.3 In addition, some innovations like the provision of booking / information kiosks and vending machines are also proposed for improved access, particularly in areas where there is a high demand from customers.

1.2.1.4 At present branch post offices are provided small letter boxes which are often not adequate or are inconvenient. In order to improve the facilities for collection of mail at accessible points in villages with branch post office and also to enhance the number in urban areas where there is justification as per norms, it is proposed to get pillar letter boxes fabricated since these have a higher capacity and are more sturdy.

1.2.1.5 The proposed outlay for the Plan programme “Increasing Access to the Postal Network” is as below

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Increasing Access to the Postal Network		
(i)	Expansion of the Network		
	a) Branch Post Offices (One time non recurring cost @Rs.4000 per office)	3000	1.20
	b) Sub Post Offices (One time non recurring cost @ Rs.20,000 per office)	2500	8.75
(ii)	Opening of Franchised Outlets	10000 outlets	
	a) Branding, @ Rs.10,000 per outlet		10.00
	b) Training		
	i) Initial @Rs.3000 per franchisee		3.00
	ii) Refresher @ Rs.2000 per franchisee per annum		4.00
	c) Forms and Stationery (@ Rs.10,000 per annum per outlet)		3.00
	d) Advertising & Publicity (Minimum of 4 ads per circle @ approximately Rs. 4 to 5 Lakhs per annum per Circle)	22 circles	5.00
(iii)	Setting up of Post Shops	600 Post Shops	60.00
(iv)	Fabrication of pillar letter boxes for all villages with BOs and enhancing number in cities	1,35,000	2.70
(v)	Vending machines (@ approximately Rs.10.00 Lakhs per machine)	100	10.00
(vi)	Setting up booking / information Kiosks		
	-feasibility study for setting up kiosks	1 study	0.05
	- Setting up Kiosks	30 Kiosks	2.40
		Sub Total	110.10

1.2.2 Rationalisation of the Postal Network

1.2.2.1 In keeping with the directives of the Tenth Plan, rationalization of the postal network is proposed to be continued during the Eleventh Five Year Plan. Since relocation of post offices involves one time non-recurring cost in the case of Branch Post Offices and Sub Post Offices and also monthly rental in the case of most of the Sub Post Offices, it is proposed that opening of post offices by relocation be provided plan support.

1.2.2.2 The following physical targets and financial outlays are proposed under the Eleventh Plan for this programme:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
2	Rationalisation of the Postal Network		
(i)	Relocation of Branch Post Offices (One time non recurring cost for relocation @ Rs.5000 per office)	500	0.25
(ii)	Relocation of Sub Post Offices(One time non recurring cost of relocation @ Rs.15,000 per office and monthly rental @ of Rs.5,000 per office)	500	1.75
Sub Total			2.00

1.2.3 Infrastructural Equipment for Extra Departmental Post Offices

1.2.3.1 During the Tenth Five Year Plan, infrastructure and equipment was being provided to extra departmental Branch Post Offices which have income within the norms. The Plan programme is proposed to be continued in the Eleventh Plan with targets / details as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
3.	Infrastructural Equipment for Extra Departmental Post Offices with income within norms	10000	5.00

1.2.4 Studies:

1.2.4.1 To ensure that the access requirements of various customer segments are met by the Department by implementing this Plan scheme, it is proposed to carry out a study to assess these requirements. Another study will be required to work out the profit-centre concept and revised income cost formulae for post offices since the Department has to move towards financial self sufficiency and the new services introduced over the years need to be reflected in the formulae for calculation of income and cost. India Post has a very good standing in the postal sector internationally. India Post is already enabling various administrations to set up their postal systems. It is proposed to capitalize on this reputation and consider expanding the India Post network overseas within the framework of the WTO regulations. To assess the feasibility of this proposal, a study is proposed in the Eleventh Plan.

1.2.4.2 The details of studies and proposed financial outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
4.	Studies		
	1) For assessment of access requirements of different customer segments.	1	1.50
	2) To work out the profit centre concept and formulae for Post offices	1	
	3) To assess the feasibility of expansion of the India Post Network overseas within the framework WTO regulations.	1	

1.2.5 Scheme Outlay: Rs.118.60 crores.

2. SCHEME II: MAIL OPERATIONS

2.1. Objective

The objective of this scheme is to further streamline mail operations, keeping in view the emerging needs of various customers segments, with special emphasis on the business mail segment.

2. 2. Scheme Details

Most of the Plan programmes in this scheme are the logical continuation of programmes contained in the Tenth Five Year Plan Schemes, including 'Modernization of Operative / Working Systems (improving ergonomics)', 'Mechanization / Modernization of Mail Movement', 'Computerization of International Mail Processing' and 'Improvement in Quality of Services'. In addition, it is proposed to take up wet leasing of aircraft for carriage of mails in selected sectors, including the North Eastern Region for which a separate provision has been made under the North Sub Plan (Chapter –IV). This Plan programme has been devised based on the Tenth Plan scheme 'Aircraft Carriage for North Eastern Region' which could not be taken up in the Tenth Plan. It is also proposed to have a new Plan programme to carry out a publicity campaign for a redesigned Pin Code.

2.2.1 Establishment of print mail system in major cities

In order to meet the mail market demand for end-to-end solutions for the printing-packaging-mailing-delivery value chain, it is proposed to establish a value added print mail service in the four major cities Mumbai, Chennai, Delhi and Hyderabad. The outlay for the programme is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Establishment of print mail system in major cities	4 major cities	6.40

2.2.2. Publicity for redesigned pin code (up to beat level)

It is proposed to redesign the Pin Code to include digits for the specific delivery beats within each delivery office. This will further reduce wrong addressing and misrouting the mails, which will improve delivery efficiency and cut costs. To popularize the new Pin Code across the country, a sustained publicity campaign will be essential so a suitable provision has been made for publicity, as indicated below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
2.	Publicity for redesigned pin code (up to beat level)		50.00

2.2.3 Setting up of Mail Business Centres

Corporations and businesses are generating almost 60% of the mail volumes at present and there is a growing demand for setting up of more business mail centres with the latest technology, to cope with to facilitate posting and processing of the high volumes of business mail. These centres will be equipped with suitable counters, equipment for assembly line processing, warehousing, packaging and conveyance of mails, IT infrastructure and security systems. The details of proposed targets/outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
3.	Setting up of Mail Business Centres	300 sites	388.60

2.2.4 Wet leasing of Aircraft for carriage of mails

Wet leasing of Aircraft for carriage of mails is required in certain sectors where dependable mail arrangements with assured service standards are expected to generate high business volumes and lead to customer satisfaction. The proposed outlay is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
4.	Wet leasing of Aircraft for carriage of mails		50.00

2.2.5 Upgradation of International Mail Processing facilities at Offices of Exchange

International Mail segment requires strengthening in order to upgrade the quality of service to the level of leading developing countries as well as the industrialize countries. The express sector is also facing a lot of competition from the private sectors. International Mail is processed at Foreign Post Offices as well as Airmail Offices and Speed Post concentration Centres. These offices require capacity augmentation and further automation. It is also proposed to fully computerize international mail operations and provide networking and connectivity between the various offices through QSF and Plan projects. The proposed target and outlay is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
5.	Upgradation of International Mail Processing facilities at Offices of Exchange and Sub-Foreign Post Offices	20	7.00 *

* Rs.5.60 crore will be managed through external funding (Quality of Service Fund from UPU).

2.2.6 Scheme Outlay: Rs.502.00 crores

3. SCHEME III: BANKING AND MONEY TRANSFER OPERATIONS

3.1 Objective

The objective of this scheme is to fully realize the potential of the vast customer base and credibility of India Post in the area of banking and money transfer operations.

3.2 Scheme Details

3.2.1 The Post Office Savings Bank is the single largest source of revenue for the Department. During 2004-05, it fetched a revenue of Rs. 2027 Crores. With a customer base of 14 Crore account holders, annual deposits exceeding Rs.1,60,000 Crores, a branch network double the size of all the banks in the country put together, and a diverse product range, the Post Office Savings Bank (POSB) is the largest retail banking network in the country. This network and reach should be utilised to implement the “Sampoorna Dak Khana Bachat Yojana Gram” Scheme.

3.2.2 Investment is justified to support provision of POSB services. Thus, this new scheme has been proposed for the Eleventh Five Year Plan, to build upon the initiatives taken in the Tenth Five Year Plan for setting up Postal Finance Marts (PFMs) under the Plan scheme ‘Modernization of Operative / Working Systems (improving ergonomics)’. This new scheme also takes into account relevant Plan programmes included in the Tenth Plan scheme ‘New Products and Services including Development of Financial Products and Services’ which could not be taken up fully in the Tenth Plan.

3.2.3 It is also proposed to set up the Post Bank of India to provide an impetus to developing the post office network into a leading financial services provider, which will require substantial investment. Further, it is also proposed to support extension of domestic and international money transfer services and a project for retailing foreign exchange under this scheme, for which token provisions have been indicated.

3.2.1 Consultancy

A consultancy is proposed for process re-engineering, setting up Post Bank of India (PBI) and preparing detailed project report including user requirement specifications for Core Banking Solutions (CBS) for PBI, with an outlay as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Consultancy	1	0.50

3.2.2 Centralized Banking for POSB

In order to improve the quality of service to more than 16 crore customers and to strengthen the network for exploring untapped segments for fee-based services, it is essential to have a centralized banking solution which would make operations efficient and cost effective. Such banking solutions have already been implemented in various banks. A consultant has already been engaged to work out the centralized banking solution through process reengineering of Post Office Savings Bank Operations to enable Any Branch, Any Time, Any Where Banking. Thus, the preparatory action for this programme is already underway and the Department will be in readiness at the commencement of the Eleventh Five Year Plan to implement this

programme. This programme entails investment on technology infrastructure options, hardware and software requirements and networking. The programme should be planned in the context of increased business volumes, induction of new information technology, growing customer expectations, competition, need for operational interface with other banks (electronic clearance, card based payment solutions, Internet and tele banking, ATMs etc.) and to reduce operating costs. The proposed targets / outlays for this Plan programme are as follows:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
2.	Centralized Banking for POSB		
	- Development of Centralized Banking Software	4000 CBS	10.05
	- Supply / Licensing of Centralized Banking Software to Branches	Branches, 22000	210.95
	-Supply of Central server and DRS to Branches	Departmental PO	100.00
	- POS	25000 BO	26.00
	- Cards		112.00
	- Data migration		32.00
	- HRD / Training		20.00
	- Marketing		15.00
Sub Total			526.00

3.2.3 Upgradation of IT infrastructure in post offices

Upgradation of hardware and peripherals, along with LAN networking and system integration in the Departmental post offices is essential for provision of banking facilities through the existing network. The proposed target / outlay for the purpose is indicated below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
3.	Upgradation of IT infrastructure in post offices- hardware, UPS, LAN, networking, system integration	26,000	791.00

3.2.4 Communication Service provider

The networking is involved payments to the communication service provider, for which the provision is indicated below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
4.	Communication Service provider		125.00

3.2.5 Setting up Postal Finance Marts

During the Eleventh Plan, it is proposed to expand the Plan programme for creation of Postal Finance Marts (PFM), which were first developed as One-Stop Shops for financial services in the Tenth Plan. The PFMs would help in creating a distinct identity and branding for postal financial outlets, which can serve as a front end for the tie-ups with financial institutions and banks for vending their retail services. The proposed target / outlay is given below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
5.	Setting up Postal Finance Marts	700	42.00

3.2.6 Setting up Post Bank of India (PBI)

It is proposed to set up Post Bank of India during the Eleventh Five Year Plan to exploit the reach and credibility of the Department and its experience in mobilizing deposits. The Bank would be able to effect a turn around in the Department finances and also serve a great social purpose by providing full banking services to the rural poor who still do not have the privilege of modern banking facilities and still have to depend on the informal sector for their credit requirements. The Post Bank of India is also proposed to be a conduit for priority sector credit including micro finance from various agencies like NABARD / CAPART / PURA. The PBI is envisioned to act as a profit generating institution which will plough back profits from the banking operations to India Post, thereby realizing the full potential of the rural network and moving towards elimination of the deficit. The seed capital for the PBI will require Government funding and the IT infrastructure and research and training will also require financial support. The details of targets / outlays for the purpose are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
6.	Setting up Post Bank of India (PBI)		
	- Establishment of Post Bank Research & Training Institute		2.00
	- HRD/ training for PBI	800 officers	8.00
	- Establish PBI with Seed Capital from MOC / MOF		1000.00
	-Secure CBS and IT infrastructure		100.00
Sub Total			1110.00

3.2.7 Extending instant money order service

Investment would be required to support and expand the instant Money Order (iMO) Service, which was launched in the X Plan, and extend its scope to interface the iMO with the international payment gateway. The proposed target / outlay is as follows:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
7.	Extending instant money order service (@ Rs. 1500 per centre)	26044 post offices	3.90

3.2.8 Linkages of SB, EFT, ECS of the domestic sector while that with International Systems

The domestic instant money order service could be linked with the Savings Bank (SB), Electronic Fund Transfer (EFT) and other domestic services and further linked to the Universal Postal Union's International Financial System (IFS) and other International Systems like Eurogiro/ SWIFT, etc. This would enable two way money transfer facility between India and other countries, for which suitable agreements would have to be entered into with the concerned countries and money transfer business operators. Since the details of the Indian Diaspora in various countries clearly indicate the potential for two way international money transfer, this service is expected to garner substantial business. The proposed target / outlay is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
8.	Linkages of SB, EFT, ECS of the domestic sector with International systems like IFS/ Eurogiro/ SWIFT, etc	30 countries	0.05*

3.2.9 Retailing of foreign exchange

India Post could also retail foreign exchange to individual resident Indians going abroad through special counters / dealing rooms. The proposed target / outlay is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
9.	Retailing of foreign exchange	1635 post offices	0.05*

3.2.10 Customer Relations Management (CRM)

To support the other Plan programmes, it is necessary to have a suitable CRM component. Thus, it is proposed to set up call centres for the convenience of the vast customer base. The target / outlay is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
10.	CRM	6 call centres	50.00

***Note:** A token provision is being made at this stage as details will have to be worked out in consultation with the concerned countries.

3.2.11 Maintenance

The extensive programmes for computerization and networking need to be supported by an adequate outlay for maintenance, which is indicated below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
11.	Maintenance		210.00

3.3. Scheme Outlay: Rs.2858.50 crore

4. SCHEME IV INSURANCE OPERATIONS

4.1 Objective

To fully exploit the potential of the insurance sector through focus on technology and skill upgradation, keeping in view the potential market growth and customer expectations.

4.2 Scheme Details:

During the Eleventh Five Year Plan, this new Plan scheme is proposed since investment is required for development of insurance software and computerization of Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) so as to make the operations on line. Funds are also required for publicity and training of personnel in marketing and underwriting. This will ensure effective customer support and readiness for opening of PLI to the general public, like any other insurer once PLI comes under the IRDA umbrella. This proposed Plan investment will ensure that the Department has a level playing field with other insurance organizations and the growth potential for PLI / RPLI is fully exploited. The proposed investment on publicity is substantial since the premium income from new policies of PLI / RPLI is expected to rise from Rs.400 crores premium income from new policies to Rs.1000 crores during the Eleventh Five Year Plan.

4.2.1 Online operations up to Divisional level and HO level Development of Insurance Software

A software for PLI /RPLI that is compatible with the postal operations software is proposed to be developed, with a provision for data warehousing and IVRS facility for customer to answer queries and provide access to accounts from anywhere in the country. This software would also give the facility of premium payment and repayment from anywhere in the country. This would bring PLI / RPLI facilities on an equal footing with other insurance companies. The proposed outlay is as below.

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Online operations up to Divisional level and HO level through development of Insurance Software for the entire PLI organization based on Windows platform	1 software	10.00

4.2.2 Computerization of PLI/RPLI

The computerization of the PLI organization, to cover all Head Post Offices, Divisional Offices, Regional Offices and Circle Offices and the O/o DPLI, Kolkata is essential for providing on line connectivity, using the new software developed. The targets/ outlays for the purpose are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
2.	Computerization of PLI/RPLI	DPLI Office, Kolkata, 822 HOs, 442 DOs, 59Circle/Regional Offices	53.02

4.2.3 Publicity of Insurance Products - TV spots & Radio Jingles

The PLI Organisation is likely to be brought under the IRDA shortly, which will enable it to offer a wider range of PLI products, after suitable redesigning, to the general public. Thus, it is necessary to create a brand image through intensive publicity using mass media like radio and television. Keeping in view the expected quantum increase in premium income from new policies, it is essential to make a substantial provision for publicity. The details of the proposed outlay are given below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
3.	Publicity of Insurance Products - TV spots & Radio Jingles		50.00

4.2.4 Training of Marketing Personnel in Insurance marketing

It is envisaged that nearly 2 lakh agents, career agents and brokers will have to be engaged for marketing of PLI/RPLI since the number of existing development officers is only about 200 while there are about 500 field officers and direct agents each. The proposed target / outlay is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
4.	Training of Marketing Personnel in Insurance marketing	200,000	80.00

4.2.5 Training of Circle Office personnel in under-writing

It is an essential activity of insurance, therefore it is necessary that the back-office staff is trained in underwriting. The proposed target /outlay is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
5.	Training of Circle Office personnel in under-writing	2000	2.00

4.3 Scheme Outlay: **Rs.195.02 crores**

5. SCHEME V PHILATELY OPERATIONS

5.1 Objective

The objective of this scheme is to capitalize on the revenue earning potential of philately by reorganizing India Post's philately activities on business lines and contributing towards eliminating the Department's revenue deficit.

5.2 Scheme Details:

This Plan scheme carries forward the Plan programmes taken up under the Tenth Plan schemes 'Upgradation and Promotion of Philately' and 'Modernization of Circle Stamp Depots', with significant expansion of the scope of these schemes, to enable realization of the revenue earning potential of philately. Keeping in view the immense potential for increasing the collector base, it is proposed to carry on intensive promotional activities, refine existing products and launch new products. It is also proposed to revamp the Philatelic Deposit Account scheme. The delivery mechanism for philately is required to be upgraded by launching a business website for philately, setting up a design studio, providing connectivity to the Circle Stamp Depots (CSDs), adopting professional accounting practices and improving customer care. It is also necessary to promote the ceremonial and ambassadorial characteristics of the postage stamps through special efforts like commemoration of the Commonwealth Games. For supporting these activities, a full-fledged marketing strategy will also have to be undertaken and built into the system.

5.2.1 Promotion of Philately

The promotional activities envisaged under this programme are expected to substantially increase the revenue from philatelic products. The proposed targets / outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Promotion of Philately		
(i)	Promotional activities (such as events, popularity poll, festivals, stamp design competitions, refining existing products and launching new products / services, annual campaign for stamp proposals, promoting philatelic academics, promoting philately in education and India's image internationally).		15.00
(ii)	National Philatelic Museum and Regional Philatelic Galleries	National – 1 Regional - 6	10.00
(iii)	Philatelic Exhibitions	Division level – 441 Circle (Zonal) – 20 National –1 International-1	3.50 2.00 0.50 10.00
(iv)	Business website for Philately		1.00
Sub Total			42.00

5.2.2 Modernization of Philately Operations

The philatelic bureaux are the public interface for sale and promotion of philatelic products. It is proposed to modernize the bureaux and connect them through a network for better customer care and monitoring. Stamp designing is the most important aspect of philatelic activity. Therefore, it is proposed to set up a state of the art design studio having a secured connectivity with the Security Printing Presses that print stamps. Further, it is also proposed to link with the Circle Stamp Depots, that manage the inventory and distribution of stamps, to improve the monitoring and delivery efficiency. The proposed target / outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
2.	Modernization of Philately Operations		
(i).	Modernization and Networking of Philatelic Bureaux		5.00
(ii)	Design studio with secured connectivity		1.00
(iii)	Circle Stamp Depots : providing connectivity	CSDs - 19	0.50
Sub Total			6.50

5.2.3 Training for Promotion of Philately

It is proposed to impart training to staff to enable them to acquire skills and knowledge for promotion/marketing of philatelic products and creation and realization of the revenue potential of philately. It involves training of Postal Assistants, Philately Managers and also the officers of the Department, by exposing them to the national and international trends and best practices in philately. The proposed targets / outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
3.	Training for Promotion of Philately		
(i)	Philately Managers /PAs through PTCs	1000	0.60
(ii).	Training of Officers of STS, JTS, Group including ASPOs/IPOs in PSCI, Ghaziabad	1000	0.90
(iii)	Training of Officers of STS, JTS, Group B in APPC, Bangkok	Officers -20	2.00
(iv)	For attending international philatelic events to gain exposure to international trends and the best practices in Philately worldwide	Officers – 25	3.00
Sub Total			6.50

5.3 Scheme Outlay: Rs.55.00 crores

6. SCHEME VI: ESTATES MANAGEMENT

6.1 Objective

The objective of this scheme is to fulfil the Universal Service Obligation for providing easy access to postal services through construction of buildings to provide the vital infrastructure for efficient postal operations, while simultaneously focusing on revenue generation from estates in commercial locations.

6.2 Scheme Details

6.2.1 This Eleventh Plan scheme is the logical extension of the Tenth Plan scheme 'Construction of Buildings' that focused on construction activities only. This scheme has been suitably restructured and expanded so that, in the Eleventh Plan, it is aimed at more efficient estates management to enable provision of functionally useful modern space for operations on one hand while exploiting the existing estates in commercial areas. A Special Purpose Vehicle (SPV) called the Postal Land Development Corporation is proposed to be set up for development and commercial exploitation of postal estates. Once this SPV comes into existence, dependence of the Department on government funding for construction of buildings will reduce significantly. The strategy for construction would be to construct buildings in identified highly commercial locations with private partnership, while continuing with the existing programme for construction of buildings with Government funding on plots with low commercial value.

6.2.2 Departmental buildings in remote and inaccessible areas are proposed to be provided with solar panels for easy access to power using environment friendly technology. The other schemes under the Estates Management involve purchase of land where essential, reconstruction of old departmental buildings, preservation of heritage buildings, construction of buildings for Post Offices, Mail Business Units and Administrative Offices and a small number of staff quarters. Attention is also proposed to be given to improvement of the working environment and ergonomics and branding of operative offices, with particular emphasis on post offices.

6.2.1 Construction of Post Office buildings

The proposed targets / outlays for construction of Post Office buildings that are essential for provision of postal services are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Construction of Head Post Office buildings	61 new +14 ongoing projects	101.50
2.	Construction of Sub Post Office buildings	150 new +26 ongoing projects	85.00

6.2.2 Construction of Administrative Office buildings

Construction of buildings for Administrative Offices which manage and support the operation of postal services is necessary not only to provide suitable buildings for these offices but also to save on high recurring expenditure on rental payments. The proposed targets / outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
3.	Construction of Administrative Office buildings	2 new +10 ongoing projects	12.00

6.2.4 Construction of Staff quarters

It is proposed to fulfil the basic minimum demand for residential accommodation by construction of staff quarters. The proposed targets / outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
4.	Construction of Staff quarters	120 new +5 ongoing staff quarter projects	42.00

6.2.5 Re-construction of old Departmental buildings

Reconstruction of some buildings that are very old and are at important locations is necessary to ensure continuing postal services at convenient locations and a proper working environment to the staff. The proposed targets / outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
5.	Re-construction of old Departmental buildings	55	55.00

6.2.6 Purchase of land

Though the Department has 1851 vacant plots in the country, a total 22,020 post offices are functioning in rented buildings, which costs the exchequer Rs.45.00 crore per annum. Further, it is very difficult to hire suitable accommodation for post offices and Railway Mail Service Offices, particularly near Railway Stations. Head Post Offices require a large area which is difficult to obtain on rent and if available, the rents are very high, so it is essential to construct departmental buildings for the Head Post Offices that are functioning in rented buildings and for which no vacant plots are available. Thus, purchase of land is a necessity. The proposed outlay is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
6.	Purchase of land	50	25.00

6.2.7 Preservation of Heritage Buildings

Special efforts are required to preserve heritage buildings of the Department which have tremendous architectural value. The proposed targets / outlays for this purpose are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
7.	Preservation of Heritage Buildings	37	18.50

6.2.8 Building component for Mail Business Units

Specially designed buildings are necessary for Mail Business Units which include automated mail processing equipment. The proposed outlay for such buildings is as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
8	Building component for Mail Business Units	*	90.00

* The physical targets will be indicated shortly.

6.2.9 Improving environment and ergonomics

It is necessary to provide functionally useful modern space for operations with an attractive ambience, designed keeping in view customer convenience and employee satisfaction. The targets / outlays for improving environment and ergonomics are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
9	Improving environment and ergonomics	26044 POs	200.00

6.2.10 Solar Panels

The use of solar panels for lighting departmental buildings is practical, cost-effective, and environment-friendly. The proposed targets / outlays for provision of solar panels are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
10.	Solar Panels	400	69.00

6.2.11 Special Purpose Vehicle (SPV)

It is proposed to operationalize public private partnerships to garner private funding for construction on identified vacant plots. The proposed SPV for management of postal estates would enable optimal utilization of postal land and reduce dependence on Government funding for construction of buildings. The outlay proposed below for the SPV includes a one time non-recurring grant of Rs.1.00 crore for infrastructure and Rs.4.00 crore on recurring expenses relating to salaries, office expenses, traveling expenses, etc. incurred in operating the SPV in the Eleventh Five Year Plan.

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
11.	Special Purpose Vehicle (SPV)	1	5.00

6.3 Scheme Outlay: Rs.703.00 crores

7. SCHEME VII TECHNOLOGY UPGRADATION & MODERNIZATION

7.1 Objective

This scheme aims at seamless integration of the entire postal network through induction of appropriate technology in all operations and support areas, with a view to providing unparalleled efficiency and outreach in services and achieving a turn around.

7.2 Scheme Details

7.2.1 Extensive technology induction/ upgradation in the Eleventh Five Year Plan is essential to achieve the goal of financial self-sufficiency of the Department. Technology induction will facilitate exponential increase in gross revenue through an improvement in the quality of service and by creating opportunities to expand new value-added services. In the long run reduction in the cost of operation of services is expected.

7.2.2 By the end of the Xth Plan, the Department will have computerized and provided local area networks (intra-office) in over 8000 large departmental Post Offices. In the Eleventh Five Year Plan, there is a need to computerize the remaining Departmental Post Offices (over 17,000) and link all 26,000 departmental Post Offices through wide area networks to obtain and extend to the customer the full advantage of the computerization and networking programmes implemented in the Tenth Five Year Plan. In addition, in the Eleventh Five Year Plan, Extra Departmental Branch Post Offices will also need to be computerized or provided modern equipment. This Plan scheme subsumes all the Tenth Plan schemes relating to computerization, including the Schemes 'Computerization of Post Offices / Postal Accounts Offices / Administrative Offices', 'Computerization and Networking of Mail Offices', 'Automated Mail Processing Centres', 'National Data Centre', 'ePost' and 'eBill Post'.

7.2.3 The network of computerized post offices will enable increase in revenue through consolidation of existing services and introduction of new value-added services and also support the e-governance initiatives of the Central Government. The remaining Administrative Offices including Postal Directorate, Postal Stores Depots (PSD)/ Circle Stamp Depots (CSDs), Civil Wing offices, etc. and Postal Accounts Offices will also be taken up to complete computerization and networking in the Eleventh Plan.

7.2.4 To network the above offices, the National Data Centre will have to be strengthened and some regional data centers need to be set up in Circles/States to enable all levels to access management information on real time basis, helping to take quicker decisions and cut processing costs. With net-working of Post Offices the Department can start various on-line services viz. any time, any-where Savings Bank and other financial services, improve delivery of its existing services and get additional revenue by introducing e-based value-added services. Funds will be required for the setting up and upgradation of data centers and for the network.

7.2.5 Networked hand-held digital devices will be developed to be carried by Postmen / Postal staff to enable not only delivery of articles and intimation of their status in real time, but also for booking of articles and offering other services like accepting deposits, bill payment, etc.

7.2.6 An Enterprise Resource Planning (ERP) software will have to be devised to cover all operations, customer relationship management, multi-channel retailing, from call center management to the seller and distribution of all services/ products and seamless integration with processes/ systems of our customers and

stakeholders like transporters / airlines, etc. It is proposed to be designed as a quality management tool, with a comprehensive MIS, providing strategic enterprise management support including business planning, financial management, performance measurement and process consolidation. It should also facilitate human resource management to deliver comprehensive, integrated HR processes including recruitment, training, payroll, legal reporting etc., provide integrated facility management to optimize site usage and occupancy rates, inventory etc.

7.2.7 A new mail arrangement is being devised for which high level of investment is essential since mail is the core service of India Post and the area of business mail is expected to show spectacular growth, following the trends in developed countries. However, the new arrangement needs to be backed by several other measures. Track and trace and RFID would be required in almost all the products as the customer today is interested in knowing the status of the article as soon as it is given. There is great need for right investments in technology for better monitoring by use of diagnostic system as well as tracking of mails all over India. This is intended to meet the demand of the customers of tracking and delivering according to international service standards.

7.2.8 Substantial investment is also required to set up Parcel and Logistics Centres since the area of parcel and logistics is expected to show the maximum growth in the mail sector in terms of revenue generation.

7.2.9 The details of proposed targets/ outlays for this Plan scheme are given below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Computerization & Modernization of Post Offices		
	(i) Hardware & Networking		1794.00
	(ii) Software for ERP solution, OS, RDBMS, website development		547.00
	(iii) Modernization of POs - Remote resetting of Franking Machines, introduction of Tax Meters, Currency Counting Machines, Mail Containers, Trolleys, etc.	17,878 Departmental Post Offices and 1,28,625 Extra Departmental Post Offices	934.00
	(iv) Site development for Computerization		420.00
	(v) Hand-held devices for delivery staff		115.00
	(vi) AMC/ Consumables		359.00
Sub Total			4169.00
2.	Computerisation of Admn Offices	300	15.00
3.	Computerisation & Modernisation of Mail Offices		
	(i) Setting up of smaller AMPCs and upgradation of large AMPCs	22 smaller AMPCs 4 large AMPCs	620.00
	(ii) Upgradation and modernisation of Main/Regional/District level SPCCs	500 Main/ Regional/ District level SPCCs.	73.00
	(iii) ERP solution for mail operation		300.00
	(iv) Multi modal transport network		74.00
	(v) Computerization of cargo handling		5.00
	(vi) AMC/ Consumables		118.00
	(vii) Intelligent letterboxes		5.00
Sub Total			1195.00

4	Training Equipments for the Training Centres	1 PSCI 6 PTCs 360 Computer Training Centres	62.00
5.	Regional Data Centres	3	60.00
6.	Upgradation and Modernisation of PSDs, CSDs Customer Care Centres	46 PSDs 19 CSDs 1200 CCCs	91.00
7.	Computerization of Postal Accounts Offices i) Training Centres including integration of accounts functions from primary unit level ii) Implementation of Account Current Software iii) Upgradation of Cash Certificate Software iv) Digitization and modernization of Postal Accounts System	19 PAOs	2.40 17.00 1.60 25.00
Sub Total			46.00
8.	Computerization of Civil Wing offices		1.10
9.	Parcel & Logistics Centres	8 Major, 13 Minor	501.00

7.3 Scheme outlay: Rs. 6140.10 crores

8. SCHEME VIII MATERIALS MANAGEMENT

8.1 Objective

To set up an effective materials management system through upgradation of technology and provision of essential equipment.

8.2 Scheme Details

8.2.1 Under this new Plan scheme it is proposed to provide the infrastructure and equipment required for professional materials management, since the Postal Stores Depots (PSDs) and post offices handle a very large volume of stationery, including forms for use in operative offices, and equipment which is essential for the smooth functioning of the postal system. This area has been largely neglected and urgent attention is required so as to ensure that the quality and efficiency of services is not affected.

8.2.2 The proposed targets and outlays for the scheme are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Infrastructure and equipment for materials management	46 PSDs and 40 POs	46.00
2.	Upgradation of technology for seals and stamps	500,000 seals / stamps	25.00

8.2.3 Scheme Outlay : Rs.71.00 crores

9. SCHEME IX HUMAN RESOURCE MANAGEMENT

9.1 Objective

To create valuable capital for the Department of Posts in the form of highly trained man-power well skilled in technology systems and usage, that exhibits total focus on customer satisfaction.

9.2 Scheme Details

9.2.1 During the Eleventh Plan, it is proposed to carry forward the initiatives taken under the Tenth Plan scheme 'Training', keeping in view that there is a need to adopt a more holistic approach and focus on overall human resource development. Thus, this Plan scheme aims to develop adequate skill sets to support the delivery of services to customers, induction of new technology, specialization in banking and insurance sectors, marketing and legal matters. The training programmes will be designed to cater to the varying training needs at each operative and administrative level. Behavioral training is also proposed, to enable effective customer interaction. The introduction of self e-learning packages will supplement the work place / in house training programmes, which also need to be extended. Upgradation of facilities, training material and equipment in training centers and improvement of the building infrastructure is also essential. Projects for enhancement of the capacity and infrastructure of training centres and for setting up Centres of Excellence are proposed to be implemented in the Eleventh Plan period. It is also proposed to take action to set up an International Postal Training College by redefining the role of Postal Staff College India (PSCI) from a training institution to a nodal training policy institute with international linkages.

9.2.2 The proposed targets and outlays for the Scheme are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	In-service Institutional Training in India and Abroad		
(i)	Management Programmes for Group 'A' & 'B' officers	1800	1.40
(ii)	Training of Supervisors	10000	5.00
(iii)	Training of Post Masters	1400	0.70
(iv)	Training of SBCO Staff	2000	1.00
(v)	Training of Civil Wing Officers	1000	5.00
(vi)	Training of Accounts Staff	9500	9.50
(vii)	Training of ASPOs	500	0.30
(viii)	Training of SAG/JAG officers in reputed training institutes abroad	50	4.50
(ix)	Training of Group 'A' & 'B' officers on Marketing & Technology in APPC, Bangkok	200	1.50
(x)	Training of IPS Probationers in APPC Bangkok	50	0.60
Sub Total			29.50
2.	Technology Training for Trainers and Facilitators		
(i)	Training of Trainers/System Administrators	50000	12.00
(ii)	Technology Exposure for Group 'A' & 'B' officers		
(iii)	Compulsory technology training for Group 'B' officers & ASPOs		
(iv)	Technology refresher programmes for Inspectors, Supervisors and Postmasters		
(v)	Software Training programmes		
(vi)	In-house/Online training/Video Conferencing		5.00
Sub Total			17.00

3.	Training on Specialised Subjects		
(i)	Training of Divisional Superintendents on Marketing	500	1.00
(ii)	Training of Inspectors and staff on Marketing and Financial Services	10000	20.00
(iii)	Training in Legal Matters for Field Staff	500	1.00
	Sub Total		22.00
4.	Business Orientation Programmes		
(i)	Special programmes for Group 'B' officers	10000	5.00
(ii)	Customer Relations Management		
(iii)	Financial Services		
5.	Special Programmes		
(i)	For Supervisors	1000	0.50
(ii)	Training of Trainers	2000	1.00
	Sub Total		1.50
6.	Workplace and Distance Learning Programmes		
(i)	Upgrading WCTCs into Workplace Training Centres	54	10.00
(ii)	Workplace computer training	150000	36.00
(iii)	Training of Mail Overseers, Postmen, Group 'D', Drivers etc	100000	15.00
(iv)	Training of Postmen & Branch Post Masters on Marketing, Banking & Insurance	160000	12.80
(v)	Mail Deliverers	40000	3.20
	Sub Total		77.00
7.	Infrastructure Development		
	(i) Opening of new Training Institutes	6 New PTCs	25.00
	(ii) Completion of Building Projects initiated in 10 th Five Year Plan	4 PTCs	10.00
	(iii) Training Equipment		2.00
	Sub Total		37.00
8.	Obtaining ISO Certification		0.50

9.3 Scheme Outlay : Rs. 189.50 crores

10. SCHEME X: MARKETING, RESEARCH AND PRODUCT DEVELOPMENT

10.1 Objective

To develop a professional organization to support marketing, research and product development initiatives relating to various services offered by the Department and prepare plans for brand development, business expansion and marketing.

10.2 Scheme Details

10.2.1 During the Eleventh Plan, considering the wide range of activities planned to augment business and garner additional revenue, it is necessary to have a professional marketing, research and product development organization to support the implementation of the plans. This Plan scheme is the logical extension of Plan activities taken up in the Tenth Plan under the schemes 'Modernization / Upgradation of Premium Products', 'Expansion of Express Parcel Centres', 'New Products and Services including Development of Financial Products and Services' and 'Research and Development'.

10.2.2 This Plan scheme envisages setting up of a Marketing, Research and Product Development Centre after carrying out a feasibility study. The programmes proposed to be implemented include the development of a National Address Management System, which will add to the professional strength of the Department and creation of a brand identity for India Post. Several programmes for promotion, publicity, marketing and business expansion in the areas of premium products and philately, and a programme for developing a media plan for the entire Department, have been included in this Plan scheme.

10.2.2 The details of targets and outlays under this Plan scheme are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Setting up Marketing, Research & Product Development Centre - Feasibility study - Setting up centre and studies in various aspects of postal sector	1 study 1 centre	0.20 8.00
Sub Total			8.20
2.	National Address Database Management System - Feasibility study - Study to determine s/w design and h/w requirements - Software development with web-based interface - Hardware procurement - Site preparation - Collection of addresses - Data feeding - Publicity	1 study 1 study	0.50 0.20 0.75 3.75 1.50 3.00 5.00 2.50
Sub Total			17.20
3.	Creating Brand Identity for India Post -Study for establishing brand identity -Development and implementation of brand identity (i) Brand identity of Post Offices (ii) Brand identity of Speed Post (iii) Brand identity of Mail Business Centres (iv) Brand identity of Parcel Post	1 1000 POs 800 SPCs 120 MBCs 20 PPCs	0.50 100.00 50.00 20.00 10.00
Sub Total			180.50

4.	Promotion, Publicity and Brand Visibility -Media Plan of Department of Posts (Newspapers, Hoardings, Posters, Brochures, TV spots, films)		250.00
5.	Marketing Plan for Philately (i) Publicity & Promotion (ii) Marketing (iii) Philatelic Deposit Account System (iv) Networking & E Philately		10.00 5.00 1.50 2.00
Sub Total			18.50
6.	Business Expansion of Speed Post i) Network expansion: Establishment of Speed Post Centres ii) Establishment of Speed Post Hubs in major towns iii) Equipments and Vehicles for Speed Post Centres iv) Promotion of Speed Post v) Containerisation, ULDs vi) Training	500 20 200 5000	80.00 40.00 15.00 80.00 25.00 2.50
Sub Total			242.50
7.	Product Development & Marketing of premium products i) Direct mail solutions ii) eCommerce solutions iii) ePost solutions iv) Post shop solutions v) Letter shopping solutions vi) Promotion of Premium products vii) New products launch viii) Training		10.00 5.00 5.00 25.00 10.00 80.00 5.00 10.00
Sub Total			150.00
8.	Infrastructure for Logistics & Parcels i) Parcel Post hubs ii) Parcel Post Centres iii) Establishment of ISO & Quality Systems iv) Scoping study of commercial systems v) Investment on commercial systems vi) Investment in Market Research on Parcel Post vii) Marketing system of Parcel Post viii) Logistics & warehousing centre ix) International parcel & logistics centre x) Cargo complexes xi) Computerizing of cargo handling systems xii) Feasibility study for using aircrafts xiii) Investment in web stores & warehouses,	7 major and 13 minor hubs 200 Centres	125.00 60.00 2.00 5.00 5.00 5.00 50.00 20.00 5.00 4.00 5.00 0.50 2.00
Sub Total			288.50

9.	Marketing Plan for Financial Services		
	i)Marketing & Advertising		100.00
	ii) Marketing consultancy on financial services	5	1.00
	iii) Financial Marts expansion	700	42.00
Sub Total			143.00
10.	Creation of India Post Consultancy Group		18.00

10.3 Scheme Outlay : Rs. 1316.40 crores

11. SCHEME XI QUALITY MANAGEMENT

11.1 Objective

The objective of this scheme is to make the operational and business strategy meaningful by improvement of quality of service as perceived by the customers.

11.2 Scheme Details

Through this Plan scheme, the Department proposes to carry forward and enhance the initiatives taken in the Tenth Plan under the scheme 'Upgradation of Customer Care Centres' and establish a self-sustaining system in the Eleventh Plan that can measure, monitor and improve quality of service, thereby enabling assessment of effectiveness of all programmes implemented by the Department. This is sought to be achieved by taking up customized implementation of the model developed by the Department of Administrative Reforms and Public Grievances for assessment, improvement and certification of quality of services in Government Departments called "Sevottam – A Service Delivery Excellence Model". The proposed Plan scheme for improvement of quality need to be seen in the background of "Sevottam". The details of the programmes under this scheme are as follows.

11.2.1 Implementation of Citizens Charter in Post Offices

The Department, over the last five years, has taken up implementation of its Citizens Charter in major post offices as a quality control measure. All departmental sub offices are also being gradually covered. The entire exercise so far has been undertaken from the allotted funds under non-plan heads. The Citizen's Charter, however, involves a lot of activities that could be provided in the best manner possible if planned in a project mode. The Citizen's Charter, inter-alia, involves setting up of a Post Forum and service teams involving the staff, awareness and training, improving the environment, the process and customer service, evaluation and monitoring of performance and reward and recognition. While training needs in different fields are catered to by various existing plan schemes, the needs specific to the implementation of the Citizen's Charter and customer services are largely unattended.

A specific fund requirement to that effect is therefore being projected for training of Group 'C' Officials and for training of Project Managers for 'Sevottam', as given below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Implementation of Citizens Charter in Post Offices		
	(i) Training for Group C (PAs and Postmen)	149575	29.92
	(ii) Training of Project Managers for 'Sevottam'	1000	1.00
Sub Total			30.92

11.2.2 Monitoring of service quality and Process improvement using Six Sigma

Six Sigma is a process that enables continuous analysis of the enabling processes for achievement of quality standards, reengineering thereof and improvement in quality standards. A primary requisite for the implementation of six sigma is the formation of an appropriate team of trained and committed individuals. Thus, the following targets / outlays are proposed:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
2.	Monitoring of service quality and Process improvement using Six Sigma		
	(i) Overview training and Jumpstart workshop	110 people	1.34
	(ii) Leadership Training	25 people	0.17
	(iii) Green Belt Training	900 people	15.32
	(iv) Black Belt Training	150 people	4.49
	(v) Consultancy for the project	1	0.50
Sub Total			21.82

11.2.3 Setting up Call Centres based on Interactive Voice Response System

It is proposed to set up Call Centres to respond to customer queries and to provide various customer services through the Interactive Voice Response System. The call centres will be set up after design of the system architecture and other details by a Consultant. The details of targets / outlays are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
3.	Setting up Call Centres based on Interactive Voice Response System		
	(i) Consultancy	1	0.60
	(ii) Cost for Call Centres	22 sites	21.30
Sub Total			21.90

11.2.4 Process Reengineering Consultancy

In order to enable reassessment of the business purpose, repositioning for greater market penetration, reconfiguration for a smoother work flow, restructuring so that jobs match reality and revitalization for ongoing competitiveness, it is necessary to carry out a Business Process Reengineering exercise. The proposed outlay for a consultancy for process reengineering is indicated below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
4.	Process Reengineering Consultancy	1	0.75

11.3 Scheme Outlay : Rs. 75.39 crores

PROPOSED SPECIAL COMPONENT FOR 11TH FIVE YEAR PLAN FOR LADAKH REGION

1.1 Objective

The Special Component envisages postal developmental activities in the Ladakh Region in order to give impetus to all-round growth and development.

1.2 Scheme Details:

Since habitation in the Ladakh Region is sparse and scattered, the norms for opening of post office are not easy to meet. Communication network in the region is not properly developed, and it is felt that post offices would go a long way in initiating developmental activities in the area. Therefore, it is proposed to open Branch post offices at certain places and also to upgrade the Gramin Dak Sewak Branch Offices (GDSBOs) to Departmental Sub-Offices (DSO). It is further proposed to purchase land and construct post offices at locations where the Department has offices but does not own the buildings. At present, the Department has nine such post offices in Ladakh.

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Opening of Branch Offices	03	0.02
2.	Upgradation of post offices from GDSBOs to DSOs	03	0.08
3.	Acquisition of land & construction of post office buildings	09 post offices	3.28
TOTAL			3.38

3.Scheme Outlay: A total of Rs.3.38 crores has been earmarked for plan for Ladakh Region.

PROPOSED SPECIAL COMPONENT FOR 11TH FIVE YEAR PLAN FOR ANDAMAN & NICOBAR ISLANDS

2.1 Objective

The Special Component envisages composite postal developmental activities in the Andaman & Nicobar Islands in order to give impetus to all-round growth and development. The Andaman group of islands are separated from the mainland and are also scattered. Therefore, there is a need for special emphasis to fulfill the aspirations of the people. The remoteness has been compounded by large scale devastation brought along by the tsunami that hit the island in December 2004.

2.2 Scheme details

In the Eleventh Five Year Plan, it is proposed to augment the transportation and delivery facilities for mail transmission by providing vehicles and bicycles. In addition to the plan component of technology upgradation and modernisation of the post offices along with human resource development, there is a comprehensive proposal for estates management also. Under the estates management, it is proposed to construct post offices, quarters and reconstruction of post office buildings to provide working space for postal operations and adequate facilities to the customers.

The proposed targets/outlays for the various schemes are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Mail Operations (i) Mechanisation of delivery (ii) Inspection Vehicles	20 2-wheelers 15 Bicycles 1 Tata sumo	0.054 0.024 0.037
Sub Total			0.125
2.	Estates Management (i) Construction of Post office with SPM quarters (ii) Construction of Type-II Quarters (Hutbay & Car Nicobar) (iii) Construction of Type-III Quarters (Middle Point) (iv) Raising of Compound Wall (Campbell Bay) (v) Reconstruction of post office buildings (Car Nicobar, Port Blair HO, Dighipur)	5 4 5 1 4	1.600 0.035 0.400 0.080 1.120
Sub Total			3.245
3.	Technology Upgradation & Modernisation: (i) Post office computerisation (ii) Provision of genset	28 6 (5 KVA), 10 (2 KVA)	1.00 0.05
Sub Total			1.50

4.	Human Resource Management:		
	(i) Training Centre in Port Blair HO	1	0.30
	(ii) Hostel facility in Port Blair HO complex	1	0.15
Sub total			0.45
TOTAL			5.31

2.3 **Scheme Outlay:** A total of Rs.5.31 crores has been earmarked for the special component on Andaman & Nicobar Islands.

PROPOSED SPECIAL COMPONENT FOR 11TH FIVE YEAR PLAN
FOR LAKSHDWEEP ISLANDS

3.1 Objective:

The Lakshadweep Islands are the other group of the Islands that require a special component for Postal Development under the 11th Five-Year Plan. The inaccessible terrain and being cut off from the mainland requires special attention for its composite development.

3.2 Scheme Details:

Opening of post offices, Estates management in terms of constructing Post office Buildings and Staff Quarters along with the modernisation and computerisation of the postal operations are the areas covered in the schemes.

3.3 The proposed targets/outlays for the various schemes are as below:

Sl. No.	<i>Plan Scheme/Programme/Activity</i>	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Access to the Postal Network -opening of post offices	5 DSOs	0.25
2.	Estates Management Purchase Land and construct: a) Divisional Office b) Staff Quarters c) Inspection Quarters d) PO at Amini	1 building 1 block 2 building 1 building	4.00
3.	Mail Operations	1 3-wheeler 1 moped	0.01 0.003
4.	Marketing		0.007
5.	Technology upgradation & modernisation		0.12
TOTAL			4.39

3.4 Scheme Outlay: A total of **Rs.4.39** crores has been earmarked for the special component on Lakshdweep Islands.

PROPOSED NORTH EAST SUB-PLAN

1.1 Objective

The proposal is to envisage a separate and composite sub-plan under the Eleventh Five Year Plan of the Department of Posts. It has been the experience of the previous Plan that the utilization of 10% of the budget outlays under various Plan schemes for development of the North East was difficult to be met. The nature and scope of the Plan schemes do not provide the leeway for earmarking 10% of the outlays to the North East.

Therefore, to focus on the special needs of the North East Circle and to cater to the needs of the region, a comprehensive Sub-Plan has been proposed. This Sub-Plan is likely to increase utilization of Plan Funds towards 10% of the budgetary allocation of the Plans by focusing on the efficient mail transmission in the remote and inaccessible terrain of the region and lays emphasis on the computerization, modernization and human resource development. This will be in addition to the fund utilization through the proposed Eleventh Plan scheme which will also impact on the NE Region.

1.2 Scheme details

North East Region has a problem of accessibility. While there is absence of reliable and regular source of land transportation due to difficult terrain and paucity of passengers, the existing players – Indian Airlines and Jet Airways, are unable to meet the requirements of carrying the mail loads. It has been proposed in the Eleventh Plan to wet lease the aircraft that can link the various north eastern destinations. There has been the scheme for outsourcing of mail movement by road on certain routes. The proposed plan also envisages to carry mails through the departmental mail motor service on certain routes by augmenting mail motor vehicles. The proposal covers the mechanization of delivery works through three-wheelers and two-wheelers so that delay in mail delivery is reduced.

The postal operations are running in the rented buildings lacking adequate space and environment for handling customers and carrying out operations by the staff. There is a proposal for comprehensive estate management involving purchase of land and constructing post office building as well as staff quarters. The scheme of modernization and computerization of the post offices, mail offices, transit mail offices (TMO), administrative offices and Speed Post Centres has also been proposed to provide better customer satisfaction and improved efficiency of the operations. This is supplemented by schemes for human resource development in terms of Work Place Computer Training Centres (WCTCs) and providing infrastructure to the existing Postal Training Centre.

The proposed Sub-Plan also proposed to strengthen the banking and money transfer operations through setting up Postal Finance Marts and better cash management in the post offices.

It is also proposed to continue providing Plan support to Non Returnable Contribution (NRC) Post Offices in the region which are no longer being funded by the State Government and are not justified for continuation as per norms but need to be retained keeping in view the local demand. This support was being provided in the Tenth Plan under the Plan scheme 'Expansion of the Postal Network'.

1.3 The proposed targets/outlays for the various schemes are as below:

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Support to Non Returnable Contribution (NRC) Post Offices	All NRC POs	13.00
2.	Mail Operations (i) Outsourced movement of mail by road (ii) Road transportation of mails by departmental MMS vehicles (iii) Mechanisation of foot lines (iv) Vehicles for letter box clearance (v) Mechanisation of delivery (vi) Tamperproof Metallic Mail containers with locking system (vii) Parcel concentration centers (viii) Setting up of Sub-foreign Post (ix) Wet leasing of aircraft	3 routes 2 sumo+ 5 MMS 2 two-wheelers 8 3-wheelers 13 3-wheelers 2 1 1	5.00 0.35 0.01 0.15 0.24 0.25 0.30 0.20 50.00
SUB TOTAL			56.50
3.	Banking & Money Transfer Operations i) Setting up Postal Finance Marts	15	0.90
4.	Cash management (i) Burglar/fire proof irons safes (ii) Cash vans	863 7	1.98 0.26
SUB TOTAL			2.24
5.	Computerisation & Upgradation of Hardware (i) Post offices a. Computerisation b. Upgradation (ii) Mail offices a. Computerised Registration Centres (CRCs) (iii) Modernisation of Mail Offices a. TMO (Airport Guwahati) b. Mail Offices (Guwahati, Silchar, Tinsukia, Jorhat) (iv) Modernisation of Speed Post Centres a. National Speed Post Centres (Guwahati, Silchar, Jorhat and Dibrugarh) (v) Admn Offices (vi) Hand held devices to facilitate doorstep service (vii) R&D Centre	603 - 2 1 4 4 4 4 889	32.86 0.30 0.10 0.07 0.08 0.08 0.36 1.93 2.00
SUB TOTAL			37.78
6.	Human Resource Management (i) Workplace computer training a. Upgradation of hardware (Guwahati & Dibrugarh) b. Opening of new WCTCs (Silchar & Guwahati) (ii) Providing infrastructure at PTC Guwahati a. Computer labs b. Tata Sumo c. Passenger van (15-seater)	2 sites 2 sites 3 2 1	0.30 0.18 0.36 0.07 0.07

SUB TOTAL			0.98
7.	Estates Management		
	(i)Construction of post office buildings & purchase of land	32	1.55
	(ii) Construction of Staff quarters -Type-II:46, Type-III:63, Type-IV:5,Type-V:2	116	3.48
	(iii)Purchase of post office buildings from State Govt	3	
SUB TOTAL			5.03
8.	Sevottam Project		0.20
TOTAL			116.63

1.4 **Scheme Outlay:** A total of **Rs.116.63 crores** has been earmarked for North East Sub Plan.



SUB COMMITTEE REPORT

FOR 11th PLAN SCHEME

ON

ACCESS TO POSTAL NETWORK

Sub Committee constitutes.....

Chairperson : **Ms Meera Datta,**
 Chief Postmaster General,
 Karnataka Circle, Bangalore

Members : **Ms Indu Gupta, DDG(E&PN)**
 Ms Shoba Koshy, PMG Kochi
 Mr K. K. Sharma DPS(HQ&Marketing) Bangalore
 Ms Vandita Kaul, Director(PN)
 Mr Charles Lobo, DPS North Karnataka Region Dharwad
 Mr K. S. R. Sastry, APMG(Technology) Bangalore
 Mr. H. R. Veeranagouda, SPOs Bellary

TERMS OF REFERENCE

- To recommend short term, medium term and long term strategies
 - ▶ to achieve the objectives of the DoP during the Eleventh Five Year Plan with a focus on
 - **social commitment**
 - **technology induction**
 - **entrepreneurial management**
 - **becoming a self-supporting institution**
- To make recommendations on a sub-plan for **North East and special area component plans for – Lakshadweep, Andaman Nicobar, & Ladakh**

Major Recommendations

- Consolidating and rationalising the present network both in Urban and Rural
- Phasing out PSSKs, LPAs, LSVs
- Increasing access to postal facilities through franchise, technology induction
- Introducing mobile postal outlets

RATIONALISATION

■ Reviewing norms :

Committee recommends for Pos(BOs & SOs)

- ❖ retaining the population norms
- ❖ distance norms
- ❖ Income norms

■ Suggestions for consolidation

- ❖ to continue to relocate Post Offices.
- ❖ *franchise* could be offered in GP villages where the opening of PO is justified on population and distance norms
- ❖ Franchise can be offered in place of PSSKs

Contd....

RATIONALISATION

■ Revision of Income cost formula :

- ❖ Agency functions like PLI and particularly RPLI which POs. are performing should be taken as a part of the income of the POs.**
- ❖ All other revenue generating functions should be included as income in SOs and Bos**
- ❖ Concept of profit centre to be introduced**

Contd....

RECOMMENDATIONS

- Present Rural network should continue
- Basket of retail services to be increased
- Urban centres should not have BOs.
- Urban Network should be consolidated by merger/closure/relocation of single handed S.Os / double handed S.Os / B.Os to have larger Post Offices with good infrastructure.
- Where a vacuum is created by taking away such Post Offices, *franchise*, provision of mobile Postal outlets, vending machines, etc to be considered.

Contd....

RECOMMENDATIONS

- Franchising to be done through available Retail outlets, Super Markets, PCO booths, Resident Welfare Association,
- Franchise could be extended to Mobile Franchisee outlets also, in addition to the ones at fixed locations.
- Location of franchisee not to clash with the normal PO business
- Urban franchising – Hours of transactions should be available after PO business hours also.
- Rural franchising – To school teachers, primary health centre workers, Anganawadi workers etc.,
- *Funding for training and orienting franchisees to be done from Plan funds*

Contd....

RECOMMENDATIONS

- **Mechanization of delivery service both in urban and rural areas**
 - **By providing vehicle allowance to delivery staff**
 - **utilising available mechanised transport - both departmental and outsourced vehicles.**

Contd....

TECHNOLOGY INDUCTION

- Installation of multi purpose machines for vending, booking, delivery of articles, providing ATM facilities , ticketing etc.
- Younger population to be attracted by 24x7 postal access through centralised server of India Post Website which would enable the user transact online.
- To provide devices like Simputers/PDAs etc.
- Cyber Dhabas to be established in BOs.
 - learning centre for children to access internet with a nominal charge.
 - This can be a common service centre also.
 - Funding for cyber dabas/CSC along the lines of PURA Model.
 - Linking up with State Government wherever State Government has provided computers to panchayat villages.

Contd....

TECHNOLOGY INDUCTION

- **Comprehensive MIS to be developed for use by the Management and customers**
- **Introduction of GPS technology through Plan funds**
- **To develop a mail server of the Department**

LETTER BOXES

- **Redesign letter boxes to make them multipurpose vending machines also as they are now underutilised**
- **Immense possibilities for letter boxes for revenue generation**
- **To be identified as a drop box for collection of cheques for POSB accounts etc.**
- **To be identified as a drop box for payment and deposit by cheques of various banks.**

Contd....

LETTER BOXES

- To be identified as a drop box for bill payment, provided we enter into an agreement with some banks.
- To be designed to have a PCO phone on the top and collection box at the bottom
- Franchisee outlets to be provided letter boxes through Plan Funds

Contd....

Other Recommendations for increasing access

- Children and youth to be targeted by various innovative schemes
- In areas such as North East, Lakshwadeep etc., the Department should continue investing in land, buildings and support loss making P.Os.
- For inaccessible areas, melas should be organized to sell all Postal instruments across and it should be made mandatory.
- *Overseas India Post network to be introduced*

SUB PLAN FOR NORTH EAST AREA

- Support the NRC component for existing Post Offices
- expansion of Postal network on existing norms
- Opening of mobile post offices

**PROPOSED PHYSICAL AND FINANCIAL TARGETS
FOR THE 11TH FIVE YEAR PLAN (2007-2012)
UNDER THE PLAN SCHEME “ACCESS TO THE POSTAL NETWORK”**

Sl. No.	Plan Scheme/Programme/Activity	Physical Target	Financial Outlay (in Rs.Cr.)
1.	Rationalisation of the Postal Network		
(i)	Relocation of Branch Post Offices (One time non recurring cost for relocation @Rs.5000 per office)	500	0.25
(ii)	Relocation of Sub Post Offices(One time non recurring cost of relocation @ Rs.15,000 per office and monthly rental @ of Rs.5,000 per office)	500	1.75
	Total	1000	2.00
2.	Increasing Access to the Postal Network		
(i)	Expansion of the Network in NE Region		
	a) Branch Post Offices (One time non recurring cost for relocation @Rs.4000 per office)	50	0.02
	b) Sub Post Offices(One time non recurring cost of relocation @ Rs.15,000 per office and monthly rental @ of Rs.3,000 per office)	10	0.15
	Sub Total		0.17
(ii)	Franchising		
	1) Opening of Outlets		
	a) Urban Areas (Branding, including display boards and letter box @ Rs.10,000 per outlet)		
	i) New Outlets	5000 outlets	5.00
	ii) Replacing LPAs/LSVs	1500 outlets	1.50
	b) Rural Areas (Branding, including display boards and letter box @ Rs.10,000 per outlet)		
	i) New Outlets (in GP Villages fulfilling 2 norms)	2000 outlets	2.00
	ii) Replacing PSSKs (with negligible and nil transactions)	2000 outlets	2.00
	2) Mobile postal outlets (Branding, including display boards and letter box @ Rs.10,000 per outlet)	100 outlets	0.10
	3) Training		
	a) Initial @Rs.3000 per franchisee	10600 outlets	3.20
	b) Refresher @ Rs.2000 per franchisee per annum	10600 outlets	4.20
	4) Forms and Stationery (@ Rs.10,000 per annum per outlet)	10600 outlets	30.00
	5) Advertising & Publicity (Minimum of 4 ads per circle @ approximately Rs.2.00 to 3.00 Lakhs per annum)	22 circles	3.00
	Sub Total		51.00

(iii)	Vending machines (@ approximately Rs.10.00 Lakhs per machine)	100	10.00
(iv)	Web-enabled Access a) MIS for Management and Customers b) GIS for Postal Network c) Website Development	#	#
	TOTAL		61.17#
3.	Support for Existing NRC post offices in the NE Region	298 BOs 103 SOs	15.00
4.	Infrastructural Equipment for Extra Departmental Post Offices with income within norms a) Hardware # b) Software # c) Networking # d) Furniture and other items.	10000 *	# # # 5.00
5.	Studies 1) For assessment of access requirements of different customer segments. 2) To workout the profit centre concept and formulae for Post offices 3) For redesigning letter box to make it a multipurpose collection and dispensing point. 4) To assess the feasibility of expansion of the India Post Network overseas within the framework WTO regulations.	1 1 1 1	2.00
	GRAND TOTAL		85.17#

Figures for item 2 (iv) & item 4 a, b,c to be worked out under the Technology Scheme

* Including 100 in NE Region and 30 in Special Areas.

Mail Processing and Network rationalisation and Modernisation

The 10th Five Year Plan had set the tone for further development of mail movement and mail processing to bring in more efficiency, reliability and economy in the mail channel. The initiative has been continued and taken forward. The issues of a mail handling strategy for other urban centres with the possible use of indigenised mail processing system or scouting for appropriate technology solutions is an important component of the XI Five Year Plan. The need to rationalise the mail network and develop Hub and Spoke system is another area of action during the XI Five year Plan. The integration of technology of the legacy softwares and induction of ERP will enable the department to provide seamless service to its customers and improve the quality of mail services.

The Objectives of the XI Five Year Plan for Mail Processing units are listed below:

Collection System

Innovate the collection system for both the commercial and transactional mails and for individual customers to increase the access to the postal service.

Processing and Sorting

Reengineer the Processing system of mails by induction of large scale technology to bring more reliability and standardize the various subsystems.

Transport Systems

Develop a multi nodal transport model for mail transmission to achieve cost curtailment and improving the mail transit time.

Delivery Mechanisms

Improving the delivery mechanism of postal articles to enhance customer satisfaction and increase the confidence level among the customers.

Market Share

The effort of radically enhancing the operational efficiency backed by aggressive marketing of India Post's service and image branding is intended to enhance the market share as well as increase the revenue generation of India Post.

Collection System

Print Mail Service: The Plan projects for improving the mail collection system need to be brought to the level of other industry players and benchmarked to the industry. The mail market is looking for end to end solutions in terms of printing- packaging-mailing-delivery value chain. The overwhelming proportion of the commercial and transactional mail which is expected to continue to grow, needs to be captured at the stage of printing. The development of technology already available in the market needs to be adopted by Department of Posts as well. The customers want such solution providers who can handle the end to end processes. The PRINT MAIL SERVICE needs to be established

to provide the value addition. The Department plans to have the printing solutions in four major cities of Mumbai, Chennai, Hyderabad and Delhi to offer end to end solutions for mailers. While the machines will be procured through the private-public partnership through revenue sharing. The Department has to provide for the building, and other infrastructure for the operation of this service. The infrastructure involves identifying the building, necessary civil and electrical work, security systems and communications system. Other facilities like loading-unloading bays, packaging system will involve investments.

Establish Print Mail Units		
	Financial Outlay	Total Outlay
Civil Work	@ 10.00 Lakhs	Rs 40.00 Lakhs
Electrical work	@ 20.00 Lakhs	Rs 80.00 Lakhs
Basic equipments	@ 5.00 Lakhs	Rs 20.00 Lakhs
Security systems	@ 5.00 Lakhs	Rs 20.00 Lakhs
Total		Rs 1.40 Crores

The revenue-sharing will be based on per transaction. This will enable the maintenance of the machine and efficient operations.

Modernisation and Consolidation of Bulk Mail centres and Business Post Centres

The Corporations and businesses are generating almost 60% of the mail volumes. There is a need to facilitate the posting and processing of such mail. The present set-up of Business Mail Centres is under pressure and there is a dire need to invest adequate resources in these centres. This is vital as almost 60% of the revenues of the Business Development directorate of department are generated by the corporate mail, Bill Mail Service and related activities. The Plan project envisages the following:

- ❑ Develop collection system for corporates,
- ❑ Design a modern Bulk mail centres which will be called Mail Business Units,
- ❑ The facilities of variable printing system, packaging machines, inserting machines will form the backbone of the system.
- ❑ Targets will be defined for each Circle for consolidation and establishment of modern Mail Business Centres.

Each Business Post centre/ Bulk Mail centre which has a traffic of more than 100,000 articles will be supplied with modern inserting machines.

An amount of Rs. 20.00 Lakhs is planned to upgrade facilities in these Centres. This amount will cover activities like exterior for brand development, counters and roller conveyors for assembly line processing, warehousing, processing equipments and packaging equipments and IT infrastructure and security systems.

Letterbox collections is planned to be mechanized in all the cities to improve the productivity of the staff and enhance the processing time. Apart from this an

‘Intelligent Letter box’ is planned, a prototype of which already exists. This will enable date and time stamping on the postal items at the time when the customer puts his mail in the post office channel. 5,000 of these letterboxes are planned to be manufactured and put in use in the CBD and busy residential areas in the major cities. The presence and relevance of letterboxes need to be enhanced in all the villages, where there is a post office. A pillar letterbox will be planted in all the villages of India having a Branch post office.

	Pillar letterbox	Intelligent Letterbox
Number to be fabricated	1,35,000	5,000
Total outlay proposed	Rs 2.7 crores	Rs 5.0 Crores
Year to be completed	2009	2008

Processing and operations

The fact that 60% of the mail volumes are commercial and transactional mails is significant for mechanization of the sorting process. This will minimize the static time in the mail office and allow the mail to move more frequently. There is a proposal to maximize the sorting abilities of the OCR machines and letter sorting machines, like those planned for Delhi and Kolkata

A study has been undertaken to redesign the utility of the Pin code. The OCR capability of the machines to read the characters gives the machine an ability to sort very deep up to the beat level of the delivery system. To get the most out of the redesigned Pin code, a mammoth effort to make the public aware will be required. The major mailers among the corporate houses need to be addressed and assisted in updating their database. This will require funds to the tune of Rs.50.00 Crores. The awareness plan will be in shape of advertisement in the print and electronic media and labeling of the important areas of the residential and commercial areas.

All cities with a typical mail volumes of 200,000 to 300,000 per day will be provided with a customized sorting machine which can process this mail volume at a lower cost with efficiency. This will complete the project on maximum utilization of pincodes in automating the sorting process. All states will have at least one Automated mail processing machine and selected cities like Nagpur, Kanpur, Pune, Coimbatore, Cochin, Gurgaon, Noida, and Indore will be provided with an appropriate Automated mail processing machines.

Parcel Hubs and Mixed mail sorting

It is expected that parcel volumes will grow. There is a need to provide for processing infrastructure for parcel processing. The plan is to develop the infrastructure, which will expedite the parcel processing and launch a marketing drive to project India Post's parcel service. It is planned to have 8 Parcel sorting

machines and 8 Mixed Sorting machines. Each of these Hubs will be located as per the eight Postal code. The development of these Hubs will improve the processing time, and increase the security issues. The Mixed sorting machines will cater to the increase in the number of large size packets in the mail stream. The high-speed ability of these machines implies they can be utilized for bulk postings and other collections of Speed Post articles. It is also proposed to replace more than a decade old machines in Mumbai and Chennai by OCR machines. The OCR machines have the advantage of addresses being read by the machine that make these highly productive.

	Total no of sites
AMPC of medium size	22
Support and handling equipments for above	22
Parcel sorting machines	8
Mixed sorting machines	8
OCR Machines	2
Support and handling equipments for above	2

By the end of the XIth Five Year Plan, India will have a network of 24 state of the art letter sorting machines with OCR ability. This will be backed by presence of Mixed sorting machines to handle the large volume of flats / packets and 8 parcel sorting machines. This will cover almost 90% of the present mail volumes.

Speed Post operations: Speed Post volumes have shown a consistent increase in the volumes. The ban on new posts and other policies mean that more business volumes will lead to more pressure on quality maintenance. The machine suite would be complemented by scanner system, bagging and sealing system and RFID antennas and complementary hardwares to provide for full track and trace.

Peripheral system

The mail processing centers will also be equipped with the latest scanning system with RFID technology, automatic packing and bagging system and sealing system. These will be located in all the mail processing units.

Tracking system

The success of roll out of Speed net project has encouraged to spread the hardware and connectivity to more and more post offices. By the end of 10th five Year Plan, more than 1,300 post offices have been supplied with the required hardware and connectivity. Tracking system (Speed Net system) will continue to

be improved and expanded. This also needs to be backed up by Tracking system for all 1st class mail . This will enable macro level monitoring of all the 1st class mail criss-crossing the country. The availability of RFID tags at extremely low prices can make this project very feasible.

It is proposed to implement this system of tracking of bags at 300 mail offices including transit mail offices. The project backed by connectivity can give details of each bags position and transit time taken, This will revolutionise the quality system and bring huge accountability on each mail office. This project will take India postal system among the leaders in the world.

□ Component
○ Software developments or procurement
○ Hardware, e.g Server, nodes and peripherals
○ RFID antennas and peripherals
○ RFID tags
○ Training and HR (@ 10 person per unit)
○ Consultancy for implementation

Enterprise Resource Planning (ERP)

All the above-mentioned operational projects will be dovetailed in to an Enterprise Resource Planning (ERP) kind of a solution. This will enable developments of a seam less and coordinated platform for most importantly the customers, employees and management. Preliminary estimates indicate an outlay of Rs. 300 Crores for implementation of ERP in mail operations. The development of ERP will enable customers to access information related to their consignments, better utilization of expensive manpower and ability of the management to determine the quality enhancement points and intelligent MIS.

Enterprise Resource Planning system enables modernization of IT solutions, manage the existing (legacy IT solutions) and integrate the several aspects of solutions which integrate the operations, customer interface, management functions and assist to reengineer the existing processes simultaneously. Worldwide several postal enterprises have implemented the ERP solutions leading to savings in long term and improvement in the service standards in immediate time frame. Chile, Greece, Canada, South Korea have implemented ERP successfully in their postal system.

ERP will assist in achieving greater efficiency in internal processing. There is a need to develop integrated software to enable computerization of end-to-end processes of mail products. The system should be able to assess the quality parameters against the performance achieved. The need for quality auditing will be simplified with this application and enable the department of Posts to go in for quality engineering based on this information. These types of solutions are already available in various ERP operations software applications.

A centralized database for the department is prerequisite for achieving end-to-end monitoring system, better and comprehensive tracking system that is available for the customers and customized management information system at either national level or any other unit level. Implementation of ERP from a renowned and experienced solution provider will help define the parameters for central database technology and recommend the communication infrastructure.

ERP solutions are engineered for key customers in terms of fulfillment system, order booking, call centers, tracking and booking and lodgement system. The use of lodgement solution through the Internet will enable the large mailers who use the postal products to integrate their database to department of Posts, mitigating the repetitive work of entering the sender, addressee, article number etc at many points. This will save precious thousands of man-hours and enable provision of visibility and tracking system for all.

The promotion of RFID technology in the country will be leveraged by the department of Posts. ERP solutions have the modular structure that will enable the RFID suite to fit in the system in a phased manner. The modular structure of the ERP solutions also provide the flexibility to integrate other solutions in a phased manner like HR, accounts, inventory, retail, MIS etc.

ERP solutions take into account the legacy software and hardware issues in a comprehensive way. At present the mail operations are working on CRC, HRO, Speednet, Meghdoot and TMO software. Data capture and data flow and exchange and storage and retrieval are challenges associated with the present sets of software. Since the mail operations quality and customers satisfaction are based on the availability of tracking data, ERP is the start point for a total solution for achieving excellence in mail operations.

Transport services

Transport service provides the critical link between the two end-to-end points on mail value chain. At present the transport services are being provided by the departmental mail motor services, mail motor contract, railways and the airlines. The need for outsourcing of mail motor services to develop reliability in mail transmission is important.

It has been felt that there is great need for developing Transport centers to provide and monitor transport services provided by different agencies. The outsourcing of the transport requirement will cover 300 mail offices and 140 HO hubs across the country. There will be a requirement of basic IT infrastructure for these units. The estimated outlay of Rs 10.00 lakhs for each of the 140 HO hubs transports centers is required. These centers will become extremely productive with the development of traditional mail service and parcel and logistics business.

The need to rationalise the existing transport structure and development of multi-modal transport model has already been undertaken. Shifting to containerization and road transport is essential to provide more stability for intra-circle mail movements. The Railways and Airlines will continue to provide the critical linkages for long haul routes.

Containerization is required for efficient transport system and to reduce the number of handlings. Some of the busy mail offices will need fork lifts as well.

North East Plan

A special mention must be made in this document of the special component of North Eastern India. Development of Guwhati as a Hub is a very important part of the Plan. Guwhati is a gateway for all the other N E states. An integrated hub consisting of all the transport facilities and automation system is to be established at Guwhati. Development of tamper-proof system of mail packaging and transmission will be the focus area here. Dependable mail arrangements with assured service standards could generate huge business volumes in this region. There is felt need for replicating the best practice from international experience for this project. An outlay of Rs 1.50 Crores is to be earmarked for implementation consultancy and Rs 5.00 Crores for building component.

Delivery

Delivery forms the last mile service and is the most valued service of the department. In major cities the delivery centers needs to be consolidated in to delivery Units rather than delivery post offices. Each of these centers will have a minimum mail volume so 100,000 articles per day. The efficiency of these mail centers will be dependent on the project on beat stage sorting by the machines, and development and popularization of Pin Plus project and standardization of stationary. It is proposed to utilize the LSM facility in 22 sites discussed above which will maximize the returns on investments in these Medium sized AMPCs. Each of these centres will multi function like a delivery Unit, Business mail office and AMPCs.

These delivery centers will also be equipped with proper lounge for the customers, facilities for delivery staff (postmen) and newly designed postboxes.

PROPOSED PLAN FOR PLI/RPLI DURING 11TH FIVE YEAR PLAN

1. OBJECTIVE

The PLI organization of the Department of Posts has set following Objectives for itself to achieve in the 11th Five Year Plan.

1.1. Corporatization of PLI Organization in order to come under IRDA within a period of 3 to 4 years.

Under the amended provision of Insurance Act, 1938, it is laid down that only Indian Insurance Companies can transact life insurance business in this country. PLI, historically, has been an exempted insurer under Section 118 (c) of Insurance Act, 1938 and Section 44(d) of LIC Act, 1956. The status has not changed even after liberalization of insurance sector and Constitution of the IRDA in 1999. While still under the umbrella of such exemption, the Department made a foray into Rural Insurance Sector in 1995. However, the very provision has become a limiting factor under the new liberalized environment since the PLI & RPLI cannot introduce any new product nor extend the client base of PLI as it will require approval of the Ministry of Finance and the concurrence of IRDA. Moreover, the Postal Life Insurance, which is about 120 years old, has been a part and parcel of the Department of Posts and the management of its operations and policies are interwoven with the main body of the Department without any autonomy in decision making. It has not been possible for the organization to deliver the service as per the expectations and standards laid down for the industry and in turn regulated by IRDA. Under the circumstances, it has become imperative to corporatise PLI organization like any other PSU or a Government Limited Company for increased efficiency, better productivity and quicker decision making.

1.2. Internal skill development for managing the investment function in-house.

A mandate has been given by the Ministry of Finance (Budget Division) that incremental accretion to POIF & RPOIF will have to be invested as per IRDA (Investment) Regulations. The corpus of POIF & RPOIF as on 31.03.2006 would get frozen and converted into Dated Securities over a period of three years starting from the financial year 2006-07. Since this is a new area for the Department without any previous knowledge or expertise the Department will have to hire professional Fund Managers to take up the investment functions by the target date.

The overall objectives of PLI & RPLI is to come under IRDA within a period of 3 to 4 years during the 11th Five Year Plan. Since IRDA investment regulations do not permit out-sourcing of investment function, the Department has to develop its own investment personnel to take care of every aspect of the investment function and the investment strategy.

1.3. Development of Trained Skilled Cadre to undertake Marketing of Insurance Products, Underwriting business and undertake In-house Actuarial Valuation.

Currently PLI has a limited clientele which is open to Government and Semi-government employees while RPLI is open to the rural public. When PLI comes under IRDA, PLI will also be opened to the general public, rural as well as urban, like any other insurer registered with IRDA. Presently, the marketing of PLI is done through the Development Officers (about 200), Field Officers (about 500) and Direct Agents (about 500). In addition, the Department has recently authorized Officers, Inspectors and some qualified Postmen to canvass PLI business during off hours and holidays. On the other hand, Gram Dak Sewaks have been entrusted with the procurement of Rural PLI besides some other departmental officials like Rural Sub-Postmasters and Inspectors. The manpower employed for marketing as on date is disproportionate to the potential available both in PLI and RPLI which is likely to grow further when PLI is opened to general public. The growth potential for PLI/RPLI in near future is given in Annexure-I & II. In contrast, organizations like LIC employ a marketing force of about 10 lakh Development Officers and Agents. It has become thus imperative that the marketing base and the marketing force be reinforced further.

At present, there is hardly any professional training available to the various categories of the marketing staff already employed. With the industry's requirement of professional selling of life insurance products, each marketing agent has to undergo mandatory 100 hours training and pass the test prescribed by the IRDA. Each Agent of PLI will therefore have to be trained as per the said requirement to fulfil the stipulations of IRDA.

1.4 Restructuring of insurance operations to make it customer friendly.

As per Para 7 of Malhotra Committee Report, it was envisaged that the servicing of the RPLI policies should be brought down to the operative level where the customers can interact easily. It was suggested that Head Post Offices should do the accounting and the

servicing of the PLI/RPLI except in case of death claims while the marketing, actuarial and settlement of death claims would be done at administrative offices with better managerial skill where such functions can be carried out efficiently. Accordingly, it is proposed that the acceptance of the proposals, underwriting and marketing will be done at the Division level while the Actuarial work and financial accounting will be done at the level of Director PLI, Kolkata as hitherto before.

1.5. Revamping existing IT structure and making the operation on- line upto Divisional and HO level.

With the restructuring as proposed in the preceding para, the IT structure will also have to be revamped. At least one Server & 2 Nodes will have to be provided to each Head Office while one Server and 3-4 Nodes will have to be provided to the Divisional Office. Further, one Server will have to be provided at Circle Office/R.O. for MIS and monitoring.

2. PLAN OUTLAYS FOR THE 11TH FIVE YEAR PLAN.

Following Schemes are proposed to be taken up during the 11th Five Year Plan :

2.1. Computerization of PLI Organization.

For computerization of 822 Head Post Offices, 441 Divisional Offices and 60 Circle/Regional Offices @ Rs. 4 lakhs per office and the O/o DPLI Kolkata @ Rs. 10 lakhs, the total amount works out to Rs.53.02 Crores for the entire 11th Plan. The work will be taken up in a phased manner during the five years of the Plan and will be completed by the end of 11th Plan. The year-wise requirement of funds is shown in Annexure-III to this proposal.

2.2. Development of software for PLI/RPLI.

At present, the PLI/RPLI is using Unix/Oracle bases software which was developed by the NIC. On the other hand, the software developed for operative offices is based on Windows platform. Difficulties have been experienced for bridging up the two softwares at various levels. It is proposed to develop Window based software for Postal Life Insurance compatible with the Software of Postal Operation to carry out Counter functions and this Software needs to be developed within first two years of the Plan so that it is released to the operative offices or use by 2009. It is, therefore, proposed that the said software will be obtained from open market. While going for such kind of software development, we also need to have Data Ware-housing with a IVRS facility for the customer so as to answer any query and access his account also from any part of the

country. Facility for paying premium from anywhere in the country should be available to the customer. It should also have facility for repayment. With such a type of facility being made available to the customer, the PLI/RPLI would be in a position to compete effectively with other insurance companies on an equal footing. The development of such a system would require an outlay of Rs.10 crores which will be spent in first two years of Annual Plan itself with an outlay of Rs. 5 crores each (c.f. Annexure-III).

2.3. Publicity of Insurance Products.

The PLI and RPLI will now be available to the public at large. Creation of brand image and intensive publicity of the products through mass media especially the Radio and the Television is envisaged. It is generally observed that an insurance company spends around 5-10 percent of their expenditure budget on publicity of their products. The premium income from new policies of the PLI/RPLI is expected to rise from 400 crores in the first year of the 11th Plan to 1000 crores by the end of this Plan period. It is proposed to undertake a wide campaign at national level through the medium of television as well as radio which was not done hitherto. For this purpose, an outlay of Rs.50 Crores is proposed for the entire 11th Plan which will be equally allocated to the five years of the Plan viz Rs. 10 crores for every annual plan (c.f. Annexure-III).

2.4. Training of Marketing Personnel.

It is envisaged that Agents, Career Agents and Brokers will be engaged for marketing of PLI/RPLI. Under the stipulations of IRDA, the said staff must have a bench-mark educational standard and need to be trained in insurance marketing techniques. At present, we are engaging GDS staff for marketing but under changed circumstances, only such GDS staff can be utilized as agents who have the minimum requisite educational qualification and are fit for promoting sales of insurance products. It is expected to engage about 2 lakhs Agents for procuring life insurance products, which will include 1 lakh GDS BPM's to be selected for this purpose. The cost of the training is estimated to be Rs.2500 per agent while TA/DA involved will be Rs.1500 per agent. The total expenditure will work out to Rs.4000 per individual. Accordingly, an outlay of Rs.80 Crores is proposed. The training is proposed to be conducted in a phased manner. Therefore, allocation of 16 crores on yearly basis is required during the Plan period (c.f. Annexure-III).

2.5. Training in underwriting.

Since underwriting is an essential activity of insurance and will eventually have to be taken up by the Department sooner or later, it is essential that the back-office staff is trained in underwriting. Around 2000 back-office staff all over the country are proposed to be imparted training in underwriting and the expenditure is estimated to be Rs.10,000 (including TA & DA) per individual. The total, therefore, works out to Rs.2 crores which will have to be spent within initial 2 years only with an allocation of Rs.1 Crore each for the year 2007-08 and 2008-09 (c.f. Annexure-III).

PROPOSED SUB-PLAN FOR 11TH FIVE YEAR PLAN **IN RESPECT OF LADAKH REGION (J&K STATE)**

1. OBJECTIVE

The Sub Plan proposed hereunder envisages postal developmental activity in the Ladakh region in order to give impetus to all round growth and development in the far flung, high-altitude and border area of Ladakh region in J&K State.

2. The various schemes proposed to be undertaken under the Plan activity during 11th Five Year Plan are enumerated hereunder:

2.1. Acquisition of Land

It is proposed to purchase land at such locations where the Department has its own departmental offices but does not possess departmental buildings. At present, the Department has 09 such departmental post offices in Ladakh region where no departmental buildings are available. It is proposed to purchase land in a phased manner for this purpose. Land is proposed to be purchased for 03 post offices during the year 2007-08 viz. Chuglamsar SO, Diskit SO and Baroo SO with an outlay of Rs.5 lakhs; for another 03 post offices viz. Padam SO, Thiksey SO and Khalsi SO during the year 2008-09 with an outlay of Rs.5 lakhs; and for remaining 03 post offices viz. Drass SO, Sankoo SO and Mulbek SO during the year 2009-10 with a financial outlay of Rs.3 lakhs. The total outlay for the entire 11th Five Year Plan will thus be Rs.13 lakhs.

2.2. Construction of Post Office Buildings

During 11th Five Year Plan, it is proposed to build all the post office buildings for which land is proposed to be purchased in the initial three years of the Plan as per preceding para. The construction activity can start only once the land is procured. It is, therefore, proposed to construct 03 post office buildings viz. Chuglamsar SO, Diskit SO and Baroo SO during the year 2009-10 with an outlay of Rs.110 lakhs; additional 03 post offices viz. Padam SO, Thiksey SO and Khalsi SO during the year 2010-11 with an outlay of Rs.120 lakhs; and thereafter the remaining 03 post offices viz. Drass SO, Sankoo SO and Mulbek SO during 2011-12 with an outlay of Rs.95 lakhs. The total plan outlay for the entire 11th Five Year Plan will thus be Rs.325 lakhs under this head.

2.3. Opening of Post Offices (BO's)

The Ladakh region is a cold desert at a very high altitude. Population in the area is scattered forming hamlets in a few areas where inhabitation is possible while all other areas still remain unpopulated. More than 80 percent of the area is barren. The communication network in the area is also not properly developed. Worse still, the whole Ladakh region remains cut off from rest of the country for almost six months in a year due to blockade of national highway. Only selective Air traffic is permitted. Post office is the only means of communication for the people in the area. Since the population is very sparse in the area, the present norms for opening of post offices are hard to justify post office in such areas though it is felt that provision of post office would go a long way to initiate developmental activity in these areas.

It is, therefore, proposed to provide 03 BO's at Bogdang (Diskit), Sani (Padam) and Darchik (Kargil) during the years 2007-08, 2009-10 and 2011-12 in order to provide communication facility to these areas. However, the norms for opening of post offices will have to be relaxed further to provide post offices in these areas.

The total cost of each post office is estimated to be Rs.0.70 lakhs per year which works out to a total outlay of Rs.2.10 lakhs during the entire 11th Five Year Plan.

2.4. Upgradation of Post Offices from GDS BO's to DSO's.

It has generally been seen that post office becomes a nerve centre for the developmental activity in an area which is remote and forlorn. In view of the situation explained in preceding para, it is proposed to upgrade 03 BO's to Departmental SO's viz. Saspol (Khalsi), Nyoma (Leh) and Spituk (Leh) during the years 2008-09, 2009-10 and 2010-11 respectively. In the background of reasons given in the previous paragraph, it is essential that the present norms prescribed for upgradation of post offices from GDS BO's to DSO's are further relaxed in order to enable these 03 Branch Offices to be upgraded into Departmental SO's. An outlay of Rs.2.60 lakhs each is proposed for the years 2008-09, 2009-10 and 2010-11 which works out to a total of Rs.7.80 lakhs for the entire 11th Five Year Plan.



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Chief Postmaster General,

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Jammu & Kashmir Circle, Srinagar-190001

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D.O.No.CPMG/J&K/11th FY Plan/2007-2012

Dated at Srinagar, the 19th Sept., 2006

This has reference to your DO letter No.13-2/2006-CP dated 29.08.2006 regarding formulation of the 11th Five Year Plan (2007-2012) of the Department of Posts.

2. I am enclosing the Proposed Plan for PLI/RPLI for the 11th Five Year Plan for further necessary action at your end. Suffice it say, that a meeting was held in this regard at PLI Directorate, New Delhi on 13th and 14th Sept., 2006 in which Shri SK Sinha, PMG Aurangabad and Shri V. Pati, AGM PLI participated besides the undersigned. Shri Anil Kumar, DPS Patna did not attend the meeting as he had been nominated earlier for a course at PSCI, Ghaziabad from 11th to 15th Sept., 2006.

3. I am also enclosing a Proposed Sub-Plan for Ladakh Region (J&K Circle) as directed in the above cited letter. This sub-plan has been prepared by me locally based on my personal knowledge and inputs received from some Officers who had worked as Superintendents Post Offices in Leh from time to time.

4. Since your subsequent instructions regarding discussing the Plan with concerned Member were received by me only after I reached back to my headquarters, it was not possible to discuss the Plan Schemes with the Member. The proposed Plan may, therefore, be submitted to Member (Development) for his kind perusal and approval before inclusion in the Departmental Plan.

Yours sincerely,

(D.K. Budki)

**Ms. Devika Kumar,
Secretary, Postal Services Board, &
Dy. Director General (CP),
Department of Posts,
Dak Bhawan, Sansad Marg,
New Delhi – 110001.**

DA: as above.

Copy to:

1. Shri SK Sinha, Postmaster General, Aurangabad Region, Aurangabad – 431002.

2. Shri V. Pati, Addl. General Manager, Postal Life Insurance Directorate, Chanakyapuri
Post Office Complex, New Delhi – 110021.

ROAD MAP FOR PLI (Industry Growth rate of 23.5%)



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
Premium Income (Rs.Cr.)	501.85	664.48	820.63	1013.48	1251.65	1545.79	1909.05	2357.57	2911.72	3595.98	4441.04			
No. of new policies (in Lac)	1.72	2.18	2.69	3.32	4.1	5.45	5.68	6.43	7.33	8.41	9.72			
Market Share	1.25 %					1.38 %					1.50%			
Life Fund (Rs.Cr.)	5090	5852	6794	7958	9394	11,031	13,046	15,523	18,553	21,983	26,187			
F.R.R. (Rs.Cr.)	20.72	26.17	33.06	41.75	52.74	66.61	84.14	106.27	134.23	169.54	214.14			
Product	Market		Distribution		Communi-cation		Service		Pricing		Structure		IT	

Note: The actual figures of Sum Assured, Premium Income and Life Fund for 2005 are Rs.4785 Cr., Rs.905 Cr. and Rs.7678 Cr. respectively.

ROAD MAP FOR RPLI (Industry Growth rate of 50%)



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
Premium Income (Rs.Cr.)	94.71	152.48*	228.72	343.09	514.63	771.94	1157.91	1736.87	2605.31	3907.96	5861.94			
No. of new policies (in Lac)	3.68	3.74	5.10	7.01	9.72	13.53	18.95	26.65	37.62	53.3	75.74			
Market Share	0.35 %					1.24 %					4.41%			
Life Fund (Rs.Cr.)	341	476	677	979	1438	2112	3128	4660	6969	10,303	15,401			
F.R.R. (Rs.Cr.)	7.96	11.64	17.01	24.87	36.36	53.16	79.40	118.59	177.13	264.57	395.17			
Product	Market		Distribution		Communi-cation		Service		Pricing		Structure		IT	

Note: The actual figures of Sum Assured, Premium Income and Life Fund for 2005 are Rs.13,300 Cr., Rs.381 Cr. and Rs.1128 Cr. respectively.

PROPOSED PLAN OUTLAY FOR PLI/RPLI DURING 11TH FIVE YEAR PLAN
(FINANCIAL OUTLAY)

SL	Particulars	Total Proposed Financial Outlay (Rs.in Cr.)	ANNUAL PLAN YEAR				
			2007-08	2008-09	2009-10	1010-11	1011-12
			Proposed Outlay (Rs. in Cr)	Proposed Outlay (Rs. in Cr)	Proposed Outlay (Rs. in Cr)	Proposed Outlay (Rs. in Cr)	Proposed Outlay (Rs. in Cr)
1	Computerization of PLI/RPLI	53.02	10.64	10.70	10.56	10.56	10.56
2	Development of Insurance Software	10.00	5.00	5.00	-	-	-
3	Publicity of Insurance Products	50.00	10.00	10.00	10.00	10.00	10.00
4	Training of Marketing Staff	80.00	16.00	16.00	16.00	16.00	16.00
5	Training in under- writing	2.00	1.00	1.00	-	-	-

PROPOSED PHYSICAL TARGETS FOR PLI/RPLI DURING THE 11TH FIVE YEAR PLAN

Sl.	Particulars	Total Finan-cial Outlay (Rs. in Cr.)	Physical Targets				
			2007-08	2008-09	2009-10	2010-11	2011-12
1	Computeri- zation of PLI Organization	53.02	To Computerise 165 HO's, 89 DO's & 12 Circles	To computerise DPLI Office, Kolkata, 165 HO's, 89 DO's & 11 Circle Office/ Regional Office	To computerise 164 HO's, 88 DO's & 12 Regional Offices	To computerise 164 HO's, 88 DO's & 12 Regional Offices	To computerise 164 HO's, 88 DO's & 12 Regional Offices
2	Development of Software	10.00	To develop soft- ware for entire PLI organization based on window Platform	To develop soft- ware for entire PLI organization based on Window Platform	-	-	-
3	Publicity of Insurance Products	50.00	To get TV spots & Radio Jingles prepared & displayed/broadc ast on TV/Radio Channel nationwide.	To advertise on TV/Radio Channels in nation- wide/sponsor programme	To get TV spots & Radio Jingles prepared & displayed/broadcas t on TV/Radio Channel nationwide	To get TV spots & Radio Jingles prepared & dis- played/ broadcast on TV/ Radio Channel nation- wide	To get TV spots & Radio Jingles pre- pared & displayed/ broadcast on TV/ Radio Channel nation-wide
4	Training of Marketing Personnel	80.00	To train 40,000 Marketing Perso- nnel in Insurance marketing	To train 40,000 Marketing Perso- nnel in Insurance marketing	To train 40,000 Marketing Perso- nnel in Insurance marketing	To train 40,000 Marketing Perso- nnel in Insurance marketing	To train 40,000 Marketing Perso- nnel in Insurance marketing
5	Training in Underwriting skills	2.00	To train 1000 Circle office personnel in underwriting skills	To train 1000 Circle office personnel in underwriting skills	-	-	-

Proposed 11th Five Year Plan (Physical Targets) for Ladakh Postal Division

S. No.	Plan Scheme	Proposed Plan activity	Yearly Plan Outlay				
			2007-08	2008-09	2009-10	2010-11	2011-12
1.	Acquisition of Land	09 post offices	(i) Chuglamsar (ii) Disket (iii) Baroo	(i) Padam (ii) Thiksey (iii) Khalsi	(i) Drass (ii) Sankoo (iii) Mulbek	Nil	Nil
2.	Construction of Post Office Buildings	09 post offices	Nil	Nil	(i) Chuglamsar (ii) Disket (iii) Baroo	(i) Padam (ii) Thiksey (iii) Khalsi	(i) Drass (ii) Sankoo (iii) Mulbek
3.	Opening of Post Offices (BOs)*	03	(i) Bogdang (Disket)	Nil	(i) Sani (Padam)	Nil	(i) Darchik (Kargil)
4.	Up-gradation of Post Offices from GDSBOs to DSOs*	03	Nil	(i) Saspol (Khalsi)	(i) Nyoma (Leh)	(i) Spituk (Leh)	Nil

*

(Special relaxation will be required beyond the present norms so that the post offices become nerve centres for growth and development of the area)

Proposed outlay 11th Five Year Plan (Financial) for Ladakh Postal Division

S. No.	Plan Scheme	Proposed Plan activity	Yearly Plan Outlay				
			2007-08	2008-09	2009-10	2010-11	2011-12
1.	Acquisition of Land	13 Lakhs	05 Lakhs	05 Lakhs	03 Lakhs	Nil	Nil
2.	Construction of Post Office Buildings	325 Lakhs	Nil	Nil	110 Lakhs	120 Lakhs	95 Lakhs
3.	Opening of Post Offices (BOs)*	2.10 Lakhs	0.70 Lakhs	Nil	0.70 Lakhs	Nil	0.70 Lakhs
4.	Up-gradation of Post Offices from GDSBOs to DSOs*	7.80 Lakhs	Nil	2.60 Lakhs	2.60 Lakhs	2.60 Lakhs	Nil

*

(Special relaxation will be required beyond the present norms so that the post offices become nerve centres for growth and development of the area)

**MINISTRY OF COMMUNICATIONS & IT
DEPARTMENT OF POSTS**

**WORKING GROUP ON POSTAL SECTOR CONSTITUTED BY
PLANNING COMMISSION TO MAKE RECOMMENDATIONS ON THE
VARIOUS POLICY MATTERS RELEVANT TO THE FORMULATION
OF THE 11TH PLAN**

**REPORT OF SUB COMMITTEE
ON
MONEY TRANSFER OPERATIONS**

Chairperson

Sh. Kamleshwar Prasad
CPMG Bihar Circle

Members

- ◆ Sh. P.M. Lal, Director (PG)
- ◆ Sh. L.N. Sharma, Director PTC
Saharanpur
- ◆ Sh. Nirmaljit Singh, SSPOs
Chandigarh
- ◆ Sh. Raj Kumar, ADG (IMTS)

REPORT OF SUB COMMITTEE ON MONEY TRANSFER OPERATIONS FOR THE FORMULATION OF 11TH PLAN SCHEMES

In pursuance of the Secretary (PSB)'s D.O. No. 13-2/2006-CP dated 29.8.06, and CPMG Bihar Circle D.O. No. CPMG/Misc/2006 dated 5.9.06, a meeting of Sub Committee on Money Transfer Operations on proposed 11th Plan Scheme was held in the chamber of CPMG Bihar Circle on 11.9.06 under the chairmanship of Sh. Kamleshwar Prasad, CPMG, Bihar Circle. The Sub Committee comprises the following:

- (a) Chairperson - Sh. Kamleshwar Prasad, CPMG Bihar Circle
- (b) Members
 - (i) Sh. P.M. Lal, Director (PG)
 - (ii) Sh. L.N. Sharma, Director (PTC Saharanpur)
 - (iii) Sh. Raj Kumar, ADG (IMTS)
 - (iv) Sh. Nirmaljit Singh, SSPOs Chandigarh

Sh. P.M. Lal and Sh. L.N. Sharma could not attend meeting due to some pre occupations. However, Sh. Raj Kumar and Sh. Nirmaljit Singh attended the meeting. Sh. Lal and Sh. Sharma sent their views on the matter separately which also have been incorporated in the Report.

2. Following are the recommendations of the Sub Committee on Money Transfer Operations in the Department of Posts for the 11th Five Year Plan 2007-12:

3. Instant Money Order (iMO):

The Instant Money Order Service has been introduced by the Department with effect from January 2006, and, till date, 41 locations in 11 states are providing iMO service. Presently, iMO is operating on PG server and as National Data Centre (NDC) is coming up, the iMO may be shifted to NDC so that plan to expand iMO service could be materialized effectively and smoothly with speed in the iMO operation. The further recommendations are divided into following three categories:

3.1. Domestic sector: The broader objective during the 11th Five Year Plan should be to extend the iMO service upto at least triple handed post offices. However, the endeavour of the Department should be to cover all the departmental post offices as the Technology Division has proposed to cover even some Branch Post Offices for computerization during the 11th Plan. Further, iMO software be linked with Savings Bank, Electronic Fund Transfer (EFT) Services and the tariff rates rationalized in the light of the commission being charged on domestic money

order at present. Besides providing the linkage of the iMO software with Sanchay Post, there should be a further linkage by means of extension of the Electronic Clearing Scheme (ECS). This will facilitate credit of the funds in respect of Savings Banks/MIS Accounts interest to the Bank Account of the customer and the funds can be transmitted to and from these accounts by means of the iMO software.

3.1.1. The annual targets be fixed as follows:

Plan Year	Physical Targets	No. of POs	Financial Targets (Funds required) (Rs. in lakh)
2007-08	To cover all HOs and 25% of more than double handed Post Offices	842 + 1946 = 2788	41.82
2008-09	To cover remaining more than double handed Post Offices	5839	87.59
2009-10	To cover 75% of double handed Post offices	5513	82.7
2010-11	To cover 25% of double handed Post Offices and 50% of Single Handed Post Offices	1837 + 5033 = 6870	103.05
2011-12	To cover all remaining Single Handed Departmental Post Offices	5034	75.51

Note: The average expenditure for setting up an iMO center comes to Rs. 1,500/- which includes Smart Card kit, stationery, etc.

3.2 **International Sector:** The broader objective for the 11th Plan should be to develop iMO as a two-way Money Transfer vehicle for inflow of money to India and outflow from India to other countries by linking iMO through UPU's International Financial System (IFS) supported by software applications (IFS, IFS Light and STEFI), Eurogiro, SWIFT, etc. The Department should enter into bi-lateral agreements with other countries in this regard. The agreements should also be signed with MNCs operating in money transfer business with proper safeguards.

3.2.1 As per the report of High Level Committee on the Indian Diaspora, some of the top countries having Indian Diaspora are given below. The number of transfers of money to India through Western Union International Money Transfer Service (IMTS) from these countries during 2005-06 is also indicated against each.

Sl. No.	Country	Number of Indians (in lakhs) (2001 Figure)	No. of remittances (transactions) through Western Union IMTS to India during 2005-06
1.	Canada	8.51	23931
2.	USA	16.78	94269
3.	UK	12	25999
4.	Saudi Arabia	15	212449
5.	UAE	9.5	163817
6.	Oman	3.12	74567
7.	Singapore	3.07	66505
8.	Qatar	1.31	52590
9.	Kuwait	2.95	40974
10.	Malaysia	16.65	25760
11.	Bahrain	1.3	18454
12.	Australia	1.9	13367
13.	Italy	0.71	10686

3.2.2 The figures clearly show that there is much potential in respect of international transfer of money in these countries for Department of Posts and accordingly annual targets be fixed as follows:

Plan Year	Physical Targets
2007-08	To formalize the new money transfer system with countries from where money order service is already available and also cover countries – USA, Canada, UK, UAE, Saudi Arabia, Oman, Qatar, Australia, Italy, Baharain, Malaysia, Kuwait, Singapore.
2008-09	To cover another 20 countries.
2009-10	To cover another 20 countries.
2010-11	To cover another 20 countries.
2011-12	To cover another 20 countries.

3.3 **Corporate iMO:** In the 11th Plan Corporate iMO may be started specifically to cater to the need of Corporate world. The remittance limit and tariff structure of Corporate iMO may be designed keeping in view the market demand. This will give facility to such customers to transfer their money to their clientele through India Post.

3.4 **e-Commerce Sector:** This sector is growing at a very fast pace. The focus in the Approach to the 10th Five Year Plan was in logistics, retail and messaging. The scope of iMO should be expanded to the Retail Payment sector in the e-Commerce business. The payments can either be collected by the post office and sent through iMO, or the customers be guided to send the instant payments through iMO after getting the delivery of goods directly or through the parcels services of the Department. This will be similar to Value Payable Service currently available in the Post Offices.

4. **Retailing of Foreign Exchange:**

The Department has already got Full-fledged Money Changer (FFMC) licence No. EC.DEL.FFMC/(UNIFIED)29/2001 issued under Section 10(1) of Foreign Exchange Management Act, 1999 (42 of 1999). RBI has authorized Department of Posts to undertake money changing business at 235 Post Offices in accordance with provisions of Memorandum FLM as amended from time to time. The licence is limited to seven currencies, viz. USD, Canadian Dollar, Australian Dollar, Sterling Pound, Swis Franc, Japanese Yen and Euro. The broader objective of the Department during the 11th Plan should be to cover maximum number of Post Offices located at important tourist places under money changing services and the scope of the licence should be got extended to other important currencies of South East Asian, Gulf and neighbouring countries.

4.1. The annual targets be fixed as follows:

Plan Year	Physical Targets
2007-08	To start the service immediately in 235 designated Post Offices.
2008-09	To cover 400 more Post Offices located at important tourist places.
2009-10	To cover another 500 more Post Offices located at important tourist places.
2010-11	To cover another 500 more Post Offices located at important tourist places.
2011-12	To cover remaining Post Offices located at important tourist places.

5. **Domestic Money Order Service:**

The re-structuring and re-engineering of the present Money Order service should be taken as a plan activity with specific allocation of funds to modify the software to meet the customer expectations and for re-structuring, re-engineering and induction of more viable technology such as about to be introduced Multi Protocol Label Switching (MPLS) in place of VSAT. This may further be linked

up with the proposed National Data Centre. The re-structuring and re-engineering can be done on the following broad principles:

- (a) Simplification of money order form.
- (b) Value additions such as giving multiple options to the customers to get acknowledgement in different forms like SMS, e-mail, acknowledgement in original, confirmation from booking office, etc. with little extra payment.
- (c) The facilities for sending money from one-to-many, many-to-one, cash-to-account, account-to-cash, etc. can also be provided.
- (d) Increase in upper limit to at least Rs. 20,000/-.
- (e) The rationalization of Tariff structure in the light of above.

6. **Indian Postal Order (IPO):**

The broader objective should be to develop IPO as an alternative to instruments such as Traveller's Cheques, Bank Draft, etc. by doing away with the lower denominations upto Rs. 5/- and introduction of higher denominations at least upto Rs. 5,000/-. The commission structure can be rationalized accordingly. Also, IPO should be renamed to suit the market needs.

D.O. No. Phil/2-67

26 Sept., 2006

Dear Sir,

I am enclosing draft Scheme prepared by the sub committee set up to work out Draft Approach Paper for the XI Plan Philately Operations.

Details of the Plan Scheme have been made along with Charts for Physical and Financial targets. The ideas put forward by Philately division in their base paper have been included and elaborated upon. The focus has been kept on making Philately contribute to the Department's efforts to become self-sufficient by increasing the quantum of revenue realized from Philately Products of the department/systematic planning to reach target objectives.

Yours sincerely,

Encl: As above.

(Madhu Narayanan)

Shri I.M.G. Khan.
Member(O),
Department of Posts,
Dak Bhavan, Sansad Marg,
New Delhi-110001.

XI Plan Scheme for Promotion and Upgradation of Philately

1. The many facets of philately

Postage stamps continue to be the single largest mode of postage payment. However, from being tokens of pre-payment, they have evolved over the years into collectibles of considerable prestige value and further into statements of the issuing country's sovereignty.

The postage stamp is a facilitator of postal business (being the token of pre-payment of postal charges), a paper ambassador of the issuing country (portraying the country's traditions and voicing its concerns and pre-occupations), a collectible of considerable intrinsic value (inspiring millions around the globe to collect stamps), a tool of education (the educational value of the carefully crafted images on postage stamps having found wide acceptance) and an avenue for investment (investment consultants, esp. in countries with well-developed philatelic programmes, having begun prescribing a philately component in the investment portfolios of their clients, akin to investing in art). Although many equate philately with stamp collecting, it is a distinct activity which has evolved into an industry in itself. The design, production, sale and uses of stamps are also part of the spectrum of activities falling under philately.

2. The Revenue Generation Opportunity

Postal administrations the world over, faced with falling volumes of mail, are now turning to this activity in their search for untapped and partially tapped sources of revenue – Philatelic Products by imbuing a distinctive character make the common article of mail, special. Not just the philatelic collector but the corporate brand, wants the “exclusivity”, label of a philatelic product/to be part of focus on heritage/flora & fauna etc. China Post and US Post have already met with phenomenal success in turning around their philately operations and converting them into money-spinners. There are lessons aplenty for the India Post in the experiences of these postal administrations.

An independent market survey conducted by M/s ORG MARG in March 2002 gives some clear indications about the revenue-earning potential of philately. Two of the pertinent findings of the survey were:

- a) The potential customer-base (i.e., the number of stamp collectors) in the India is 15 million, with 11 million serious collectors.**
- b) An average (serious) stamp collector spends Rs. 180 per month in buying collectibles, out of which about Rs. 104 is spent at the post office.**

These figures translate into annual revenue of Rs. 1248 per collector for the Department. For 11 million collectors, the potential business opportunity is to the tune of Rs. 1373 crores. This figure does not include the potential sales to the 4 million casual collectors and to overseas collectors. Even by conservative yardsticks, these two components would together contribute at least Rs. 150 crores. Thus the potential annual revenue from philatelic products is about Rs.1500 crores. It is to be added here that the above estimate is a dynamic one, which would vary with the levels of disposable income, available leisure-time etc. of the population.

Since the Indian economy is presently growing at an unprecedented pace, the business potential from philately would also grow at a corresponding pace. Corroborations of this estimated potential could be found in the balance sheets of US Post, Australia Post and many others, whose earnings from philately run into hundreds of millions in dollar (US) terms. The turn-over of China Post, which is also a player in the secondary market, has reportedly crossed the one billion dollar mark.

Systematic promotional efforts and infusion of the required quantum of funds: an attempt is made in this paper to lay down ways and means within the XI Plan framework, to re-organise India Post's philately activities on business lines and to increase the revenue generated from them so as to make a worthwhile contribution towards eliminating the Department's revenue deficit.

While the estimated figure of revenue potential is impressive, this would require changes in the thematic mix of commemorative stamps, a quantum leap in the quality and diversity of printing and production and setting up a professionally run marketing mechanism. The last mentioned pre-condition, viz. an appropriate marketing machinery itself would require huge investments, to the tune of 20 to 30% of the targeted turn over. However, the present philately set up does not have the critical mass to absorb such investments overnight. Keeping all these factors in view, this Committee feels that an exponential growth should not be attempted despite the immense potential. This paper, therefore, advocates a less ambitious, but systematic growth in philately business during the XI Plan.

3. The Plan Objectives:

Though the focus of the Plan activity would be revenue generation in tune with the discussions in paras 1 and 2 above, it will also pay attention to the other crucial aspects of the Department's philately programme. The Philately Division of the Department of Posts deals with the designing and printing of definitive and commemorative stamps and stationery. The Philately Division also undertakes the logistics of printing, storing and reaching stamps/stationery to more than 1.5 lakh post offices. Keeping the entire gamut of activities on the Plan radar, the objectives of the XI Plan Scheme for Upgradation, Promotion and Marketing of Philately would be:

- (a) To popularise the rewarding hobby of philately.**
- (b) To contribute to the Department's efforts to become self-sufficient by increasing the quantum of revenue realized from the philately products of the Department.**
- (c) To improve the quality and efficiency of the delivery mechanism for the philately services of the Department, and**
- (d) To re-emphasise the ceremonial/ambassadorial value of postage stamps in the national context and to utilize the full potential of the medium of philately to promote India's image internationally.**

2. The aforesaid objectives translate respectively into the following set of tangible goals:

(a) To increase the number of stamp collectors in the country from the level of 5 million (as per the last independent amount in March 2002, by ORG-MARG) to 10 million by 2011-12. At the same time, the number of Registered (PDA) Customers will be increased to 5 lakhs from the present strength of about 50,000 (estimated figure).

(b) To increase the annual revenue from philatelic products to Rs. 200 crores from the present level of Rs. 35 crores (estimated). [As mentioned in para 2 (iv) above, many of the pre-conditions for an exponential growth of turn over are bound to take time in implementation. Hence the revenue target has been pegged at the realistic level of Rs. 200 cores for the XI Plan]. While discussing the revenue factor, it is pertinent to mention that most postal administrations are earning a substantial chunk of their philatelic revenue from overseas markets, whereas India Post's export earning has fallen below 1 % of the total philatelic revenue. It would be a folly to overlook this easy avenue of foreign exchange earnings. Hence a target of Rs. 5 crores has been set for overseas philatelic revenue, within the over-all revenue target of Rs. 200 crores.

(c) To improve the delivery mechanism for philatelic services by :

- Improving the quality of designing, printing and production of philatelic items, and
- Providing better sales and after sales services so as to delight the customers.

(d) To re-emphasise the prestige and sanctity of postage stamps and to make use of philately products to promote the country's image through:

- Broad-basing the process of drawing up the Stamp-Issue Programme to make it reflect national aspirations.
- Promoting philatelic institutions within the country.

- Building linkages with tourism, cultural and educational institutions within the country.
- Building linkages with philatelic and cultural organization abroad, with a view to show-case Indian Philately.

4. Plan activities : The details

Promotion of philately would be achieved by systematic planning to reach the target groups. One of the important target groups would be the school children, considering the rewards of the hobby in education and character formation. In the IX Plan, the focus will be on schools in the semi-urban and rural areas where sizeable population lives. This would be later followed up with local philatelic exhibitions especially for rural and semi-urban schools, and where needed, upgrading the level to State/ Circle.

The plan will make available philatelic services to far-flung areas of North East and island territories.

4. (ii) Keeping the goals laid down in para 3. (i) above in view, a specific plan of action is chalked out, the details of which are as follows:

(a) Creation of Business Avenues

A paradigm shift is required in the philately sector, to achieve the twin business goals [para 3. (ii) (a) and para 3. (ii) (b)] of increasing the number of collectors to 10 million and the revenue earnings to Rs. 200 crores. This is proposed to be achieved through the following steps:

- (i) Market Surveys
- (ii) Publicity
- (iii) Events
- (iv) Refining existing products and launching new products
- (v) Revamping the National Philatelic Museum and setting up Regional Philatelic Galleries
- (vi) Re-vamping the Philatelic Deposit Account scheme
- (vi) Drawing up a schedule for holding Philatelic Exhibitions at different levels.

(b) Upgrading the Delivery Mechanism for Philately

These are a group of activities designed to achieve the goals [para 3. (ii) (c)] of improving the quality of our products and services:

- (i) Launching a Business Website for philately
- (ii) Setting up a design studio with secured connectivity in Philately Division
- (iii) Providing connectivity to the CSDs (subject to Technology Division inputs)
- (iv) Professional Accounting practices: Evolving a statistical model for philatelic revenue.

- (v) Various steps to improve customer care

(c) Promoting the ceremonial and ambassadorial character of philately.

Philatelic stamps continue to be social and cultural messengers of the country. Their role is even more significant in a culturally and ethnically diverse country like ours where these colorful miniatures perform unificatory functions in their typically gentle and unobtrusive manner. In the context of the XI Plann it is pertinent that the Commonwealth Games scheduled in 2010 offers a lot of opportunities for India Post to show case our rich culture through various philatelic products. This involves selection, designing and printing of superior quality stamps and other products. The plan envisages this event to have a catalytic effect on our philately promotion. The following activities have been drawn up to re-inforce the crucial ceremonial and ambassadorial characteristics of the postage stamps:

- (i) Special efforts for commemorating the Commonwealth Games
- (ii) Annual Campaign for Stamp Proposals
- (iii) Promoting philately academics
- (iv) Promoting philately in education
- (v) Utilising the potential of philately for promoting India's image internationally

4. (ii) The three charts in the **Annexure** further elaborate the aforesaid activities, splitting them down to minute details, and furnishing the rationale for each of the sub-components of the five Annual Plans.

Though the North-East component is not separately furnished, it is envisaged to be 10% of the size of each activity. In the case of those activities to be carried out centrally at the headquarters, it is proposed that 10% of the coverage should be over North-East themes/ subjects (e.g., the National Philatelic Museum to have galleries/ exhibits depicting North-East themes).

5. Appraisal & Review

One of the objectives of the XI Plan is to increase the philatelic revenue from the level of Rs.36 crores (average annual revenue during the first four years of the X Plan) to Rs. 200 crores. The expected progression during the five year period is:

2007-08	2008-09	2009-10	2010-11	2011-12
Rs. 45 cr	Rs. 60 cr	Rs. 80 cr	Rs. 120 cr	Rs. 200 cr

The total revenue for the entire period would thus be about Rs. 500 crore. The plan size is kept at Rs. 40 crores, or in other words, about 8% of the targeted turnover. This is a conservative outlay, considering that today, in the leisure and entertainment industries, the trend is to earmark anything between 20% to 30% of the turn-over on promotional efforts. The Committee recommends that a mid-term appraisal be

conducted on the sufficiency of the outlay during the third year of the Plan, and if found justifiable, an upward revision be effected.

6. Marketing Structure

Though the need for a dedicated marketing structure for philately has been felt for some time, this function is still handled by the personnel of the Philately Division. It is recommended that while prioritizing philately as a priority area in the XI Plan, a marketing structure – even if it is a basic one with the minimum number of staff – should be put in place. This can be headed by a Director (Philately Business) who reports to DDG (Philately). The normal work in philately is deadline-bound, owing to the high level of protocol matters associated with stamp-launches. Business promotion cannot be successfully taken up amidst the preoccupations of such a scenario. Hence the recommendation to induct a Director-level officer for the task.

7. The Global Market

Wiping out the revenue deficit is perhaps the biggest concern of the Department today. In this context, philately's potential for generating revenue has been long recognized. However, so far, this recognition has been largely limited to those functionaries who are directly or indirectly handling the subject-matter. During the XI Plan, it is proposed to seek and obtain global acceptance within the Department for philately as a revenue earner. In the IX Plan, we launched a major drive to exploit the market potential of our premium products through various initiatives of the BD Directorate. The major new revenue-oriented initiatives in the X Plan came from the area of Financial Services. In the matter of revenue generation, the Next Frontier is obviously philately.

With these concluding observations, the Committee is happy to submit this paper for the kind consideration of Member (O).

Shri Ranjit Kumar who had worked as ADG(Philately) for considerable period was co-opted into the committee and has contributed at length to the recommendations. Some Philatelists were also involved in the final discussions to balance the opinion of **Philatelic Press/Philatelic Societies/Philatelic dealers** (who along with the Department of Posts form the Core Group for **Promotion of Philately**).

References/Source Material for Approach Paper

- (i) WADP Guide on Philately (World Association for Development of Philately)
- (ii) Report of the UPU Consultancy Mission on Philately in India (1999)
- (iii) Approved SFC memo on the X Plan Activity for "Promotion and Upgradation of Philately" (2002).
- (iv) Approach paper for Philately in the XI Plan – Philately Division(2006)
Websites of US Post, Australia Post, China Post, Singh Post and Royal Mail.

XI Plan Scheme for Promotion and Upgradation of Philately
Details of the sub-activities under “Creation of Business Avenues”

Sub-activities		XI Plan	2007-08	2008-09	2009-10	2010-11	2011-2012	Remarks
(i) Market Surveys	Physical Compone	10 surveys	4	6	-	-	-	<ul style="list-style-type: none"> - The objective of these Market Surveys would be to evolve Business Strategies from their findings. The subject matter of the surveys would be different aspects of philately business. - To be mostly a centralized exercise. However selected Circles which have impressive records in revenue generation may hold independent Surveys, particularly to cover specific markets of the metro cities - Efforts to be concentrated in the first two years of the plan, so that there is ample time (the next three years) to draw up and implement business strategies based on the findings of the surveys
	Financial componen (Rs. Cr.)	1	0.40	0.60	-	-	-	
(ii) Publicity	Physical Compone	Need-based. Not quantifiable.						<p>The efforts will peak in the third and fourth Annual Plans, in sync with the Commonwealth Games.</p> <p>The proposed activities include:</p> <p>(a)Advertisements</p> <p>(b)Posters, leaflets and other printed material</p> <p>(c)Customer Reward Schemes</p> <p>(d)Philately Newsletter (Professional services required for editorial and design inputs)</p> <p>(e) Procurement of audio-visual equipment for major Phil Bureaux</p> <p>(f) Bringing out interactive CDs</p>
	Financial componen (Rs. Cr.)	6	1	1	1.5	1.5	1	

(iii) Events	Physical Component	Need-based. Not quantifiable.						<p>The expenditure will progressively increase over each Annual Plan, as the scope of activities increase drawing upon the results of the previous year.</p> <p>The proposed activities include:</p> <p>(a)Open competitions like Stamp Design Competition, Stamp Popularity Poll</p> <p>(b)Inter-School Competitions</p> <p>(c)Stamp Specific events</p> <p>(d)Phil Events connecting important National/ Regional occasions</p> <p>(e)Participation in local trade fairs, tourism events etc.</p> <p>(f)Philately festivals</p>
	Financial component (Rs. Cr.)	2.5	.0.30	0.40	.0.50	0.60	0.70	
(iv) Refining existing products and launching new products/ services	Physical Component	Need-based. Not quantifiable.	Initial in-house work, advertisement/publicity.	Professional services, prototype development	-	-	-	<p>Based on customer feedback on existing products and need for specific new products gathered through market surveys as in (i) above, plans for refining existing products and launching new products will be taken up. The focus will be on Philatelic accessories, development of which is essential for the hobby to take roots in India.</p> <p>- Professional services required for designing new products, refining existing ones and developing prototypes</p> <p>- Most of the product-development/ refining activity will be done in the first two years, so that the products can be launched and promoted during the remaining part of the Plan.</p>
	Financial component (Rs. Cr.)	0.50	0.05	0.45	-	-	-	

(v) National Phil Museum and Regional Phil Galleries	Physical Compone	(i) and (ii) of the 'Remarks' column.	(i) Prep work for NPM (ii) Gallery - Shillong	(i) NPM work completion (ii) Gallery – Kavaratti and Kolkatta.	(i) - (ii) Gallery- Mumbai, B'lore and Chennai	-	-	(i) The National Phil Museum, New Delhi to be revamped on modern lines, befitting its 'National' status. There will be a Gallery/ Exhibition devoted to North-East theme. Professional Services will be utilized in the re-vamp exercise. (ii) Setting up Regional Philatelic Galleries in Shillong, Kavaratti, Mumbai, Kolkatta, Chennai and Bangalore. The Regional Galleries will be organized as community assets which have organic linkages with the local population.
	Financial (Rs. Cr.)	1.5	(i) 0.25 (ii) 0.10	(i) Rs. 0.75 cr (ii) Rs. 0.16 cr	(i) - (ii) 0.24	-	-	They will be public spaces which engage the visitors in an active manner, and through this engagement, promote the hobby of philately. They will also be equipped to hold mini-philately events.
(vi) Re-vamp of PDA scheme	Physical Compone	(i) to (iv) of 'Remarks' column.	Project relating to (i) . Activities for (iii) and (iv)	Project relating to (ii). Activities for (iii) and (iv)	Activities for (iii) and (iv)	Activities for (iii) and (iv)	Activities for (iii) and (iv)	The proposed activities are: (i) Improving packaging (professional services for designing the same) and dispatch. (ii) Launch premium PDA scheme with internet support (iii) Special offers, customer meets and loyalty schemes (iv) Advertisements, posters, leaflets
	Financial componen	Rs. 2.00 cr	Rs. 0.25 crores for (i) and Rs. 0.20 cr for the rest	Rs. 0.25 crores for (ii) and Rs. 0.40 cr for the rest	Rs. 0.40 cr	Rs.0.30 cr	Rs.0.20cr	

(vii) Philatelic Exhibitions	Physical Component	District level- 250, Circle (Zonal)- 20 National- 1	District level- 50, Circle (Zonal)- 3	District level- 50, Circle (Zonal)- 5	District level- 50, Circle (Zonal)- 5 Natl - 1	District level- 50, Circle (Zonal)- 4	District level- 50, Circle (Zonal)- 3	Exhibitions at three levels are proposed: (a) District level – continuation of X Plan (b) Circle (Zonal)- To allow the new collectors at district level to migrate to the next higher level, so as to retain their interest in the hobby. Also to create and foster business avenues at state level. (c) National level- To create greater opportunities and bigger challenges to emerging collectors and to generate business opportunities for the philately trade as a whole
	Financial component	District- Rs. 1 cr, Circle – Rs. 1.5 cr National- Rs0.50 cr	Rs.0.425 cr	Rs. 0.575 cr	Rs.1.075 cr	Rs.0.50 cr	Rs. 0.425 cr	
(viii) Raising Philately Resource Persons	Physical Component	5000	500	1000	1500	1000	1000	To raise a network of Philately Resource Persons across the country, who will counsel beginners, hold workshops and conduct seminars. This will be achieved through courses in the “Trainer’s Training” mode, held in different cities, esp. the metros. The main target group of Resource Persons would be schoolteachers.
	Financial component	Rs. 1.00 crore	Rs. 0.15 cr	Rs. 0.20 cr	Rs. 0.30 cr	Rs. 0.18 cr	Rs. 0.17 cr	
Total	Financial outlay	Rs. 17.5 cr	Rs. 3.125 cr	Rs. 4.785 cr	Rs. 4.015 cr	Rs. 3.08 cr	Rs. 2.495 cr	

XI Plan Scheme for Promotion and Upgradation of Philately
Details of the sub-activities under “Upgrading the Delivery Mechanism for Philately”

Sub-activities		XI Plan	2007-08	2008-09	2009-10	2010-11	2011-2012	Remarks
(i) Business website for Philately	Physical Component	As in ‘Remarks’ column	Developing the project plan and the <i>beta version</i>	-launch of website -support system for logistics of dispatch and delivery of goods -support system for continuous feed of information	Follow up activities	Follow up activities	Follow up activities	<ul style="list-style-type: none"> -The proposed website will facilitate sales (it will accept on-line payments), furnish philately information to the public and provide education about the stamps and their themes. -It would be supported by an appropriate “brick & mortar” system to make e-commerce a reality. -The website would centralize much of the PDA business to itself. -Much of the expenditure will be on professional services for technology, creative inputs (content and design), logistics and publicity. The maximum expenditure is expected in the second Annual Plan when the website would actually be launched. Continued follow up would be required in the following Annual Plans, but progressively reducing fund requirements.
	Financial component (Rs. Cr.)	2.5	0.25	1.25	0.50	0.30	0.20	
(ii) Design studio with secured connectivity	Physical Component	As in ‘Remarks’ column	Preparatory work.	As in ‘Remarks’ column				In order to improve the quality of designs of stamps and other publications, the Philately Division is to be equipped with a state-of-the-art

	Financial component (Rs. Cr.)	0.50	-	0.50				Design Studio. The studio will have secured connectivity, which will enable electronic transmission of designs to the security printing presses. Since the activity requires clearance/ involvement of the printing presses, which would require clearances from their side as well, this is scheduled for the second Annual Plan.
(iii) Circle Stamp Depots : providing connectivity	Physical Component	20 CSDs	4 CSDs	4 CSDs	4 CSDs	4 CSDs	4 CSDs	-Introduction of appropriate technology into the CSDs for better inventory control. -Since most HPOs have been computerized, networking them with CSDs will enable managers for better and real time control of inventory leading to timely availability of materials.
	Financial component (Rs. Cr.)	0.50	0.10	0.10	0.10	0.10	0.10	-Besides providing connectivity, the activity also envisages upgradation of hardware to make it compatible with current applications. Expenditure will be required for network security also.
(iv) Internal communication efforts	Physical Component	Not quantifiable.						Philately, at present, is not a priority activity within the Department. It needs to be endorsed as a priority area, and the entire spectrum of staff needs to be

	Financial component (Rs. Cr.)	0.50	0.10	0.15	0.15	0.05	0.05	conscientised and mobilized for its promotion. The activity envisages engaging of professional services for various internal communication efforts (periodical circulars, posters and leaflets) and for training of internal philately counsellors. Activities like competitions and exhibitions for staff as well as performance reward schemes will also form part of the Plan.
(v) Modern accounting practices: a statistical model for calculating philatelic revenue	Physical Component	_Evolving a statistical model -Continuous sample surveys for obtaining revenue figures each year, applying the statistical model	_Evolving a statistical model - Sample surveys for obtaining revenue figures	Sample surveys for obtaining revenue figures	Sample surveys for obtaining revenue figures	Sample surveys for obtaining revenue figures	Sample surveys for obtaining revenue figures	The philately business of the Department, presently, is not run on business principles. One basic weakness has been that the present revenue figures reflect sale of postage stamps in the philatelic bureaux, part of which corresponds to the postage stamps which are used on mail articles. Postal

	Financial component (Rs. Cr.)	1	0.25	0.15	0.17	0.18	0.20	administrations which have prioritised philately as a revenue source define 'philatelic revenue' separately, viz. the sale proceedings corresponding to those stamps retained for collection. This is measured by evolving statistical models based on sample surveys among stamp-buyers. Once we know the actual philatelic revenue from each stamp, necessary modifications in the thematic matrix can be effected with a view to issuing more stamps on popular themes. Besides, clearly defined revenue figure will form the starting point for many business strategies and decisions, which are presently "shots in the darkness" from a business perspective.
(vi) Customer Care	Physical Component	Need based. Not quantifiable.	-	-	-	-	-	<ul style="list-style-type: none"> - Training/ workshops for personnel - Incentives for best practices - Upgradation of equipment (China pattern) - Upgrading the facilities at the philatelic bureaux to make them resource centres
	Financial component (Rs. Cr.)	3	0.40	0.50	0.60	0.70	0.80	
Total	Financial outlay	Rs. 8 cr	Rs.1.1 cr	Rs.2.65 cr	Rs.1.52 cr	Rs.1.33 cr	Rs.1.35 cr	

XI Plan Scheme for Promotion and Upgradation of Philately

Details of the sub-activities under
“Promoting the ceremonial/ ambassadorial character of postage stamps”

Sub-activities		XI Plan	2007-08	2008-09	2009-10	2010-11	2011 - 2012	Remarks
(i) Commemorating the Commonwealth Games	Physical Component	As in ‘Remarks’ column	Preparatory work	- Preparatory work - Stamp sets	- Preparatory work - Stamp sets - souvenirs - P-stamps	- Phil Bureau - Stamp sets and Souvenir - Stamp Fair	-	- Games village Phil Bureau - 10 sets of stamps in the run up - Other philately souvenirs for the Games - “P- stamps”, where photograph of customer can be printed alongside individual stamps to be introduced - Commonwealth Stamp Fair incorporating <i>India 2010</i>
	Financial component (Rs. Cr.)	10	0.5	1.5	5	3	-	
(ii) Annual Campaign for Stamp Proposals	Physical Component	Five campaigns	One campaign	One campaign	One campaign	One campaign	One campaign	- To elicit maximum participation in the process of selection of subjects for depiction on postage stamps. - The campaign in turn, would lead to increased public interest in the philatelic programme, and consequently to revenue generation. - The exercise to involve the different ministries, State Governments and various reputed institutions in the socio-cultural realm.
	Financial component (Rs. Cr.)	0.50	0.06	0.08	0.10	0.12	0.14	
(iii) Promoting philately	Physical Component	Not quantifiable	-	-	-	-	-	- Technical Journal of international standard - Awards/ recognitions to individuals and

academics	Financial (Rs. Cr.)	1	0.10	0.15	0.20	0.25	0.30	institutions - Seminars, including revival of the National Philately Seminar - Promoting Research in different aspects of philately, including the investment angle
(iv) Promoting philately in education	Physical Compone	(a) 2000 Clubs (b) Not quantifiable	200	300	400	600	500	(a) It is proposed to encourage and develop School Philately Clubs, through a scheme of registering such clubs with the Department, and offering them assistance to develop basic collecting infrastructure. (b) Philately-based educational products will be designed and introduced, utilizing professional services.
	Financial (Rs. Cr.)	2	0.20	0.30	0.40	0.60	0.50	
(v) Philately for promoting India's image internationally	Physical Compone	Not quantifiable	-	-	-	-	-	Exhibits, products, merchandise and souvenirs for overseas events
	Financial componen (Rs. Cr.)	1	0.05	0.10	0.30	0.30	0.20	
Total	Financial outlay	Rs. 14.5cr	Rs 0.91 cr	Rs.2.13 cr	Rs.6.0 cr	Rs.4.27 cr	Rs.1.14 cr	

Report of the Sub-Committee on Retail Services Operations for formulation of 11th Plan (2007-2012)

India Post has a strong retail network in the country with 155669 points of presence. Over the years the retail outlets have been providing an array of products and service. The changing face of the Indian economy has brought about a significant change in customer expectations. The role of the postal retail outlets is under major transformation. An effort has been made to capture the changing requirements and incorporate them in our plans

The objectives of the sub-committee were:

- Analysis of the existing Retail Service Operations
- Propose plans and policies for strengthening the Retail Services
- Prepare budgetary projections for the proposed schemes

3. Retail Network of India Post – Of the total number of post offices 139149 are in rural areas and 16520 in urban areas

3.1 Rural network

Majority of the post offices in the rural area are un-remunerative and are not geared to take up the challenges of the growing economy. The task before India Post is to modernize and strengthen these outlets to make them more socially relevant, and financially viable. The current service offering is limited to postal service, basic savings bank services and Rural Postal Life Insurance. Of-late certain partnership services like those of non life assurance services of Oriental Insurance have been offered from these post offices. They are still in a nascent stage. A network considered a mill round the neck of India Post can be turned around to serve the growing rural market. Of late the major business organizations have realized the vast potential of the rural sector in India hitherto considered backwaters of the economy. The rural thrust is evident in marketing efforts and investments of the private sector. India Post needs to position its Retail Service to such a trend.

3.2 Urban network

The image of the traditional retail services offered from across the Post Office counters in the urban areas has been more or less friendly and positive. Though, customer care problems, especially the behavioural issues have been a matter of concern from time to time. The traditional strong brand image of post office has got diluted to a great extent in the recent times. Retail outlets and services have not kept pace with the business orientation of the department and the changing economic environment of the country. Sporadic efforts have been made that are yet to take concrete shape on the ground. The challenge is to develop a strong brand image of Retail Services of the post offices and provide innovative products and services in-keeping with ever changing customer preferences. Banks and private players have ushered in a retailing revolution in India.

Malls and shopping centers are making their presence felt everywhere. In contrast Post Offices present a gloomy picture and put us to competitive disadvantage.

4 Proposals for strengthening retail service operations in the 11th Plan

Under this background the sub-committee deliberated on revamping the retail postal outlets, presenting a strong brand image, repositioning the existing product and service line and introducing innovative and community centric services to be able to make the retail service operations financially viable, socially relevant, and customer focused

4.1 Rural Retail Network

Needs to be consolidated and value added to serve the community needs more effectively.

- A) **Franchise** - It will not be viable to expand the committed departmental or extra-departmental network any further. Rather it is time to consolidate them. Wherever required, the postal facilities can be extended further beyond through franchising on revenue sharing basis. The existing Branch Offices that are not justified may be first offered to the existing GDS for running it on franchise. In the event of their refusal it can be open to any one in the area. Commission may be offered for every postal activity to be performed by the franchisee. For savings bank they may be made agents and offered higher commission than the normal agents as an added incentive. It would require the approval of the finance ministry. Department may also consider giving incentives out of its own share of revenue from each account. Incentives in Rural PLI, OIC, Mutual fund etc are already built in the system. For regular transactions in any of the services incentives can be fixed. The same model could be utilized for extending the postal facilities to other needy areas.
- B) **Branch Offices** – In order to strengthen existing branch office network it is essential to change the image. Basic minimum norms for place, location, layout, counters, displays, visibility needs to be standardized and implemented. In the eleventh plan 10% Branch post offices are required to be computerized. It will add to the effectiveness of the network.
- C) **Departmental PO in Rural areas** – A greater role is envisaged for the account offices of the Branch offices. The account offices exercise day to day control on monitoring of the performance of the BOs based on targets allotted to them. Imparting training, and organizing publicity could be brought under their ambit. This will ease pressure on the Sub Divisional Inspectors and immediacy and timely monitoring will help in achieving the targets more effectively. From amongst the GDS under the account jurisdiction, one or two persons could be deployed as GDS marketing for popularizing various product and service offering of the department. The brand image of these post offices needs immediate attention. Like the banks our postal network also must acquire a distinct and

strong brand identity. Displays, layout, location, decoration, publicity, computerization need to be looked at in unified perspective and keeping that in mind the brand image needs strict standardization and implementation.

4.2 Urban network –

- A) Consolidation of urban retail network is essential in view of massive urban expansion. Too many post offices are located in close proximity (within 1.5 kms). Relocation is an urgent necessity. Orders exist. Planned and time bound implementation is essential to take care of the disparity. Further, to provide postal facilities to the other urban agglomerations, franchising is another convenient and effective alternative. Franchise outlets would provide basic postal facility like sale of postal stamps and stationery, booking of postal articles.
- B) **Post Shops** - The mushrooming of malls is a testimony to the fact that retail revolution in India is on. Reliance has announced its major investments in retailing business. Browse and buy is the new retailing mantra. India Post is orienting itself to business. Therefore, post shops is felt an essential business requirement if retail services are to take quantum leap. In the eleventh plan emergence of India Post shops in the malls, and in the existing postal locations is an essential business necessity.

5 Retail services in Rural area

The role that is envisaged for the Branch Post Offices, franchise outlets, and rural departmental post offices is that of community service center and community information center.

5.1 Community Service Centre - In large number of areas, post offices are the only public service outlet available. Both central and state governments have launched a number of community development projects like employment guarantee schemes, pension payments, health and hygiene programs, adult literacy programs where post offices can play a significant role as publicity centers, in disbursement of wages, and pensions. Payment of all govt taxes and dues could be through the postal network. For private organizations rural postal network can function as center for e-commerce by collecting orders and payments and delivery of goods. Facilitation in maintenance and updation of electoral rolls, birth and death registration, bill collection, sale of examination forms and their collection could be easily provided from our rural network provided the network is strengthened through computerization and networking. Like Australia Post, banking services of other banks could be provided through our network in remote areas where physical presence of those banks is not viable.

5.2 Community Information Centre – Government of India is encouraging setting up of Common Service Centres as a major eGovernance initiative to facilitate access to information and services to citizens in not only cities but also in smaller towns and villages. The CSCs provide electronic access to information and services to citizens under one roof, besides providing a large number of other services. The CSC earns by

charging the customer as also charging the service provider whose services are made available through the CSC. In the information age, knowledge is power. Postal network could make available information to the people with convenience and ease. Information on agricultural markets, weather conditions, railway information, electoral information etc would be given.

6. Urban Retail Services

6.1 Customer Convenience Centres - Their role is that of Customer Convenience Centres. Besides providing postal services and financial services, postal outlets should also be information and e-commerce centers. Payment at post offices for e commerce purposes could be used to broaden the base of online business in the country. This would provide an attractive payment alternative for online customers who are reluctant to provide credit card details over the internet. Customers going in for online shopping could make the payment at the post office and also receive the goods through EPP or Speed Post. However, the effectiveness of these retail outlets would largely depend upon their computerization, connectivity and ability to provide seamless transfer of information. However, to become an e Governance hub in the form of Customer Convenience Centres, the post offices, including post offices in rural areas, need to have (a)necessary hardware and software, (b)rugged connectivity, (c)uninterrupted power for the hardware and software (d)trained manpower, and (e)a sufficient number of services that the citizens could access through the system.

The Technology Division would probably look into the hardware and connectivity part. However, since the Department does not have the resources to quickly provide these facilities in all the post offices where CSCs need to be set up, the way forward would be to set up CSCs in partnership with other organizations. Further, since the requirements would vary from State to State, Heads of Circles may develop appropriate business packages with suitable organizations.

6.2 Framework for departmental post offices - The arrangement would be for the Department of Posts to provide space and facilitate running of a CSC from post offices where the POP would provide hardware, software, connectivity, trained manpower and run the CSC. The compensation could be a % of the revenue generated by the CSC, subject to a minimum ceiling. A revenue share of about 25% in charges recovered from service providers as also from the customers would usually be appropriate. However, Circles may arrive at a different figure after negotiations. The payments could be on quarterly basis to reduce the transaction cost.

6.3 The responsibilities of Department of Posts would be:

- a. To provide necessary accommodation in Post Offices to POP for setting up the CSC.
- b. To allow POP to (i)set up necessary hardware and software, (ii)set up VSAT or other connectivity, (iii)provide furnishings, partitions, counters etc, (iv)necessary displays, and (v)any other thing required to set up and run the CSC.
- c. To allow POP to provide necessary manpower to man the CSC
- d. To facilitate electricity connection

- e. To facilitate running of CSC even beyond normal working hours of Post Offices.
- f. To advertise the availability of the CSC facilities

6.4 The responsibilities of Post Office Partner (POP) would be:

- a. To set up the CSC, including by carrying out necessary improvements and furnishing the area earmarked for CSC
- b. To provide necessary hardware e.g. the public Information Booth, Computers, color printers, UPS, digital cameras and projectors, scanners, photocopiers, multi media card readers etc.
- c. To provide necessary software to provide the services
- d. To provide a stable connectivity in the form of VSAT or any other form, including by providing necessary hardware and software for the same.
- e. To provide necessary backroom support like call centers, data centers, back offices etc. to support the services provided in CSCs
- f. To provide the necessary manpower in the CSCs. The personnel should be presentable, well behaved, knowledgeable and of good character.
- g. To provide necessary interface between CSC systems and Post Office systems
- h. To pay the electricity charges or other taxes/duties in time.
- i. To pay to the Department of Posts necessary rent and other dues in time

6.5 Framework for non-departmental Post Offices

In the case of non-departmental post offices i.e. BOs the space for the Post Office is provided by the branch postmaster. The model here would be of a tripartite partnership. The branch postmaster would be the franchisee of the POP in respect of services provided by the village CSC.

6.6 The responsibility of the POP would be

- 1. To set up the CSC, including by carrying out necessary improvements and furnishing the area earmarked for CSC
- 2. To provide necessary hardware e.g. the public Information Booth, Computers, color printers, UPS, digital cameras and projectors, scanners, photocopiers, multi media card readers etc.
- 3. To provide necessary software to provide the services
- 4. To provide a stable connectivity in the form of VSAT or any other form, including by providing necessary hardware and software for the same.
- 5. To provide necessary backroom support like call centers, data centers, back offices etc. to support the services provided in CSCs
- 6. To provide necessary interface between CSC systems and Post Office systems
- 7. To pay the electricity charges or other taxes/duties in time.
- 8. To pay to the branch postmaster and the Department of Posts all the dues in time
- 9. To train the branch postmaster to equip him to run the CSC

6.7 The responsibility of the branch postmaster would be

1. To run the CSC in accordance with instructions of the POP and the Department of Posts
2. To account for the charges received from the customers, and to credit the prescribed percentage as department's share of the same in the prescribed head of account.

A revenue share of about 20% in charges recovered from service providers as also the customers would usually be appropriate. However, Circles may arrive at a different figure after negotiations. The payments from POP could be on quarterly basis to reduce the transaction cost. However, branch postmasters would account for the income and commission paid to the Department on a daily basis in their daily account/BO account.

7. Post shops

The post shops in post offices would be the one stop shop for all utility products in the post office. These would range from photocopying facility to fax, stationery, packaging material, internet browsing facility. These shops would work in a public private partnership mode and the job of the post office would be mainly to lease out space.

In case of post shops which would come up in malls, super markets etc, the post shops would be run in a franchisee mode. Interesting gift items and collectables from India Post would have to developed through partners and sold from these shops. Books/Coffee table books on philately, history of the post office, tales of post office etc should be on display. The display should be done in a proper manner and professional help should be taken to work out the interiors, which should then be replicated in all the post shops.

8. BUDGET REQUIREMENT FOR CREATING THE NETWORK FOR RETAIL ACTIVITIES

	Plan	Budget	Time line
1. Developing Brand Image	1.1 Engagement of consultant 1.2 Development of brand plan 1.3 Implementation (Plan to be linked to Building branch project)	1.1 and 1.2 – Rs. 10 lakh 1.3 10000 Bos X Rs.20000= Rs. 20 crs. 5000 urban Pos X Rs 5 lakh each PO=Rs 250 crore	1.1 - 2007 – 3 months 1.2 - 2007 – 3 months 1.3 - 2007-2012 2000 BO and 1000 urban PO per year
2. Developing BOs into Community Service Centres	2.1 Improvement of the layout and branding of the branch offices 2.2 Marketing of	2.1 Part of branding plan above 2.2 1 crore 2.3 10000 BO X Rs	2007-2012 2000 BO every year for modernization and training both

	services with Govt, and Private organizations 2.3 Training	3000 = 3 crores	
3. Development of BOs Community Information Centre	3.1 Computerisation of BO (the plan to be linked with Tech plan) 3.2 Development of software 3.3 Training	Same as in row 2	Same as above
4. Setting up of 600 post shops in malls and departmental POs	4.1 Setting up of the physical facilities of the post shop 4.2 Business tie-ups with documentation material suppliers, greeting card cos., magazine sellers, philatelic material producers and other partners. 4.3 Training and development	4.1 2007 – 50 X Rs. 10 lakh each= Rs 5 crores 2008 – 100 X Rs 10 lakh = Rs10 crore 2009 to 2012 – 150 each year X Rs 10 lakh for each post shop = 15 croresX3 years=45 crores	2007 to 2012

9. Retail service offerings

The existing outlets are primarily catering to the postal services and agency services. Various local initiatives have been taken under “Retail Post”. The retail service in the first four years of the tenth plan has increased from Rs. 8 crores to Rs. 60 crores. The broad categories that are suggested in retail services are

- Postal Services
- Savings Bank
- Bill payments –
- Sale of forms
- Insurance
- Mutual fund
- Money transfer
- Pension payments
- Address verification
- Browse and buy of products of business partners, philately, philatelic gifts, post packs, greeting cards, documentation items (stationery)
- Railway reservation and information
- Passport service

- Collection of Government dues and payments - Income tax returns, service tax, road tax etc.
- Information center - Railways, electoral rolls, birth and death, commodity Exchange, weather information, agricultural markets etc.

10. Conclusion - The growth of retail services and its viability will greatly depend upon innovative ways in which we keep on managing our product and service line in keeping with the changing customer requirements. The retailing revolution has also changed the dynamics of retail outlets and their ambience. In order to attract customers back to visit post offices and post offices becoming an important part of their economic needs the image of the post office has to under go a major change. A strong brand presence is an essential must for retail service operations.

APPROACH PAPER TO THE 11th FIVE YEAR PLAN

DEVELOPMENT & DESIGNING OF WORKS SITES **“POSTAL LAND AND BUILDINGS”** **(ESTIMATES DIVISION)**

There are 22 Postal Circles, 37 Regional Offices, 441 Postal Divisional, 70 RMS (Railway Mail Service Divisions), 46 PSD (Postal Store Depots), 19 CSD (Central Stamp Depots), 6 PTCs (Postal Training Centres) and 1 PSC (Postal Staff College) for carrying out the operations of the Department of Posts. Postal Service has a post office public interface in the form of Post Office and back room operations in the form of RMS, PSD, CSD, Divisional Office, Regional Office & Circle Office. The Department of Posts has an obligation for providing Universal Postal Service to the public which, inter alia, includes ease of access within reasonable distance. It has therefore, perforce, been spread over an area in order that the population, distance and Income criteria are fulfilled. The diverse types of functioning of different offices necessitates proper designing and development of the worksites according to specific needs of each office.

1. CONSTRUCTION OF DEPARTMENTAL BUILDINGS – THE NEED

- 1.1 Post Offices are categorized mainly into three categories – Head Post Office, Sub Post Offices and Extra Departmental Post Offices known as ‘Gramin Dak Sewa Kendras’. Accommodation for running an Extra Departmental Post Office is provided by the Extra Departmental Postmaster known as “Gramin Dak Sevak” managing the affairs of that post office. Accommodation for other categories of Post Offices is provided by the Department of Posts. As on 31.03.2005, the Department of Posts has 822 Head Post Office and 25,113 Sub Post Offices.

1.2 The department as on 31.03.2006, has 4484 departmental & 22,020 rented buildings housing its various offices. There are 24,674 departmental staff quarters. The department also has around 1851 vacant plots of land all over the country on which construction of departmental buildings is being undertaken with assistance from Plan funds. These properties of the department can be categorized as under:-

- i) Land and buildings inherited before 1921.
- ii) Land acquired through land acquisition proceedings with the local authorities with the specific purpose of constructing post office buildings/staff quarters. (In these cases, the land price has been paid from the funds allocated under the Five-Year Plan Scheme).
- iii) Direct purchase on concessional rates the cost of which was again met under the Plan activity for development of Postal property.
- iv) Land gifted by private parties and Trusts for construction of post office.

Out of the above categories, a very specific category would be the land and building owned by the department at strategic locations in various metros and emerging metros.

1.3 Buildings form a vital infrastructure for postal operations to enable department to provide efficient services to the public. A building well designed to suit the work flow and other operational requirements, enhances the quality of service and the level of customer satisfaction. In addition, it gives proper amenities and working conditions to the staff.

- 1.4 Though the department has 1851 vacant plots of land all over the country, a total of 22020 post offices are in rented buildings costing the exchequer an annual expenditure of Rs. 45 crore per annum on account of rental liability. There are a lot of genuine difficulties in hiring accommodation for Post Offices and Railway Mail Service purposes. It is not easy to locate a rented building for Mail Offices near Railway Stations. Most landlords are not keen to have the Post Offices as tenants and if Post Office is a tenant, he is unwilling to make structural changes and internal modifications to suit the requirements of Department of Posts. Further, securing suitable accommodation at reasonable rent is an uphill task for the department as the Post Office is generally not a favoured tenant.
- 1.5 Head Post Office is a large office in terms of area required, being the primary accounting unit in the department where the accounts of Sub Post Offices and Branch Post Offices are also incorporated. The space required for a Head Post Office therefore, involves very high rent liability. In view of this position, it is imperative to construct departmental buildings for the Head Post Offices which are presently located in rented buildings. At present 70 Head Post Offices are functioning in rented buildings out of which no vacant plots are available for 32 Head Post Offices for construction of building. Similarly, many Mukhaya Dak Ghars (MDG) and big Sub Post Offices are located in congested rented buildings which adversely affect the work performance. Funds are required for the construction of departmental buildings for 70 Head Post Offices and major Mukhaya Dak Ghar and Sub Post Offices also.
- a) With emphasis on modernization, computerization and upgradation of technology, building requirements also are undergoing changes with the use of hi-tech computer hardware and the Automatic Mail Processing Centres (AMPCs) which the Departmental is gradually acquiring at the metropolitan cities. Hence departmental buildings are absolutely

necessary as modifications required for computerization are not possible in rented buildings.

- b) In addition, in those departmental buildings where the available accommodation is cramped due to increase in workload, possibility of vertical/horizontal extension is required to be explored.
- c) Construction of Administrative offices like Regional Offices, DAPs, PSD and CSD is also necessary as these are big administrative offices in the department where rental liability is in lakhs of rupees per month. Efforts will be made to house divisional offices in Head Post Office buildings but where it may not be found feasible these offices will be constructed.

- 1.6 Similarly, a large number of vacant plots stand acquired/purchased on concessional rates or taken on lease with a clause of constructing buildings within a fixed time frame. Many such plot for post offices are lying undeveloped for many years. Non-construction of buildings on these plots is attracting adverse remarks by various audit authorities besides facing the threat of resumption of the plot by local revenue authorities on grounds of non-construction. In some cases, department is paying or has received notices for payment of penalty for non-construction of buildings. Due to these compulsions, it is necessary and expedient to construct departmental buildings on these vacant plots.

2. PURCHASE OF LAND

- 2.1 Purchase of Land for construction of departmental buildings is also necessary especially for the 70 head post offices presently in rented buildings. In many cases negotiations or acquisition proceedings are going on for many years. In addition, a large number of enhanced

compensation cases are going on in various courts. Hence, funds are required for this purpose also.

3. RE-CONSTRUCTION OF EXISTING OLD STRUCTURES - A NECESSITY

- 3.1 Over the years, Post office buildings and staff quarters constructed at main locations in the country have out lived their life necessitating re-construction work. Some of these buildings were constructed 75 years back. Re-construction of buildings would be necessary to give proper working environment to the staff and prompt services to the public across counters.

4. PROVISION OF RESIDENTIAL ACCOMMODATION FOR THE STAFF

- 4.1 For efficient disposal of work, it is also the duty of the department which is to provide residential accommodation to its employees to smoothly run the operation. The staff satisfaction level in respect of staff quarters in the department is about 8% , which is low as compared to other departments like Railways, Directorate of Estates, DOT and All India Radio. To improve staff satisfaction level, emphasis will be on construction of staff quarters in urban areas where staff strength and rent is very high. Due to non-availability of staff quarters at various places in the country, the senior officers having all India transfer liability are also facing difficulties in taking accommodation at high rents. Hence, it is felt that there is a need for more quarters in all Postal Circles. Keeping these factors in view, the department adopted the policy of building its own assets to house its operative and administrative offices and providing staff quarters to the extent possible keeping in view the demand, suitability and reasonable/economical cost.

5. HERITAGE BUILDINGS

- 5.1 Special efforts are also made to preserve 37 Heritage Buildings of the department, which have tremendous architectural value. It is the policy of the department to preserve of these invaluable assets of the department.

6. AVOIDING ENCROACHMENTS- CONSTRUCTION OF BOUNDARY WALLS

- 6.1 The construction cannot be undertaken in all the 1851 vacant plots which the department has. Therefore, in order to secure the vacant plots from encroachment, the provision of boundary walls is necessary. Funds are therefore, required to provide boundary walls to the vacant plots.

7. DEPARTMENT'S POLICY ON ESTATE MANAGEMENT

- 7.1 Keeping the above factors in view, the department adopted the policy of building its own assets to house its operative offices, administrative offices and residential accommodation in view of the demand, suitability and reasonable/economical cost through the Postal Engineering Wing by taking up following activities under the scheme “ Construction of Buildings”:-

- a) Construction of Post/Mail Office Buildings
- b) Construction of Administrative Office buildings
- c) Re-construction of old buildings
- d) Preservation of heritage buildings
- e) Construction of Staff quarters
- f) Purchase of land

- 7.2 During the “Tenth Five Year Plan”, an outlay of Rs. 115.40 crores has been approved for this scheme. While approving the outlay the Cabinet Committee on Economic Affairs(CCEA), observed that specific location or

amount to be spent on a specific project or building may be decided by the Department of Posts within the approved plan outlay.

- 7.3 Accordingly, a target for construction of 84 post/mail office buildings, 12 administrative office buildings 181 staff quarters and preservation of 16 Heritage buildings during the “Tenth Five Year Plan” excluding the Spill Over Projects of Ninth Five Year Plan was set up. During the “Tenth Five Year Plan”, the department as on 31.3.2006 has completed 97 post/mail office buildings, 11 administrative office buildings 264 staff quarters inclusive of the Spill Over Projects of “Ninth Five Year Plan” by 31.3.2006 and efforts are under way to achieve the full targets during the last year of “Tenth Five Year Plan”. However, construction of buildings requires substantial coordination as it involves completion of a number of formalities before actual commencement of construction work of a building. Delay in completion of any of the formalities forces the department to extend the period of completion of the project.
- 7.4 Further, the Cabinet Committee on Economic Affairs (CCEA) directed the Department of Posts to work out a plan for commercial exploitation of vacant plots of the Department in consultation with Ministry of Finance & Department of Urban Development. Accordingly, a note on setting up of a Special Purpose Vehicle (SPV) called Postal Land Development Authority (PLDA) for development and commercial exploitation of Postal Estates was prepared. The main functions of the proposed SPV are to prepare schemes for optimal utilization of Postal land, to develop postal land to the maximum FSI with public-private partnership, to generate non-tariff revenue from postal estates for the Department etc. The note was approved by the Postal Services Board with the amendment that the SPV would be called “Postal Land Development Corporation”. As per the advice of Planning Commission, the Department has engaged a consultant to undertake a Market Survey on commercial development of

land in 4 plots. The survey has commenced w.e.f 4th July 2006. The consultant has furnished the draft survey report, which is under examination. Further action will depend upon results of the survey. Remaining action may include preparation of a Detailed Project Report (DPR), which will be circulated to Ministries concerned for their comments, before submission of a final note for consideration of the Cabinet.

8. THRUST AREAS- 11th PLAN

8.1 During the 11th Five Year Plan the thrust areas for the development of Postal Estates will be:-

- (i) To provide functionally useful modern space for post office operations.
- (ii) To improve the general ambience and aesthetics of postal buildings.
- (iii) To provide convenient, modern facilities and amenities to the users of the post.
- (iv) To design the buildings in such a manner that they are attractive to the customers resulting in increased footfall within the postal buildings and retaining and bringing new customers to the post office for transacting business.
- (v) To prevent encroachments on the prime land owned by the Department.
- (vi) To preserve the Heritage buildings owned by the Department.

8.2 Plan for Management of Estates would depend upon:-

- a) Network optimization strategy for India Post &
- b) Internal organization structure agreed upon.

- 8.3 As a strategy policy, no buildings should be constructed for single or double handed offices. During 10th Plan focus has been on construction of operative offices with more than 15 hands.
- 8.4 As regards internal organization structure, it has been recommended in the Systems Study of Department of Posts by M/S KPMG that the Division identified as the lowest administrative unit is overlapping with some HPO. At present all divisional headquarters have a Head Post Office. If the two are to be merged there should be one building housing both units. Rationalization of number of PSDs and CSDs is also recommended.
- 8.5 Target for accommodation of postal units in departmental buildings would be to have departmental buildings for:-
- i) All Circle Offices
 - ii) All Regional Offices
 - iii) All Head Post Office cum Divisional Offices.
 - iv) Mukhaya Dak Ghar, Sub Post Offices with more than 15 staff strength, the exception, as a strategy will be some smaller Post Offices in North East, Ladakh (J&K) & Lakshadweep (Kerala) Region.

8.6 The proposed target for 11th Five Year Plan would be:-

- i) To construct buildings for remaining Regional Offices.
- ii) To construct buildings for remaining Head Post Offices cum Divisional Offices.
- iii) To construct buildings for Mukhaya Dak Ghar , Sub Post Offices with staff strength more than 15 starting from higher selection grade downwards.
- iv) To re-construct buildings and staff quarters which have out lived their life.
- v) Preservation of Heritage buildings owned by the Department.

- 8.7 Classification of vacant plots of land into high commercial areas and non-commercial areas has been done. The strategy for construction would be:-
- a) To construct 38 Head Post Offices in non-commercial locations with Government funds where vacant plots are already available.
 - b) To construct 23 Head Post Offices with Government funds. Since there are no vacant plots available on these locations, efforts are also required for purchase of plots.
 - c) To construct 9 Head Post Offices in highly commercial locations with private partnership.
 - d) Two Regional Offices will be constructed which will house Head Post Offices too.
 - e) As regards Sub Post Offices, 150 Sub Post Offices with staff strength more than 15 will be constructed with Plan Funds. As an exception a few Sub Post Offices with staff strength less than 15 in difficult areas like North East, Ladakh (J&K) and Lakshadweep (Kerala) Region will also be constructed with Plan Funds.
 - f) 100 Sub Post Offices will be constructed with private partnership.
 - g) Plots for 38 HOs are available, rest will have to be procured or constructed buildings procured. This will be done with Govt. funds.
 - h) 55 Post Office buildings will be re-constructed.
 - i) 120 new staff quarters will be constructed to meet the residential requirements of the employees.

- 8.8 The department has 500 plots of land on which construction will not be required to be done for departmental purposes for next twenty years. Efforts will be made to exploit these commercially.

9. **MODE OF EXECUTION:**

- 9.1 Construction on vacant available plots with Govt. funds can be done as at present through Engineering Wing of the Department. For others, we need expertise in order to garner private funding and operate within the legal framework for operationalising public private partnerships. Department is processing setting up of an SPV for management of Postal Estate for the purpose of optimal utilization of Postal Land.
- 9.2 Once SPV comes into existence dependence of the department on Government funding for construction of buildings will reduce and be eliminated in due course. The department should also own optimally required buildings for conducting its business. For SPV , a non recurring one time grant of Rs. 1 crore will be required for infrastructure. In addition, about 4 crore would be required during the 11th Plan on account of recurring expenditure of the authority like Salary, TA, Conveyance, Stationery items etc.
- 9.3 There is a possibility of spill over liabilities attributed to the ongoing projects from the 10th Five Year Plan as 55 Spill Over Building Projects which are approved for completion in 10th Five Year Plan may get added in 11th Five Year Plan due to their non-completion owing to various reasons. Funds shall be required to meet the Spillover liability.
- 9.4 The physical, financial targets and year wise total financial targets are given in **Annex. 'A', 'B', & 'C'**.

XXXXX

ANNEX. 'A'

Year-wise Physical targets for Eleventh Five Year Plan will be as under:-

Year	Spill over Projects of 10 th Five Year Plan PNW Postal Network	Head Offices	Post	Spill over Projects of 10 th Five Year Plan AO Administrative offices	Regional Office	Sub Offices	Post	Spill over Projects of 10 th Five Year Plan-SQ Staff Quarters	Staff Quarters	Preservation of heritage buildings	Reconstruction of old Deptt. buildings
		With Govt.funds (Non-commercial locations)	With Private partnership (Highly commercial locations)	With Govt. Funds	With Govt. funds	With Govt. Funds	With Private partnership		With Govt. Funds	With Govt. Funds	With Govt. Funds
1	40*	2		10*		10		5*	20	7	5
2	-	12	4	-	2	20		-	25	7	15
3	-	17	5	-	-	60	50	-	25	7	15
4.	-	21	-	-	-	40	50	-	25	8	15
5.	-	9	-	-	-	20		-	25	8	5
Total	40	61	9	10	2	150	100	5	120	37	55

- NOTE:
- i) Figures are subject to change.
 - ii) * Spill Over Project of 10th Five Year Plan.

ANNEX. 'B'

Year-wise FINANCIAL TARGETS for Eleventh Five Year Plan will be as under:-

Activity	Physical targets	Average estimated cost per unit (Rs. in lakhs)	Proposed outlay (Rs. in crores)
Spill Over from 10 th Five Year Plan	55	70.00	38.50
Construction of Head Post Offices	61	150.00	91.50
Construction of Sub Post Offices	150	50.00	75.00
Construction of Regional Office	02	100	02.00
Construction of Staff quarters.	120	30.00	36.00
Re-construction of old Departmental buildings	55	100.00	55.00
Purchase of land	50	50.00	25.00
Preservation of Heritage Buildings	37	50.00	18.50
For SPV	-	-	5.00
Total			346.50

Figures are subject to change.

ANNEX. 'C'

Year-wise total Financial Target will be as under:-

Year	Amount (Rs. in Lakhs)	
1.	6700	
2.	6200	
3.	8750	
4.	8400	
5.	4600	
Total	34650	

Eleventh Plan Proposals for modernization of the work process relating to materials management functions of the Department

1. Introduction

1.1 MM Division is entrusted with the job of procurement and supply of various materials required for the purpose of running various operative and administrative units of the Department of Posts. The procurement, on A large scale is done by the MM Division, mostly centrally through the DGS&D, which is the central purchase organization of Govt. of India. DGS&D has its' own defined rate contracts for various products/items on the basis of which DOP places orders for procurement. Where the DGS&D does not have a rate contract, the DOP has the option of either floating tenders at the level of DOP or asking the DGS&D to do such tendering on behalf of the DOP. Generally, the latter course of action is taken because DOP does not have its own Research & Development Wing or its own independent Quality Assurance Division. However, it is felt that, ideally, MM Division should also play a role in design and specifications for materials/equipment specific to our requirements.

2. Present Procurement Process

2.1 The process of procurement through the DGS&D, as it is operated presently, involves several steps as indicated below:

2.2 Indents for various items required are obtained from the Head Offices and Sub-Offices (including the requirement of the BPOs) and sent to the respective Divisions.

2.3 The Divisional Superintendents scrutinize the requirements obtained from the various Post Offices and send them to the concerned Postal Stores Depot (PSD) which maintains the inventory of various items of stores and forms required by the Post Offices/ Administrative Offices.

2.4 PSD, on receipt of the indents, from such Post Offices, examines the actual requirements with reference to its existing stock of these items and then submits these indents in a consolidated manner to the Circle Office.

2.5 The figures from various PSDs are again compiled in the Circles and sent to the MM Division of the Directorate where the final round of scrutiny is made in consultation with the Integrated Finance Wing and the quantum of order to be placed is decided. Thereafter the indent is placed with the DGS&D, in most of the cases. Where the quantum is low and indents are not acceptable to the DGS&D, the procurement is done at the level of DOP itself.

2.6 This elaborate step by step procedure involves a huge time lag in supply, extending to a period of two years from the time the indent is first prepared at the operating unit level till the final supply is made to them.

Activities planned for the Xith Five Year Plan:

3. Total Computerization of all PSDs

3.1 In the 9th Five Year Plan, two computers for each PSD was planned & executed. This has helped in the transfer from inventory management in the manual mode to the computerized mode, albeit a modest progress. Data entry of all kinds of forms and stores at the time of addition to the stock and deletion at the time of supply is done with the help of these two computers. But not all data is entered in the system because only 2 nodes have been supplied whereas the work in the PSD is distributed between various branches, sometimes working in different floors/blocks. For effective data base management and ensuring data exchange between the Post Offices and various PSDs within and outside the Circles, proper networking is required. This will be possible if all the PSDs are fully computerized and networked across the country. The establishment of a National Data Centre and networking of the 1000 Post Offices and Mail Offices which Tehchnology Division is undertaking, will help in more effective communication with the

PSD. The two computers supplied during the 9th Plan do not have the configuration for networking communication on the web.

3.2 Once the computerization of PSDs and its networking with Post Offices is done, it will help achieve the following:

- Reduce the time lag and ensure timely inventory management.
- Achieve synergy with the other Plan Schemes of total computerization of post offices, effectively use the latest inventory management techniques.
- Develop and maintain the data bases – both at the central level and at the Circle and Divisional levels to plan and project their inventory requirements.

4. Financial requirement

3.3.1 Each of the 46 PSDs will require to be supplied with a Server and 5 nodes and other peripherals for networking. An amount of Rs.14.74 Crores has been included in the projection of the Technology Division, but this perhaps does not include the networking cost. Technology Division may be requested to project

the networking cost in this regard, as matters regarding National Data Centre is being handled by Technology Division only.

4. Providing equipment for in-house printing of essential public utility forms:

4.1 Post Offices have a huge requirement of forms and stationery. There are almost 400 different types of forms which are required to be supplied through PSDs. Most of these forms are either printed by the Govt. of India Presses, failing which, through private printers in the market. The procurement of paper for these forms and stationery is by rate contract through DGS&D. The process of printing through Govt. of India Presses and procurement of paper through DGS&D entails a lot of delay due to administrative and procedural issues. The Ministry of Urban Development which is the nodal Department for the Directorate of Printing/Govt. of India Presses have recently permitted all Departments in the Govt. of India to get the materials printed through private presses without waiting for a formal 'No Objection Certificate'. As the Department is more or less a commercial department and is competing with private parties, non-availability of forms used by the customers not only puts the Department in an embarrassing position but also reduces its clientele. Against this scenario and given the fact that essential forms are always in short supply, it is imperative that the field formations of the Department have some kind of in-house printing

facilities. This can be done in an effective manner if machines like, Resograph machines/Duplo machines etc. are supplied to all PSDs.

4.2 There are 46 PSDs which cater to the requirements of all Divisions in the country. It is proposed in the Eleventh Plan, to provide at least two modern in-house printing machines of the Resograph variety to each PSDs, and two paper cutting machines also.

Financial requirement

4.2.1 If the above proposal is feasible, 92 Resographs and 92 paper cutting machines would be needed for 46 PSDs. The average cost of one Resograph machine is about Rs.7 lakhs in the market today and the cost of the paper cutting machine is Rs.1 lakh. The total requirement would be around Rs.8.28 Crores or say Rs.8.3 Crores. The machines should be purchased and procured as early as possible, i.e. in the first two years of the Plan. The distribution, therefore, is proposed as follows:

2007 – 08	Rs.4 Crores
2008 – 09	Rs.4.3 Crores

5 Provision of various modern materials management equipment:

5.1 The PSDs handle large volumes of paper and other inventory items. Handling these items involves work relating to packing, moving, unpacking, binding, stapling, counting etc. Therefore, there has to be a plan scheme to provide suitable machines to cater to such requirements in PSDs and other operative units of the Department. A variety of equipment is available in the market to make the transfer, storage and inventory easier and free from hazards. Some equipment which is in use in Govt. of India Presses, like trollies, counting machines, GSM counting machines, modern electronic weighing machines, can also be supplied to PSDs. An amount of Rs.1 lakh for each PSD for such sundry modern equipment may be projected. On the whole for 46 PSDs, the allocation for this activity may be earmarked as Rs.5 Crores.

6. Standardization of Forms and Stationery & items required for day to day use by the staff and in operative offices:

6.1 Postal operations involve use of almost 300 kinds of forms and stationery. These have been prescribed a few decades ago and little effort has gone into streamlining the use and redesigning of these forms. Some in-house effort to rationalize the design and layout of forms and stationery has not led to any great benefit because it requires a detailed study of the work of each branch, which itself

has undergone several changes, due to technology induction. A study by an independent agency with expertise in materials handling system and forms designing, needs to be undertaken. The study can include the following terms of reference:

- Rationalize the design of the forms and stationery for computer interface.
- Introduce multi purpose forms to reduce the variety of forms and stationery to reduce inventory and facilitate indenting and stocking.
- Introduce the system of packet size for each item of forms and stationery to reduce the man-hours in handling.
- Introduce barcode configuration for easier stock verification and supplies and inventory management.
- Recommend discontinuation of any form which is not required due to change of work process.
- Recommend specifications of various items required for day to day use by staff and in various operative offices.

An outlay of Rs.1 Crore may be allocated for a detailed study in this regard.

7. Training needs:

7.1 For the Department to ensure that its computerized PSDs run effectively, exclusive training is required to be given on operations of PSD Software. Moreover, to ensure that all the modern equipment which to be procured under the plan schemes are operated efficiently and to get the benefit of R&D, it is necessary to design proper training schemes for officers and staff at various levels connected with the working of PSDs. They may require institutional training; they may require training at the shop floor level also. For all such training activities, a Plan scheme is required under the 11th Five Year Plan. Staff of PSD are drawn on deputation from Post Offices/RMS Offices and after a tenure of 4 years they return to their parent units and new officials come on deputation. Thus the training process for PSD staff will be a continuous process. On an average 10 officials need to be trained in each PSD in a period of 5 years, each training module being for 5 days. This will involve expenses on travel, boarding, lodging, training material, development of training programmes. On a rough average of Rs.4,000/- required to be spent on each trainee for a five-day programme to the PTCs, the requirement to train 460 trainees of 46 PSDs would amount to Rs.1,84,00,000/- say Rs.1.85 Crores, which should be spread over a period of five years.

8. To sum up, the following would be the financial requirements in so far as Material Management Division is concerned:

Figures in Crores							
	Acitivities	2007-08	2008-09	2009-10	2010-11	2011-12	Total
1	(a) Supply of computers and allied peripherals to all PSDs (b)Networking of PSDs between PSDs & with other operative offices	0.74 Expenditure figures may be collected from Tech. Branch	3.5	3.5	3.5	3.5	14.74
2	In-house printing machines (Resograph)	4.00	4.3				8.3
3	Provision of modern material management equipment	0.50					0.50
4	Standardization of Forms & Stationery	0.20	0.80				1.00
5	Training Needs	0.37	0.37	0.37	0.37	0.37	1.85
6	Total	5.81	8.97	3.87	3.87	3.87	26.39

(Yesodhara Menon)	(S.K. Chakrabarti)	(Ashish Kumar)	(B.R. Chugh)
Chief PMG AP Circle	D.D.G. (MM)	Director	Director
Chairperson	Member	Member	Member

	A	B	C	D	E	F	G	H	I
1	Group	Category	to be dor	Year 1	Year 2	Year 3	Year 4	Year 5	Total
2	Physical:								
3									
4	PO NW	HPO	494	200	200	94	0	0	494
5		Above A cl	6646	1500	2000	2000	1146		6646
6		B Cl	328	200	128	0	0	0	328
7		Acctg HO	350	200	150	0	0	0	350
8		B Cl	6766	1000	1000	2000	1500	1266	6766
9		C Cl	11112	0	500	2500	5000	3112	11112
10		EDPOs	128625	0	0	25000	50000	53625	128625
11	Mail processin g	Mail Office	300	50	100	150	0	0	300
12		AMPC	4	0	2	0	2	0	4
13		Collection and Dly units	25	2	10	13	0	0	25
14		Delivery beats	1	0.2	0.2	0.2	0.2	0.2	1
15		Main HUB SPCC	20	10	10	0	0	0	20
16		Regional Hub SPCC	30	10	10	10	0	0	30
17		SPCC	450	50	100	100	100	100	450
18		Parcel & Logistics Centres	8	0	2	2	2	2	8
19	Inventory and PG	PSDs	46	5	10	15	16	0	46
20		CSDs	19	10	9	0	0	0	19
21		CCCs	1200	500	500	200	0	0	1200
22	Training	PSC	1	1	0	0	0	0	1
23		PTCs	6	3	3	0	0	0	6
24		CTC	60	20	20	20	0	0	60
25		CTC New	300	50	100	100	50	0	300
26	IPDC	Data Centres	3	0	1	2	0	0	3
27		Consumables	1	0.1	0.1	0.2	0.3	0.3	1
28	IPeSC	India Post eServices Corpn	1	0.01	0.25	0.5	0.24	0	1
29	Ergonomi cs		5000	500	1500	1000	1000	1000	5000

	A	B	C	D	E	F	G	H	I
1	Group	Category	to be dor	Year 1	Year 2	Year 3	Year 4	Year 5	Total
30	<u>Financial</u>	in Crore Rs							
31									
32									
33	PO Addl	HPO		37.38	37.38	17.57	0	0	92.33
34		Above A cl		264	352	352	201.70	0	1169.70
35		B CI		13.37	8.5568	0	0	0	21.93
36	PO NW	Acctg HO		64.06	48.045	0	0	0	112.11
37		B CI		85.95	85.95	171.9	128.93	108.81	581.54
38		C CI		0	22.36	111.78	223.55	139.14	496.82
39		EDPOs		0	0	280	560	600.6	1440.60
40	Mail processin g	Mail Office		39.54	79.08	118.62	0	0	237.24
41		AMPC		0	310.48	0	310.48	0	620.96
42		Collection and Dly units		44.84	224.18	291.44	0	0	560.46
43		Delivery beats		89.2	89.2	89.2	89.2	89.2	446.00
44		Main HUB SPCC		9.27	9.27	0	0	0	18.54
45		Regional Hub SPCC		3.99	3.99	3.99	0	0	11.98
46		SPCC		7.82	15.64	15.64	15.64	15.64	70.38
47		Parcel & Logistics Centres		0	125.23	125.23	125.23	125.23	500.90
48	Inventory and PG	PSDs		0.89	1.78	2.67	2.848	0	8.19
49		CSDs		2.05	1.84	0	0	0	3.89
50		CCCs		30.45	30.45	12.18	0	0	73.08
51	Training	PSC		0.76	0	0	0	0	0.76
52		PTCs		2.75	2.75	0	0	0	5.51
53		CTC		2.11	2.11	2.11	0	0	6.33
54		CTC New		8.18	16.36	16.36	8.18	0	49.08
55	IPDC	Data Centres		0	15.86	31.72	0	0	47.58
56	IPeSC	India Post eServices Corpn		1.00	25.00	50.00	24.00	0.00	100.00
57		Ergonomics		35.00	105.00	70.00	70.00	70.00	350.00
58									
59		Consumables		59.75	59.75	119.49	179.24	179.24	597.45
60									
61		total		802.36	1672.26	1881.89	1938.98	1327.85	7623.35

TECHNOLOGY UPGRADATION IN AND MODERNISATION IN INDIA POST DURING THE ELEVENTH (FIVE YEAR) PLAN

Introduction:

1. India Post has a vast setup with an integrated physical network. It has a well-knit set up with a fool-proof account consolidation. Procedures are well set and the staff is well versed with the operations. Its three major strengths are (a). Vast integrated network (b). Last mile link-door delivery and (c). Account consolidation.
2. The business plan we have drawn leverages these strengths. As of now, like any other developing nation, the resources are underutilized. However, India Post has not reflected the economic development of the nation of the recent years. While the GDP is going up the traffic of India Post is on the slide. Revenue growth is minimal.

Tapping the potential:

3. Posts all over the world earn revenue not from individual mails/transactions but from bulk mail/transactions. India Post should orient its revenue policies towards bulk customers and institutions. Per capita mail of developed countries –USA 738, Switzerland-580, Norway-557, Japan-192- proves that extensive development of telecommunication network and alternate mode of communications are not a threat to physical mail.
4. The economic development is closely linked to communication which includes documents, packets, parcels. The growth of Posts would depend on the tapping of proper source of mails. The business lies in tapping the communication requirement between Business and Business and Business and Consumer. These two sections comprise 78 % of the mail communication. At present we are predominantly in the consumer-consumer and consumer-business sectors.
5. The telecom revolution helps in generating eCommerce where the physical movement goods would increase manifold. The Dept of Posts has a major role to play if it is ready with a proper infrastructure and electronic network with a facility to inform the service provider about the delivery and collection of amount due.

AIM:

6. An effort was made to make perceptible investment in IT in Dept of Posts during the Tenth Plan. Though the full investment could not be made owing to delayed start some achievement was made in this. Almost 7,324 SOs would be operating in a computerised environment. A national Data Centre would be set up at Delhi. While the Head Post Offices supplied with IT equipment are doing most of the front office transactions and the back office consolidation in a computerised environment the Sub Post offices offer public transactions in the computer.
7. But still the vast infrastructure is bereft of any purposeful upgradation and hence its full utilization is not possible. Operational equipment are lacking in the post and mail offices. IT equipment is needed in the rest of the post and mail offices. Without any perceptible investment in the network, equipment or infrastructure, merely managing

the salary requirement would naturally result in a situation where the expenditure is predominantly on labour! If we were to change this, proper investment should be made to modernize the services. A large number of HOs would be functioning without a proper server to consolidate the data created. If we were to make the vast network viable we need to go in for credible investment during the forthcoming Plan. Such an investment will not only make the physical network strong, well-equipped and reliable for carrying out not only the existing transactions but also create a proper electronic network to take on the additional services envisaged. With this type of investment it would be possible for the Dept of Posts to increase its revenue and take care of its existence as a self supporting entity.

Proposal:

8. While the country was trotting at a “Hindu Rate of Growth” India Post was recording consistent growth in traffic and revenue. Surprisingly the economic boom of the country over the past decade has not shown any difference to India Post. Rather our traffic has dwindled and whatever revenue growth was there it was by high pricing of low end products where the customers are stuck with us.

Weak Infrastructure:

9. We have been worryingly self-depreciative and low-profile. The revenue was low because of lack of investment and there was no investment because of low revenue. We need to get out of this conundrum. With the corporatisation of BSNL the only other comparable organization is Indian Railways (IR). The 10th Plan investment plan of IR was Rs. 60,600 Crores. They plan to invest Rs. 20,000 Cr during 2006-07 with Rs. 8,000 budgetary support and Rs. 12,000 Cr own resources. The normal feeling is that one cannot compare India Posts with a leviathan of IR. However, let us see the proportion of revenue and expenditure. IR had revenue of Rs. 33,762 Cr during 2004-05. In the BE 2006, IR had projected a revenue of Rs. 47,617 Cr with a working expenses of Rs. 46,144 CR. The operating ratio for 2003-04 was 90.8 % which is expected to be improved to 83 % during 2005-06. The Plan investment projected was almost more than double the revenue prevailing during 2001-02. As per the figures available, it proposes to invest almost 40 % of anticipated revenue.
10. Where are we with such a comparison? Our revenue (though paltry) is around Rs. 4,250 Cr excluding USO. Our 10th Plan outlay-which was by far the highest- was Rs. 1,500 Cr. But the amount allocated and utilized by the end of fourth year of the Plan were Rs. 904 Cr and Rs. 437 Cr respectively. Naturally, little infrastructure was built and little upgradation was done. As expected the recently submitted KPMG report on “India Post attaining self sufficiency” too points this out. If we were to follow Railway’s model we should be investing six times the last Plan’s demand. Why not go for a credible investment to unbind the Giant?
11. The postal network and infrastructure call for appropriate investment to bring in the technological developments and to go in for new products and services so that its role in nation building continues in a fast pace. The technological upgradation and modernization proposal for the eleventh Plan is:

- a. Providing appropriate hardware with identified software and linking the offices to a common network and providing equipment to handle the cash are proposed to augment and improve the quality of counter services.
 - b. Sorting equipment, Mail containers including bags, mail trolleys, delivery vehicles and hand-helds for delivery staff and PB cabinet for window delivery are proposed to improve the mail processing sector.
 - c. Infrastructure is to be improved by way of new buildings and supply of working equipment to identified offices.
 - d. A **National Mail Grid** for physical transmission with 4 AMPCs is to be positioned.
 - e. A **National Data Base Grid** for electronic transmission with 4 Data Centres is proposed.
 - f. A wholly owned subsidiary “**India Post Electronic Services Corporation Ltd**” is to be established to take care of e-Commerce related operations.
12. As induction of technology and modernisation would give multiplier effect, the network will be reviewed to make it lean and effective. The proposal is to cover the whole postal network, mail-network, inventory control centres, speed post and parcel centres, customer care centres, Training establishments and to establish Data Centres.

Area Proposed for upgradation:

Postal Network

13. At the end of the X Plan 839 HPOs and 7,324 SOs would be with minimal equipment. The postal network consists of 842 HPOs, 26,044 Dept SOs and 1,28,625 ED POs.. While the inventory control is taken care of by the 46 Postal Stores Depot and 19 Central Stamp Depots, the 1,200 Customer Care Centres cater to the different citizen's services offered by not only the Dept of Posts but also other government departments.
14. In order to cater to the market competition and offer new services these units would be computerised, equipped to handle cash, franking etc and networked to the proposed Data Centre with appropriate application software and secure connectivity. Technology and connectivity make consolidation of larger number of sub offices possible at the HO. Hence it is proposed to identify 350 Head Offices as the Accounting HOs and plan to upgrade their operational capability. The other HOs would be supplied with operating equipment (other than IT related) like Cash counting machines, Franking Machines, sorting equipment, mail containers, delivery vehicles and hand-helds for the beat staff, mail trolleys-mechanical/electrical and Post Box cabinets. Rest of the SOs, and EDPOs also would be supplied with work equipment and connected to the Data Centre. In times to come these rural branches are going to play a crucial role in dispensing the services required for society. Unless we upgrade these Centres our network becomes weak and incomplete. Hence the proposal is to cover 1,28,625 outlets with operational equipment including hardware with connectivity.

Mail Processing:

15. Mail handling: This is the artery system of the organization and needs much cleaning and attention. Modernization and upgradation had not happened for quite some time. With the result there are no proper equipment to handle the letter, packet and parcel mails. The inefficiency in this sector is reflected across the network. The morale of the staff is low. There are no proper trolleys for conveyance of mail articles within the office and in TMOs. Similarly the bulk customers who hire post boxes are given a short shrift by way of dingy locations, non-descript post boxes. The Mail network consists of 2 AMPCs as the main hub with 435 Mail Offices for the rest of the country
16. **The National Mail Grid** would be a three tiered structure with Automatic Mail Processing Centres (AMPC), Mail Offices (Processing Units) (MPU) and Collection and Delivery Units (C&DU).
 - a. AMPCs: With the streamlining of mail offices the mails would be concentrated in selected Centres. If we were to handle bulk mails efficiently we need to go for automated sorting. The proposal is to go for four Centres-one each for 2 PIN zones. The Centres would be at Delhi (1,2), Mumbai (3,4), Chennai (5,6) and Kolkata (7,8). The present buildings at Chennai and Mumbai would be used with the installation of new equipment.
 - b. Mail Offices (MPUs): this is the second tier organised on the basis of PIN Dts. With automation we need to identify 300 offices to function as inward MPUs and these centres would be equipped and networked.
 - c. Collection and Dly Units (C&DUs): This is the third tier and is proposed to be tried in 20 major cities. The collection of bulk mail and delivery sorting would be done in these centres. This would result in greater efficiency, better supervision and economy.
17. Delivery improvement: This is another area that has been left out of improvement. The image of the delivery staff is the image of the Department. The proposal is to provide every delivery beat a conveyance preferably two wheelers for letter and packet delivery and four wheelers for parcel delivery. Every departmental delivery staff would be provided with hand-helds for collection and loading of data for prompt updating at the office on the same day of delivery.

Meeting the Courier Challenge:

18. Parcel and Speed Post Centres: These are to handle the time sensitive and special premium products. At present there are 170 Speed Post Centres. The proposal is to extend the service to 500 Centres by the end of 11th Plan. 20 of these would be functioning as major hum and 30 others as regional hubs. It is also proposed to upgrade 8 Parcel Centres (one per PIN Zone) by equipping with proper equipment and networking them to the datacenter.

Inventory Control and Customer Care Centres:

19. Postal Stores and Stamp Depots: While each Region has a PSD the CSD is one per circle. Availability of forms and stationery on demand from these institutions is crucial for the successful operation of the whole network.
20. Public Grievance, Citizen's Service and RTI Centres: The Customer Care Centres located in the HOs and Divisional Offices would be the hub to delivery citizen's grievances and interaction relating to eGovernance initiatives. The proposal is to complete the equipping part and to link them to the Data Centre.

Training:

21. The efforts taken in the previous Plan has paid dividends. We could operate computers, administer network, handle enhanced applications with the help of good training at the Postal Staff College, 6 Postal Training Centres and 60 Computer Training Centres. The inadequacy of equipment and work-place model is hindering full-fledged training. The proposal is to provide required equipment and link them to the Data Centres.

Data Base Management:

22. Data Centres: The National Data Centre being established at Delhi would look after PIN zones 1 and 2. It is proposed to establish three more IPDCs to take care of PIN zones 3&4, 5&6, 7&8 at Mumbai, Chennai and Kolkata respectively. In addition to functioning as mirrored databases the disaster recovery also would be taken care of by this model.

Managing eServices:

23. The business communities and corporate in the country have progressed much byway of technology and networking. The mail products are available in soft form in most of the corporate. eCommerce where the orders and collection data are to be travel through electronic network and the goods through physical network. But India Post is not yet ready to harness this change as the present governmental set up gives little leeway in negotiation and entering in to contract. Hence, it is proposed to establish a wholly owned subsidiary called "India Post eServices Corporation" (ipesc) on the lines of Railway's "irctc" that has revolutionized the railway ticket booking. The set up once approved would come in to workable form in the second year of the Plan period.

Components:

24. Hardware, Operational equipment, & Networking: the postal network as mentioned above are proposed to be equipped adequately to take care of emerging market and social obligation. The equipment is to cover the whole gamut of operations of the postal department. For credible internal network for effective track and trace operations connectivity is proposed for HO, MO, SPCC and AMPCs. The operative and administrative offices are to be linked to the four Data Centres through Leased Lines or Broad Band or Dial Up or VSAT depending up on the availability and necessity and the network would be managed with MPLS to have secure VPN data exchange.

25. Software, RDBMS & Operating System: The electronic network proposed would be operated with **Integrated Application Software**, OS, Middleware, RDBMS, ERP, CRM etc. Integrated Application Software is to be put in place to take care of various products and services offered in the network. New modules and packages are to be added as and when new products, equipments, nodes are being added to the network.
26. Operational equipment: India Post handles thousands of Crores of Cash and large number of certificates and standard items. To meet the business needs Cash Counting Machines, Franking machines, high quality stamp canceling machines are to be supplied to take care of the public interface for all the counter operations. This step would save considerable time at the counter as well as in the back office operations.
27. Delivery Vehicles: The last mile walk accounts for the efficiency and cost. The proposal is to mechanise all the major delivery beats manned by Postmen by providing two wheelers and three wheelers. This would result in covering larger area in given time.
28. Hand-helds: with the proposed technology in place it is possible to collect the delivery and collection data in the hand-held by the postmen staff and can be uploaded once he reaches his office. This would result in prompt updating of data and would help in satisfying bulk customer needs. Hence, the delivery staff would be given hand-helds.
29. ATMs: 'Anytime Banking' in the current model of saving bank operations. The postal savings customer too wants the benefit from the postal department. In addition to entering in to agreement with other leading ATM providers, the DoP would have its own ATMs to facilitate prompt transaction.
30. Post Box Cabinets: With the economic development the commercial mail volume would go up and more and more customers are to be encouraged to go in for Post Box facility at delivery centres and mail processing units to collect their mail. It is proposed to install secure and ergonomic cabinets.
31. Sorting equipment: the postal as well as the mail network handle mail as the main product. The processing of these mail products is done with archaic equipment which does not help in proper output. The proposal is to supply modern technology and equipment for mail processing along the line. This includes sorting cases for different types of mail articles and automated equipment for the AMPCs and Collection and Delivery Units and the Parcel Centres.
32. Mail Containers: with the coding at one point the mail products can be sorted in different locations. Facing of the article and retaining the coded portion securely are the basic requirement to avail the advantage. For this the present 'bag' model would not do. Hence, the proposal is to supply plastic containers of different sizes for transporting faced and coded articles.
33. Mail Trolleys: whether in major post offices or in railway stations or in airports conveyance of mail products of different sizes are to be done through trolleys. Depending up on the location and volume of traffic it is proposed to supply different

type of trolleys to convey mail products and bags within the office and with the exchange point.

34. Site Development: Installation of equipment would require some basic preparation towards cabling, wiring etc for which some nominal amount is shown per office. No major civil work is included in this.
35. Building Component: for major projects like AMPC, Data Centre and Collection and Delivery Centres where automated equipment are to be installed the building component is included as apart of the project so that there is no mismatch between the requirement and availability.
36. Training: with a major induction of technology and resultant introduction of new products and services training of every personnel becomes a sine-qua-non. The training institutions are to be augmented with additional gadgets and the expanded to ensure that the personnel are not out of work area for long on journey. Hence the proposal is to provide suitable training equipment to the existing training centres and to open work place training centres to increase the training capacity.
37. India Post Data Centre: with the initiation done during the X Plan, the proposal is to install three more Data Centres for the different zones to take care of the full load. Also, they would function as data-mirroring centres as well as Disaster recovery centres.
38. Consumables: with the induction of technology the consumables by way of stationery, gadgets, peripherals would arise which are to be met with the proposed 20 % cost of hardware.
39. Ipsc: To meet the electronic revolution and to offer easy accounting and contractual agreement with corporate a wholly owned subsidiary of India Post is to be established during the 11th Plan. This would be given the responsibility to manage the electronic network of India Post. It would enter in to agreement with major customers on a long term basis to offer ebased services. It also would work out and implement models of eGovernance delivery.
40. Ergonomics: Our effort to improve the work environment of post offices has greatly improved the image of the organization and given customer satisfaction. During the 10th Plan we targeted for 811 offices which would be completed. The proposal is to extend this to 5,000 more offices during the 11th Plan including more activities to make the customer's experience with the post office more comfortable.

Consolidation:

41. The category wise and activity wise consolidation of allocation required are shown in **Annexure II.**

Physical and Financial Targets:

42. The physical and financial targets for each year of the Plan are shown in **Annexure III.**

Conclusion:

43. The existing and these new investments should make the network ready for launch of renewed, modern services for the customers. The existing products which have been unnecessarily positioned low are to be unleashed with appropriate modification. Revenue for Posts all over the Globe is from the bulk transaction and the individual transactions are to keep the USO. Our orientation should shift from individual based transaction to corporate and institution based transactions. Products for money transfer, mail requirement, business, stock market, educational institutions, and governance should be brought to fruition.
44. Dept of Posts has lost business while the market is abuzz with more and more players. It has happened owing to lack of investment, weak network and bad pricing policy. The investment sought would provide the required fillip and launch India Post as a major catalyst in the Economic development of the Nation and attain its self sufficiency in three years and generate surplus before the end of the eleventh Plan.

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28 Sep 06

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Human Resource Development- Approach Paper for the Eleventh Five Year Plan

Introduction

The Department of posts is in transitional phase from being a monopoly player to that of another service provider in the present day competitive and liberal environment. A number of unregulated private couriers and other leading players have emerged in the mail business which has thrown up challenges requiring the Department to modernize its services, provide technology oriented systems for operations and customer care. There is an increasing demand for higher productivity in view of the down sizing of the Government. The Postal customer today has choices to exercise and a service provider to choose from. Therefore, Customer Relation Management plays a crucial role to retain the market. Human Resource Development is an essential aspect better Customer Relation Management. The Postal Department being a highly labour intensive Department with human resource as a major capital and with a daily public interface has to fix its attention on human resource development which will result in higher productivity and better customer service.

1.1 With rapid modernization and technology based systems dominating the communications market, the role of the paper based mail has come down over a period of time. Postal Department cannot be seen in isolation from the technology progress being achieved in all spheres of public life. This not only calls for intensive investment in technology but also on training on technology matters resulting in development of skills of the staff.

1.2 Consequent to the erosion of the monopoly in the Postal sector, there is an increasing demand that the Post Office becomes a facilitator for business activities and retail services. New business ventures in banking, insurance, financial management and retail activities such as, vending of products of other manufacturers/providing retail services becomes an important element in the running of postal system today. The P.O. has undergone dramatic transformation in the recent times from offering only postal products and services to that of a business organization offering a variety of services to satisfy the needs of the customers. Starting from sale of publication such as UPSC/SSC application forms to that of selling pilgrimage tickets and conveyance of prasadam, P.O. does a variety of jobs, which was not foreseen earlier. New products and services have commenced to make the organization dynamic and vibrant. All this requires trained manpower.

1.3 Postal Service is essentially an operation based services with daily interaction with people; Highly trained manpower, well skilled in technology system and usage and exhibiting good behaviour pattern is a must for the success of the service. Maintenance of high quality of service is the requirement for competent Supervisors. A Postmaster anywhere in the country is seen as a respected figure. Today a Postmaster has to perform business functions and act as a business Manager also. This requires skill up gradation and training in behaviour aspects. Further the inspectors of Post Offices and Gazetted Superintendents have to perform enhanced role of not only maintaining operations, administration but also play a business role in marketing and management of new products and services. Directors, Postmasters General and

Heads of Postal Circles are expected to perform the role not only as Administrators but also as Business Managers to achieve business targets and develop strategies to compete in the marketing environment. The Business Development Directorate, Postal Life Insurance Directorate, Financial Services Division of the Postal Directorate set regular revenue targets for achievements, which are constantly monitored. Business Management training and marketing and technology skill based training are, therefore, essential for the various cadres in the Department. All these become the focus of Human Resource Management in the years to come. The approach paper for the 11th Five Year Plan focuses on these issues.

2. The plan scheme on Human Resource Development would, therefore, focus on the following areas: -

- 2.1 In service Institutional Training in India and abroad for various cadres.
- 2.2 Technology Training for Trainers and Facilitators
- 2.3 Training on specialized subjects – Business Development Marketing, Legal Affairs, Customer Relations Management, Complaints Redressal, Quality of services etc.
- 2.4 Business Orientation Programmes
- 2.5 Special Programmes for Supervisors and Postmasters.
- 2.6 Training the Trainers Programmes
- 2.7 Work Place and Distance Learning Programmes
- 2.8 Coaching and Consultancies
- 2.9 On line/e-Training Programmes
- 2.10 Enhancement of Capacity Infrastructure Of Training Centres
- 2.11 Setting up Centres of excellence and setting up an International Postal Training College
- 2.12 Obtaining ISO Certification

3. Future Scenario

- 3.1 While preparing the plan scheme, likely future scenario of Postal business has been kept in view. The following aspects will play a dominating role in the future of India Post in the next five years:-
- 3.1.1 Entry of a mail regulator to ensure level building field for all mail service providers thereby eroding completely the monopoly of the Postal Department for conveyance of mail.
- 3.1.2 Many service providers offering variety of mail products and services.
- 3.1.3 Customer expectations would be enhanced demanding high quality of services and excellent customer relations management.
- 3.1.4 Entry of Multi National service providers from other countries/other Postal Administrations in India.
- 3.1.5 Entry of India Post as a service provider in other countries.
- 3.1.6 High technology induction in operations procedures, mail management systems for sorting, tracking etc in Financial Sector and in all the activities of the Postal Department. This requires a highly trained manpower for the induction of technology and upgrading skills regularly.
- 3.1.7 Adapting India Post to the technology friendly environment in banking finance and insurance segments of the country so that India Post plays its role in National Economy.
- 3.1.8 Service requirement to have efficient data center systems and computerized networking of all the Post Offices in the country.
- 3.1.9 Enhancing demand to reduce the deficit and generate more revenue.
- 3.1.10 Less dependency on the Government for subsidy.

Proposed Plan Schemes

4.1 In Service Institutional Training in India and Abroad for various cadres.

4.1.1 The Postal Department is a labour intensive Department employing regular staff of nearly 2,50,000 employees and 2,98,000 Gramin Dak Sewaks. The category wise distribution is shown below: -

Category of Staff			Number
A. DEPARTMENTAL- Gazetted			
Indian Postal Service Group "A"			573
Postal Service Group "B"			866
P&T Accounts & Finance Service including Accounts Officers			924
Central Secretariat Service			73
Civil Wing			232
Other General Central Services			227
Total			2895
B. DEPARTMENTAL- Non-Gazetted			
	Group "C"	Group "D"	Total
Postal Directorate	428	136	564
Post Offices	174696	29631	204327
Railway Mail Service	21662	14335	35997
Mail Motor Service	1744	423	2167
Others	2891	1998	4889
Total	201421	46523	247944
C. Gramin Dak Sevaks	----	----	298571
Grand Total (A+B+C)			546515

4.1.2 The present training programmes are designed essentially for induction training for Postal Assistants/Sorting Assistants, Inspectors, Gazetted Group 'B' cadre and Junior Time Scale of Indian Postal Service. Refresher Training programmes at periodical intervals on operational matters for PAs/SAs and for the officers are being held. It is proposed that a systematic in-service Institutional Training to update the officers knowledge and other skills required to be organized in Postal Training Centres, reputed Training Institutions/Management Colleges, National Law Schools and also in reputed Institutions abroad.

4.1.3 In-service training programmes including Executive/Management Development programmes were part of the Plan Training activity during the Tenth Five Year Plan. It is proposed to continue training of Group 'A' and Group 'B' officers in Postal Staff College India and also in Training Centres like Indian Institutes of Management, ASCI, Hyderabad, National Law School, Bangalore and other reputed Training Centers/Management Centres/Marketing Colleges to facilitate Group 'A' and Group 'B' officers to update their skills and provide them with better exposure on the latest trends in management, marketing legal skills and other aspects.

4.1.4 The Postal Service in India cannot be seen in isolation. In an increasingly globalized world where interdependency of postal services is involved in matters of efficiency of operations and quality of services training abroad in Postal Training Centres of other postal administrations plays an important role. At present around 10-12 officers are being nominated every year to various training programmes abroad mostly to APPC, Bangkok. APPC, Bangkok, is an organ of the UPU where postal officers from the Asia Pacific countries meet and get trained. It is proposed to bring this activity under plan training activity with clearly identified objectives of facilitating enrichments of the capabilities and the awareness of executive level officers of Group 'A' and Group 'B'.

4.1.5 Training abroad on management topics, marketing, world economic environment, business and other related postal topics is also being proposed to be organized in institutions of repute like Royal Institute of Public Administration, London, Netherlands Postal Training Centres, US Postal Services and Australia Postal Training Centers etc., which conduct regular training programmes on Technology, Marketing Management and on Human Resource Development.

4.1.6 The thrust of the Department is to induct technology based system on the improved operations and to provide high quality of services. Essential to these would be a trained manpower especially on JTS/STS of Group 'A' and at Group 'B' level. These officers play significant role in management of day-to-day operations and in general administration of the field staff of the Postal services. At present, a large number of these officers do not undergo any training apart from induction training. It is proposed to train these officers also in the programmes mentioned above.

4.1.7 The Indian Postal Service probationers undergo induction training at Postal Staff College India, Ghaziabad. The induction training is mostly on operations and on general management principles. The IPS probationers form the elite management group responsible for running postal administration and act as the future beacons of the department. It is essential that the probationers are exposed to the postal services in other countries such as Malaysia, Singapore, South Korea, Australia in order to enrich their knowledge and develop them individually before they assume charge in the field units. APPC, Bangkok, is a premium Training Institute in Asia with a well developed infrastructure, multi-faculty from different countries and with well designed course involving international exposure. The programmes at APPC, Bangkok, lays emphasis on international marketing practices, global business strategies in post, new services, use of latest technologies for postal operations, international mail accounting, parcel & logistics business etc. These programmes and the field visits abroad would add value to the induction programme of the probationers. It is proposed that these programmes would form a part of the plan scheme of Institutional Training.

4.1.8 Training of Supervisors

Consequent on introduction of various premium services and value addition of other existing services, the Supervisors in the Post Offices need to have operational knowledge of all services including online operations. It is seen that supervisors, particularly in computerized Post Offices depend on the operative staff to assist them. Introduction of training to the postal supervisors is very essential in computer-based applications. Also inputs on Organisational Behaviour, Leadership, Motivation & Communication Skills besides Customer Relations Management need to be provided to enable them to manage effectively in the changing scenario.

4.1.9 Training of Postmasters

Head Post Masters whether HSG II, HSG I or Gazetted play a key role in proper implementation and monitoring of all operations and schemes under the jurisdiction of Head Post Offices. To ensure smooth functioning of the HPO, they are required to have knowledge of all operations and schemes in the Department and also have good management/leadership skills to manage the staff as well as deal with the customers. Success of any activity/scheme depends up on the capability of the Head of Office. Therefore, training of Head Post Masters on areas such as Computerization, Leadership & Team Building, Management, Organisational Behaviour, Decision-making, Marketing, Quality of Service and all related aspects of Customer Relations Management is necessary. It is therefore, proposed that the existing PTCs should conduct regular courses especially designed to meet the requirement for Head Post Masters who have at least 3 years to retire.

4.1.10 Staff Working in SBCO

The staff working in SBCO are not given any In-service training during their career span. This has to be introduced particularly with computerization of SBCO. The training courses will be designed in the context of proposed central based Technology for PO SB

4.1.11 Training of Civil Wing officers

For the officers of Civil Wing right from the level of JE to the senior level, no in-service training is prescribed. Architects and Civil Wing officers need to know about new construction materials, computerised designing including Auto CAD software, Rain Water harvesting, Construction of intelligent buildings, designing of environmental friendly buildings, using natural light and renewable sources of energy. They should also know the specific needs of Postal/RMS buildings. Specialized training of -these officers in PSCI/PTCs and if necessary in the outside training institutes is required. They should also be made aware that PO & RMS building designs need revision in the light of new style of IT based operations, new business lines, marketing or customer relations management etc.

4.1.12 Training of Accounts Personnel

The Accounts Service Group "B" have a total strength of about 280 officers and they work as Accounts Officers in Postal Accounts Offices and as Financial Advisors to the Chief Post Masters General/Post Masters General. They are responsible for control/monitoring Plan & Non-plan budget; ensure observation of Accounting procedures for all expenditure by carrying out scrutiny of bills, checking of Postal Accounts and preparation of consolidated statements of allocations vis-à-vis expenditure of the entire Circle. The training provided to Accounts Officers at Postal Staff College India, Ghaziabad is limited to one or two programmes and no formal training is prescribed for them. Lack of training is one of the reasons for non-correlation of Postal Accounts at different stages. Familiarization of Postal Operations including the new services and their costing / accounting procedure will facilitate better understanding and cooperation between the two wings. Therefore, there is need for some training-covering subjects on Postal Operations and Accounting Procedures for these officers. Moreover, because of computerization and networked environment in Pos, the accounts personnel will also require extensive computer training.

4.1.13 Training of ASPOs

As Divisional Heads PS Gr. 'B' officers are having crucial responsibilities for smooth functioning of the Division. They also have to undertake new business activities whenever introduced. Although Induction Training courses are conducted for Gr. 'B' officers in PSCI, it is felt that they come too late as most of them do not have too much service left. Therefore, it is proposed that senior ASPOs and those who are likely to get promotion to PS Gr. 'B', and having more than five years service left may be trained in Management Skills as proposed for Post Masters and also in the overall management of a PO/Division. This training may also be imparted by the PTCs.

4.2 Technology Training of trainers and facilitators

The induction of technology in the postal services has necessitated the requirement for training adequate manpower in technology. There is also a requirement to train the available manpower as system administrators. As a dedicated institution training programme for systems administrators is an essential feature of successful technology induction. System administrators are to be proficient in software, all troubleshooters in Pos and develop reasonable expertise in order to win credibility in the P.O. the operative staff. Dedicated programmes to train postal personnel as a system administrator has not been attempted in the past as a plan activities. It is proposed that during the 11th Plan dedicated training programmes for system administrators in software, trouble shooting and other related tasks to commence. These programmes may be of short duration and held periodically.

4.2.1 Technology Exposure programmes for Group 'A' and Group 'B' officers

Technology exposure for Group 'A' and Group 'B' officers at various levels such as JTS/STS, JAG, SAG and HAG is proposed to be organized in order to provide exposure to these officers and also constantly update their skills.

4.2.2 Compulsory technology training programmes for Group 'B' officers and ASPOs.

A compulsory technology exposure and training programmes of short duration is proposed to facilitate exposure of Group 'B' officers and senior ASPOs to technology development issues, departmental software and other related matters.

4.2.3 Technology refresher programmes for Inspector level officers Supervisors and Postmasters.

All the Inspectors, Postmasters of various levels and personnel who get promoted as supervisors will be exposed to a short technology exposure programme which will facilitate their functioning in the P.O. and also manage technology related problems and issues successfully.

4.2.4 Software development Programmes

Development of departmental software will be attempted as a plan activity during the 11th Plan. A continuous R&D to update software knowledge, incorporate latest software achievements, invoke outside software talent to help the software development process will be initiated. These activities will take place in the centers of excellence at Postal Training Centres and at PSCI Ghaziabad.

4.2.5 Technology Training Programme for new services and products.

It is seen that frequently no technology training and upgradation of skills is being done for new services and products of the department. A select group of officers, Supervisors and Postmasters will be called periodically to train them on technology aspects of new products and services. For the first time, this exercise will be attempted as a plan activity with specific targets and objectives.

4.3 Training on Specialized subjects

4.3.1 Postal Service in the Divisions are managed by Group “A” officers (JTS/STS) belonging to Indian Postal Service and Postal Service Group “B” officers belonging to General Central Service. The department is in the throes of change from its traditional services to the customer-oriented services in collaboration with the Private/Public sector organizations. Consequent on these changes, the Divisional Superintendents are expected to do business in Postal Life Insurance and business development products like speed post etc and also make efforts to attract various business of local interest. It is therefore necessary to expose these officers for intensive training on Marketing/Customer Relation Management. To start with 7 Circles were identified for organising such courses in the 10th plan. Good feedback has been received in respect of these. It is proposed to continue this process and train 100 officers every year in some reputed training institutes in the area of Marketing. Re-orientation of SB staff will also be required to be done on introduction of “Central Server based any time-any branch banking”

4.3.2 Training of Staff and Inspectors on Marketing & Financial Services

Consequent on various changes in the department, the Inspector of Posts and the staff working in Post Offices are the actual field staff involved in the Marketing of Postal Life Insurance and ensure procurement of other business packages and make efforts to attract customers. Department is also looking at setting up specialized Finance Marts to concentrate all the Marketing and Financial Services at a single location. As these staff need to be equipped with relevant skill to enable them to interact with the clients it is considered necessary to expose the Inspectorial and other Staff for training on Marketing concepts and skills, if necessary with the cooperation of alliance partners/tie-up with the private institutes of repute on the relevant subjects.

4.3.3 Training in legal matters for Field Staff

Training in Legal Matters for field staff: At field level the Divisional Heads and officers in Circle/Regional Offices are dealing with large number of court cases of the following type:

- Staff grievances relating to promotion, transfer, Pay & allowances etc including the cases of Gramin Dak Sewaks of Temporary in Status whose service conditions are different from the regular employees
- Disciplinary cases
- Litigations for Rented Buildings & encroachment of lands owned by Department
- Cases relating to Consumer Forums
- Cases relating to Gramin Dak Sewaks who approach the Labour Commission. There is need for creating know how and legal awareness among the Divisional Superintendents, who work at field level. Divisional Superintendents are responsible for dealing with the cases relating to frauds, losses to Govt. property, buildings etc. and to interact with them in preparing FIR/Charge Sheets for court cases. They also deal with different cases relating to Consumer Forums, CAT, Labour commission,

SC/ST forum etc; and have to maintain close liaison with the Govt. pleader during proceedings. All this requires expertise, which needs to be imparted through specialized training. Therefore, training for these officers for familiarization with the legal procedures and training on Legal Aspects was arranged at National Law School India University Bangalore. About 80 officers were trained and another 80 officers are likely to be trained by the end of 10th Five Year Plan. The strength of STS/JTS/Gr "B" is about 1200 officers. It is proposed to continue to give exposure to 100 officers each year in Legal Matters

4.4 Business Orientation Programmes

4.4.1 Special programmes for Group 'B' officers

A Business Orientation programme to create awareness and exposure on competitive marketing with special emphasis on business oriented products and services will be organized. The special orientation programme will not stress on general management principles for which a separate training programme has already been planned for, but it will focus on specific business products and services aimed to generate revenue to the Department and provide customer services. This programme is targeted at Group 'B' officers since they occupy the largest chunk of administrative cadre in the field. Normally, a PSS Group 'B' officer is well trained on operational procedures and systems and not so much on accounts and other aspects. The Business Orientation programme will facilitate up gradation of skills in Accounts and Finance Management also. The programme will also lay emphasis on Customer Relation Management as dedicated objective of the training content. The programme will be organized in-house and also outside Training Institutes wherever required. These specialized programmes could be for those Gr. "B" officers who have at least 3 years service left before retirement.

4.4.2 Customer Relations Management Programmes

The thrust of the Postal Services in the country in the present liberalized environment and competition will be on effective Customer Relations Management strategy to market the products and services as well as to generate revenue will be the main theme of these courses. Customer Relations strategies, customer feed back appraisal, key accounts management and other leadership qualities and sensitivities exercised on the quality of services would be the key objective of this programme. This programme will aim to train almost all the cadres of the Department commencing from Postman to that of Divisional Superintendent. This is a novel programme planned during this period.

4.4.3 Financial Services.

The Postal Department is today a multi-faced service provider providing services in the communication market and also in the financial segment. The Postal Department acts as a service provider and facilitator to vend products and services of other service provider also. Banking and financial services is an important segment of revenue generation for the Department. The Banking industry has undergone tremendous changes in the country. From manual operations and procedures the system have moved on to electronic and Internet based banking system with Anytime-Any Branch facility. Cheque clearance facilities are being done electronically. To retain the Post Office Savings Bank customers with the Postal Department, and to ensure that the revenue generation continues the same, it is essential that training programmes are designed to equip our staff and administrators in appreciating the impact of technology in the banking segment. With these objective in view, it is proposed that an in-service financial services training programme with emphasis on technology systems, customer relations management and updating skills in tune with modern banking procedures is commenced during the plan period. This programme will be an intensive programme to cover all the operative cadres as well as administrators.

4.5 Special programmes for Supervisors and Postmasters

A Supervisor is the fulcrum of all the activities in the P.O. A Postmaster as a leader of the team has to be highly capable and exhibit potential for strong leadership qualities. It is proposed that special training programmes for Supervisors and Postmasters immediately on their promotion as Supervisors and Postmaster be organized to train them on various aspects of management, leadership qualities and on the quality of service so that it results in better quality of services.

4.6 Training the Trainers programmes

Training the Trainer has not been given the desired importance in the plan schemes in the past. It is proposed that specific Training the Trainers programme are conducted at Postal Staff College India, and the trainers trained in these programmes. It is also proposed to send executive level officers to Training Institutions abroad for these programmes.

4.7 Workplace and Distance Learning Programme

4.7.1 India Post set up WCTCs during the 9th and 10th five year plans, mainly at the circle and regional headquarters, aimed at decentralizing computer education in the context of increasing demands of technology-ready manpower. As the 10th plan comes to a close there are 58 fully functional WCTCs in the country and the annual training capacity of these centres together is about 40,000. The target population in India post for training in computer applications is almost synonymous with the strength of its Group C cadres numbering about 2.2 lakhs. The annual requirement is training about 65,000 employees, including those who have been already initiated into technology and those who require repeat training on new and modified packages. It is envisaged that by the end of 11th Five Year Plan all the Group "C" staff would be able to work on computers.

To achieve this, there is a requirement of augmenting the computer infrastructure in WCTCs. Each WCTC needs to have an annual training capacity of 1200, for which it needs to be equipped with 20 P IV nodes.

4.7.2 Upgrading WCTCs into WTCs

The training population under the six regional PTCs in the country is about 2.2 lakhs of group C employees. PTCs deliver in-service to only about 12,000 employees a year. At this rate PTCs take about 18 years to cover one cycle of training for its training population. To bring down this period of 18 years to a reasonable period of 5 years about 45,000 employees need be trained every year. A decentralized approach to in-service training program for group c cadres might address this situation. PTCs can act as nodal centres for developing courseware and conducting trainers' training programs (besides concentrating on induction training and R&D). About 9 WTCs can be linked to a PTC and each WTC can deliver short-duration courses of three days' duration to about 800 officials annually. For upgrading WCTC to WTC, in addition to the present computer lab, there need to be lecture classroom and a library cum reading room, the latter can also serve as a video-conferencing room.

4.7.3 Video conferencing link between PTCs and their linked WTCs

For effective interaction between PTCs and their linked WTCs video conferencing is suggested. Video conferencing can be used for trainers' training, conferencing with system administrators on software changes, and conducting awareness programs on occasions like when a new service is launched. A program conducted at PTC can be viewed over video conferencing by 3 WTCs at a time and thus this could deliver the program to about 80 participants (20 at PTC and 20 each at 3 WTCs). Each PTC may conference with all its WTCs once in a month and the program may thus reach 2160 participants in one year from a PTC and 12960 from the 6 PTCs. Such a facility would address the present problems of work dislocation when System Administrators are called to PTCs for briefing on software changes. Besides, pre-launch briefing on new services would be effective both in terms of cost and time in such a communication channel.

4.7.4 Training of Postmen:

Postmen are the Brand Ambassadors of Department of Posts. The process for entrusting the responsibility of Marketing of Products to Postmen and also using Personal Digital Assistant/Hand Held Device (PDA/HHD) is already under consideration. Therefore, need is felt to give intensive training to Postmen on marketing skills collecting marketing intelligence, data collection, etc with focus on behaviour and attitude preferably in the regional languages before they are assigned with such task. Also a special course/short module needs to be designed for them for operating the PDA/HHD, which should soon be operationalised. This should be Institutional Training preferably at Postal Training Centres or at the Workplace Training Centres.

4.7.5 Marketing/Banking and Insurance for Postmen & BPMs (Phase-II):

The Department is in the process of extending the Marketing Network extensively through Postmen and GDS BPMs. Department is also planning to convert the Branch Post Offices in to e-seva/Cyber centres. Therefore, there is need to train this large population at workplace on Marketing Skills to both Postmen & BPMs and additionally BPMs need to be trained in Computer operations.

4.7.6 Training of GDS Mail Deliverers:

Training of GDS Mail Deliverers was started in the middle of 10th Five Year Plan i.e. Annual Plan 2005-06 with the target of 40,000. The target is likely to be achieved by the end of 10th Plan. The strength of Mail Deliverers is about 85,000. It means 45,000 MDs are still to be trained. It is proposed to continue this activity in the 11th Five Year Plan also with target of training the remaining 45,000 Mail Deliverers plus those remained untrained during 10th FYP.

4.8 Coaching and Consultancies /Research

It is proposed to conduct a training audit of training programmes and evaluate their effectiveness by entrusting the same to a Consultant. It is also proposed to start a coaching programme for Operative Staff, Supervisors, Inspectors and Postmasters as a regular training programme. While the coaching programme will be a regular feature, it is proposed to have at least 3 consultancies done during the plan period to test and evaluate training effectiveness. The coaching programmes both through correspondence and at the work place would be entrusted to the PTCs.

4.9 On Line/E-Training programmes

4.9.1 It is proposed to commence On-line Training programme in respect of Operations, Supervisors skills and other related aspects for larger dissemination among the postal staff. On-line Training programmes and tutorials would be targeted to improve the quality of operations and services at the P.O. level. A pilot project would be commenced and based on its success it will be introduced as a planned activity during the plan period. A draft proposal on **On-line Learning Solutions** is at Annex-A.

4.9.2 On-line training programmes would not be confined only for computer based on-line training systems but also an attempt would be made for launching television based training programmes in order to reach BPMs/ED agents and other interior Post Offices.

4.10 Enhancement of capacity infrastructure of training centers.

4.10.1 Postal Training Centres: The existing PTCs at Saharanpur, Mysore, Vadodara, Darbhanga and Madurai should handle the training of the following categories:

- PS Gr 'B' Officers
- Accounts Officers
- ASPOs & Inspectors
- Post Masters of HSG II and above
- Computer Training
- Training of System Administrators/Trainers Training (By PTC Mysore only)

This will be done in addition to the training they are already conducting.

4.10.2 Opening of new PTCs: More number of training courses will have to be conducted by the existing PTCs. It is proposed to impart more in-service training to Postal Assistants and Postmen. The existing training infrastructure would not therefore be sufficient. To meet the increased requirements, it is proposed that six additional PTCs be opened in the 11th Five Year Plan. Following places are proposed for opening new PTCs:

SI No.	Circles to be covered	Place
1	MP & Chattisgarh	Smaller stations with available land and good communication facilities to be identified by Heads of Circles.
2	Jharkhand, Orissa & West Bengal	
3	H P, J & K and Punjab	
4	Maharashtra	
5	A P	
6	Rajasthan	

These new PTCs will concentrate on the training of Postmen, Induction training, In-service training of PAs up to BCR level and Inspector Posts. As and when these PTCs get well established the distribution of courses/ level of participation between these new PTCs and the existing PTCs can be reviewed.

4.10.3 Course Material & Training Equipment: This activity relates to preparation of training material in PTCs and PSCI and also purchase of new machinery & equipments, training aids etc., like Computers & Peripherals, Photocopiers, scanners, LCD projectors, OHPs, Multimedia Projectors, generators, printing machines for preparation of course material in bulk, spiral binding machines etc. which depends upon the demands arising from time to time.

4.10.4 Building Works of Training Institutes: Following Building projects were included in the 10th Five Year Plan. These projects are yet to be started due to pending at different stages as indicated below:

Sl. No	PTC/Circle	Name of the project	Approx Cost in crores	Present Stage
1	Mysore	Ladies/officers Hostel	1.25	Preliminary drawings
2	Saharanpur	Ladies Hostel	1.25	Prel. Drawings/ Estimates
3	Vadodara	Gents Hostel-II	1.25	- DO -
4	Guwahati	PTC Bldg complex	5.00	- DO -
5	Karnataka	Software Dev. Centre, Bangalore	1.25	Under consideration
		Total	10.00	

4.11 Setting up Centres of Excellence and setting up an International Postal Training College.

4.11.1 It is proposed to set up Centers of Excellence on Technology and Business Development at PTC Vadodra and PTC Saharanpur. At PTC Mysore a Centre of Excellence in respect of technology has already been set up. It is proposed that Centres of Excellence on Marketing and Business Development should also be set up at PTC Mysore and Saharanpur. These Centres of Excellence would facilitate research and development on business development issues including conducting marketing research, gather market intelligence and perform related duties to aid and facilitate marketing and business development decisions and strategies at Circle and Postal Directorate level. The benefits of these Centres of Excellence would be to the customers in terms of improved quality of services.

4.11.2 The Postal Staff College of India is a premium Centre catering to the training needs of Group 'A' and Group 'B' officers. At present the Postal Staff College has developed expertise on various postal management issues and on general management also. The Postal Staff College also conducts international training programmes on postal subjects. It is proposed to set up an International School of Postal Business and Technology with specialization on technology, business development, financial services, and logistics. The international School Postal Business and Technology would conduct regular training programmes, correspondence courses and other diplomas/degrees. It is proposed as plan activity that an International School of Postal Business and Technology be set up and also get its affiliation from recognized University.

4.12 Obtaining of ISO Certification.

It is proposed that ISO Certification will be obtained as a plan activity by at least two Postal Training Centres and by the PSCI, Ghaziabad.

Training Activities proposed for the 11th Five Year Plan with Physical & Financial targets

SI No	Activity	Physical target	Estimated cost (Rupees in Crore)
1	In-service Institutional Training in India and Abroad		
	Management Programmes for Group 'A' & 'B' officers	1800	1.40
	Training of Supervisors	10000	5.00
	Training of Post Masters	1400	0.70
	Training of SBCO Staff	2000	1.00
	Training of Civil Wing Officers	300	0.75
	Training of Accounts Staff	8000	4.00
	Training of ASPOs	500	0.30
	Training of SAG/JAG officers in RIPA London etc	50	4.50
	Trg. of officers of Group 'A' & 'B' on Marketing & Technology in APPC Bangkok	200	1.50
	Training of IPS Probationers in APPC Bangkok	60	0.60
2	Technology Training for Trainer and Facilitators		0
	Training of Trainers/System Administrators		0
	Technology Exposure for Group 'A' & 'B' officers		0
	Compulsory technology for Group 'B' officers & ASPOs		0
	Technology refresher programmes for Inspectors, Supervisors and Postmasters		0
	Software Development Programmes	50000	12.00
	In-house/Online training/Video Conferencing		5.00
3	Training on Specialised Subjects		0
	Training of Divisional Superintendents on Marketing	500	1.00
	Training of Inspectors and staff on Marketing and Financial Services	10000	20.00
	Training in Legal Matters for Field Staff	500	1.25
4	Business Orientation Programmes		0
	Special programmes for Group 'B' officers		0
	Customer Relations Management		0
	Financial Services	10000	5.00
5	Special Programmes for Supervisors	1000	0.50
	Training of Trainers	2000	1.00
6	Workplace and Distance Learning Programmes	150000	36.00
	Upgrading WCTCs in to Workplace Training Centres	54	10.00
	Training of Mail Overseers, Postmen, Group 'D', Drivers etc	100000	15.00
	Training of Postmen & Branch Post Masters on Marketing, Banking & Insurance	160000	12.80
	Mail Deliverers	40000	3.20
7	Infrastructure Development		0
7.1	Opening of new Training Institutes	6 New PTCs	25.00
7.2	Completion of Building Projects initiated in 10 th Five Year Plan	4 PTCs	10.00
7.3	Training Equipment		2.00
8	Obtaining ISO certification		0.50
	Grand Total 1+2+3+4		180.00

Report of the sub committee constituted to prepare details on Customer Relations Management in the Department of Posts

Introduction

Directorate in letter No 13-2/2006-CP dated 29th August 2006 has communicated the decision to constitute various sub committees to prepare details on subjects relevant to the Department of Posts for the formulation of XI Five Year Plan. The sub committee thus constituted on Customer Relations Management in the Department of Posts comprises:

Chairman

- Mr. Uday Balakrishnan
Chief PMG, Kerala

Members

1. Ms. Kalpana Tewari, DDG (PG & QA)
2. Mr. Gauriar, PMG, Indore

2. This sub committee is required to prepare the details on customer relations management in the Department of Posts including proposed physical and financial targets for the XI Five Year Plan.

3. Two of the three members of the sub committee met at Thiruvananthapuram and interacted with the inputs coming in from the 3rd member through e mail.

4. Customer Relationship Management

Amongst the many definitions of CRM, one appropriate for the Department of Posts, is one by Larry Tuck and is reproduced below. It places the required emphasis on human relationships as a key component of CRM:

"CRM extends the concept of selling from a discrete act performed by a salesperson to a continual process involving every person in the company. It is the art / science of gathering and using information about your customers to build customer loyalty and increase customer value. With the current state of information technology, and high customer service

expectations, it is practically impossible to consider these process issues without addressing technology, but it is important to remember that customer relationships - human relationships - are the ultimate driving force."

5. What CRM is expected to deliver for India Post

- Target best customers, and implement marketing campaigns with clear goals and objectives.
- Build individualized relationships with customers and provide highest level of customer service.
- Equip employees with the information they need, to know what their customers wants and require or seek, and build relationships between India Post and its customers through unambiguous communication and efficient service which stands out.

6. CRM Tools India Post can introduce

These include software and browser - based applications that collect and organize information about customers. For instance, as part its CRM strategy, India Post must use its database of customer information from SB account holders to bulk mailers and BNPL customers amongst others and develop a customer satisfaction survey, to determine which new product might interest customers.

7. CRM in the Department of Posts

Present State and ground reality

- i. The present state of CRM in the Department is built on traditional foundations.
- ii. The use of IT in managing the customer relations in the department is minimal and what is available is not at all accessible easily.

- iii. Officials are not trained at responding unambiguously to customer queries or to convey information simply and accurately. Too many stipulations and caveats in the rules make for this situation. Simplification of procedures and rules will therefore constitute an important component of CRM.
- iv. The India Post customer base has got several segments and each of these segments needs a special method to address its concerns and make it aware of solutions which India Post has to fulfill or satisfy.

8. Who form the customer base of Postal Services

Taking a broad view of the services, 20% of India Post customers are urban based. Most of them have access to telephone, fax and Internet facility. This 20% together generates 40% of the department's revenue. The remaining 80% who live in semi urban and mostly rural areas, makes up for the 60% of the India Post's revenue. Most of the members of this constituency are less educated and do not have access to information on tap i.e. through phone, fax or internet.

9. But the picture is changing. Advances in communication technology is a prime driver for this change. The mobile telephone network is increasing - i.e. one in ten Indians has a mobile phone - around 100 million and the number is growing. A large number of these phones are in semi urban and rural areas. Through a variety of initiatives, in the public as well as private sector, IT is also making inroads into the lives of rural people exposing them to their uses. Examples of this are ITC's, e-choupal and the initiative PURA [Providing Urban amenities to Rural Areas] a scheme of the Government of India with strong IT components. Such initiatives make it evident to all that practically the entire corporate world and various departments of the Government at State and Central level are proactively reaching out to people in rural areas through simple easily understood communication

strategies. This is especially so since they constitute a majority of the country's population and are also upwardly mobile, however slowly, economically and are rapidly migrating to urban areas.

10. Taking note of these developments, the customer base of India Post can be broadly classified into two categories.

- A. Largely urban, well off citizens who constitute 20% of the customer base who bring 40% of the revenue of the department.
- B. 80% of the customer base who generate the remaining 60% of the revenue of India Post

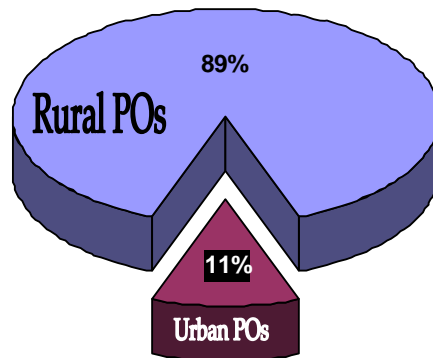
11. Category (A) clientele needs a CRM strategy which takes into account some essential facts e.g. Users of India Posts's premium services such as Speed Post, Business Post etc. and also facilitation services offered by corporate institutions through the Post Offices such as SBI Mutual Funds, UTI Mutual funds, etc are themselves not significant users of traditional mail services.

12. Category (B) is dependent on traditional postal services especially letter mail, money order, PO Savings Bank, Rural PLI etc.

13. The strategy for both have some commonalities. These are:

- i. Status of any service availed of from India Post is required to be known by the customer quickly. The Post Office has to be equipped to provide such information almost on real time basis, accurately and fast.
- ii. The customer seeks definite and authoritative responses which are unambiguous and clear and will not require further querying to elicit a comprehensive and customer satisfactory response.
- iii. The manner in which the response is delivered must be also courteous and conclusive.

14. However, there are necessarily differences in CRM strategies for the 20% premium users and 80% non premium users of the India Post, largely reflected in the composition of the Postal network with 89 % of India's Post offices located in rural areas and 11% located in urban or semi urban locations with better access to communication facilities, especially IT based.



15. CRM strategy for India Post

- i. The CRM strategy for India Post will recognize that rapid economic growth is likely to increase the base of premium customers, if the loyalty of upward mobility of non-premium customers is kept in view and these customers are strong bound to the post Office through excellence of service.
- ii. The percentage of customers who account for 40% of India Post revenue need to increase and also be visibly confident users of non -premium services to encourage new customers to migrate to, as and when they get wealthier and more urbanized.

16. Essential Inputs for achieving excellent CRM

1. A set of operational manuals available in every Post office which is written in unambiguous form and has a high degree of clarity for the Post Office staff to

- a. Understand and
- b. Educate the customer

This should be available in print and electronic form.

2. A phased country wide training programme to train all postal officials in understanding the services of India Post fully, making them capable of conveying the same to the customers. This will include three components:

- i. Institutional training
- ii. On the job / non Institutional training strategies e.g. distance learning packages
- iii. Technology based awareness generation principally through the Internet but also the audio visual and print media

These together should be able to educate and sensitize postal personnel from the lowest to the highest levels, in the shortest possible time on effective CRM techniques and strategies.

3. Setting up a BPO network which will match the best in the service industry and which can be accessed through the telephone system as well as the Internet. This BPO will also be a cost effective medium for supplying information immediately and accurately.
4. Setting up of information kiosks on postal facilities at select post offices and public places which will provide information to customers on all matters related to services offered by India Post and will carry real time operational information including track and trace of premium products without calling for any human assistance.

17. Costing

- a. Simplification and revision of Operational manuals

- Including the cost to update and reach the information to Post Offices in the shortest time

Rs 2 crores one time and five lakhs annually

b. Training Cost

i. Institutional

- For operational and supervisory staff PA and above. Upgradation of existing training modules and imparting them through Circle level training units linked to PTC to which the Circle is attached.

Rs 25000/- per head annually

ii. On the Job Training

- For managerial and monitoring personnel to be trainers. To impart training to staff members at all level from GDS upwards, in groups in bigger Post Offices at the end of annual inspection or during visits to the office.

Rs 5000/- average per trainer per year

b. BPO

i. Systems and Personnel

- Equipments, salary, office space, Internet and telephone charges etc.

Rs 10 crores per Circle annually

ii. Web based interactive information system -

- One for each Circle
- One at national level.

Rs 2 crores each for Development and installation plus Rs 50 lakh annually for updating, posting and providing response to queries.

c. Technology

- Introduction of any new product / technology would normally take care of the related training expense also.

Hence not costed here.

d. Information Kiosks

- Systems and software for HOs

Rs 50,000 per Office for

and SOs [more than two hands only] [842+7785]

development and installation [Rs 50,000 x 8627 = Rs 43 crores] plus Rs 5000/- per year for maintenance.

e. Strengthening traditional CRM Tools and Modernizing

- Through equipping Inspectors, PRI(P)s and Overseers with equipments like PDAs [Personal Digital Assistant] and training them in their effective use as part of India Post CRM strategy

Rs 1 lakh per head one time including cost of upgrading

17. The cost is worked out on broad estimation and it can be phased out for each year of the Plan period as under.

Category	Cost during Plan years [in crores]				
	I	II	III	IV	V
Simplification and revision of Operational manuals	2.00	0.05	0.05	0.05	0.05
Training Cost					
1. Institutional	75.00	75.00	75.00	75.00	75.00
2. On the Job Training	0.50	0.50	0.50	0.50	0.50
BPO					
1. Systems and Personnel	10.00	1.00	1.00	1.00	1.00
2. Web based Interactive Information system	2.00	0.05	0.05	0.05	0.05
Technology	-	-	-	-	-
Information Kiosks	43.00	4.30	4.30	4.30	4.30
Strengthening traditional CRM tools and modernizing	10.00	10.00	10.00	10.00	10.00
TOTAL	142.50	90.90	90.90	90.90	90.90
GRAND TOTAL	506.10				

18. Conclusion

India Posts CRM strategy is the same for every state or Union Territory, the details given in this report is applicable to Lakshadweep also.

Uday Balakrishnan
Chief PMG, Kerala
Chairman

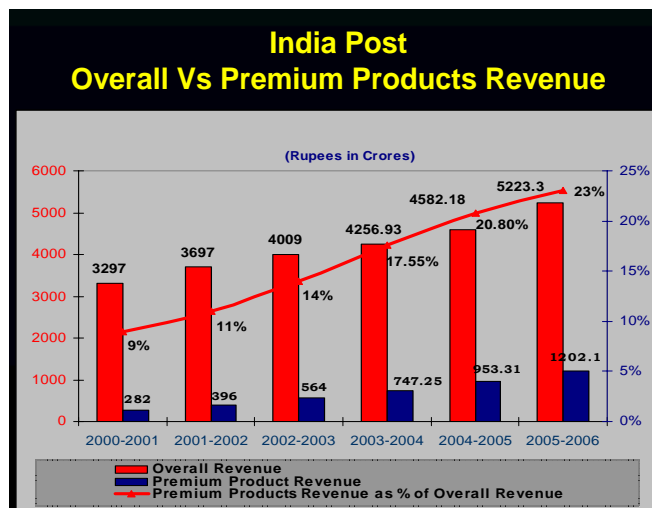
Marketing and R&D

Background

After consolidating the postal services in India in 1854, the British developed the postal service in towns and in areas of military interest to serve the imperial interests. However, after independence, the focus shifted to providing 'universal postal service' to every citizen, especially in the hitherto neglected rural, hilly and tribal areas. A post office is opened in these areas even if it can cover only 15% of its expenses. And out of a total of 1,55,669 Post Offices in India, 1,39,225 are in rural areas. This, however, meets not only the social objective of providing essential postal services to all citizens, but also helps create the necessary infrastructure for promoting economic activity in these areas.

In addition to meeting its social obligations, the Department of Posts has introduced premium products and services like Speed Post, Express Parcel Service and Business Post on cost plus basis to meet the demands of India's growing economy, especially the service sector. To provide a greater impetus to its business activities, the Department of Posts set up a Business Development Directorate in 1996. The Business Development Directorate was reorganized into Business Development and Marketing Directorate in 2005 to provide a sharper focus on marketing. The Business Development & Marketing Directorate now has a Parcel and Logistics Division, a Marketing Division and an Operations Division, each one headed by a General Manager, while the Directorate itself is headed by the Chief General Manager.

A dedicated business development and marketing structure has also been created at Circle, Regional and Divisional levels. Revenue from Premium Products of India Post has been growing at a steady clip. In 2005-2006, the revenue earned from premium products touched Rs. 1202 crore, over 23% of total revenue of Department of Posts.



Over the years, the Business Development & Marketing Directorate has added a host of new products like (a) 'Logistics Post' to exploit the market for bigger parcels and consignment loads, (b) 'Bill Mail Service' to provide a cost effective communication tool for periodic financial instruments, (c) 'Direct Post' to provide a cost effective direct marketing

avenue for unaddressed articles, and (d) developing Post Offices in to ‘one stop shops’ for various services, including some financial services, are being introduced.

Similarly, impressive growth was recorded in financial services (remunerations from savings bank and certificates and commission on IMTS and sale of mutual funds) and philately.

<i>Year</i>	<i>Revenue from Financial Services (in crores)</i>	<i>Revenue from Philately (in crores)</i>
2000-2001	1301.29	28.00
2001-2002	1447.89	41.50
2002-2003	1696.40	57.70
2003-2004	1732.44	33.19
2004-2005	2053.30	25.11

While the revenue yield from these services has been going up, the overall deficit of the Department of Posts still persists, though the gap has narrowed slightly.

<i>Year</i>	<i>Revenue (in crores)</i>	<i>Expenditure (in crores)</i>	<i>Deficit (in crores)</i>
2000-2001	3297.81	4847.57	1549.82
2001-2002	3697.11	5108.62	1411.51
2002-2003	4009.65	5374.05	1364.40
2003-2004	4256.93	5632.15	1375.22
2004-2005	4431.84	5813.69	1381.84

Further, the Department increasingly functions in a highly competitive atmosphere. The number of service providers is increasing in practically all arenas of the Department’s work. The need for a marketing approach, therefore, has become a very essential requirement to increase the revenues of the Department. Further, the marketing approach has to permeate all activities undertaken by the Department.

An effective marketing strategy would require an understanding of the market requirements based on market research, creating adequate capacities for conducting, analyzing and imbibing market research, strategy formulation, multi pronged marketing action based on strategy, research based product development, and strong evaluation mechanisms. To meet these requirements, many component activities of the strategy/scheme have been developed.

1. Marketing and R&D Centres

1.1 Objective

The Department will set up Marketing and R&D centres embedded in management and technology institutes. The objective of each of these centers will be to develop case studies, research new products, review existing products, carry out market surveys and conduct training in specific areas of departmental activities.

1.2 Activities

The areas of activities could broadly be insurance, financial services, mail and logistics, E commerce, technology induction including computerization and networking, philately and premium products or any other areas identified by the department. The department will identify the best institutes, each of which can be assigned a specific area of activity. Over a period of time, this will help the faculty assigned to develop a better understanding of the functioning of the department and consequently its requirements.

1. The divisions of the department will identify a number of research and development projects from time to time and the Centres can create a core group of faculty interested in the activities of this centre who would then carry out the projects with the cooperation and participation of the officers of the department identified for the purpose.
2. The centre can analyze the product portfolio of the department and benchmark its performance with other leading service providers in the business and help identify and develop new products or services and develop strategies to launch new products, promote current products and services so as to compete better in the market.
3. The centre will identify training needs of the department to make the organization competitive, service oriented, productive and profitable. The centre can also structure the training courses and deliver to the officers in a planned manner. This may require development of new materials and case studies for the department.

1.3 Structure of the Proposed Centre

The centre will act more or less autonomously and independent from the parent institute in its formal functioning. There shall be an apex steering committee of the centre chaired by the director of centre and having three members representing Department of Posts and nominated by the Department of Posts, three faculty members (part of the core faculty team including the coordinator of the centre and nominated for the committee by the director of the centre, and two eminent persons from business or industry nominated by the Department of Posts and two eminent persons nominated by Department to represent customer or social groups. coordinator of the center will be the ex-officio convener of the steering committee. The steering committee will meet twice in a year.

1.4 Funding and Resources

To be negotiated. Some seed money may be given to establish preliminary set up and minimal recurring grants for recurring establishment expenses. The rest of the funding may be on project to project basis.

1.5 Location

The Marketing and R&D cell in the department will be located in the PSCI which will be the nodal institute and will commission research, surveys, training and liaise with the institutes. The PTCs will be assigned to work on specific projects with the identified institute and make recommendations to the department. Each division will strategize and draw up an action plan to implement the recommendations. This will be tested as a pilot project before being implemented on a wider scale. In the 11th Five year plan the department will set up 5 such centres.

Each division will draw up a perspective plan for the next five years in consonance with the overall strategy of the department so that activities like market sizing, market segmentation, brand positioning and targeting etc for new existing and services can be carried out.

The Marketing and R&D cell at PSCI will also explore the possibility of developing specialized courses in postal management, accredited with an institute or university of repute. The courses will be offered to other postal administrations to train their officers.

1.6 Committee to identify institutes

The department will set up a committee who will identify the best management and technology institutes for setting up the marketing and R&D centres. The committee will receive inputs from the divisions by way of their perspective plans and interact with the institutes to prepare guidelines and framework for the proposed centres to function. The committee will engage consultants and co-opt members from outside the department as may be necessary for the purpose.

1.7 Summary

<i>Activity</i>		<i>Distribution of Targets</i>					<i>Total</i>
Feasibility study to identify management & technology institutes to locate Marketing & R&D centres	<i>Years</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
	<i>Physical Target</i>	01	Nil	Nil	Nil	Nil	01
	<i>Financial Target (in crores)</i>	0.20	Nil	Nil	Nil	Nil	0.20
Allotment for centres	<i>Physical Target</i>	Nil	01	02	02	Nil	05
	<i>Financial Target (in crores)</i>	Nil	01.00	03.00	05.00	05.00	14.00

2. National Address Database

2.1 Objective

The quality of delivery service is only as good as the quality of address data. High quality of delivery service will not only retain existing customers but an accurate and updated database will re-enforce loyalty and widen the customer base. There is no standardization of addresses in most countries and is especially true of a diverse country like India. Non standardized addresses greatly impede automation of mail processing apart from the inconvenience faced by customer, mailers and the department in effecting accurate delivery. These problems can be overcome if a database of all addresses in the country can be compiled, maintained and updated. The department will set up a national address database which will contain the addresses of all individuals, organizations, institutions, societies and any other entity that receives or sends mail.

2.2 Setting up the National Address Database

The national address database will be part of national database grid networked with all the computerized post offices right up to the branch office. There can be one central location for the database or it can be spread over at two or more locations with adequate provision for backups. The post offices will have access to the national address database to directly upload and update addresses as and when necessary within their delivery area. The primary sources of collection of addresses will be the delivery postmen, Public Relation Inspectors, IPOs/ASPOs on commission basis. A web based interface will also be available so that customers with access to internet can opt to directly provide their addresses. All mailers like banks, utility and service providers etc. can register with the department so that changes of addresses of their customers can be provided to them. Appropriate query base on names, location (city/state), PIN code wise distribution etc. will be designed.

This will have the following advantages;

- i. Electronic address corrections are less expensive and time consuming than manual address corrections.
- ii. Reduce the volume of undelivered mail.
- iii. Convenient for customers to make changes electronically and not have to individually inform all the mailers.
- iv. Reduce the cost of maintenance of the national address database for the department as customers will themselves keep their addresses updated
- v. Help in standardizing the addresses.

2.3 Hardware, Software & Networking

Appropriate investment in software development and hardware will have to be made for the national database centre. The configuration and items of hardware, design and

platform of the software will have to be decided by a committee set up for the purpose.

Since the process of computerization of post offices is already on, requisite hardware at most head post office and many sub post offices are already available. The department should also plan to computerize branch offices during the 11th Five Year Plan. Hence no separate allocation of funds for this component needs to be made as part of setting up the national address database.

Networking of post offices will be undertaken for integrate mail operations, financial services, insurance services and other internet based services across the country. The network will also be used by the national address database. No separate expenditure for these components will be incurred for the national address database. However servers of appropriate configuration with provision for backup will have to be procured.

The software will have a post office module and a web based interface for customers. The department will have to commission a software developer who has experience in this field to design software as per the department's requirements.

The other component for which investment will have to be made is the task of data collection by the postmen and feeding of data which will have to be outsourced to specialized agencies.

2.4 Project

Since the matter is technical and requires greater study before specific recommendations can be made, the modalities of the above tasks can be assigned as a project to one of the technology institutes which is identified by the department for R&D purposes.

2.5 Summary

The total cost for setting up of a national address database will be Rs. 12.70 crores. The activity wise break up is as follows

<i>Activity</i>		<i>Distribution of Targets</i>					<i>Total</i>
Feasibility study of project	<i>Years</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
	<i>Physical Target</i>	100%	Nil	Nil	Nil	Nil	
	<i>Financial Target (in crores)</i>	0.50	Nil	Nil	Nil	Nil	0.50
Study to determine	<i>Physical Target</i>	100%	Nil	Nil	Nil	Nil	

hardware requirements and software design	Financial Target (in crores)	0.20	Nil	Nil	Nil	Nil	0.20
Hardware including server, peripherals, maintenance	Physical Target	Nil	100%	Maintenance	Maintenance	Maintenance	
	Financial Target (in crores)	Nil	3.00	0.25	0.25	0.25	3.75
Site preparation	Physical Target	Nil	100%	Maintenance	Maintenance	Maintenance	
	Financial Target (in crores)	Nil	1.35	0.05	0.05	0.05	1.50
Software development with web based interface	Physical Target	Nil	25%	75%	Nil	Nil	
	Financial Target (in crores)	Nil	18.00	56.00	0.05	0.05	0.75
Collection of addresses	Physical Target	Nil	10%	20%	35%	35%	
	Financial Target (in crores)	Nil	0.30	0.60	1.05	1.05	3.00
Data feeding	Physical Target	Nil	10%	20%	35%	35%	
	Financial Target (in crores)	Nil	0.20	0.40	0.70	0.70	2.00
Publicity	Physical Target	Nil	25%	25%	25%	25%	
	Financial Target (in crores)	Nil	0.25	0.25	0.25	0.25	1.00

3. Strategy to change the perception of people of the role of the Post Office

3.1 What do we want the post office to be?

The mission of the Department of Posts is as follows;

- Ensuring availability of basic postal service in all parts of the country, including tribal, hilly & remote areas;
- Providing efficient, reliable & economical service;
- Providing value added services according to market requirements
- Modernising the services to handle the growing volume of work with efficiency & enhance customer & employee satisfaction;
- Being a forward looking agency; and
- Generating more resources & improving financial performance

In order for us to deliver on the above promises, the post office must adapt fast to the ever changing requirements of the customers. But before that how do we understand the customer's perception of the post office? In order to do so, the department must undertake frequent market surveys and extract responses from customers to assess their level of satisfaction.

The general impression is that visiting a post office is not a pleasant experience. The end user rarely visits the post office; instead he deputed agents for his postal requirements whether it is mailing or savings bank. Hence that first focus should be on increasing the comfort level of the customer. This would mean primarily improvement in the ambience of the post office in terms of better designed public halls, minimum waiting time at counters, information kiosks, forms and stationery etc. The interiors of each post office should have a uniform look. The counters should not have grills and glass sheets of glass above them to give a friendly appearance. The interiors and ergonomics of each head office should be renovated accordingly at a cost of Rs. 20 lakhs each and sub office at a cost of Rs. 10 lakhs each. In the 11th Five Year Plan, the department should aim to renovate all the 848 head offices and at least 1000 departmental sub offices.

The department should engage a good interior designing firm to standardize some design models for different kinds of buildings much like the work done by the School of Planning and Architecture for post office buildings. An outlay of Rs. 10 lakhs may be made for this purpose.

3.2 Publicity & Promotion

Announcement of new schemes, changes in existing schemes must be made in all post offices through well designed, attractive posters and notices displayed in the public hall. The design and size of the notice board should be standardized and attractive so that it immediately catches the attention of the customer. Display of posters needs to be done in an uncluttered manner preferably between acrylic sheets and should add to the ambience of the public hall.

New schemes and services, changes in existing schemes must be well publicized through newspapers and hoardings in order to establish an on-going interaction with the customers. Requirements and budget for the same should be worked out by each of the divisions.

3.3 Internet Banking

Increasingly, banks are encouraging their customers to use internet banking facilities in view of the high cost of transactions at the counters. This saves time and cost, empowers customers and increases the level of satisfaction among them. This will be possible only when these offices are networked. The department must also immediately set up ATMs, which are long overdue in all H.Os and at least 1000 S.Os during the 11th Five Year Plan. The approximate cost of setting up an ATM including site preparation is Rs. 10 lakhs.

3.4 Automated Booking Kiosks

Department should also set up off site and at post offices, Automated Booking Kiosks similar to ATMs which will allow customers to book Speed Post articles and parcels up to a certain weight and size limit. A weighing scale will allow the customer to have his article weighed to calculate the amount postage required which can be debited from a smart card. A feasibility study in this regard may be carried out and at least 5 such locations in each of the four metros, Bangalore and Hyderabad may be set up as a pilot project. The plan outlay for the feasibility study should be Rs. 1 lakh. Each of the kiosk is estimated to cost approximately 12 lakhs.

3.5 Retail Function

The retail function of the post office is still grossly underutilized. It should position itself as a one stop solution for payment of all utility bills. The scope of ECS, which has now been introduced by the department in some post offices should be widened for this purpose so that once a mandate is received for the customer, the all bills can be paid from his SB account.

3.6 Customer Participation

The role of the customers should be expanded to make them feel that they are stake holders in the department. Hence when designing or testing new products, customers must participate and give their feedback. Receiving feedback from the customers should be made simpler with a *vox populi* feature available on the website, conducting dak adalats not just in circle, regional or divisional headquarters but at various places by rotation at various levels to involve customers in the decision process.

3.7 Training

The most important aspect of the exercise is finally delivering the service to the customer. To successfully do this, it is of paramount importance that post office staff especially counter staff are properly trained and the new product and service is internally marketed to them. More specifically the training should focus on postmen, counter staff, supervisors and postmasters. The training should be on new products

and services and bringing about changes in behaviour and attitude. This need not be in the form of institutional training. The department should look at on-site training at post office, sub division or divisional levels through workshops, motivational lectures etc. by departmental officers, management institutes, well known public figures, NGOs etc. The Marketing and R&D centre of the department may conduct a study to design a training model in this regard. An outlay of Rs. 1 crore for such training should be made.

3.8 Summary

The total outlay for the above will be Rs. 494.71 crores. The activity wise break up for each year of the plan is as follows;

<i>Activity</i>		<i>Distribution of Targets</i>					<i>Total</i>
Engagement of agency for designing post office interiors	<i>Years</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
	<i>Physical Target</i>	100%	Nil	Nil	Nil	Nil	
	<i>Financial Target (in crores)</i>	0.04					0.04
Renovation of interiors and ergonomics of head post office and departmental sub offices.	<i>Physical Target</i>	48 & 100	200 & 225	200 & 225	200 & 225	200 & 225	848 & 1000
	<i>Financial Target (in crores)</i>	9.60 & 10.00	40.00 & 22.50	40.00 & 22.50	40.00 & 22.50	40.00 & 22.50	269.60
Feasibility study for setting up booking kiosks	<i>Physical Target</i>	100%	Nil	Nil	Nil	Nil	
	<i>Financial Target (in crores)</i>	0.01	Nil	Nil	Nil	Nil	00.01
Setting up of 30 Booking kiosks	<i>Physical Target</i>	Nil	10	20	Nil	Nil	
	<i>Financial Target (in crores)</i>	Nil	0.80	1.60	Nil	Nil	02.40
Project for setting up of ATMs	<i>Physical Target</i>	100%	Nil	Nil	Nil	Nil	
	<i>Financial Target (in crores)</i>	0.50	Nil	Nil	Nil	Nil	0.50

	<i>crores)</i>						
ATMs in all H.Os and S.Os	Physical Target	48 & 100	200 & 225	200 & 225	200 & 225	200 & 225	848 & 1000
	Financial Target (in crores)	17.76	51.00	51.00	51.00	51.00	221.76
Training of post office staff	Physical Target	1000	2000	2000	2500	2500	10000
	Financial Target (in crores)	0.10	0.20	0.20	0.25	0.25	01.00

4. Increase Brand Visibility of the Post Office

A successful branding exercise is one which has the greatest recall in the mind of the customer. It has to be an on-going and sustained effort and not merely be product specific but project India Post as a brand too.

4.1 Standardization of brands

The department needs to bring out a manual in hard copy and in CD form wherein the logos of all products with details of size, ratio and colour scheme are specified. There should be no deviation in this regard. The department should engage advertisement agency/agencies of repute who should handle the entire account of the department for re-designing the logos to breathe new life into the products. An outlay of Rs.20 lakhs is proposed for the purpose.

4.2 Media Plan

All the available mediums like mail vans, RMS coaches, mail bags, letterboxes, postal stationery, print media, electronic media, posters to be displayed inside post offices, hoardings, both commercial and located on post office premises should be effectively utilized. However this should not be a sporadic exercise but a planned and sustained branding of India Post. This should be entrusted to professionals and not be an in house effort. Advertising agency/agencies of repute should be appointed to prepare a media plan for the department after interacting with the various divisions of the department. By the rule of thumb approximately at least 5% of the turnover of any product/organistaion should be ploughed back into advertising/branding. Hence Rs. 350 crores should be the outlay for the media plan of the department.

If the department has to function in a competitive market its advertising/branding exercises should be professional, quick in response and focused in approach to the segment it is trying to reach. This means that any and all mediums like newspapers,

magazines which are widely read or enjoy a niche position that the department is trying to reach should be utilized. If this means that the department needs to take another look at the DAVP regulations, it must be done.

The entire purpose of devising a media plan for the department is to attract more customers. The department should therefore also explore tie ups with private retail chains, airlines, consumer durable manufacturers to offer incentives on postal products like gift vouchers, air tickets, lotteries and develop other loyalty programmes. In lieu the department may offer space in post offices to these companies and organisations to display and advertise their products and brands. Benefits in the form of free Speed Post or registered service, postal stationery, Philately Deposit Accounts to customers for using postal services beyond defined thresholds may also be offered.

4.3 How to be media savvy

Most of the officers of the department are clueless about how to organize press conferences and press meets. They are also not very confident facing the camera and do not possess the skills to answer questions posed to them. The department must introduce specialized courses for I.P.S probationers and in service training of officers in these aspects including public speaking. In fact the effort of the department should be train its officers on how to cultivate and utilize the media to project the department, its products and its achievements. The department should engage PR firms, institutes of mass communications to conduct workshops and training sessions for in service courses and probationers. An allocation of Rs. 1.5 crore during the plan should be made.

4.4 Summary

The total outlay for the above will be Rs. 351.70 crores. The activity wise break up will be as follows;

<i>Activity</i>		<i>Distribution of Targets</i>					<i>Total</i>
	<i>Years</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
Media Plan of Department of Posts	Physical Target	Newspapers, Hoardings, Posters, Brochures, MMS & RMS vans	Newspapers, Hoardings, Posters, Brochures, MMS & RMS vans, TV spots, films	Newspapers, Hoardings, Posters, Brochures, MMS & RMS vans, TV spots, films	Newspapers, Hoardings, Posters, Brochures, MMS & RMS vans, TV spots, films	Newspapers, Hoardings, Posters, Brochures, MMS & RMS vans, TV spots, films	
	Financial Target (in crores)	50.00	75.00	75.00	75.00	75.00	350.00
Brand & log	Physical Target	100%	Nil	Nil	Nil	Nil	

redesigning for all products	Financial Target (in crores)	0.20	Nil	Nil	Nil	Nil	0.20
Training	Physical Target	75	75	75	75	75	
	Financial Target (in crores)	0.30	0.30	0.30	0.30	0.30	1.50

Marketing Plan for Philately

Background

The Post all over the world faces challenges to its core activities of mail carriage and delivery from private players and the 'e' medium. However the most well known brand of the Post, the postage stamp continues to be a proprietary product. None other can be a part of philately's rich heritage and the romance associated with stamp collection. The department has thus far been able to only partially exploit the potential of philately. It has been sold as a hobby and not developed and marketed as a product.

Database & Website

A comprehensive database of Philatelic Deposit Account holders, amateur and professional stamp collectors, philatelic associations and dealers should be compiled and maintained. They should all be informed electronically or by post invariably of stamp release and first day covers, special issues of postal stationery, special postmarks and any other notable development which may interest a philatelist. Rudimentary information on philately is available on the department's website. However a philatelic website with the following features should be designed by the department;

- i. Calendar of stamps and first day covers special issues of postal stationery, special postmarks and any other notable development which may interest a philatelist to be released
- ii. Information on all philatelic bureaus in the country with names of the contact person, telephone numbers e mail addresses etc.
- iii. Details of all philatelic items available in each bureau
- iv. Option to place orders for philatelic items online through credit cards or VPP.
- v. Option to register and open a PDA online
- vi. Philatelic gallery to allow visitors to view philatelic stamps and learn facts and history associated with them
- vii. Design philatelic stamps screen savers and desktop themes which can be downloaded.

- viii. Information on district, state, circle, national and international level exhibitions being held
- ix. Online trading of philatelic items by the department through internet based trading portals like eBay
- x. Interactive games, competitions and quiz to attract youngsters

Marketing

Philately needs to be marketed in a focused manner and aggressively publicized. Colourful catalogues and brochures and interactive CDs on philately should be readily available. These should be distributed to school philatelic clubs and be available for sale online, at book stores and at post offices. The catalogues should be published annually or biennially and should contain details of all stamps released during the period along with the number available in stock, price and a postal order form.

New products like personalized stamps which have been very successful abroad need to be introduced in the market as early as possible. These should be launched at all philatelic bureaus and especially at philatelic events like exhibitions, seminars etc. Stamp design competitions for various segments and on appropriate themes should be organized. Greater publicity needs to be given to such events.

Philatelic exhibitions should be organized especially at the district, regional and circle level to popularize philately among the young.

Mobile philatelic bureaus on buses etc. can be created which can visit schools, colleges and go on road shows. The bus can be modified to house a few philatelic frames on which displays can be mounted. Philatelic gift packs, T shirts and caps with designs of stamps on them, stamp albums should be available for sale. Audio visual presentations explaining the basics of stamp collection should be made. The facility to open PDAs should be available. This may be tried out experimentally in some identified locations before being replicated elsewhere.

Opening of Philatelic Deposit Accounts should be made easier; online or by downloading forms or through forms available at post offices which can be mailed to the nearest philatelic bureau. Benefits for continued loyalty may be made available to PDA holders in the shape of free postal facility, philatelic stamps etc. Circles also need to be rewarded for opening PDA accounts.

All philatelic bureaus must be re-designed to have a separate identity and look like another post office counter. The look should be friendly and the bureaus should be manned with trained personnel. Facilities for holding workshops, seminars, lectures, library etc. should be available. All the philatelic bureaus need to be immediately networked so that inventory management of stamps and other philatelic items can be improved. Philatelic bureaus also need to be networked with ISP Nasik and SPP Hyderabad.

The national philatelic museum should also be upgraded to showcase the postal heritage of India. It should be architecturally re-designed to be more attractive and be a centre of education and learning with state of the art audio visual facility, studio, library, conferencing facility.

Online Trading

The department will tie up with online trading portals like eBay to trade and auction philatelic stamps and products. Presently commemorative stamps once released are sold as philatelic stamps for six months after their release after which, they are to be sold through the regular channels in the post office. However this is only a notional distinction being made as there is always a market for these stamps, some more than others. In order to reach out to this market, both nationally and internationally, the department should consider selling the stamps after a period of six months at a premium to match the market value of the stamp at that point in time. A committee may be constituted to decide the amount of premium

Training

A pool of trained personnel to handle all aspects of philately needs to be created. Each bureau should be headed by a philately manager with support staff. Training should be imparted on an ongoing basis at the Postal Staff College India and the Postal Training Colleges.

Officers at the rate of 20 officers should be trained at the APPTC Bangkok on philately related subjects. Officers at the rate of 25 each year should be sent abroad to attend international philatelic events to be exposed to international trends and best practices on philately.

Summary

The total outlay for the above will be Rs. 16.85 crores. The activity wise break up will be as follows;

<i>Activity</i>		<i>Distribution of Targets</i>					<i>Total</i>
	<i>Years</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
Website development	<i>Physical Target</i>	80%	5%	5%	5%	5%	100%
	<i>Financial Target (in crores)</i>	40.00	2.50	2.50	2.50	2.50	0.50
Publicity & Promotion	<i>Physical Target</i>	Newspapers, Posters, Brochures, Catalogues,	Newspapers, Posters, Brochures, Catalogues, TV spots, films	Newspapers, Posters, Brochures, Catalogues, TV spots, films	Newspapers, Posters, Brochures, Catalogues, TV spots, films	Newspapers, Posters, Brochures, Catalogues, TV spots, films	

	Financial Target (in crores)	0.50	02.37	02.37	02.37	02.37	10.00
Marketing	Physical Target	20%	20%	20%	20%	20%	
	Financial Target (in crores)	0.30	0.30	0.30	0.30	0.30	01.50
Philatelic Deposit Account System	Physical Target	20%	20%	20%	20%	20%	
	Financial Target (in crores)	0.30	0.30	0.30	0.30	0.30	01.50
Networking & Philately	Physical Target	10%	20%	30%	30%	10%	
	Financial Target (in crores)	0.20	0.40	0.60	0.60	0.20	02.00
Training	Physical Target	45	45	45	45	45	
	Financial Target (in crores)	1.03	1.03	1.03	1.03	1.03	05.15
Philatelic Bureau upgradation	Physical Target	12	12	12	12	12	
	Financial Target (in crores)	0.67	0.67	0.67	0.67	0.67	3.35
National Philatelic Museum upgradation	Physical Target	20%	40%	40%			
	Financial Target (in crores)	0.30	0.60	0.60			1.5

Marketing Plan for Business Development

Market Share

The mail market is growing, both nationally and internationally. This is primarily due to the de-regulation and liberalization of the economy and consequent spurt in the growth in the B2B and B2C segment. The most vivid testimony to this is the mushrooming of couriers in both the organized and the semi and unorganized sectors. However DOP has not really been to capture a share in this growing market. Total business solutions have to be provided so that the B2B and B2C segment comes back and remains with the DOP. A major input in increasing the market share would be to improve the quality of service with induction of technology and web based operations.

Product Portfolio

The product portfolio of the Department should be based on the needs of the customer. Besides carrying out market surveys and research, adequate internal marketing should be carried out before a new Product is launched. If some products do not perform well, a proper analysis should be done to improve product design. Even if the product is withdrawn, it should only be done after analyzing reasons so that the next product does not suffer from the same flaws.

Global Role

India Post should increasingly direct its efforts to being a regional and global player. Regions and countries with Indian diaspora should be the one of the focus areas. India Post should tie up with other players and enter into partnerships to provide facilities unique to the needs of the people staying there and thereby increasing the business for India Post. Consultancy services should also be provided to other countries for which a postal consultancy division in the manner of TCIL should be set up. PCIL should be able to export services in the form of computerization of counters and other backroom operations in the post offices. Creation of PCIL and its capitalization would require an amount of Rs. 10 crore to begin with and Rs. 2 crore per annum thereafter. The challenges/opportunities offered by GATS should in this regard be fully exploited in the international market place.

In the eleventh plan, joint ventures and public-private partnerships would have to be given a boost if the department has to move in a business like manner. The department should look to outsourcing and long term partnerships in areas where it does not have core competence instead of doing everything in house. In many areas, long term strategic partnerships would become necessary eg. in the case of software development/maintenance / up-gradation, a long term strategic tie up may be crucial. Participation of stakeholders in our affairs would become a necessity. It is already

being planned in the field of Direct Mail and would be required more and more in the coming years in other fields like Logistics Post.

Parcel

Establishment of state-of-the-art Express Parcel Hubs at twenty major locations (seven major hubs and thirteen minor hubs): These parcel hubs will process parcels, provide packaging and warehousing facility and will facilitate the movement of parcels across the country in a time-bound manner for Just-In-Time goods. The major hubs will be provided with automatic parcel sorting systems, hydraulic pallet trucks, Fork Lifters, Taper Rollers and other parcel handling equipments

Investment for seven major Hubs : Rs 70 crores

Investment for 13 minor hubs : Rs 65 crores

Establishment of Parcel Post as a major Strategic Business Unit (SBU) of India Post: Parcel business will be a major component of India Post with a business exceeding Rs 1000 crores p.a. in the first three years of the 11th Plan and the parcel business is expected to cross Rs 2,000 crores p.a. in the last two years of the 11th Plan. Considering this, Parcel business will be established as a major SBU of India Post. This will involve the establishment of operational, commercial and marketing systems for Parcel Post.

Parcel post operational system

As a part of During 11th Plan, we shall establish 200 Parcel Post Centres. The Parcel Post Centres will be fully computerized with track and trace facilities and will be provided with the parcel handling equipments. For operational purposes, the Centres will be equipped with vehicles, hand-held terminals, RFID systems etc. The Establishment of each Parcel Post Centre will cost Rs 25 lakhs on an average.

Investment for 200 parcel post centres : Rs 50 crores

Vehicles for 200 parcel post centres : Rs 10 crores

Establishment of ISO & quality systems : Rs 2 crore

Parcel Post Commercial System

We need to develop and establish the commercial system for Parcel Post providing end to end solutions. This will cover the booking systems, tracking systems, billing systems, customer information system etc

Scoping study for commercial systems : Rs 0.5 crores

Investment for commercial system : Rs 5 crores

Parcel Post marketing systems

Establishment of marketing systems for Parcel Post and planning for market research will be one of the major components of 11th Plan, as we want to establish Parcel Post as the market leader in distribution industry.

Investment on Market Research	:	Rs 5 crores
Marketing systems for Parcel Post	:	Rs 50 crores

Entry into Logistics and Supply chain management arena

Today, every organization is re-looking at their business operations and outsourcing supply chain logistics to a single window provider is emerging fast. As a part of distribution solution provider, India Post can play a major role in the area of Logistics and supply chain management by providing distribution channel, inventory management, packaging services, warehousing, transportation and time-definite distribution programs. Such a service will enable Parcel Post to get large volumes for retail distribution and at the same time, will provide supply chain management solutions to the large volume business customers. During the 11th Plan we shall establish ten Logistics Centres in metro cities and major business towns and one Logistics Centre for International operations.

Investment for 10 Logistics & warehousing centres	:	Rs 20 crores
Investment for International Logistics Centre	:	Rs 5 crores

Entry into Express cargo business

As India Post provides distribution solutions to the customers and aims to be the market leader in the distribution industry, it will provide multi-modal systems including road, rail and air transportation in association with other organizations. In the area of express cargo, India Post, in association with airline companies, will provide air cargo solutions to the customers in the domestic as well as international sector. During the 11th Plan, we shall establish Cargo complex at Delhi and Mumbai airports. In other airports, cargo handling systems will be computerized.

Investment for Cargo complex (two)	Rs. 4 crores
Computerising the cargo handling systems	Rs. 5 crores

Leasing planes for carrying mails, parcels and cargo

Once the parcel volumes and cargo volumes reach beyond the level of 'critical mass', it will be advantageous if we lease planes for transporting mails, parcels and cargo across the country. A huge market exists in the north-eastern states of the country where parcels and cargo are either being sent by road, which is time consuming and prone to damage and loss or being carried by traders and businessmen as personal luggage in aircrafts. Since airlines accord priority to passenger luggage and due to the huge load that commercial airlines carry in this sector, mail often does not find space on the aircrafts. Moreover parcels and cargo cannot be carried by commercial airlines and there needs to be a dedicated air service for parcel and cargo. In case optimum

utilization of aircrafts is initially not possible, the space should be offered on cost plus basis to other couriers, as Blue Dart does for the department, or the armed forces. Apart from the reduction of cost, this will also enable us to deliver the consignments faster. It should be our vision to provide for a next day delivery of air express parcels by next day morning in major cities. To achieve this, dedicated planes under a hub and spoke system will be very essential. This will be done by forming a Corporation as a Public-Private-Partnership project

Investment for feasibility study	Rs 0.5 crore
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E Commerce solutions

With the developments in internet, it is high time India Post entered into the eCommerce arena by having its own portal for providing eCommerce solutions to the customers. We shall establish Web store to provide customers various products which will be delivered through post. By having partnerships with suppliers, eCommerce solutions will bring in a large volume of parcel business for Parcel Post. Further this will also bring in foreign exchange and export opportunities for our country

Investment for webstore and warehousing facility	Rs 2 crores
Marketing systems for eCommerce solutions	Rs 5 crores

International parcels and logistics solutions

The mandate of India Post is to provide high quality distribution solutions in India and throughout the world. With WTO commitments taking shape soon, it is a challenge as well as a good opportunity for India Post to enter into international parcel and logistics business by having business agreements with other postal administrations and international parcel players. The huge distribution channel in the form of network of Post Offices available to the department should be optimally utilized for collecting and disseminating information, tracking the movement of goods, liaison and collection and transmission of cash.

India Post to be Logistics partner for Trade Fairs, Commonwealth games and State sponsored events. A separate Group will be established to provide this facility.

Monitoring

The new mail arrangement needs to be backed by several other measures. Track and trace and RFID would be required in almost all the products as the customer today is interested in knowing the status of the article as soon as it is given. There is great need for right investments in technology for better monitoring by use of diagnostic system as well as tracking of mails all over India. This is intended to meet the demand of the customers of tracking and delivering according to service standards. Selecting the right technology is a big challenge. Department of Posts plans to get into partnership with the Universal Postal Union, the UN specialized agency for postal services to achieve this. Projected cost of mail transshipment (owned as well

as 3rd Party) along with various implements required like trays cages etc. is Rs.100 crore.

Marketing, Research and Analysis Unit

(a) A Marketing, Research and Analysis Unit would have to be set up in the Business Development and Marketing Directorate. This would have to be manned by professional persons having background of Marketing, Statistics and Operations Research. Market Surveys would have to be conducted in a continuous, ongoing manner to help the BD & M Dte to take actions in a speedier manner. Business Development & Marketing Directorate will need considerable strengthening in niche areas. Besides manpower, it would also require creating a support structure in the form of software, hardware etc. Besides the manpower cost (to be determined later), the funds requirement for the support structure would be Rs. 5 crores.

(b) The Department should have, preferably at Postal staff college of India, a management research facility, which can study the issues relevant to management in big organizations like India Post in an ongoing manner. Areas covered should include the whole range including management of change, technology, competition etc. offices should be able to go there for periods like 3 to 4 months to study and contribute.

Direct Mail

Direct Mail is likely to be a major growth area. Creation of big letter shopping facilities in public-private partnership mode, a sustained interaction with stakeholders, and a professional and dedicated team would be required for this. A special unit with necessary powers and flexibility in operational issues may have to be created. Creation of this unit and capacity therein would cost Rs. 10 crore during the plan period.

Promotion of Premium Products

Promotion of Premium Products is very different from publicity etc. for normal Government department's activities. Therefore, this would have to be treated on a different footing. Normal stipulations of Government like going through DAVP, financial powers to develop and release advertisements in different media, would, therefore, have to be totally different for BD&MD. More powers and autonomy would have to be given to BD & MD in this regard. The estimate for the plan period is Rs. 100 crore.

Summary

The total outlay for the above will be Rs. 536.50 crores. The activity wise break up will be as follows;

Activity		Distribution of Targets					Total
	Years	1	2	3	4	5	
Creation of PCIL	Physical Target						
	Financial Target (in crores)	10.00	02.00	02.00	02.00	02.00	18.00
7 major and 13 minor Parcel HUBs	Physical Target	3 & 5	4 & 7	Nil	Nil	Nil	20
	Financial Target (in crores)	30.00 & 25.00	40.00 & 35.00	Nil	Nil	Nil	135.00
200 Parcel Post Centres	Physical Target	40	60	100	Nil	Nil	200
	Financial Target (in crores)	10.00	15.00	25.00	Nil	Nil	50.00
Vehicles for 200 Parcel Post Centre	Physical Target	40	60	100	Nil	Nil	
	Financial Target (in crores)	02.00	03.00	05.00	Nil	Nil	10.00
Establishment of ISO & Quality Systems	Physical Target						
	Financial Target (in crores)	00.50	00.50	01.00	Nil	Nil	02.00
Scoping study of commercial systems	Physical Target						
	Financial Target (in crores)	01.00	02.00	02.00	Nil	Nil	05.00
Investment on commercial systems	Physical Target						
	Financial Target (in crores)	01.00	02.00	02.00	Nil	Nil	05.00
Investment in Market	Physical Target						

Research of Parcel Post	Financial Target (in crores)	01.00	02.00	02.00	Nil	Nil	05.00
Marketing system of Parcel Post	Physical Target						
	Financial Target (in crores)	10.00	20.00	20.00	Nil	Nil	50.00
Investment in 10 Logistics & warehousing centre	Physical Target	02	05	03	Nil	Nil	10
	Financial Target (in crores)	04.00	10.00	06.00	Nil	Nil	20.00
Investment in international logistics centre	Physical Target	Nil	1	Nil	Nil	Nil	01
	Financial Target (in crores)	01.00	04.00	Nil	Nil	Nil	05.00
Investment for 2 cargo complexes	Physical Target	Nil	02	Nil	Nil	Nil	02
	Financial Target (in crores)	01.00	03.00	Nil	Nil	Nil	04.00
Computerizing of cargo handling systems	Physical Target	Nil	02	Nil	Nil	Nil	
	Financial Target (in crores)	01.00	04.00	Nil	Nil	Nil	05.00
Feasibility study for using aircrafts	Physical Target						
	Financial Target (in crores)	00.50	Nil	Nil	Nil	Nil	00.50
Investment in web stores & warehouses	Physical Target						
	Financial Target (in crores)	00.50	01.00	Nil	Nil	Nil	02.00

Marketing systems for eCommerce solutions	Physical Target						
	Financial Target (in crores)	0.50	01.00	02.00	01.00	00.50	05.00
Marketing & Research Analytical Unit	Physical Target	Nil	01	Nil	Nil	Nil	01
	Financial Target (in crores)	01.00	01.00	01.00	01.00	01.00	05.00
Track & Trace Systems	Physical Target						
	Financial Target (in crores)	05.00	20.00	50.00	20.00	05.00	100
Letter shopping facility	Physical Target	04	04	04	04	04	20
	Financial Target (in crores)	02.00	02.00	02.00	02.00	02.00	10.00
Promotion of Premium products	Physical Target	Newspapers, Posters, Hoardings, Brochures, RMS & mail vans	Newspapers, Posters, Hoardings, Brochures, RMS & mail vans TV spots, films	Newspapers, Posters, Hoardings, Brochures, RMS & mail vans TV spots, films	Newspapers, Posters, Hoardings, Brochures, RMS & mail vans TV spots, films	Newspapers, Posters, Hoardings, Brochures, RMS & mail vans TV spots, films	
	Financial Target (in crores)	20.00	20.00	20.00	20.00	20.00	100.00

Marketing Plan for Financial Services

The financial services of the department constitute about 20% of the total work yet generate over 40% of its total revenue. In fact in certain Asian countries, financial services are growing at a rate of 67% compared to growth rate of 24% for the postal operations. Traditionally post office savings options have been exercised by the customers because of the tax benefits associated with it. However this is dependent upon the prevailing tax regime and hence the USP of the department is not permanent and it needs to look to diversify its financial products especially by leveraging its network and through public-private partnerships. While in future, small savings

schemes in urban areas may be distributed through other agencies, the department's reach in the rural areas is unmatched.

Public-Private Partnerships

The department's potential in its network lies unrealised. The post office in rural India needs to be marketed as an outlet for the social distribution system, literacy and health care. Schemes like National Rural Employment Guarantee Programme (NREGA), National Social Security Welfare Scheme for welfare of the unorganized sector worker etc. can be provided through the post office. This network and reach should be utilised to implement the "Sampoorna Dak Khana Bachat Yojana Gram" Scheme to inculcate and encourage savings by opening of SB account by every earning household in the village.

The department can optimize its retail potential by offering the services to other banks and financial institutions. Australia Post performs front office retailing on behalf of a number of Australian banks who are connected on line with the Postal retail outlets. Private banks and commercial banks would be willing partners in such a scenario due to the high cost of expanding their retail network. The department may offer the following services

- Collect repayment of loans and EMIs (through encashment of post dated POSB cheques) for the bank by opening accounts in post offices in the name of the customers particularly in areas where the reach of the bank is poor.
- Collect application forms for loans on behalf of financial companies/banks
- Perform credit appraisal/rating of loan applications after training select appraisal teams in the department.

Depository Participant Services

Depository Participants act as the link between the shareholder, the company and the depository. The DP acts as the representative of the shareholder in the depository system. The DP processes security delivery and receipt instructions, acts as an intermediary for dematerialisation and rematerialisation of securities and keeps the investor informed of the position of his account periodically.

The stock market has been booming, interest rates in banks have been falling, many NBFCs have collapsed and the NSE has expanded its trading terminals to many parts of the country. Against this background, the department needs to explore the opportunities that exist in this area. Once the post offices are networked or by even using the existing VSAT network it can become a player. It can also consider linking savings scheme with depository services. The department can forge alliances to offer broking and trading services, pledging and hypothecation of shares.

The department may engage a consultant in this regard during the 11th Five year plan to study the department's prospects in this regard. KPMG estimates that the cost of linking the DP to CDSL costs Rs. 6.50 lakhs as a one time investment and an annual

recurring cost of Rs. 1.85 lakhs. The similar costs for linking to NDSL is between Rs. 25 to 32 lakhs and Rs. 1.90 lakhs respectively.

Expansion of Postal Finance Marts

Postal Finance Marts (PFM) have been developed as a one stop shop for all financial services. They are also ideal to retail services of other banks and financial institutions. Each PFM requires an investment of Rs. 6 lakhs. 300 outlets have been created in the 10th Five year plan. It is proposed that 700 more PFMs are set up during the 11th Five year plan at a cost of Rs. 42 crores.

Anywhere-Anytime Banking

A consultant is being engaged to draw the roadmap for Anywhere, Anytime Banking and networking the computerised post offices and Postal Finance Marts so that online connectivity, ATMs, Debit Cards etc can be introduced for the POSB customers who would be provided services at par with other nationalized banks. The Scope of the engagement is for:

(a) Networking and computerising savings bank operations from LAN in individual post offices to Central Server based technology (Core Banking Solution) to provide for Any Branch Banking and Any Time Any Where banking.

(b) Undertake process reengineering of the POSB systems in line with modern banking systems due to growing business volumes, induction of new information technology, enhanced customer expectations, competition, need for operational interface with other banks (electronic clearance, card based payment solutions, Internet and tele banking, ATMs etc.) and to reduce operating costs.

The department should aim at setting up ATMs at all the head post offices and at least 1000 sub post offices. KPMG estimates that the cost of setting up each ATM is approximately Rs. 12 lakhs. The introduction of Anytime-Anywhere Banking will bring POSB at par with nationalized banks for banking functions and thereby using the network for providing the common man in urban & rural areas with banking facilities. The Department may also consider providing ATM installation facility to one/many banks with facility of access to POSB customers thereby outsourcing the maintenance liability depending on the consultant report.

In the last plan the department had launched an on-line domestic money transmission system called iMO. This needs to be interfaced with an EFT system automatic transfer of money received through iMO to a bank account. It also needs to be interfaced with the international payment gateway on a global basis.

The department proposes to retail the foreign exchange to Indians traveling abroad and visiting foreigners.

There is a need to develop the Indian Postal Order product with higher denominations and market it to institutions for utilizing it as a payment mode.

Marketing & Publicity of Financial Services

A comprehensive media plan should be drawn up for the financial services of the department. Majority of the advertising in this regard is done by the National Savings Institute, Ministry of Finance and respective State Governments. But with increased competition, product diversification and the fact that even now over 40% of the total revenue of the department comes from financial services the department needs to aggressively make its presence felt. Most importantly the marketing effort and advertising should be guided by the local conditions and customer profile of the state/region. Funds under the plan scheme 'Marketing' in the 10th Five Year Plan are being utilized for advertisement & publicity of financial services this strategy has to be continued by the department in the 11th plan also. A total plan outlay of Rs. 100 crores is necessary for this purpose.

Training

There is a strong need to upgrade the skills and the knowledge base of the staff and officers involved in dispensing and marketing financial services. However training should not be confined to departmental training centres alone, but should be conducted in other Banking Training Institutes and Software Training Institutes. An outlay of Rs. 10 crores should be made for the purpose.

Summary

The activity wise break up will be as follows;

<i>Activity</i>		<i>Distribution of Targets</i>					<i>Total</i>
	<i>Years</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
Consultant for studying prospects of department acting as DP	<i>Physical Target</i>						
	<i>Financial Target (in crores)</i>	0.20	Nil	Nil	Nil	Nil	0.20
Expanding PFM's	<i>Physical Target</i>	100	100	200	200	100	700
	<i>Financial Target (in crores)</i>	06.00	06.00	12.00	12.00	06.00	42.00
ATMs in all H.Os and	<i>Physical Target</i>	48 & 100	200 & 225	200 & 225	200 & 225	200 & 225	848 & 1000

1000 S.Os	Financial Target (in crores)	17.76	51.00	51.00	51.00	51.00	221.76
Marketing & Advertising	Physical Target						
	Financial Target (in crores)	20.00	20.00	20.00	20.00	20.00	100.00
Training	Physical Target	100	100	100	100	100	
	Financial Target (in crores)	02.00	02.00	02.00	02.00	02.00	10.00



Recommendations

on

Quality Management

in

Department of Post

Recommendations on Quality Management in the Department of Post

A sub Committee comprising following members was constituted by Secretary (PSB) vide letter no.13-2/2006-CP dated 29th August, 2006 to review Quality Management in Department of Post :

1. Ms. Suneeta Trivedi	CPMG Rajasthan	Chairman
2. Ms. Kalpna Tewari,	DDG (PG&QA)	Member
3. Shri R.R.P.Singh	PMG Bareilly	Member

Terms of reference of the Sub Committee were :

To make recommendations relating to various quality initiatives such as setting standards, sharing them with customers, prescribing measurement tools, best practices and publicizing them etc. and even perhaps creating an India Pot Quality System.

The sub committee invited suggestions from various Circles and after going through the suggestions as well as various programme initiated by various departments of the Government of India for Quality Management it was felt that there is an urgent need for bringing quality management into the operations, customer care, internal Human Resource Management taken up by the Department of Post.

Recommendations on Quality Managements

The intensive and extensive report of the Sub Committee is enclosed in Annexure.

(Suneeta Trivedi)
Chairman

INDIA POST QUALITY SYSTEM

Approach paper for XI th five year plan for Quality Management of the Service and Customer Care

Introduction

Quality of service is the most crucial aspect of the plans and programmes of any organisation. What has been proposed in the various plan schemes as part of operational and business strategies would be meaningful only if it leads to improvement of quality of service as perceived by the customers. To measure, monitor and improve quality of service it is important to develop and establish a self-sustaining system that can reinforce the effectiveness and objectives of all programmes. The Government of India, through the Department of Administrative Reforms and Public Grievances has developed such a model for assessment, improvement and certification of quality of services in government departments called "Sevottam- A Service Delivery Excellence Model" and the Department of Posts has decided to go for customized implementation of this model for improvement of the quality of service across its network and services. The model is backed by a standard "IS 15700:2005" and the performance of the organization as per the "Sevottam" criteria can be audited in accordance with the provisions of this standard. The benefits of adopting "Sevottam" should, therefore, be easily quantifiable.

Background on "Sevottam"

The proposed plan schemes for improvement of quality and customer care in the XI the Five Year Plan need to be seen in the background of the requirements and modules of "Sevottam". Essentially, "Sevottam" entails three pillars or modules of assessing an organisation's performance: (1) Citizen's Charter; (2) Public Grievance Redress; and (3) Service Delivery Capability. The main aspects stressed in respect of Citizen's Charter are (a) Implementation, (b) Monitoring and (c) Review of the Citizen's Charter taking into account the systems developed for the purpose and the quality of Citizen's Charter implementation. In the area of public grievance redress, which in essence covers the customer care and customer relationship management aspects for our purpose, lays stress on (a) Receipt of public grievances. (b) Mechanism for redress, and (c) prevention of public grievances. Most importantly, the Service Delivery Capability module seeks to fill in the gaps between (a) customer expectations, (b) employee capabilities and (c) infrastructure availability to meet the departmental aspirations as brought out in the Citizen's

Charter and service quality policy of the department. The thrust of the plans and programmes on quality and customer relations has been proposed in line with the decision of the department to adopt "Sevottam" in its functioning.

Project I

Implementation of Citizens Charter in Post Offices

The Citizens Charter is a tool to ensure quality in services through involvement of the customers as well as the service provider. This is also the most crucial aspect of "Sevottam". This scheme, therefore, has the widest scope among the schemes proposed for quality of service and the other schemes for quality are designed to reinforce the monitoring and review aspects of Citizen's Charter and public grievance redress. The Service Delivery Capability aspect is also taken into account in each of these schemes.

2. The Department, over the last five years, has take up implementation of its Citizen's Charter in major post offices. The exercise began with chosen head post offices and has been gradually extended to all departmental sub offices upto LSG level by 30th September, 05. The other departmental sub offices are also being gradually covered. The entire exercise so far has been undertaken from the allotted funds under non-plan heads. The quality of implementation is a major concern in the absence of appropriate funding support and the lack of a standardized plan to control the heterogeneity in post offices across the network. On review of the implementation of Citizens Charter, it is seen that although the quantitative target achieved are impressive, the quality of implementation could be improved to great extent by adopting a planned approach for the same and realistic norms for delivery performance. The citizens charter, inter-alia, involves the following aspects:-

1. Setting up of Post forum and service teams
2. Setting up teams: involving the staff
3. Awareness and training
4. Improving the environment
5. Improving the process
6. Improving customer service
7. Evaluation and monitoring performance
8. Reward and recognition.

4. Each of these aspects has financial implications for proper implementation. Once implemented properly, the process would be self-

sustaining and also results in cost saving and intangible quality benefits in the long run. It is proposed to allocate funds for each of the activities separately to the extent they are not covered under other plan projects and schemes of the Department. While training needs in different fields are catered to by various existing schemes, the needs specific to the implementation of the Citizen's Charter and customer services are largely unattended. There is also a need to take the requirements of "Sevottam" into account while proceeding in this direction. A specific requirement to that effect is therefore projected. There is also a need to train project managers for "Sevottam" from all over the country who would lead the quality movement within the organization through team building, office floor training sessions, motivational programmes etc.

5. Further, while schemes for developing a corporate look for the post offices externally are developed, the specifications for the internal environment need greater attention for the implications they have for the ergonomics of the office as well as the facilities available to customers. Special provisions for improving these facilities are necessary. These facilities include improvement and modernization of counters, providing information through signboards on service norms etc/ electrical scrolls displaying well designed information of interest to the consumers, proper sitting arrangements for citizens in the public hall, facilitation counters, water coolers for the customers, good furniture etc.

The number of offices to be covered circle-wise are as given below:-

Circle	Departmental					Total Department
	HPO	SOs				
		Single	Double	More than 2 hands	Total SOs	
Andhra Pradesh	104	471	377	1516	2364	2468
Assam	19	351	132	121	604	623
Bihar	31	432	260	319	1011	1042
Chattisgarh	21	315	184	139	638	659
Delhi	12	138	132	145	415	427
Gujarat	42	405	449	465	1319	1361
Haryana	16	168	158	141	467	483
H.P	18	185	163	98	446	464
J&K	8	114	74	62	250	258
Jharkhand	13	183	155	97	435	448

Karnataka	65	970	413	406	1789	1854
Kerala	51	382	576	506	1464	1515
M.P	31	437	154	148	739	770
Maharashtra	63	753	623	893	2269	2332
N.E	9	210	59	56	325	334
Orissa	35	416	447	309	1172	1207
Punjab	22	270	298	230	798	820
Rajasthan	55	815	343	228	1386	1441
T.N	92	1210	814	737	2761	2853
U.P	74	1042	931	491	2464	2538
Uttaranchal	14	158	103	118	379	393
West Bengal	47	642	505	560	1707	1754
Total	842	10067	7350	7785	25202	26044

6. The requirement of funds for covering the above offices is projected below:-

1. Improving environment and ergonomics

- a) Head Post Offices - Rs.1,50,000/- (per office)
- Rs.12,63,00,000/-
- b) Double handed and Larger Sub Post Offices - Rs.75,000/- (per office)
- Rs.113,51,25,000/-
- (c) Single handed Departmental Sub Post Offices - Rs.50,000/- (per office)
- Rs.50,33,50,000/-

2. Training for Group ' C '

- a) No. of PAs & Postmen to be trained - 149575
- b) Cost of Training per head on site - Rs.2,000/-
- c) Total requirement - Rs,29,91,50,000/-

3. Training of Project Managers for "Sevottam

- 1. No. of project managers to be trained-1000
- 2. Cost of training per head- Rs 10000 approx
- 3. Total requirement- Rs 1,00,00,000

Total Fund requirement for the project – Rs.194,76,25,000

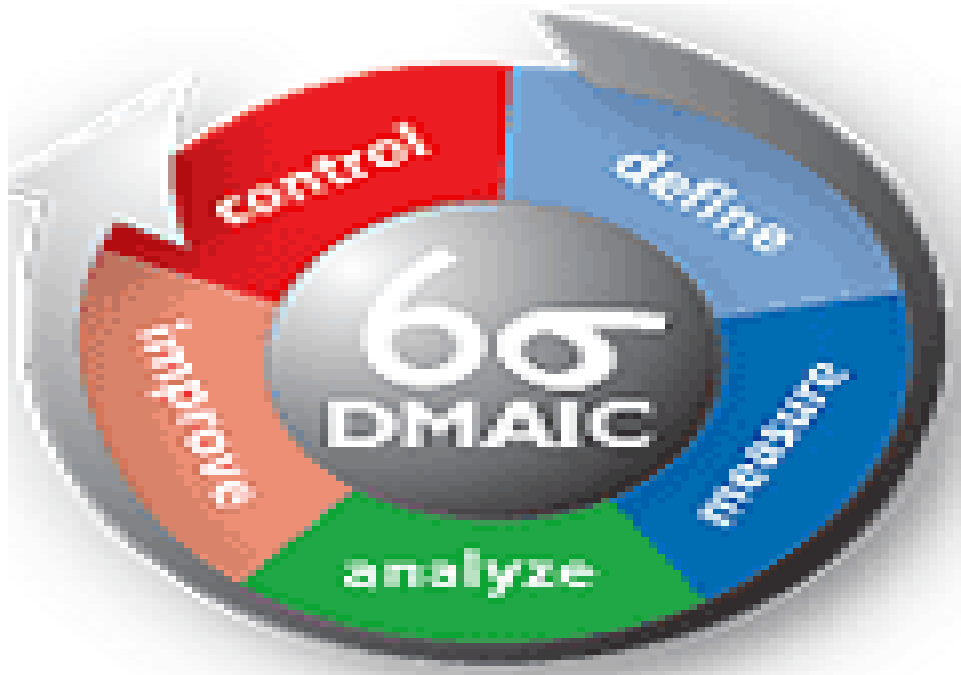
Project-II

Monitoring of service quality and Process improvement using Six Sigma

The Citizen's Charter contains the quality norms for various services. Monitoring and review of the Citizen's Charter would therefore entail the measurement of the extent of achievement of these quality standards whereas the review aspect calls for a system and method to continuously analyse the enabling processes, re-engineering thereof and improvement in the quality norms and their achievement. Various scientific tools are available today to enable organizations to do this. Six Sigma is one such process, which has benefited a number of organizations. It is proposed to adopt the process in the Department of Posts to improve the quality of services in respect of all the popular services of the Department as also the revenue earning services provided by it. The exercise is expected to yield exponential benefits for the Department by delivering quality as per expectations of customers and also measuring each aspect of its activities in uniform units. As the scope of the project in an organization like the Department of Posts is huge in terms of the number of products, the area, the number of personnel and other stakeholders to be covered by it, it can only be undertaken as a plan project. Through this project, the Department hopes to take the quality of its services to the next level that can compare and compete with the best players in the postal and courier sector.

2. A primary requisite for implementing Six Sigma is formation of an appropriate team of committed individuals in the organization for the process. Team formation is being stressed as part of "Sevottam" implementation also and the teams formed can also take the requirements of SIX Sigma into account. The team involves leaders, champions, black belts and green belts for implementing the same. Specialized training for Six Sigma is necessary for each member of the team. The training and workshops need to cover each of these different aspects. Identification of a suitable and competent consultant firm for guiding the organization through the process is the essential first step. As the consultant and the team identified from the organization begin work on the project, the latter become self-sustaining and are able to propagate the best practices in the organization on a continuous basis.

3. Six Sigma is a five-stage process popularly known by the acronym DMAIC, which stands for define, measure, analyse, improve and control aspects of a process.



4. The Six Sigma DMAIC method is about “solving a problem with an unknown solution.” The problem (the “Y”) needs to be defined in concrete measurable terms with an operational definition. In the Define phase, the Six Sigma project team identifies a project based on business objectives and the customers of the process and their needs and requirements. The team identifies CTQs (critical to quality characteristics) that have the most impact on quality - separating the “vital few” from the “trivial many” - and creates a map of the process to be improved.

5. In the measure phase, the Belt leading the project determines both the initial capability and stability of the project Y, and determines the ability to measure the Y. Once the project has a clear definition with a clear measurable Y, the process is studied to determine the Key Process Steps and the Key Inputs for each process. After the Key Input list is established, the Belt will consider the potential impact on CTQs that each input has with respect to the defects currently generated in the process. Key Inputs are prioritized to establish a short list to study in more detail. With a prioritized list of inputs in hand, the Belt will determine the potential

ways the process could go wrong or how the input could go wrong. Once the reasons for input failure are determined, preventative action plans are put into place.

6. Another big part of the Measure phase is beginning with proper metrics. Valid and reliable metrics to monitor the progress of the project are established during the Measure phase. Business Process Charting is the best way to track project metrics.

7. Through analysis, the team can determine the causes of the problem that needs improvement and how to eliminate the gap between existing performance and the desired level of performance. This involves discovering why defects are generated by identifying the key variables that are most likely to create process variation. Six Sigma analysis techniques are the proper tools to uncover more difficult solutions

8. Once problem causes are determined in the Analyze phase, the team finds creative new improvement solutions. More often than not simple process experimentation and simulation bring the team big gains in this step. The team also identifies what will happen if needed improvements are not made and what will happen if the improvements take too long.

9. Success in the Control phase depends upon how well we did in the previous four phases. If we used proper change management methods starting with identifying key stakeholders we should be on the way to success. In the Control phase, tools are put in place to ensure that the key variables remain within the acceptable ranges over time so that process improvement gains are maintained. The team develops a project hand off process, reaction plans, and training materials to guarantee performance and long-term project savings.

10. Finally, the team identifies what the next steps are for future Six Sigma process improvement opportunity.

11. An additional step, Synergise, is used to ensure that the gains a Six Sigma Team has made are shared with the organization as a whole. This sharing is needed to help create a learning organization. This is not the end but just the beginning.

12. Having seen the Six Sigma methodology in brief, it is not difficult to appreciate the advantages it will offer to an organization like the Department of Posts. The major cost component in this project is the training and consultancy cost that is involved in its implementation. It

would of course need a lot of commitment and time from the identified personnel at various levels of leadership, champions, black belts and green belts. Their involvement is the key to the success of the project. A team can be identified from among the employees of the Department to carry out the project for services like money orders, registered letters and parcels, VPPs, Speed Post, and ordinary letters in the major mail sectors of the country in the initial phase. The sectors would comprise the channels, which account for over 80% of mail volumes. The list would extend to 55 centres in the country as per the enclosed list. In each of these 55 centres we would require a team of 20 people at different levels for the project. In all we would need 25 leaders, 25 champions, 150 black belts and 900 green belts across these centres to cover each of the services covered by the programme. The programme will reinforce the initiative on "Sevottam" and will render all other initiatives on the operational, marketing and business development aspects more useful.

13. The training costs would be as follows:

Overview training and Jumpstart workshop - Rs 1,21,900 (per head)

No of people to be trained – 110

Total cost- Rs 1,34,09,000

Leadership Training- Rs 69,000 (per head)

Total cost for 25 people- Rs 17,25,000

Green Belt Training- Rs 1,70,200 (per head)

Total cost for 900 people- Rs 15,31,80,000

Black Belt Training- Rs 2,99,000 (per head)

Total cost for 150 people- 4,48,50,000

Total cost for training and building the team- Rs 21,31,64,000

14. Above these costs, a provision of Rs 50,00,000 for Consultancy charges may also be made. The costs mentioned herein are estimates on the basis of information collected from web sources. The exact cost can be assessed though a tender process alone, once an administrative

decision on the implementation of the project and its scope is taken. The projected total cost, therefore, is Rs 21,81,64,000.

15. The costs of carrying out the analysis and improvement etc after the training is imparted would have to be carried out from the existing allocations. Any infrastructural requirements identified to enable measurement and monitoring of quality will have to be projected and met separately. However, it can be presumed that if the proposals on RFID, Mail Automation, National Data Centre etc proposed in the XI th Plan are implemented properly the measurement aspects would be suitably addressed as part of these proposals. Six Sigma will just provide the human resource and process framework to reinforce the objectives of all these schemes apart from meeting the requirements of "Sevottam". Six Sigma will also address the prevention aspect of public grievances to a great extent.

Project III

Setting up Call Centres based on Interactive Voice Response System.

Public Grievance Redress stressing facilities for receiving, redressal and prevention of customer complaints is a very important feature of service quality under the "Sevottam" model. For customer care the Department has set up the computerised customer care centres during the 10th Five Year Plan. However, it is seen that customers want to have a facility over telephone with easily identifiable numbers to get responses to their routine as well as specific enquiries. A large number of enquiries are routine in nature and can be responded by an automated system like the interactive voice response system which has been adopted by most customer oriented organizations. Even for specific enquiries, instant replies can be sent to the extent the Department can provide track and trace and supporting IT systems. For other enquiries it can develop a system of deferred response with the use of the existing customer care centres and the proposed IVRS system.

2. A proposal for setting up an IVRS system has been under consideration of the Department for some time. Non-availability of specific funds for the project has been a major handicap, which has not allowed us to implement the project till now. To streamline and upgrade the interface of the Department with the public, it is proposed to set up Call Centres all over the country at 22 locations in the first phase. The project would be implemented in three phases. In the first phase a detailed plan for implementation of the project would be worked out by hiring a consultant and examining the back end computerization in the

Department so far. A path for the future would also be decided at this stage in so far as back end computerization is concerned. The system architecture etc. would be drawn out with the help of the consultant. In the second phase, the pilot project at a selected site would be implemented. In the third phase, the project would be rolled out for implementation at the other sites.

3. The costs for the project can be estimated more specifically at a later stage. However, on the basis of available information, the projected costs for the project are as follows:-

- (a) Consultancy costs - Rs.60,00,000/-
- (b) Cost per site - Rs.96,82,603/-
- (c) Cost for 22 sites - Rs.21,30,17,266/-

4. The feasibility of setting up a Call Centre for customers is especially bright in the current context as the National Data Centre is already taking shape and the Department is also identifying the information to be made available to this data center from the point of view of the customers. The Call Centres availability is becoming a hygiene factor for all service providers and the Department of Posts cannot afford to delay this facility indefinitely.

Project IV

Customer Relationship Management

" Sevottam" also stresses on the management of customer expectations and the quality of customer interaction in the organisation. It is significant to monitor, control and effectively utilize all the touch points with the organisation for the customer including personal contact, contact across counter, contact through the web, e-mail, telephone, fax, mass media and so on. It is important to take care of the operational, human resource and technological processes in the Department to ensure good customer

relationship management. The adoption of ERP in the Department and the coming up of the National Data Centre would also lay stress on Customer Relationship Management which is an essential part of a meaningful ERP programme. While the proposed call center would also generate data related to CRM, a specialized package inbuilt into the organizational functioning apart from the Call Centre aspect will also help strengthen the appeal of the Department to its customers. No separate fund requirements are proposed here as it is expected to be included in the comprehensive ERP proposal.

Project IV

Process Reengineering

1. Business must constantly improve, and improvement requires change. How the change is to be brought in is the question, and not whether to change. Again there is very little choice.

Cutting costs by cutting budgets and trying to reduce work force has been attempted. Introducing quality programmes to existing business processes has also been tried. These methods have failed to provide more than very short-term solutions. The new approach is re-engineering. You look at the current business as if the business is being started afresh. review the past and relook into the present reposition for the future. Everything is RE. This entire new approach is now known as Business Process Reengineering (BPR)

2 What does BPR do?

- Reassesses – your business purpose
- Reposition -- for greater market penetration
- Reconfigure – for smoother workflow
- Restructure – so that jobs match reality
- Revitalise – for ongoing competitiveness

Like all new activities, it has been given wide variety of names, including streamlining, transformation, and restructuring. However, regardless of the name, the goal is almost, always the same: increased ability to compete through cost reduction. The new emphasis is due almost entirely to the recent recognition of an increasing need to compete in order for a business to succeed or even survive. The most visible result of these changes is the decline of long established businesses. Some actually have failed completely, and it is probable that more will do

so. The pressure to change is real. It is recognized, and it is taken seriously. Indiapost, also has to stand up to the challenge if it has to survive.

The term “re-engineering” may be a misnomer. It implies that the business processes were engineered in the first place. However most business processes are products of complex series of deliberate decisions and informal evolution. They are not engineered in the sense of a design being created by professionals and the process being built to the designers specifications. For Indiapost too, the process has evolved over the sesquicentennial and we have to recognize that the processes being followed are the not the best for the basic fact that they have not withstood the test of time and competition.

3 THE BASIS OF SUCCESSFUL REENGINEERING

It has been found that seven capabilities must be part of re-engineering to make it succeed.

- a. The ability to conduct re-engineering in accordance with a comprehensive, systematic methodology
- b. Coordinated management of change for all the affected business functions
- c. The ability to assess, plan and implement change on a continuing basis
- d. The ability to analyse the full impact of proposed changes
- e. The ability to model and stimulate the proposed changes
- f. The ability to use these models on continuing basis
- g. The ability to associate all of the management parameters of the department with each other

Without all seven of these capabilities, re-engineering becomes difficult to manage and unpredictable, as well as being restricted to delivering only a small fraction of its potential benefits.

Both positioning and re-engineering are flexible enough to be used for either an entire enterprise or part of one. There is no upper limit on the size of business to which BPR can be applied. Re-engineering requires

expertise in HR, economic marketing, finance, technologies and of course, the specific work being performed.

Indiapost, has gone in for computerization and modernization of its operations on a large scale during the last decade or so. However, much of the computerization has been compartmentalized and restricted to each division going about it single handedly and also, indubitably, the software has been counterfactual, instead of replacing manual operations, the entire process has been replicated in the software and therefore it has become counterproductive. We have not been able to derive any ascertainable advantage from the entire exercise.

It is essential therefore that we go about it in a professional manner, engage a consultant, who is able to take a holistic view of Indiapost. The entire gamut of operations have to be processed together instead of following the same practice of breaking down work into individual small basic units of work or tasks that has been prevalent in industry since the industrial revolution.. These large number of tasks create a long chain of people and points of work which ensure that an employee is oblivious of the change in the environment around him and even if he is aware, he is not in a position to effect any change.

The need of the hour for Indiapost today, is to effectively meet the demands of flexibility and quick response demanded by the three C's - customers, competition and change. To do this what is needed is to reverse the Industrial Revolution. What this means is starting all over again. Task oriented jobs are obsolete. Instead, organizations must organize work around the Process. The entire Business Process. This is what is meant by Business Process Reengineering.

4 The costs for the project can be estimated more realistically at a later stage, however on the basis of available information, projected costs initially would be as follows:-

Consultancy costs	- Rs 75,00, 000
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CONCLUSION

This will be in consonance with the strategy delineated for Indiapost in the Brainstorming session to devise the terms of reference for the working group for the XIth Plan.

XI Plan Document for Development of North East

1. INTRODUCTION

1.1 Since the early nineties the Department of Post has been diversifying into new activities with a view to improve revenue generation. Whereas this is a very good move, the core competence and the very purpose of existence of the Department lies in transmission and delivery of mails. In the North Eastern region of the country the Post Office still plays an important role in the movement of mails. However, the public confidence in the ability of the Post to deliver in time has been eroded due to delay in delivery in an age when Speed is taken for granted. While a complete exercise to take a relook at the mail arrangement in the Circle is ongoing, there is a need to move away from the traditional way of moving mails by railway, to outsourced movement of mail by road. Whereas outsourcing of mail movement is advantageous in so far as liability of maintenance, upkeep of vehicle, salary, pension, etc. of the staff can be avoided, in certain routes in the North East operating departmental vehicles is being considered as an option in view of the fact that the frequency or ability of the state transport/private buses cannot be relied upon due to difficult terrain and paucity of passengers which makes operation on these routes unviable for them. Also the time has come to consider leasing of aircraft for movement of mails between various North Eastern stations as empanelled passenger airlines are incapable of carrying the entire load of Postal mails and they have to carry our competitors' mails despite the fact that they have not expanded their carrying capacity.

1.2 The distance factor and remoteness of the Post Office locations also makes it necessary to provide computerization and networking of all departmental Post Offices so that exchange of information between the Sub-Offices and the Head Office can be made online thereby making financing of Post Offices a more fruitful exercise.

1.3 In North East the Department should accord priority to develop Post Offices for social banking by promoting the habit of thrift amongst the people. In each state efforts should be made to bring each and every household under the Post Office Savings scheme. Induction of hand held devices can play a very important role in achieving hundred percent Savings Bank villages in these States.

2. MAIL TRANSMISSION

2.1 The activity requiring primary attention in the 11th Plan is to improve the mail conveyance in the North East. The Post is unable to increase its share of mail conveyance due to lack of capacity in the air flight. Mails are dispatched by rail resulting in undue delay in transmission of Speed Post articles and parcels, and non-maintenance of the transit norms fixed for the movement of mails. The gateway to North East is through Kolkata and Guwahati. The mail movement from Kolkata to Guwahati is dependent on aircraft capacity failing which

movement by rail is resorted to. In the August 2006 meeting with the Indian Airlines this was brought to their notice. The Indian Airlines has expressed their inability to take care of the entire volume of postal mails from Kolkata for various North Eastern destinations other than Guwahati. In the meeting Indian Airlines was of the view that allocation of space/load should not be considered as “commitment” but only an offer which may vary depending on operational requirements. They further clarified that in ATR aircrafts, which are most commonly plying in the North Eastern sector, no allocation can be offered. The offer made by the IA authority was as follows:

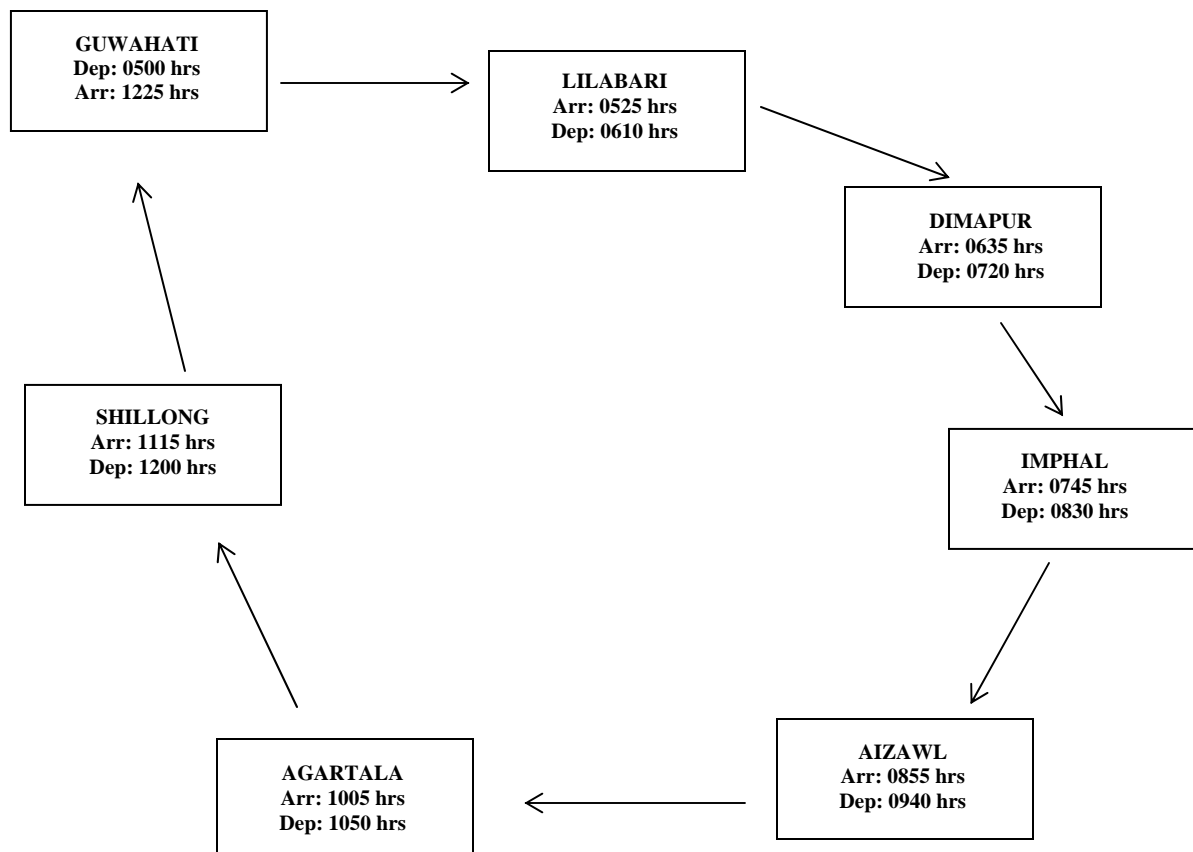
Allocation	Mail	SPC	APO/SDS
B737	50 kg	150 kg	50 kg
A319	350 kg (including all categories in a single flight)		
A320	500 kg (including all categories in a single flight)		
ATR	No allocation		

2.2 The delay in transmission of mails in North East results in pilferage of articles, abstraction and it is hampering the growth of parcel post service. There is potential for incoming parcel mails to grow as the states under North East Circle and Sikkim produce very few goods and are primarily dependant on supply from other parts of the country. As a result of the inability of air carrier to accept the total quantum of mails, a substantial portion of airmail is actually sent by surface. It is, therefore, necessary **to provide for wet leasing of a dedicated aircraft** by Department of Post to move mail from Guwahati to touch all the North East Division headquarters to drop mail and pick up mail (except Itanagar where Leelabari will be the connecting airport, as the air strip at Itanagar would not be sufficient for landing of aircraft).

2.3 The situation a few years ago in the post offices was to handle the mails presented by the customers in Post Offices and letters posted in the letter boxes. The focus has now shifted for increasing the quantum of mail segment by canvassing mail for B2B & B2C segments through doorstep collection. Therefore, it is essential that assured delivery within the specified time should be provided for Business Mail. This is also necessary because this segment is being wooed aggressively with concessions and facilities by couriers. In view of this, the proposal for wet lease of a dedicated aircraft to be based out of Guwahati to move on daily basis to all the North East locations is very essential to retain the existing mail base, arrest its erosion and also to expand it by improving the delivery norms/maintaining delivery assurance.

2.4 The mail transmission through wet leased aircraft suggested in the 11th plan is as follows:-

Proposed Mail Exchange/Carriage Route from Guwahati to various North Eastern destinations



2.5 The aircraft need not touch Gangtok as it is only 60 kms from Siliguri which is well connected by air and rail. The proposed route can be streamlined depending upon the expenditure involved in running the aircraft. While tendering, the airline can be asked to submit the quickest, economical, and shortest route to all above destinations which is most cost effective. Alternatively, a retired officer of the Indian Airlines, who has worked in Guwahati, can be engaged as a consultant to draw up the best economical routing pattern. In case the aircraft has sufficient capacity, the road conveyance of 2nd class mails and parcels of these destinations can be shifted to air conveyance. If the aircraft does not have the capacity, the present system of road conveyance will continue. More reliance on air transmission and road transportation and less reliance on railways is suggested, particularly in view of the fact that some of the meter gauge trains have only 32 seater mail van accommodation which is not able to take all the mail intended for the destinations and frequently results in offloading/non-loading.

2.6 It is learnt that Mails Division has received quotations from Pawan Hans and Blue Dart carrier for wet lease of aircraft. In a report, which appeared in the Statesman of 14th September 2006 (photocopy enclosed as Annexure-I), the Civil Aviation DG while briefing the members of the Consultative Committee attached to Civil Aviation Ministry at Kolkata intimated that the Government had granted

initial NOC to Sky King Aviation to operate schedule air services exclusively within North East Region. The said Airlines has initial plans to operate the air services to and from Agartala, Aizawl, Dibrugarh, Guwahati, Leelabari, Silchar, Dimapur, Imphal, Shillong and Tura. A second proposal is also under consideration of the Ministry from Surya Air for schedule operation with feeder air services in the Region. This airline has plans to provide air connectivity to Agartala, Aizawl, Bagdogra, Dimapur, Imphal, Leelabari and Silchar. Thus, in addition to Indian Airlines, Jet Airways, Sahara Airlines, Air Deccan, Indigo and Kingfisher which are operating in North East area, it could also be explored whether these airlines are ready to carry the mails of Department of Posts. This would require consultation by the Mail Division of the Directorate with the Ministry of Civil Aviation to obtain the details of the airlines and also have discussions with the new airlines regarding mail carrying capacity and wet lease of air craft for carrying of mails for N.E. Region.

2.7 It is expected that if the above scheme is implemented, the delivery of mails and speed post articles would be faster and the delivery norms which are currently not being followed due to late receipt of mails, can be adhered to. In order to reduce the cost to the Department, Postal Directorate can consider asking the Department of North East Region (DONER) Ministry at the centre to meet whole or part of the expenditure on wet leasing of the air craft.

2.8 In the event of wet leasing of air craft being not feasible, the following routes for transmission of mail by road by outsourcing is suggested:-

(i) Guwahati-Shillong-Silchar(to drop Aizawl Mail)-Dharmanagar - 460 km

In order to speed up the movement of mails to Aizawl and Dharmanagar/Agartala, it is suggested that the outsourced mail motor route should be introduced between Guwahati and Silchar/Dharmanagar during the 11th Plan. The shortest road distance from Guwahati (via Shillong and Silchar) to Dharmanagar is 460 kms. The existing circuitous rail connection is as follows:-

- a) Guwahati to Lumding – Kamrup Express = 320 kms
- b) Lumding to Silchar – Barak Valley Express (meter gauge)
- c) Silchar to Dharmanagar – Barak Valley Exp and Tripura Passenger (meter gauge)

In road movement suggested there would be no need to touch Lumding. As the proposed road route is very long, it is suggested that outsourcing of this route to road operators by shortest road route be provided in the 11th Plan.

ii) Guwahati-Dimapur – 320 km

The outsourcing of road transportation of this route is suggested as mail is currently received at Guwahati Airport and transferred to Guwahati RMS and subsequently moved by train from Guwahati to Dimapur by Kamrup Express etc. This section is not able for most of the time to carry 100% mails, resulting in delay in movement of bags and pilferage. Hence suggestion is for loading the

mails at Guwahati Airport itself the moment it arrives to a road transporter and directly move them to Dimapur. This will also prevent abstraction of contents from the parcels which is a common feature in this route. From Dimapur, the mails will be dispatched by departmental MMS to Kohima and Imphal. This will ensure security of mails and faster transmission

iii) Guwahati – Itanagar (470 KMs)
[Guwahati-Nagaon-North Lakhimpur-Itanagar]

At present mails for Itanagar (Arunachal Pradesh) are conveyed from Guwahati by Transit Section (GH-34) covering a circular route taking D+2 norm and only one bag (TB containing 1st class mails only) is despatched through private MMC (super bus, overnight journey). Mails are conveyed by train upto Rangia and thereafter by another train upto North Lakhimpur and from North Lakhimpur to Itanagar by State Transport Bus. Multiple exchange points result to misconnection and delay to mails and also provides scope for pilferage and abstraction. Such pilferage resulted to loss of customer in other circles viz. Prakash Padukone Academy, Bangalore, who were sending sports goods to various North Eastern destinations. To avoid multiple handling/exchange as well as curtail transit, it is proposed to introduce outsourced Mail Motor service availing the shortest route conveying mails for Nagaon/Morigaon Districts (to be dropped at Nagaon) and North Lakhimpur/Dhemaji Districts (to be dropped at North Lakhimpur RMS). If the above proposal materializes, there will be saving in the shape of payment of railway haulage charges in respect of two transit sections (GH-34 and GH-30).

2.9 Road transportation of mails: In respect of Arunachal Pradesh, to improve the movement of mails, four departmental MMS vehicles with the following routing is suggested. The reason for not suggesting outsourcing of mail transmission for this region is non-availability and non-plying of vehicles regularly and on a daily basis in these routes.

(i) Tezpur – Bomdilla and vice versa

The Distance is 169 kms. and will require 2 vehicles, one for up trip and one for down trip. Tata Sumo type vehicle which can traverse in difficult road conditions in hilly terrain is suggested for this route. This route will cover 6 SOs viz. Bhalukpong SO, Tenza Market SO, Rupa SO, Kalaktong SO, Dirang SO and Jung SO.

(ii) Itanagar-North Lakhimpur RMS and vice versa

The distance is 60 kms. and will require one vehicle of Tata which can traverse in difficult road conditions in hilly terrain. This schedule will cover 10 SOs.

(iii) Tinsukia-Namsai and vice versa

Distance is 100 kms. and will require one vehicle of Tata Sumo Type for same reason as cited above. This vehicle will cover two SOs and also be a connecting point for 7 SOs from Namsai point for mail and account bag.

iv) One vehicle is proposed to be stationed at Along to cater to any eventuality of mail disruption by State Govt. bus transportation/private transporters which are currently in use on the following routes.

- | | |
|----------------------|------------------------|
| a) Along – Tuting | Distance 340 kms. |
| b) Along – Machuka | Distance 150 kms. |
| c) Along – Yingkiong | Distance 150 kms. |
| d) Along – Dadorijo | Distance 160 kms. |
| e) Along-Pasighat |Distance 100 kms. |

Because of frequent breakdown of buses run by STC/private operators and frequent non-plying of transport by private operators (due to lack of sufficient number of passengers), presently there is delay to mails by 15 to 20 days. Though there is a policy not to extend departmental MMS, this vehicle is suggested as a standby to cater to breakdown and non-plying, frequent in this hilly terrain.

v) Tezpur – North Lakhimpur (220 KMs)

At present, mails are conveyed through private MMC. The existing arrangement is not dependable/reliable for which mails are being delayed over the route. It is proposed to provide Departmental MMS Van over Tezpur – North Lakhimpur route.

vi) North Lakhimpur – Jonai (210 KMs)

At present, mails from North Lakhimpur RMS to Jonai route, are being conveyed by Private MMC with a monthly cost of Rs.43,000/-. The plying of the MMC over the route is most irregular and no alternate communication is available. So, for reliable and regular transmission of mails, it is proposed for provision of Departmental MMS Van over North Lakhimpur – Jonai route, i.e. not plying on all days.

vii) Golaghat-Jorhat-Mariani (60 kms)

The existing route is circuitous and this new route is proposed in order to expedite the transmission of mails for Jorhat and Golaghat Districts of Upper Assam, it is proposed to mechanise the route by deploying MMS Van over Golaghat-Jorhat-Mariani route.

viii) Tinsukia-Mohanbari-Dibrugarh (68 kms)

At present, mails from Mohanabari Air Port (Dibrugarh) to Tinsukia RMS are being conveyed by private MMC. The mails from Tinsukia RMS to Dibrugarh District are being conveyed by passenger train (S-35 Section) inviting delay to those

mails. So in order to speed up the mails, it is proposed to merge both the routes by provision of Departmental MMS Van over Tinsukia-Mohanbari-Dibrugarh route.

ix) Barpeta-Barpeta Road-Nalbari (50 kms)

At present, Mails are conveyed by Private MMC from Barpeta to Barpeta Road and thereafter by train to Nalbari leading to delay. So it is proposed for provision of Departmental MMS Van over Barpeta-Barpeta Road-Nalbari route.

2.10 Mechanization of foot lines: In Tripura, earlier there were four EDMCs on the following routes for up and down transmission of mails. Two posts of EDMCs have been abolished. Also it is difficult for one EDMC to travel 20 kms and back. As such it is suggested that two footlines be mechanized by provision of mechanized two wheeler and one be outsourced to private operators to improve mail delivery and financing of Post Offices.

Bishalgarh to Buxanagar	22 kms (two wheeler)
Sonamura to Kathalia	20 kms. –do-
Amarpur to Radhakishorepur	31 kms. (outsourced MMS is proposed as the route is hilly and terrorist infested)

2.11 Vehicles for letter box clearance:- In order to bring acceleration in disposal of mail cleared from letter boxes, it is proposed to provide Three wheelers for Guwahati GPO, Silchar HO, Dibrugarh HO, Jorhat HO, Tinsukia HO, Tezpur HO, Nagaon HO, Dhubri HO. This will save expenditure in the form of reduced number of personnel required for clearance of letter boxes. Also mechanisation of LB clearance beat will facilitate more frequent clearance of mails.

2.12 Mechanisation of Delivery: Mechanisation of delivery of Speed Post/ Express Parcel Post is of prime importance in ensuring faster delivery. For collection/delivery of Speed Post and Express Post consignments, supply of 3 three-wheelers to Guwahati SPC and 2 three-wheelers each to Silchar, Jorhat and Dibrugarh National SPCs is proposed. One three wheeler each is recommended for State Centers at Tinsukia, Nagaon , Tezpur and Assam Sachivalaya.

3. TAMPERPROOF MAIL CONTAINER

3.1 For prevention of abstraction of mails, in the Plan scheme there should be provision for introduction of metallic mail containers with locking system, with one key to be maintained by the Office of Dispatch and one key to be maintained by the Office of Receipt. These containers will be so designed so as to transport them by RMS Section/Road Transport. It is suggested that similar metal containers should be used for parcels as a measure of security to prevent abstraction.

4. **PARCEL CONCENTRATION CENTRES**

4.1 It is proposed to establish a Parcel Concentration Centre in each state headquarters in the N.E. Region with the exception of Assam where four Parcel Centre locations are already there at Guwahati, Silchar Rangia and Tinsukia. These Parcel Concentration Centres will handle outgoing and incoming parcel traffic and will facilitate introduction of e-commerce in this Region. Computerisation of parcel concentration centres at Guwahati and Rangia were covered under the 10th Plan. Parcel concentration centres at Tinsukia and Silchar are proposed to be computerised during 11th Plan.

5. **COMPUTERIZATION**

5.1 At present, in the North East Postal Circle, out of 349 post offices in total, 119 (9 HOs + 110 SOs) have been computerized. Remaining 230 departmental POs is proposed for computerization in the 11th Plan period. For this purpose, approximate requirement of computers will be 60 servers and 230 nodes. Apart from installation of Meghdoot and Sanchay Post, it is proposed that in 11th plan we provide requisite networking support to all the departmental Post Offices to enable them to exchange daily returns with the HOs through the net. This will improve financing of post offices in remote areas and will facilitate spread of international money transfer scheme, IMO, e-commerce etc. and will meet the requirement of opening at least one Savings Bank account for every household with a earning member. In Sikkim (West Bengal Circle), out of 22 post offices, 6 are already computerized. Hence, remaining 16 departmental Post Offices are required to be computerized in 11th plan. In Assam Circle, 262 post offices stands computerized by end of 10th Plan and remaining 360 Post Offices are proposed to be computerized in 11th Plan.

5.2 Though the present computerization policy for the rest of the country excludes single handed and double handed SOs, exception should be made in North East Circle in view of the difficult terrain, distance and remote locations so that the financing of the post office and the daily and periodical returns to the account office can be better facilitated.

5.3 Provision should be made for modernization of all the Post Offices which are getting computerized. Back office should be segregated from the front office in the computerized Post Offices and ergonomically designed furniture are to be provided in all the computerized Post Offices for which the School of Planning and Architecture can be engaged to give a facelift inside the Post Office as they had suggested for outside the PO.

5.4 **Mail Offices:** Under the current 5 year plan in Assam Circle, computerized Registration Centres (CRC) have been set up in Mariani RMS, North Lakhimpur RMS, Tezpur RMS and New Bongaigaon RMS. It is proposed to set up CRCs at Dimapur RMS and Agartala Stg. during the 11th Plan. Besides all above, it is proposed to modernize the Airport TMO at Guwahati, and the RMS offices at Guwahati, Silchar, Tinsukia and Jorhat. Assam Circle also proposes

modernization of the National Speed Post Centres at Guwahati, Silchar, Jorhat and Dibrugarh.

5.5 Administrative Offices: Nine Postal Divisional offices in Assam Circle have been provided with computers during the Tenth Plan. Computerization of Circle Office, Guwahati, Regional Office Dibrugarh and 2 RMS Divisional Offices is proposed during the 11th plan.

5.6 Replacement of Computers: Many of the computers supplied in the 9th plan are required to be replaced. There should be provision for replacement of computers who have outlived their utility. A detailed study on the requirement under this head will be made and submitted separately to the Technology Division of the Directorate.

5.7 Workplace Computer Training Centre:- In Assam Circle two WCTCs have been set up at Circle office Guwahati and at RO Dibrugarh to impart computer training to Postal officials. Upgradation of hardware (in both WCTCs) is recommended during the 11th Plan. The approximate cost for replacing two servers, 25 PCs, UPS, LAN cabling and other equipment has been estimated as Rs 30 lakhs for the two WCTCs.

As the Postal officials from Cachar Postal and RMS Divisions find it difficult to attend the training at WCTC Guwahati and at WCTC Dibrugarh (both are at a distance of 12 hours by road), setting up of a 3rd WCTC at Silchar, the headquarter of Cachar Division, is proposed during the 11th Plan.

There should be provision of a WCTC at Gangtok for training of staff, and equipped with all training facilities.

6. COMMUNITY INFORMATION CENTRE (CIC)

6.1 There are 214 block headquarters in six states of North East Postal Circle. Besides there are 24 Block Headquarters in Sikkim and 243 Block Headquarters in Assam. Out of all above, 51 Block Headquarters in North East Postal Circle have been supplied with computers for operating CICs. Four district headquarters in Sikkim have been supplied with computers for CICs and 14 offices in Assam have been supplied with computers. With the total computerization of departmental offices, it is proposed to extend the CIC scheme to all the post offices located in the Block Headquarters for promoting e-medicine, e-agriculture, e-commerce, e-spiritual etc. It is also proposed to charge a small fee for provision of this service to the public in order to make the service viable.

7. HAND HELD DEVICES

7.1 In the approach paper to the 11th Plan, it has been cited that the customer is the top priority. In the North East Region, it has been observed that due to remote locations, many of the potential customers do not visit post offices for opening savings bank account in view of inaccessibility or distance of the post

offices from their place of stay. Many people in remote places are not aware of Postal facilities and Savings Bank services offered today by the Post Office. It is proposed to improve business by aggressively doing a one to one marketing using the postman to introduce products and services in these locations. The State Government is interested in the project for “100% Savings Bank villages” in order to encourage people to save to meet emergencies like sickness, hospitalization and education outside the State etc. It is therefore, suggested that hand held devices to the extent of half of the postman strength of the post office be provided to collect RD payments, SB payments, booking of Speed Post/Regd. Articles, booking of e-commerce articles in order to facilitate door step facility to the people leaving in remote areas. Depending on the success of the scheme, provision of giving the machine on daily basis can be considered.

7.2 In case of North East Postal Circle, the requirement of hand held devices is 275. In Sikkim the requirement of hand held devices is 14 and in case of Assam, the requirement is 600. Hand held devices should be half of the total number of postmen in the office. The Postmen staff will use the machine on alternate days.

8. RESEARCH AND DEVELOPMENT

8.1 The projects proposed for Research and Development for North East Eastern Circles are as under:-

- i) A study on road transportation of mails to important N.E. destinations from Guwahati – evaluating the delivery advantage to customers.
- ii) Utilization of e-commerce opportunities.
- iii) Utilization of CICs to generate revenue
- iv) Direct Mail for a non-commercial /non-industrial environment – exploration of opportunities.
- v) Designing secured container for transportation of mails in order to reduce abstraction.
- vi) Costing exercise on transportation of mails by air, rail and road proposed to be done by PMG, Kolkata.
- vii) Security of parcel Mail - The Indian Institute of Packaging, Kolkata may be engaged as a Consultant to develop a tamper proof wrapping for individual parcels. The packaging will be charged to the customer. These would be appreciated by commercial users of Post. The consultancy will cost approximately Rs. 2 lakhs as intimated by PMG Kolkata. This study is being suggested as there is scope for growth in parcel mails in the region but did not take off due to massive pilferages.

9. CONSTRUCTION OF BUILDINGS

9.1 As regards construction of buildings, though the existing policy is not to construct Post Office buildings for single handed and double handed offices, it is suggested that exceptions be made in case of locations in the North Eastern

states where plots are available for construction of office buildings for single and double handed Post Offices. One peculiarity of the remote localities in the North East is difficulty in getting suitable rented accommodation and most of the Post Offices in these States, except very few, which are located in the state capitals, etc. are either single handed or double handed offices. As such exception of the general policy is being sought for North Eastern Circles.

9.2 The proposals for construction of buildings in North Eastern states are consolidated below:-

a) Construction of Post Office Buildings and SPM's quarters:

- i) Mizoram: Mamit (District Hqrs), Lawngtlai (District Hqrs) and Hnathial. Also purchase of readymade building is proposed for the District Headquarters S.O. at Serchhip.(NE Circle)
- ii) Nagaland: Phek (District Hqrs), Mokokchung MDG (NE Circle)
- iii) Arunachal Pradesh: Hong MDG, Pasighat (presently having Assam type building), Itanagar (presently having Assam type building). (NE Circle)
- iv) Agartala: Bishalgarh, Birendranagar, vertical extension of Agartala H.O., and construction of MMS garage at Siddhiashram. (NE Circle)
- v) Dharmanagar Division: Kamalpur, Khowai (NE Circle)
- vi) Manipur : Bishenpur, Jiribam (NE Circle)
- vii) Meghalaya: Construction of Postal Accounts Office at Shillong.
- viii) Sikkim : Nayabazar and Pakyong (WB Circle)
- ix Assam : Postal Training Centre (Guwahati), PMG Office (Dibrugarh), Sivasagar HO, Dhubri HO, Goalpara MDG, Dhemaji MDG, Rangia MDG, Silchar Medical College SO, Regional Engineering College SO (Silchar), Bharalumukh Post office and MMS Complex (Guwahati), Divisional Office (Jorhat), PSD/NESD Office Complex (Guwahati).

(b) Construction of Staff quarters:

i) Arunachal Pradesh :

Khonsa : 2 Type-III quarters

Pasighat : 1 Type-III quarters

Itanagar Sector-I : 1 type-V qr. for DPS, 1 type-IV quarters for DSP, 4 Type-II and 4 Type-III quarters.

ii) Dharmanagar Division

Dharmanagar : 2 Type-III, 1 Type-IV and 1 SDI's residence/office.
 Kamalpur : 2 Type-II, 2 Type-III
 Khowai : 2 Type-II and 2 Type-III
 Kailasahar : 2 Type-II and 3 Type-III and office of SDI, Kailasahar

iii) Meghalaya

Cherrapunjee : 2 Type-III Qrs. And I.Q.

iv) Mizoram :

Venglui (at Aizawl): 6 Type-II and 6 Type-III quarters
 Kolasib (District Headquarters): 2 Type-II and 2 Type-III quarters
 Lunglei (District Headquarters): 4 Type-II and 4 Type-III quarters.

v). Manipur :

Palace compound, Imphal : 4 Type-II and 4 Type-III quarters

vi) Nagaland :

Kohima HO compound : (a) 3 Type-II and 3 Type-III
 (b) Type-V quarter for DPS.

vi) Sikkim

Gangtok : 1 Type-IV, 10 Type-III, 5 Type-II
 Nayabazar : 2 Type-III
 Rhenock : 1 Type-III, 1 Type-II
 Rangpo : 2 Type-III, 1 Type-II

vii) Assam:

Beltola: 2 Type IV, 4 Type III, 4 Type II
 Hailakandi: 3 Type III and 4 Type II
 Rangia: 2 Type III and 2 Type II
 Diphu: 4 Type III

9.3 Ziro Post Office building in Arunachal Pradesh is on lease from the State Government. An offer has been received from the State Govt. that they will sell the land and building to the department at a nominal rate of Rs. 10/- per sq. mtr. This is a reasonable offer and provision under plan building scheme may be made for outright purchase of this land and building in Arunachal Pradesh. The estimated cost of this project is given in **Annexure-II**.

9.4 In Dharmanagar division, State Government has offered the plot for Chailangta P.O. which is currently housed in a State Government building. The cost of this land is Rs. 75,000/-. Similarly Sarma P.O. in Dholai district is located in a State Govt. building. The State Govt. has made a offer to the Department for purchase of land and building at a total cost of Rs.1,00,000/-. Provision be made for Chailangta and Sarma POs.

10. **CASH MANAGEMENT**

10.1 As the thrust in the 11th Plan is to expand services like IMO, introduction of e-commerce etc. it is necessary to increase the authorized cash balances of the post offices. For security of cash, it is necessary to provide **iron safes** in departmental Post Offices. There should also be provision for embedding the safes. It is therefore proposed to provide burglar/fire proof iron safes whose current cost is Rs. 7,000/- per piece. The total cost of providing safes for all the divisions of North East Postal Circle would be Rs. 363 x 7,000/- = Rs.25,41,000/-. The estimated expenditure for 500 departmental sub offices in Assam Circle, primarily in rural areas, would come to Rs.35,00,000/-. Cost of embedding will be tentatively Rs.2000/- per location.

10.2 **Proposal for Cash Van:** In view of prevailing law and order situation, it is felt necessary to improve safety and security arrangement for conveyance of cash in between Post Offices in Assam Circle. It is proposed to provide cash vans (7 nos.) for Tezpur HO, Dibrugarh HO, Jorhat HO, Tinsukia HO, Nagaon HO, Silchar HO and Karimganj HO.

11. **POSTAL FINANCE MART:**

11.1 The development of Postal Finance Marts be carried forward and the statewise requirement is detailed below.

North East Circle

- (i) Naharlagun in Arunachal Division
- (ii) Tuensang in Nagaland Division
- (iii) Bomdilla in Arunachal Division
- (iv) Jowai MDG in Meghalaya Division
- (v) Nongstoin in Meghalaya Division

Sikkim (West Bengal Circle)

No Postal Financial Mart is required at Sikkim.

Assam Circle

Ten Finance Marts are proposed to be set up in the 11th Plan Period:

- i) Nalbari HO
- ii) Barpeta HO
- iii) Kokrajhar HO
- iv) Mangaldai HO
- v) Dhubri HO
- vi) Diphu HO
- vii) Sivasagar HO
- viii) Gokaghat HO
- ix) Hailakandi HO
- x) Guwahati University HO

12. SETTING UP OF SUB FOREIGN POST AT SHILLONG :

At present, postal articles originating abroad and intended for delivery in the North Eastern States are handled by Kolkata Foreign Post. In respect of many of the items received from abroad, addressee is required to answer the queries of Customs by post or is required to visit Kolkata personally in getting the parcels/letters released from Customs authorities at Kolkata Foreign Post. In order to improve the inward as well as outward movement of foreign mails, it is suggested that a Sub Foreign Post should be set up at Shillong along with customs clearance facility. It can handle outgoing as well as incoming mails intended for N.E. Region received by air and ship and also the surface mails from Myanmar, Bangladesh, Nepal and Bhutan for which agreements can be negotiated with the neighbouring countries for exchange through surface routes.

13. PROVIDING INFRASTRUCTURE FOR POSTAL TRAINING CENTRE, GUWAHATI

The Postal training Centre (PTC) Guwahati looks after the entire training requirements for the Postal personnel of N.E. and Assam Circles. The Centre is now functioning in a rented building and has no infrastructure to impart training to more than 20 candidates at a time. No computer lab is available at PTC to train the candidates on Departmental software. Though construction of a spacious building comprising academic & administrative blocks, hostel, recreation club and library facilities was proposed during the 10th Plan, the project is yet to take off. Providing a spacious building along with adequate infrastructure and human resource for the PTC is recommended during the 11th Plan. PTC should also be provided with three computer labs of 10 nodes each so that the training capacity can be increased. As no vehicle has been provided to the training centre, one TATA Sumo and 1 passenger vans (15 seater) is proposed for the use of trainees and members of the faculty.

14. For implementation “Sevottam” project it is presumed that PG Division would have done the costing unitwise and Circlewise per Sevottam project implementation. The same is not being reflected in the North East Report.

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