

**WORKING GROUP
REPORT**

**TWELFTH PLAN
2012-2017**

**DEPARTMENT OF
POSTS**

**MINISTRY
OF
COMMUNICATION &
IT**

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Chapter -1

SETTING UP OF WORKING GROUP AND TERMS OF REFERENCE.

1.1. Planning Commission vide its letter No. F. No. M-13040/26/2011-CIT&I, WG(Post) dated 20th June 2011 had constituted a Working Group on Postal Sector to make recommendations on various policy matters relevant to formulation of the Twelfth Five Year Plan for Communications, Information Technology & Information (CIT&I) sector. The Working Group was to be chaired by Secretary (Posts). The composition of the Working Group is given at Annexure-I.

1.2. The Terms of Reference to the Working Group were as follows:

- i. To review the existing schemes/programmes and recommend the schemes to be retained for the 12th Plan period.
- ii. To define deliverables as National goals for the sector for Twelfth Five Year Plan period as well as Annual Plans, and formulate guidelines for deployment of resources optimally for relating outlays to the specified outcomes.
- iii. To recommend appropriate policy measures for further growth of the sector.
- iv. To enable suitable recommendations to maximize the benefits of IT induction to improve quality of services, access to services, modernize postal products and services.
- v. To modernize and develop postal financial services like setting up of Post Bank of India, engaging Postal network for financial inclusion in rural India.
- vi. To sustain IT Induction, modernization and quality of services through suitable Human Resource and organizational design initiatives.
- vii. To make recommendations for management of postal estates. This will also cover such areas as commercial utilization of building and real estate; face lift for the existing buildings, acquisition and construction of estates, ergonomics of postal premises etc.
- viii. Any other item which the Working Group deems necessary to be included for making recommendations effective.

The first meeting of the Working Group was held on 12th July 2011. During the meeting it was specified that the Department of Posts is undergoing a major transformation and modernization by way of a comprehensive IT project. The

Department's major challenge in 12th Plan would be to consolidate the gains and benefits of IT induction for serving the common man and provide last mile delivery for social security and other Government schemes. Sub Groups were constituted as decided by the Working Group members to formulate approaches to the 12th Plan sector wise. Five Sub Groups were constituted accordingly as detailed below:

1. Sub Group I - Mail and Information Technology
2. Sub Group II – Banking and Financial Services
3. Sub Group III – Human Resource Management
4. Sub Group IV – Rural Business, Postal Network and New Services
5. Sub Group V – Estates and Philately

Various internal meetings were held amongst the Sub Groups and the recommendations were submitted to the Working Group on 16/9/2011. A final meeting of the members of the Working Group was held on 21/9/2011 to consider the recommendations of the sub groups.

The members of the Working Group made certain observations and recommendations regarding the following which were amended/clarified in the final report:

- Change of nomenclature of New Services
- Funds proposed for Promotion, Publicity and Brand visibility and also for Creation of Brand Identity for India Post.
- Reallocation of activities from schemes overlapping with IT and HR
- Proposal made on purchase of plots and gender concerns.
- Commitment from the department to ensure that the activities proposed in the 12th Plan would be tending towards increasing revenue and improve customer service delivery..

Keeping all the above facts in view the final proposals have been firmed up.

Chapter -2

Department of Posts-an overview

2.1 Department of Posts has been the backbone of India's communications network and core of the country's social-economic development for the last 150 years. It has touched the lives of every citizen, be it through mails, banking, and insurance, money transfer or retail services. Ever since its existence it has enjoyed the trust and support of its customers and stakeholders. Department of Post is committed to providing basic postal facilities across the country at an affordable price.

2.2 A network of 1.55 lakh (approx.) post offices in the country with more than 1.39 lakh post offices in rural areas is indicative of the commitment of the department towards its customers. On an average 7176 people are served by a post office.

2.3 The core activity of the Department is processing, transmission and delivery of mails. Mails are collected from more than 5 lakh letter boxes, processed by network of Mail Offices and conveyed by rail, road and airlines all over the country to reach the customers. The Department has undertaken Mail Network Optimisation Project to improve the quality of mail processing, transmission and delivery. A more effective performance management mechanism for mail operations has been introduced for this purpose.

2.4 Postal operations at the post office counter encompass the entire gamut of basic postal services that include sale of stamps, booking of registered articles, insured articles, value payable articles, remittance of money through money orders, booking of parcels and Savings Bank transactions. Traditionally, these services were being provided at manually operated counters. Considering the vital need for providing benefits of technology to customers, counter operations are now being progressively computerised to provide a greater range of services to the customer from a single window leading to prompt and error free services.

2.5 One of the major and oldest agency functions undertaken by the Department is 'The Post Office Savings Bank (POSB)'. It operates more than 240 million Savings Accounts. It is an agency function performed by the Department

of Posts on behalf of Ministry of Finance, Government of India. The Post Office Savings Bank provides an avenue to people all over the country to deposit their savings in various schemes. Its reach and service is unparalleled by any other banking agency in the country. As on 31-03-2011 Post Office Savings Bank has a customer base of more than 23.75 crore account holders with an outstanding balance of Rs 6,19,611 crores.

2.6 Postal Life Insurance (PLI), introduced in 1884 by the Department, is one of the oldest life insurance schemes for benefit of the Government employees. Initially meant only for Postal employees, today it caters to employees of the Civil and Military Personnel of the Central and State Governments, local bodies, government aided educational institutions, universities nationalised banks, many autonomous and financial institutions and Public Sector Undertakings of the Central and State Government. As on 31-03-2011 Postal Life Insurance has 5.2 million policies and Rural Postal Life Insurance has 17.36 million policies with a total sum assured of Rs 67,199.67 crores and Rs 76, 157.39 crores respectively.

2.7 Philately is also a part of postal activities, wherein Postage Stamps, having begun as a token of receipt of postage, is now a valued collectible for the philatelic enthusiast. Apart from being the paper ambassador, the postage stamp is also an expression of a nation's sovereignty. Initially the medium of postage stamps was used to highlight the country's achievements in science and technology as well as its socio-economic development by depicting themes like five year plans, steel plants, dams etc. Subsequently, the country's rich cultural and natural heritage came to be showcased and many beautiful stamps have been issued. In February 2011 Department of Posts hosted the World Philatelic Exhibition INDIPEX 2011, the last such Exhibition having been held in 1997 to commemorate fifty years of Indian Independence.

2.8 Significant trends such as liberalization and globalization, urbanization, increased demand for financial services, increased funding by government for weaker sections and rural sector now require Department of Posts to develop new processes and supporting technology. Department of Posts handles about 7 billion pieces of mail (registered and unregistered) annually. Though

unregistered mail traffic has been going down (there has been a 3.09% decline from 2008-2009 to 2009-2010) Speed Post has posted a substantial increase by 13.91% from 2008-2009 to 2009-2010. There has been a growth in total revenue of around 7.1% in the year 2009-10 in comparison to year 2008-2009.

2.9 The Department, facing the twin challenges posed by increasing competition and continuing advances in communication technology, especially mobile telephony and the World Wide Web has had to equip itself with modern technology in order to provide best in class service delivery to customers, identify new services and business areas and improve operational efficiency. Department of Posts has initiated POST 2012 - an end to end IT modernization project. The benefits and impact of this IT project will flow into all 12th Plan Schemes and activities and the next five year Plan period will be extensively a period for consolidation and implementation of the IT project and associated activities.

2.10 The department has undertaken a project to set up Automatic Mail Processing Centres (AMPCs) in Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad with a view to automate mail sorting. Automation in mail processing helps the department in modernisation of mail network, consolidation of sorting activities and expediting mail sorting and delivery of mails. The Department has also taken steps to mechanise mail delivery in the North Eastern Region of the country and in Andaman & Nicobar Islands. During the 11th Plan the setting up and commissioning of Automatic Mail Processing Centres at New Delhi and Kolkata would be completed.

2.11 In order to study the market and to exist in the challenging market, Business Development Directorate was set up in 1996 to design, monitor, develop and market value added premium services of the Department. The main work of Business Development Directorate is promotion of existing value added and traditional mail and parcel services, introduction of new value added services (except financial and insurance services), market study and survey, review growth of value added services etc. The various products and services marketed are e-Post, Speed Post, Direct Post, Express Parcel Post, Logistics Post, e-BillPost, Print-to-Post, Retail Post etc.

2.12 Human Resource Development is a vital component of the Department's Plan related initiatives. The Department has well-established training institutes to take care of the training needs of the department. The Postal Staff College caters to the training requirements of Gazetted Officers. It is the apex training institute for meeting the training needs of the managerial cadres of Department of Posts. It also designs and runs special courses from time to time to fulfil training needs of other Departments of Government of India and Public Sector Undertakings of Central Government in areas of common interest. There are six training institutes (Postal Training Centers) to cater to the needs of other officials of the department. Induction training, technology training mid-level and senior level development programmes, business orientation and capacity building are imparted by them for various strata of personnel.

2.13 The Department has developed a web based system to interconnect its Customer Care Centres with the objective of systematic handling and quick redressal of public grievances. A review of the Web based system has been done and the system has been made Sevottam compliant with better dynamic features and possibility of better monitoring and control at all levels.

Chapter -3

Vision, Mission and Objective of the Department

Vision:

- Department of Post's products and services will be the customer's first choice.

Mission:

- To sustain its position as the largest postal network in the world touching the lives of every citizen in the country.
- To provide mail, parcel, money transfer, banking, insurance and retail services with speed and reliability.
- To provide services to the customers on value for money basis.
- To ensure that the employees are proud to be its main strength and serve its customers with a human touch.
- To continue to deliver social security services and to enable last mile connectivity as a Government of India platform.

Objectives:

- Modernise and consolidate the network.
- Provide best in class customer service.
- Develop financial Services.
- Grow in existing businesses.
- Develop professional workforce

Chapter -4

GAINS MADE IN 11thPLAN

4.1 Department of Posts has initiated an end to end IT modernization project **INDIA POST 2012** in the 11th Plan. The benefits and impact of this IT project will flow into all 12th Plan schemes and activities and the next five year Plan period will be extensively a period for consolidation and continued implementation and monitoring of the IT project.

4.2 The aim of the Department is in tune with the policies of the Government of India to improve the quality of life in rural areas by providing the benefits of technology to rural areas at par with urban areas and to make postal facilities more accessible to the rural areas.

4.3 Computerization of post offices was initiated in a limited way in the 8th Plan. This was continued in the 9th Plan and in the 10th Plan Induction of Technology was scaled up and introduced in a big way. The 10th Plan activities included supply of hardware, networking of the computerized post offices, administrative offices and postal accounts office. During the 11th Plan, the momentum of computerizing the post offices, administrative offices and accounts offices was continued by completing the supply of hardware to Departmental post offices. This prepared the computerized offices to be in readiness for implementation of integrated software. The Department has made major strides in the last few years computerising 19783 post offices including the rural areas and 1518 Post Offices modernised under Project Arrow. The strong IT base has enabled Department of Posts to provide several value added services besides providing the platform for anywhere anytime banking.

4.4 Mail Business Centres (MBCs) and Mail Network Optimization have been conceptualised by Department of Posts as key components of the strategy, which seeks to change the way mail management has been traditionally approached. In the new context of expanding Courier, Express and Parcel market in India, Mail Business Centres were implemented in the 11th Plan as frontline business wing of Department of Posts offering one stop solution for varied mailing needs of the customers. Mail Business Centres with state of the

art technology and modern mailing tools were designed as an integrated mail business hub undertaking the task of collection, processing and delivery of bulk mail, computerisation and improved technology which help in rationalisation of Mail Offices and consolidation of back office operations in Administrative Offices.

4.5 For transforming Postal Life Insurance into a commercial business entity making its own investment decisions, the Government has opted to invest Postal Life Insurance and Rural Postal Life insurance funds in Central Government securities, infrastructural bonds and other approved securities as per IRDA norms which were hitherto being deposited with the Ministry of Finance under special deposit scheme. Software modules for reporting daily net accretions of POLIF and RPOLIF by Head Post Offices has been developed and operationalised w.e.f. November, 2009, facilitating investment of daily net collection in the financial market.

4.6 Hardware and peripherals for complete computerization of Postal Life Insurance/Rural Postal Life Insurance operations have been procured for 452 Divisions, 23 Circles and 36 Regions thus reducing manual operations to a bare minimum and improving exponentially customer service. The campaign for Micro insurance Rural Postal Life Insurance policy launched in November 2009 culminated in coverage of more than 3.5 million lives during 2009-10 and thereby adding to the financial inclusion of the rural poor and the financially disadvantaged.

4.7 Department with its physical access of network of around 1.5 lakh post offices is well situated to play a critical role in opening of savings accounts both in urban and rural areas for the financially excluded. The number of accounts has grown at a Cumulative Average Growth Rate (CAGR) of **7.98 %** from 2007-08 to 2010-11. Department of Posts is in the process of putting in place core banking infrastructure. Automatic Teller Machine network of the post office is proposed to be expanded to semi urban and block level post offices. Mobile based remittance services are also proposed in order to exploit the penetration of mobile phones all over the country. The implementation and monitoring of CBS (Core Banking Solutions) too will flow into the 12th Plan.

4.8 With a view to reach the mass markets and to connect the unconnected, Speed Post was expanded to cover more than 1200 towns. Introduction of 'One India One Rate' scheme of Department of Posts has ushered in a new era, providing affordability to the common man, with a standard rate across India for small consignments.

4.9 The Department of Posts is a parcel service provider with reach across India, linking every village and town. The registered and standard parcel services are available at all the post offices across the country. At the same time, Express Parcel Post a premium service with time bound delivery is available at more than 1300 towns across the country. Department has introduced Flat Rate Boxes in the weight category of 1,2.5 and 5 kg for booking of international parcels which is proving to be very popular to customers who intend to send parcels to their near and dear ones abroad besides foreign travellers visiting India.

4.10 A major step towards total transformation of Department of Posts was the introduction of 'Project Arrow' scheme in April 2008 with twin objectives of improving the core operational areas viz Mail delivery, Remittance services, Savings Bank operations and Customer Services and standardisation of "look and feel" of Post Offices. The project aims at creating a conducive and friendly work environment both for the staff and the customers.

Number of Post offices monitored under Project Arrow for "Core Operations" as on 5th August, 2011

| | | |
|---------------------------|---|--------|
| In Phase I to IV | = | 1,724 |
| In Phase V (proposed) | = | 8,735 |
| Total No. of Post Offices | = | 10,459 |

Project Arrow won the Prime Minister's Award for Excellence in Public Administration for the year 2008-2009.

Chapter 5

Potential Forces impacting on Department of Posts

A Roadmap for the 12th Five Year Plan will have to take into its stride the challenges which lie ahead for the Department of Posts in the rapidly transforming communications and financial services sectors and emerging socio-economic trends within the country and globally.

5.1 Globalization - :

A high rate of economic growth opens up opportunities for expansion and participation in new economic activities. With growth of business transactions into and from India, the role of multinational firms as competitors to Department of Posts poses a major challenge. It also opens up Department of Posts' formerly protected internal market to competition from multi-national providers with international brand images, deep pockets and experience in modern and technologically driven methods of doing business.

5.2 Entry of the private sector –

With the entry of private sector in the traditional monopoly business of Department of Posts a level playing field needs to be established by legislative action. While multi-national providers are providing high priced and speedy service in mail delivery, the low priced services offered by domestic couriers are under cutting Department of Posts business. In this context legislative process will have to carefully ensure that its interests are not adversely affected while ensuring a fair set of rules and regulations for all providers.

5.3 Growth of telephony –

The growth and popularity of telephone – especially mobile telephone –services has affected the traditional letter mail business. On the other hand it has opened up opportunities for hybrid services and also provides infrastructure for modernising postal products services.

5.4 Focus on Inclusive growth –

The financial inclusion policy of the Government is pushing banks to devise new and cost effective ways of penetrating the hitherto excluded and rural population. Unless Department of Posts moves fast to occupy this space and offer its platform to the banking system at large, it may lose the opportunity of being the best agency for providing the platform.

5.5 Higher level of delivery standards –

The economy is now almost entirely commercialized and the need for cash, bank and insurance transactions is clearly manifest. The mobility of the Indian population both within and without the country has led to new and exacting demands on communication and financial services. The speed with which communications and other transactions need to be executed with high degree of reliability is now measured in real time. The requirement for such services and products with improved features of accessibility, transparency, reliability and speed are clearly apparent in the market place. In this context, Department of Posts has to enhance the quality – in speed and reliability - and offer the best value for its products and services.

5.6 Developments in other Postal Administrations –

A number of postal administrations have successfully modernized themselves. There is a risk of losing customers of the advanced countries to other service providers in the country, if expected levels of service are not maintained by Department of Posts. Its primary stakeholders are its customers, employees and the Government of India. Customers can exercise their choice as there are alternatives. Therefore retention of the existing customers is crucial as also attracting new customers. The employees are the Department's main strength. The employees have supported IT induction and the new initiatives and should be trained continuously to ensure that they form part of the transformation process of the organization. Government of India's legislative and financial support is crucial for the further strengthening of the Post Office. Government of India could also leverage the Postal network to extend its services to its target population for delivery of various social security schemes.

Problems faced in competing in the Market

5.7 Multiplicity of application software: - the multiplicity of application software makes it difficult for seamless integration of postal operations and therefore, the benefits to the customers get restricted. All Information & Communication Technology (ICT) based postal operations cannot be provided in post offices and thus the impact of computerization also gets limited in such a scenario. The only way out to cut costs, increase efficiency and provide state of art Information & Communication Technology (ICT) based services to common man is through seamless integration.

5.8 Co-existence of manual and computerized processes: - part computerization is always a handicap as it puts tremendous pressure on resources to maintain the dual system. Computerized services cannot be offered to members of public across the board if there is a wide gap between the areas covered under computerization and areas outside computerization. Total computerization of the physical network is therefore the only solution for bridging the gap between the two systems.

5.9 Existing processes not in tune with rising customer expectations: - the legacy processes need to be reviewed in the present scenario where customer expectations have become the supreme consideration for any organization. Department of Post need to urgently review these processes so as to align them with customer expectations and needs especially in the vast rural and remote areas of the country. To meet the new and emerging challenges and to make most of these opportunities, Department of Posts needs to restructure itself so as to put in place a mechanism which is fast in giving response, quick in adaptation and flexible in its business approach.

5.10 Training requirements in a large network and for a large workforce: - For the large network of Post Offices with a huge work force, upgradation of human resources becomes a vital issue for its transformation. Both soft and technical skills of the operator and supervisory staff need to be

upgraded. Keeping the vastness of the network in view, training and re-training at work place seems to be the only viable option.

5.11 Rationalisation of Network: - the impact of technology induction on a vast physical network can be effective only if accompanied by network rationalisation so as to ensure optimum utilisation of available resources. The benefits of computerisation and networking can be maximised only if back office operations i.e. sorting, accounting, personnel management, preparation of Monitoring Information System etc are centralised. Mail processing centres need to be rationalised and consolidated to ensure optimum utilisation of resources to take advantage of automation and dedicated transportation. Therefore a process of consolidation and merger of Mail Offices will have to be initiated so as to create a robust and strong network fully equipped with modern technology to increase the effectiveness of the network and deliver better services.

5.12 Enhanced productivity norms: - Enhanced productivity norms are to be adopted so as to ensure that resources are properly utilised. The state of the art network and easy to operate Information & Communication Technology (ICT) services will enable ease of operations leading to enhanced productivity.

5.13 Demand for greater accountability and transparency: Greater and more informed participation of all citizens in decision making, enforcing accountability, exercising their rights and entitlements demand that the post office in its effort to empower the common man through financial inclusion and efficient communication have to be swifter and better in customer grievance redressal, provide information when called upon to do so and render services with efficiency and transparency.

Chapter 6

12th FIVE YEAR PLAN- PROPOSALS AND DELIVERABLES

Introduction

Postal Operations (including Business Development), Mails, Financial Services and Insurance are the major functional components of Department of Posts which are supported by Induction Technology, Human Resource Development, Finance and Accounts, Materials Management, Estates, Quality Management and Customer Grievance Redressal etc. The proposals for 12th Plan broadly follow this classification and has introduced only one new component, Rural Business. Rural Business replaces the earlier Plan Scheme "Access to Postal Network" which had a narrower connotation and could not reflect the larger concerns and predominant role of Department of Posts in rural India. Postal Operations meaning services rendered across the Post Office counter such as sale of stamps, booking of registered articles, insured articles, value payable articles, remittance of money through money orders, booking of parcels and Savings Bank transactions has not been dealt with as a separate scheme since almost all initiatives be it in Mails, Financial Services, Induction Technology, Human Resource or Materials Management ultimately target improved customer service.

In this Chapter based on the recommendations and findings of the five sub groups sector wise (*details of subgroups and terms of reference for each sub group are annexed at the end of the report*), evaluation of existing plan schemes and road map for schemes and activities proposed to be taken up along with physical and financial deliverables have been detailed.

I. A. MAILS (including International Mails and Global Business)

Introduction:

As per Universal Postal Union report the top 20 Postal operators worldwide (all the Posts in Western Europe plus the US, Canada, Brazil, Australia, New Zealand, Japan and Singapore) generate up to 80% of global mail volumes (more than 350 billion pieces out of an estimated 438 billion worldwide), and 60% of global postal revenues (324 billion USD in 2008). The mail volumes generated in a country are directly proportional to the level of economic

development. As India progresses economically and a greater percentage of population enters into the economic mainstream (most notably financial and Information Technology inclusion) the mail volumes including business mail (e.g. financial statements), express mail, parcels etc are bound to increase. Before economic liberalization, Department of Posts enjoyed a virtual monopoly over the mails sector in the country. However, presently the postal market in India is generally un-regulated and private couriers have a significant market share in the Express mail category owing to their better services in limited and niche areas.

In the light of the anticipated increase in mail volumes, especially in Express, Business and Parcel sectors, the 12th Plan proposals for mail operations aim at ensuring readiness of the Department not only for the anticipated mail volumes but also to meet rising customer expectations and competition from electronic channels of communication and private couriers. The main focus shall be on the Express mail segment which is presently the most competitive as well as profitable sector world-wide as well as in India. This shall be achieved by leveraging the huge network of the Department and enhancing productivity through consolidation of mail offices, improving the quality and consistency of services, value addition wherever possible, diversification of services and infrastructure improvement.

i). Review and Evaluation of 11th Plan Schemes

In the 11th Plan, the Department of Posts initiated the Mails Business Project for Setting up of Mail Business Centres through optimization of the existing mail network; continued with the Automated Mail Processing Center (AMPC) project for setting up automated mail processing centers across the country; provided dedicated freighter aircraft for carriage of mail in North East as well as metro routes, initiated National Address Database Management project for building and managing the address database across the country along with postal Geographic Information System(GIS) mapping of the country; and upgradation of Mail Motor Vehicles for better monitoring of the movement of mail vans for their effective management and route optimization.

The following is the summary of each of these Plan Projects:

1. Setting up of Mail Business Centers:

The scheme seeks to optimize the existing mail network of Department of Posts with a view to streamline core mail operations. It also seeks to bring in greater standardization and improvement in the operational processes relating to mail processing, transmission and delivery. As part of the project, it is also a more effective performance management mechanism for mail operations has been introduced.

2) AMPC (Automatic Mail Processing Centres)-

The Automatic Mail Processing Centres project aims at setting up of Automated Mail Processing Centres as major hubs in the major cities across the country. The Automatic Mail Processing Centres project is therefore in consonance with the MBC project which aims at consolidation of mail offices and Speed Post hubs. The Automatic Mail Processing Centres have an average sorting ability of about 1 million per day with one Letter Sorting machine (LSM) and one Mixed Mail Sorter (MMS) and shall therefore result in major consolidation and streamlining of mail operations in a major city. Two Automatic Mail Processing Centres are being set up at Delhi and Kolkata and commissioning of one LSM and one MMS each at both these locations will be completed shortly. The Automatic Mail Processing Centres Project shall enable the Department to not only enhance its capacity for mail processing but also reduce the cost of operations besides achieving a significant improvement in the quality of sorting as well as retaining mail quality.

3) Mail Motor Service - Global Positioning System -

This project is aimed at installing Global Positioning System devices in all the Mail vans owned by the Department. The GPS devices shall enable the Department to not only optimize the routes of the Mail Motor Service schedules but to also monitor the movement of mail vans for their optimum utilization and reduce the response time in case of break-downs. GPS devices have already been installed in 100 mail vans mainly in the North East Circle. As the Department gradually shifts to road transport for short haul, the devices shall facilitate effective fleet management and send pre-alerts to the mail offices about the anticipated time of arrival of mail vans so that their man-power and

sorting planning can be synchronized with mail transmission. The proposal for providing devices in 990 Mail vans is currently under process.

4) National Address Database Management System -

This project aims at creating an effective address database for the entire country in order to improve the quality of mail delivery, create a basis for new mail products such as addressed Direct Mail, improve the output of Optical Character Recognition (OCR) based Sorting Machines that read the address written on the mail pieces and sort them with reference to the address directory and provide the citizens with an online tool for pin code and address search. This project was initiated in the year 2009 and NIC has submitted an application tool for address management and also developed postal GIS maps for Delhi and Kolkata. The address directories for NCR and Kolkata, Howrah, Hoogly and 24 Parganas (North and South) has already been developed and for all the Postal Circle headquarters is under progress.

5). Wet Lease of Freighter Aircraft for Carriage of Mail in North East and Metro Routes:

In August 2007, Department of Posts introduced its first dedicated freighter aircraft for exclusive carriage of mail, parcel and logistics in the North East. Lack of a reliable mode of mail transmission in the difficult terrains of this region had always remained a major handicap for Department of Posts in fulfilling its universal social obligations with respect to mail transmission and delivery. The North East freighter operated on Kolkata-Guwahati-Imphal-Agartala-Kolkata route on a regular basis. It had given a major fillip to the economic and commercial activities in the region by proving a fast and reliable channel of transmission. Later, the Department also extended the freighter network to the metro routes through a hub and spoke model. Subsequently, lack of reliability in freighter operations on part of Air India led to discontinuation of the metro network. The North East freighter was discontinued with effect from 21st April 2011 in the wake of notice for termination served by Air India.

ii). Road Map for 12th Plan:

1. Mail Network Optimization Project:

It is proposed to continue the plan scheme on "Setting up of Mail Business Centres" initiated in the 11th Plan, and rename it as "Mail Network Optimization Project".

Objectives:

The project seeks to improve the quality of mail operations with the emphasis on the following key operational areas:

- i) Optimization and consolidation of mail operation network across the country
- ii) Standardization of processes followed in mail operations
- iii) Identification, evaluation and implementation of appropriate technology in mail processes
- iii) Optimization of mail delivery processes
- iv) Effective performance management mechanism

Coverage:

The project would cover Speed Post, International Mail, First class mail and second class mail. In the first phase, Speed Post and International mail have been covered and in subsequent phases, first and second class mail operations would also be covered. The project was initially launched in the eight cities i.e., Delhi, Mumbai, Kolkata, Chennai, Bangalore, Hyderabad, Noida and Gurgaon. In the second phase, five more cities i.e., Pune, Mysore, Bhopal, Trivandrum and Howrah were covered. In the third phase, six cities, i.e., Kochi, Ahmedabad, Nagpur, Patna, Chandigarh and Lucknow were covered. Gradually, the scope of the project would be extended to the entire country.

Achievements in Speed Post under Mails Network Optimization Project:

- Reduced transit time and improved delivery performance for Speed Post articles between cities.
- Improved visibility for Speed Post articles on the tracking system of Department of Posts website
- Standardized processes at Speed Post operations have led to streamlined operations, better monitoring and enhanced productivity

- Introduction of new tools and equipment in operations have led to better working conditions for the employees
- The online Key Performance Index tool has provided an effective mechanism for performance measurement for the management at different levels

Reason for Continuation in 12th Plan:

The project was started in March 2010. Mail products and various networks are being covered in a phased manner. Hence, the implementation of the project would require to be continued during the next plan. During the 12th plan, the project would be implemented across the country. Quality measurement system for ordinary and second class mail will be developed, and an audit would be done through an independent agency. The network for first and second class would be optimized and standardized processes would be rolled out to all mail offices in the country. The mail offices would be equipped with tools and equipment. Mail delivery processes at delivery processes at delivery post offices would also be streamlined.

In order to achieve consolidation of mail offices and introduce mechanization of mail operations, the foremost requirement is of large mail office buildings that can house all the mail offices of a particular city with adequate space and design for introducing mechanization in loading-unloading of mail pallets/roller containers/trays, use of forklifts for movement of mail within the mail center, use of electronic sorting cases with programmable dynamic Liquid Crystal Display display and use of conveyor belts to reduce manual mail movement. In order enhance the quality of mail transmission, it is proposed to gradually shift from the use of mail bags (that lead to crumbled mail that becomes unfit for machine sorting) to plastics postal trays. The estimated cost of purchasing one million trays over a period of 5 years (to gradually phase out mail bags) would be Rs 100 crores.

2. AMPC (Automatic Mail Processing Centre) -

It is proposed to continue the AMPC project for Mumbai, Chennai, Hyderabad and Bangalore, as part of the 11th Plan into the 12th plan. In addition, it is proposed to set up Automatic Mail Processing Centres at Ahmedabad, Jaipur,

Kochi, Patna, Lucknow, Bhubaneshwar, Ludhiana and Vashi (Navi Mumbai) containing 2 medium configuration Mixed Mail Sorting (MMS) machines each. The total cost of setting up Automatic Mail Processing Centres in these 12 locations shall be Rs 426 crores, that includes the cost of the machines as well as the cost of integrated mail processing buildings.

Objectives:

The scheme involves the purchase and installation of one Letter Sorting machine at Mumbai and Chennai, one Mixed mail Sorter at Mumbai and Chennai and 2 medium Mixed mail Sorters each at Hyderabad, Bangalore, Ahmedabad, Jaipur, Kochi, Patna, Lucknow, Bhubaneshwar, Ludhiana and Vashi (Navi Mumbai). The Expenditure Finance Committee has already approved an expenditure of Rs 145 crores for Mumbai, Chennai, Hyderabad and Bangalore (including Rs 24 crores for the installation of one Mixed Mail Sorter in Kolkata which has already been ordered and shall be installed towards the end of the current financial year). The Automatic Mail Processing Centres building for Mumbai shall be constructed by MIAL (Mumbai International Airport Pvt Ltd) and for the remaining three cities the building shall have to be constructed by the Department. In the 12th Plan, the Department proposes to undertake the construction of integrated mail facilities at Bangalore, Chennai, Hyderabad, Ahmedabad, Jaipur, Kochi, Patna, Lucknow, Bhubaneshwar, Ludhiana and Vashi (Navi Mumbai) for installing the sorting machines and consolidating all the mail offices of these cities under one roof. The estimated cost of these buildings of about 12000-14000 sqmts of built-up area in Chennai, Hyderabad and Bangalore shall be about Rs 20 crores each viz Rs 60 crores and Rs 10 crores each for buildings of built up area 6000-8000 sqmts at the remaining 8 sites, viz Rs 80 crores in total. The cost of the purchase of 16 medium capacity Mixed Mail Sorters for the 8 cities shall be Rs. 160 crores approximately.

Advantages:

The setting up of Automatic Mail Processing Centres at these 12 locations in integrated mail facilities shall enable the Department to modernize its mail operations in the major cities, enhance the mail handling capacity, reduce the cost of operations and improve the quality of services. The total Plan outlay for setting up of Automatic Mail Processing Centres at Mumbai, Chennai,

Hyderabad, Bangalore, Ahmedabad, Jaipur, Kochi, Patna, Lucknow, Bhubaneswar, Ludhiana and Vashi (Navi Mumbai) along with the construction of buildings at 11 locations is Rs 426 crores.

3. National Address Database Management Project-

The total cost of developing GIS maps for the entire country is Rs 5 crores and for developing the address database for 300 million households of the country shall be Rs 10 crores for the incentive scheme for the Department staff who shall collect and do data entry for the addresses data.

Objective:

The address database and postal Geographic Information System mapping for the entire country shall not only be beneficial for the citizens but also to the internal working of the Department. A good quality address database is a pre-condition for setting up of state-of-the-art Optical Character Recognition (OCR) based Mail Sorting Machines (as are being commissioned in Delhi and Kolkata) and a ready address database for the entire country shall enable the Department to roll out Automatic Mail Processing Centres in more number of cities within a short span of time. The address database facility available on the Department's website shall help the citizens and corporate sending bulk mail to improve the quality of their addressing on mail items. Similarly, a dynamic address database shall enable the Department to roll out automatic re-direction services through the use of sorting machines as is done in developed countries. A comprehensive address database shall also enable the Department to offer addressed direct mail as well as e-commerce services.

The total Plan outlay for covering the entire country under the national Address Database Management project in the 12th plan is Rs 15 crores.

4. Procurement of new sealing device for use in Mail offices/Post offices.

Objective:

To ensure secure transmission of mail it is proposed to replace the existing bag sealing system being used in the Mail/Post offices by introducing single use self locking plastic seals and tag labels to improve environmental situation. Presently bags are sealed by melting wax through wax heater or with candle flame

emitting poisonous gas / fumes harmful to human health. Also this is a time consuming process. The department is handling approx. 1 lakh mail bags daily all over the country to dispatch public mails, parcels etc. The plastic sealing device is only the alternative for faster way of closing of public mail bags.

A new Plan activity Plastic sealing device under Mail operation scheme is proposed in 12th five year plan. The total Plan outlay for this Plan activity during 2012-2017 is Rs.100 crores.

5. Development of Road Transport Network

Objective:

It is proposed to replace rail based transport on short hauls. The Department is incurring heavy expenditure on account of payment of haulage charges to Railways for conveyance of mails and become uneconomical as Railways charges passenger displacement fares for Railway Mail Service wagons instead of freight charges. Railways are also not able to provide adequate capacity of wagons. This results in abnormal delay in transmission of mails and adverse public reaction. The bulk mail and parcel traffic volume is also high. Handling of parcels at railway stations is operationally becoming difficult due to increasing number of terminals & platforms at major locations, which require mail haulage facility to be provided at more number of terminals. This is costly and affects operations.

Due to lack of control over the intercity transmission of mail arising out of dependence on other agencies, the department is not able to provide reliable time bound services to its bulk customers. The dynamics of new type of mail flow make it imperative for the department to rethink its operational strategy in mail processing and transmission to strengthen its operational capacity in shortest time.

It is proposed to replace rail based transport on short hauls with road transport network by outsourced vehicles wherever feasible or departmental vehicles. The total Plan outlay for this Plan activity during 12th Five Year Plan is Rs.50 crores.

6. Upgradation of Mail Motor Service vehicles and containerized transportation of mail

Objective:

Department of Post is going through a transformation process to modernize itself. Collection, processing, transmission and delivery of mail are the core activities of the Department. Mail is collected from 579595 letter boxes in the country. This is processed by a network of 389 mail offices, and conveyed by road, rail and airlines all over the country. The Department has undertaken a project to set up Automated Mail Processing Centres in Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad for which Mail Motor Service vehicles at these locations are required to be redesigned for secure handling and streamlined transmission of mails by providing hydraulic mechanism for closing and opening of rear door of the mail compartment. This will ease loading and unloading of mail trays and trolleys. Presently the mail bags are individually loaded-unloaded into the mail vans; this leads to a very high mail van turnover time in a mail office/post office thereby reducing the manpower productivity and mail office output leading to an enhanced overall cost of operations. It is therefore imperative that the roller containers should be introduced for transportation of mail trays/bags in the mail vans. The trays/bags shall be filled in the roller container (which can also be sealed/locked to avoid pilferage) and the roller container shall be pushed into/out of the mail van thereby reducing the time of loading/unloading the mail van from the present 15-20 minutes to less than 3 minutes. In order to achieve this the design of the mail van body needs alteration as because of the tyre-cover the floor of the van container is not smooth and is unfit for loading roller containers.

It is proposed to upgrade Mail Motor Service vehicles and containerized transportation of mail during 12th Five Year Plan. The total Plan outlay for this Plan activity during 2012-2017 is 10 crore.

7. Providing vehicles for bulk and speed post mail delivery and collection.

Objective:

To mechanize the collection and delivery of bulk and speed post mail, movement of heavy vehicles is banned in the cities/ town due to traffic congestion during office hours. Delivery and collection of bulk mail from the customer premises and various offices suffer badly due to non-availability of smaller capacity vehicles. For enhanced efficiency of delivery of bulk and speed post mail, mechanized means of transport, i.e. one-tonner four-wheelers are proposed to be utilized in cities and towns. Since the mail volumes in the Department of Posts has been going down, an effort is now on to take a multi pronged action to revive the bulk mail business. One of the main activities in this regard is ensuring reliability in mail services. The provision of these vehicles would benefit in terms of bringing bulk mail and increase in revenue.

It is proposed to procure 4-wheeler vehicles (one tonner) for Mechanization of Business Mail and Speed Post, delivery and collection at Mail Hubs / Post Offices during 12th Five Year Plan. The vehicles are to be operated by outsourced drivers. The total Plan outlay for this Plan activity during 2012-2017 is Rs. 8 crores.

8. Providing bicycles to postmen for delivery of mail

Objective:

To help postmen carry mail of various sizes in their beats. The Department intends to provide bicycles to Postmen all over the country during 12th Plan period to help postmen in carrying mail of various sizes in their beats and for faster delivery of mail. The total Plan outlay for this Plan activity during 2012-2017 is Rs.7.20 crores.

Proposed total Plan outlay for the Mails Business Division- Rs. 716.20 crores

The details of the funds proposed for 12th plan year wise

Financial:

(in crores)

| SI No | Name of the Activity | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total |
|--------------|---|----------------|----------------|----------------|----------------|----------------|---------------|
| 1 | Mail Network Optimization | 40.00 | 30.00 | 20.00 | 5.00 | 5.00 | 100.00 |
| 2 | Setting up of AMPCs | 35.00 | 126.00 | 105.00 | 100.00 | 60.00 | 426.00 |
| 3 | National Address Database Management Project | 3.00 | 5.00 | 5.00 | 2.00 | - | 15.00 |
| 4 | Procurement of new sealing device for use in Mail offices/Post offices | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 100.00 |
| 5 | Development of Road Transport Network | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 50.00 |
| 6 | Upgradation of MMS vehicles and containerized transportation of mail | 1.25 | 2.50 | 2.50 | 2.50 | 1.25 | 10.00 |
| 7 | Providing vehicles for bulk and speed post mail delivery and collection | 2.00 | 2.00 | 2.00 | 2.00 | - | 8.00 |
| 8 | Providing bicycles to postmen for delivery of mail | 1.20 | 3.60 | 1.20 | 1.20 | - | 7.20 |
| | Total | 112.45 | 199.10 | 165.7 | 142.7 | 96.25 | 716.20 |

Physical

| SI No | Name of the Activity | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total |
|--------------|---|----------------|---------------------------|------------------------|---------------------------|------------------------------|---|
| 1 | Mail Network Optimization | 322 | 200 | 112 | 20 | 302 | 956 |
| 2 | Setting up of AMPCs | 3 (site prep.) | 04 cities (AMPC install.) | 08 cities (site prep.) | 08 Cities (AMPC install.) | 08 (complete install - ation | 12 cities (construction of bldg & install. Of Machines) |
| 3 | National Address Database Management Project | 22 | 22 | 22 | 22 | - | 22 |
| 4 | Procurement of new sealing device for use in Mail offices/Post offices | 22 circles | 22 circles | 22 circles | 22 circles | 22 circles | 22 |
| 5 | Development of Road Transport Network | 22 circles | 22 circles | 22 circles | 22 circles | 22 circles | 22 |
| 6 | Upgradation of MMS vehicles and containerized transportation of mail | 50 | 100 | 100 | 100 | 50 | 400 |
| 7 | Providing vehicles for bulk and speed post mail delivery and collection | 50 | 50 | 50 | 50 | - | 200 |
| 8 | Providing bicycles to postmen for delivery of mail. | 5000 | 15000 | 5000 | 5000 | -- | 30000 |

B. International Mails, Global Business & e-Commerce

1. Quality improvement programme for Express Mail Service (International)

1. Introduction

1.1. EMS is a postal Express Mail Service for documents and merchandise which is offered by Members of the Universal Postal Union which shall, wherever possible, be the quickest postal service by physical means. Having been positioned as a premium offering it has the capacity to provide high revenue returns.

1.2. International Express Mail Service has two segments - inward and outward. Outward Express Mail Service like any other international postal service provided by the Department of Posts, is booked in post offices in India and delivered in foreign countries by partner operators. Inward Express Mail Service is a separate revenue stream wherein the Department of Posts, for a charge delivers Express Mail Service items booked in foreign countries to addressees in India. Quality of service has a direct correlation to the growth of inward and outward traffic. Between 2008-2010, International Speed Post Volumes have grown by 15% while inward Express Mail Service has reduced by about 15%. The reason is that the quality of service, especially the delivery performance and availability of electronic track and trace for outward Express Mail Service has improved considerably since most of our foreign partners are modern postal operators like the USPS, Japan Post, Korea Post and Canada Post. Each of these operators have advanced monitoring tools, trained human resources and mechanized delivery capabilities allowing them to offer high quality services. Inward Express Mail Service on the other hand has seen a drop due to alternative delivery providers who operate in the Indian market and provide delivery services similar to those available in the countries mentioned above. Services offered by the alternative service providers in the Indian market are often cheaper than Department of Posts, since they hire delivery boys at exploitatively low wages.

1.3. The present proposal is for a comprehensive overhaul of Express Mail Service quality of service which would facilitate the emergence of Express Mail

Service offered by Department of Posts as a leading international brand, both in India and abroad.

2. Objectives

Processes and tools that generate significant volumes, improve Express Mail Service collection, network and delivery pipeline and lead to efficiencies in services conduction need to be adopted. Business process enhancements that improve the ease of doing business need to be reinforced. Focus will be placed on processes that lead to reduced operating expenses and improved customer services.

1. Steps

- (i) Reviewing the processes of production, delivery of products and services, customs clearance, transportation, quality of service and customer satisfaction. Based on the review, performance parameters will be put in place.
- (ii) Evolving a monitoring and correction system, in the form of a Quality control Cell.
- (iii) Reinforcing, improving and facilitating necessary services to citizens and Small and Medium Enterprises in rural areas, so as to bridge the gap in quality of service between the big cities and smaller centres.
- (iv) Structure and processes for enhancing stakeholders' efforts and involvement in the development of Express Mail Service
- (v) Securing the latest technologies and facilitating their use in improving Express Mail Service for the various sectors of society/ market segments.
- (vi) Building the culture of customer satisfaction and improving customer awareness about the benefits of Express Mail Service to both public and private sectors and among institutions and individuals.
- (vii) Exploring major successes, challenges, limitations and opportunities facing the process of developing Express Mail Service through e-commerce.
- (viii) Collaboration with leading experts, professionals, groups like the Kahala Post Group and stakeholders to explore and share their knowledge and expertise related to Express Mail Service, contributing to the future development of the international postal express market in India.

2. Split up of Activity and Cost:-

| Sl No. | Activity | Cost (Rupees in crore) | Remarks |
|--------|---|------------------------------|---|
| 1. | Development of monitoring tool (software development) | 0.5 | Help in data capturing, analysis, intervention. |
| 2. | Setting up a Quality Monitoring and Control Cell | 1.5 | Will be the nerve center of the activity. Engaged in continuous monitoring and necessary interventions. Will also perform secretariat functions for project implementation. |
| 3. | Procurement and installation of hardware | 2.0 | Procurement of services for IPS, data analysis tools, networking etc. |
| 4. | Modernization of offices of exchange | 2.0 | Business Process Re-engineering of OEs, procurement of office equipment etc. |
| 5. | Training | 5.0 | Training of staff from Postal Directorate, PTC, Mysore, Office of Exchange to match international quality standards and introduced specialization. |
| 6. | Product Development and positioning | 2.5 | Develop and introduce stands packaging for international speed post, standard documentation etc. |
| 7. | Introduction of Hand Held Devices for delivery staff of major centers | 2.5 | Introduce hand held devices for delivery staff allowing Proof of delivery staff to be captured electronically and automated |

| | | | |
|----|--|-----|--|
| | | | transmission to the central server. |
| 8. | Marketing and Promotion of international Express Mail Service (inward and outward) | 4.0 | Promotion of Department of Posts Express Mail Service delivery service abroad and international speed post as an export channel for Small and Medium Enterprise. |
| | Total | 20 | |

2. Development of e-Commerce Project

2.1 The share of e-Commerce in worldwide commerce is estimated to reach 13.8% by 2013. The annual growth rate of e-Commerce is 37% for Asia and 30% (approx) for India. Further, India is the fourth largest internet user country in the world, the number of users being placed between 8 to 10 crores according to different estimates. The current e-Commerce market potential is estimated to be about Rs.67,000 crores. With internet access in the country growing at 20% per annum, e-Commerce appears set to become the dominant segment of trade and commerce in the not-so-distant future.

2.2 Postal Operators the world over are playing an important role in the development of e-Commerce. The notable success stories are Singapore Post, Hong Kong Post, Korea Post and Japan Post. Fulfillment of orders placed online requires a trusted mail/parcel network with wide coverage and affordable rates. The Post, most often, emerges as the first choice. But the role of Postal organizations in e-Commerce, increasingly, goes beyond that of being a fulfillment agent. They have emerged as full-fledged e Commerce service providers in many countries, offering end-to-end solutions starting from trendy portals that sell a variety of products, and ending with the delivery of products at the buyer's doorstep. Apart from leveraging the core competency in the area of parcel delivery, Posts have also been able to use their trusted brand name, their nation-wide networks and the pool of organized man power to good effect in marking successful forays into e-Commerce.

2.3 With its network of 1.5 lakhs post offices and proven capabilities in mail and financial services, Department of Posts is ideally poised to establish a strong presence in the e-Commerce sector in India. A pilot project was launched in March, 2011 under the brand ePost Office. This project will provide valuable learning in the operational, financial and management aspects of e-Commerce. Simultaneously, Department of Posts is also developing its full-fledged e-Commerce IT platform under the Technology transformation Project.

2.4 Set against the above backdrop, the following proposals for the setting up of a comprehensive e-Commerce business structure for Department of Posts, leveraging its network, infrastructure, capabilities and manpower in the 12th Plan are detailed below:

Objectives

To set up and develop a business structure for: -

- (i) Selling postal and postal financial products online.
- (ii) Selling non postal products, particularly village industries and Small and Medium Enterprise.products, online.
- (iii) Providing fulfillment support to e-Commerce service, through tailor-made mail/parcel/express solutions.
- (iv) Promoting international trade through the e-Commerce portal, with particular focus on products of village industries and Small and Medium Enterprise.

3. The Road Map

3.1 The current pilot project is providing Department of Posts valuable experience in the operational, management and financial aspects of e-Commerce. Further development will be in a phased manner, carefully drawn up in alignment with the broader transformation agenda. There will be learning from each phase, and the induction of technology-based operations will lead to process improvements and customer satisfaction.

3.2. In the first phase, the entire postal products will be made available to customers online. This will include mail/express/parcel service, banking and insurance products, other financial products like Money Order and Cash on

Delivery and retail products. An adequate back office structure will be created to manage the operations and accounting, and a front office structure for marketing and sales. There will also be a unit to manage the content of the portal and the web-experience.

3.3. In the final phase, the e-Commerce business of Department of Posts will evolve into a best-in-class portal with e-market place functionality. It will be an online market place selling a variety of non-postal products, in addition to a comprehensive range of postal products. The portal will be built on a comprehensive and scalable platform with an e-Commerce engine at the centre. It will support multi-partner commerce. There will be integration with all internal streams of Department of Posts, particularly the parcel-express-logistics solutions, for providing fulfillment services. There will also be focus on international solutions with new developments in the segments of returns management and import services.

3.4. The e-market place will consist of e-shops set up by suppliers chosen through a comprehensive selection process, involving quality testing. Village industries and Small and Medium Enterprise will be encouraged to set up shop on the portal. There will also be an educational/promotional programme for this purpose, where the focus would be the opportunities for doing international business through the Department of Posts e-Commerce platform. Support structures for packaging and dispatch for parcels, customs documentation and customs clearance will be set up. Tie-ups with one or more e-commerce majors would be put in place, which would help Department of Posts to manage the portal on a day-to-day basis, and to market the same.

4. Break-up of activities and costs: -

| Sl.No | Activity | Cost (Rs. Crores) |
|-------|---|-------------------|
| (i) | Ties-up with e-commerce major (fees/royalty) | 5 |
| (ii) | Setting up and managing the portal (content and web experience) | 5 |
| (iii) | Setting up and managing the sales & marketing | 10 |

| | | |
|-------|---|----|
| | office (including expenditure on marketing) | |
| (iv) | Registration and testing centers | 8 |
| (v) | Back Office | 5 |
| (vi) | eCommerce Business Centres | 7 |
| (vii) | Educational/capability building campaigns | 10 |
| | Total | 50 |

4. Creation of a Centre of Excellence for International Cooperation

1. Background

It is proposed to set up a Centre of Excellence for promoting cooperation between Department of Posts and other designated postal operators of the world, with focus on evolving modern postal operations and practices through experience sharing. Acquiring capabilities for international postal consultancy would be a focus area of the proposed centre of excellence.

Review of Department of Posts' recent initiatives in International Cooperation:-

- **South Asian Postal Union Trainers' Meet:-**

The First Asian Postal Union Business Meet was held at New Delhi in February, 2011 which resulted in an Action Plan on several important aspects including on Training. It was decided at the meeting that a Trainers' Meet would be hosted by Department of Posts and this Meet would identify issues on training which is of common interest to the region. Important action points pertaining to training were also identified. This will be a landmark in the South Asian Association for Regional Cooperation region on postal matters and has the potential to integrate the postal operations of the region, with ensuing benefits to all the designated postal operators.

- **India Africa Summit Cooperation:-**

The Prime Minister of India in the Africa India Summit held at Ethiopia in May, 2011 announced the Indian contribution for the development of African continent with the objectives of improving the capabilities/infrastructure and imparting skill to Africa. The plan, which has the approval of the Union Cabinet, incorporates a Postal component submitted by Department of Posts. The Postal

component is entirely handed over to Department of Posts and just for an year or so, an allotment of Rs.6.5 crores is available. Programmes have been projected for this allotment in the letters sent to Ministry of External Affairs. The approval of the Cabinet has also been communicated for these proposals.

o **PAN African Postal Union (PAPU) Cooperation:** -

Department of Posts has now commenced attending PAPU meetings and has repeatedly focused in offering its training facilities to PAPU countries. PAPU is now looking forward for continued support either through Indian Technical and Economic Cooperation (ITEC) funds or otherwise.

o **African Union initiatives:-**

Many of the African Union countries including South Africa which are not active members of PAPU have asked Department of Posts during the POC, 2011 session that Department of Posts should also look to non PAPU countries of Africa to offer training initiatives.

o **Training Cooperation request from Tanzania, Kenya and Nigeria:-**

We have received specific training requests from Tanzania, Kenya and Nigeria. These countries have stated that they may not require any funding from Government of India but would be able to pay for the training facilities provided to them. These requests indicate the potential for taking up international Human Resource Development activities on commercial lines, and are required to be pursued. There is scope for developing and running such courses for postal and other network industries. These Human Resource initiatives can also open up new synergies with other operators, and hence new business avenues.

o **India Bhutan Training Facilities:-**

- (i) India had extended Bhutan training facilities under the Advanced Development Programme to its Deputy CEO. The funding for this programme was obtained from Ministry of External Affairs. After very active persuasion, Ministry of External Affairs was convinced to provide funding. This has been successfully done.
- (ii) Department of Posts had also assured Bhutan Post that the training requirements would be identified and may consider offering advice on setting up

of work place computer training centres and also enhance the participation of Bhutan Post personnel in Department of Posts training centres.

Keeping in view the importance of Bhutan Post to Department of Posts, it is essential to pursue the programmes listed above.

o **Department of Posts Sri Lanka Cooperation:-**

The Universal Postal Union(UPU) has been impressed repeatedly that Department of Posts training facilities could be used as a Regional Centre for its software applications. UPU was insisting on using only International Financial System training programmes but of late, UPU is convinced that Department of Posts could successfully impart training on International Postal Service, International Financial Service System, and Quality Control System Programmes besides programmes on themes such as Quality Service Fund etc. Most of these programmes will be funded by UPU. The region is likely to benefit if India takes the leadership.

Department of Posts has made notable strides, as listed above, in the area of International Cooperation in the last few years. These achievements came within the existing governance and Human Resource framework, without any dedicated infrastructure or subject-specific specialization. The proposed Centre of Excellence will catalyze these efforts, and take the results to the next level. It would also help, through the postal sector, to spread India's soft power and influence to a wide constituency. It would provide a major impetus to Department of Posts' international business. It would also add an avenue to Department of Posts for revenue generation from overseas.

The proposed Centre of Excellence could take over all deliberations with Member countries of UPU, PAFU, African Union and the Asia Pacific on matters cooperation in consultancy, Human Resource and allied areas, and process cases for the administrative approvals. The Centre can formulate long-term, medium term and short-term plans, and take other initiatives required for the active realization of the initiatives. Today, Department of Posts is at a stage where the active realization of the initiatives listed above are required to be implemented. The projects listed above including the India Africa Summit proposals call for a

dedicated and professional set up to pursue them, with appropriate infrastructure, skills and capabilities. Since Department of Posts' pioneering efforts in this area has already won the appreciation of the international postal community and the Government of India, the opportunity created needs to be capitalized upon. It will be advisable, therefore, to set up an International Cooperation Centre. The said Centre would not only pursue the implementation of these projects, but also envision, plan and implement such projects in future. It would emerge as Centre of Excellence in postal industry practices for Africa and Asia Pacific besides (possibly) emerging as a UPU Regional Centre. It can also contribute substantially to Department of Posts' revenue through international postal consultancy projects.

The proposed Centre would acquire strong domain knowledge for postal consultancy for African countries and Least Developed Countries. It would be geared up for providing on site training programme for African Region.

Way Forward

- (i) The proposed Centre can initially be set up as a separate unit in the Postal Staff College of India campus at Ghaziabad. Its permanent campus can be set up in an appropriate location (eg:- Bangalore) on an existing property of the Department of Posts.
- (ii) A world class physical infrastructure can be set up through PPP model, keeping Department of Posts' investment to the bare minimum.
- (iii) A team of Consultancy and Human Resource professionals need to be put together. Department of Posts' own professionals with experience in Human Resource , Project Management and Operations will form the core of this team. Other professionals will be inducted on contract basis.
- (v) The Centre will undertake its own promotional and networking exercises, so that there is no gestation time for it commence operations.

The financial requirements would be as follows:-

| | | | |
|-------|-------------------------|---|--------------|
| (i) | Physical infrastructure | : | Rs.6 crores |
| (ii) | Personnel and Services | : | Rs.2 crores |
| (iii) | Promotional exercises | : | Rs. 2 crores |

| | | |
|---------------------------------------|---|--------------|
| (iv) On site expenses for Consultancy | | |
| And Training | : | Rs.2 crores |
| | | ----- |
| | | Rs.12 crores |
| | | ----- |

5. Activity: Developing Outside Delivery Area (ODA)

1. Background

Outside Delivery Area (ODA) is a term used by the Courier Express Parcel (CEP) industry, indicating specified localities falling outside the area where any given Courier Express Parcel operator has its own delivery network. In a developing country like India, major Courier Express Parcel operators typically have delivery capabilities only in about 20-25 cities. Vast tracts that are outside these cities are ODAs for these operators. They generally outsource the work of delivery in some of the cities and towns falling in ODAs to local operators. Large parts of the country are still left un-serviced, and these operators do not book/ Courier Express Parcel shipments sent to addressees residing in such locations. Department of Posts now proposes to revamp its mail/parcel delivery capabilities so that it can meet the requirements of major Courier Express and Parcel operators, and it can position itself as provider of ODA delivery services.

2. Operational implications

In the International mail-parcel-express segment, Department of Posts currently handles only those articles which originate from designated postal operators of the world. By taking up ODA delivery services, Department of Posts will open up its delivery network to private operators as well. This would be a progressive step, and in tune with the current spirit of public-private partnership.

3. Benefits to Department of Posts

ODA delivery service will prove to be beneficial to the Department in many ways:-

- (i) It will help to channelize incoming mail, parcel and express articles from foreign private operators to the Department of Posts channel. This mail volume is currently going to private couriers.
- (ii) The new flow of articles from abroad will intensify the throughput of the delivery channel, particularly in typical ODAs like the North East Region. This

would help to move towards fuller utilisation of the existing capacity of the postal network, and in the long term, towards increasing the profitability of the network.

(iii) From the strategy perspective, such a move would encourage private operators to subscribe to Department of Posts network in their respective ODAs, and discourage them from building their own alternate delivery arrangement in these areas. Thus the move can pre-empt the emergence of competition in many regions of the country.

(iv) It will also see the Department entrenching itself in the courier/express industry and garnering an automatic share of revenue as the industry grows and expands.

4. Additional capabilities

Department of Posts needs to upgrade its capabilities on a few specific operational areas, if it is to satisfy the Outside Delivery Area delivery needs of major Courier Express Parcel operators. These are: -

(i) Tracking of each shipment, and reporting of end-of-day position of each.

(ii) Equipment and IT support provided by Department of Posts to match the standard process flow of these operators. This is essential for seamless operation between the two organisations.

(iii) The 'exception' handling process, more specifically: -

- Information sharing – System to System
- Escalation matrix for customer service procedures.

(iv) Arrangements on handover/takeover locations and defining the formalities involved. There would be a need to re-label or re-envelope the articles before their injection into IP channel.

5. Steps

(i) It is proposed to develop ODA capabilities in four Circles, namely NE, Kerala, Punjab and Gujarat, during the current plan.

(ii) Points for receipt of articles from Courier Express Parcel operators to be specified. These could be one Mail Business Centre or Speed Post Centre in each Circle. Appropriate labelling, stamping or enveloping facilities will be required at the point of Courier Express Parcel to make it clear to Department of Posts personnel down the channel that these are postal articles. Once so Courier

Express Parcel, the articles will move through the existing channel under established procedures.

(iii) Since the articles originate abroad, the sender's address is likely to be of other countries. Hence it would be essential to provide a "Return Address" based in India where such articles, if returned, can be gathered and handed over to the postal operator.

(iv) The transmission and delivery network will need to be monitored closely. A voice support system (Call Centre) will be set up in each Circle to obtain end-of-the-day report.

(v) The launch of the service will be preceded by an appropriate internal campaign to educate the concerned personnel.

5. Break-up of activity and costs

| Sl No. | Activity | Number | Cost (Rupees in crore) | Remarks |
|--------|-------------------------------------|--------|------------------------|---|
| 1. | Setting up receiving points | 4 | 2 | (a) The receiving points will have the capability to scan the shipments, barcode them and to connect with Department of Posts track and trace System. (b) They will also undertake enveloping, bagging and other standard functions. |
| 2. | Voice Support System | 4 | 2 | This unit will support monitoring and control, and will be equipped with the required IT and data management tools. It will have access to the track and trace and other networks. |
| 3. | Supplementary delivery arrangements | | 4 | To enable the entire delivery network to be of high quality, supplementary arrangements (on contract basis) would be needed in some locations. |
| 4. | Supplementary transportation | | 4 | To ensure quality, supplementary transport arrangements (on contract basis) would be needed in some locations where gaps currently exist. |
| 5. | Marketing and Promotion | | 3 | Would involve meetings, visits and round tables. |
| | Total | | 15 | |

7. Activity: Social media marketing

1. Background

Public utilities are increasingly using the social media (Facebook, Twitter, blogs, mobile communication etc.) to reach out to the citizens. The use of social media by government agencies is called Gov 2.0. It has already been adopted by many government bodies in India, but more can be done to engage with the citizens and improve governance based on the vital inputs from social media. This is a proposal for systematically harnessing the possibilities of social media for Department of Posts to reach out to its customers, promote its products and gather customer feedback.

2. Government organisations and their activities on the social media:

Department of Posts, incidentally, was the first organisation of the Government of India to establish a presence on the social media, having taken to Twitter way back in 2009 for its interactions with users and citizens. We have been answering queries posted by users in relation to the service and how it can be used easily. Many complaints related to postal services have been solved through this platform. The Department of Posts Twitter page currently has about 7000 followers. The Twitter page has also been a useful platform to make product announcements and promote various products and services. Another social media venture has been the Department of Posts Blog, through which the Department hopes to engage the citizens and other stake holders in deeper discussions. Department of Posts also made efficient use of the social media for promotion of its world philatelic exhibition, INDIPEX 2011. Engagement with stamp collectors and school children through Twitter, website and mobile communication saw the exhibition being well received by the public and the media.

3. Objectives

Through this Plan activity, Department of Posts aims to take its social media initiatives to the next level, and to engage with its customers (i.e., the citizens of the country) at close proximity. Social media interfaces will be standardised and localised, so that customers can have a real and practical access to the Department of Posts network. It is proposed to develop social media capabilities as a cost effective mode to reach out to customers for product promotion and

publicity. The channel will also serve to process and redress grievances, and to improve quality of operations.

4. Steps

(i) Setting up a central social media unit (SMU) at the HQ and one unit each in all the 22 Postal Circles. Drawing up a Social Media Policy for Department of Posts.

(ii) Social media units will be manned by personnel with skills in social networking. They will have network access and also access to various information systems of Department of Posts.

(iii) The Central social media unit will be in charge of managing the corporate accounts of Department of Posts on Twitter, Facebook, You Tube and any other social media platform as may be required. It will manage the Department of Posts Blog as well.

(iv) The Circle social media units will establish and manage social media interfaces in accordance with the Department of Posts Social Media Policy. The focus of these units would be to disseminate local level information (going down to the individual post offices) and to collect local feedback.

6. Split-up of activity and costs

| Sl No | Activity | Details | Costs (Rs. Cr.) |
|-------|--|---|-----------------|
| 1. | Setting up the Central Social Media Unit | (i) Accommodation and physical infrastructure (ii) Personnel – hiring bloggers and social media personnel (iii) IT support – designing the interfaces, linkage to Department of Posts website and Circle social media units | 2 |
| 2. | Setting up 22 Circle social media units | - do - | 4.4 |
| 3. | Publicity and promotion | | 1.6 |
| | Total | | 8 |

Summary of proposed activities

| Sl No. | Name of the Activity | Objective | Physical Targets (5 years) | Financial Outlay (5 years) (Rs.Cr.) | Reason/ Outcome |
|--------|--|---|----------------------------|-------------------------------------|---|
| 1. | Development of eCommerce Project | Quality improvement programme for Express Mail Service (International) | One | 50 | Quality improvement programme for Express Mail Service (International) |
| 2. | Creation of a Centre of Excellence for International Cooperation | Creation of a world class facility for international postal cooperation in HR, consultancy etc. | One | 12 | A world-class facility, which will increase Department of Posts' influence and business opportunities. The facility will also bring in revenue. |
| 3. | Quality improvement programme of EMS (International) | Comprehensive up-gradation of quality of Express Mail Service international service | | 20 | The project will lead to an annual growth of 10% in Express Mail Service international revenue earnings. |
| 4. | Developing Outside Delivery Area (ODA) | To emerge as a provider of delivery service to private Courier Express Parcel operators. | Four Circles | 15 | This will create a new revenue stream for Department of Posts |

| | | | | | |
|----|------------------------|--|--|---------------|---|
| 5. | Social Media Marketing | To exploit the potential of the social media to reach out to customers, gather feedback and promote Department of Posts' products and services | One central Social Media Unit 22 Circles Social Media Unit | 8 | Advantage in product promotion, market research, grievance redressal etc. |
| | | Total | | 105.00 | |

II. FINANCIAL SERVICES (SAVINGS BANK AND REMITTANCES)

1. Introduction

The Post Office Savings Bank (POSB) is the oldest and largest banking institution in the country. The Post Office Savings Bank Scheme is an agency function performed by the Department of Posts on behalf of the Ministry of Finance, Government of India.

The primary objective of the small savings programme is to promote the habit of thrift and savings among citizens of the country. The emphasis, as the words "small savings" suggest, is to bring the small depositor into the fold of the savings movement. The Post Office Savings Bank has been the main vehicle for these plans across the length and breadth of India since its establishment 128 years ago.

As on 31.3.2011, Post Office Savings Bank (POSB) has a customer base of more than 23.75 crore account holders with outstanding balance of Rs. 6,19,611 crore. Savings Bank facilities are provided through a network of more than 1.5 lakh post offices. There are a number of small savings schemes provided by the Post Offices and these include Savings Account Scheme, Recurring Deposit Scheme, Time Deposit Scheme, Monthly Income Account Scheme, Public Provident Fund Scheme, Kisan Vikas Patras (KVPs), National Savings Certificates (NSCs) and Senior Citizens Savings Scheme.

| Growth of number of accounts and outstanding balance in POSB from 2007-08 to 2010-11Year | Number of accounts (in crores) | Outstanding Balance in Savings Bank (Rs in crore) | Outstanding Balance in Savings Certificates (Rs. in crore) | Total | Percentage growth in accounts year on year | Percentage growth in outstanding balance year on year |
|--|--------------------------------|---|--|----------|--|---|
| 2007-08 | 17.47 | 3,45,434 | 2,07,800 | 5,53,234 | | |
| 2008-09 | 20.65 | 3,42,058 | 221639 | 5,63,698 | 18.2 | 1.9 |
| 2009-10 | 24.76 | 3,74,122 | 2,09,667 | 5,83,789 | 19.9 | 3.6 |
| 2010-11 | 23.75 | 4,05,432 | 2,14,179 | 6,19,611 | -4.1 | 6.1 |

The number of accounts has grown at a CAGR of **7.98 %** from 2007-08 to 2010-11.

2. Objectives of Banking and Financial Services for the 12th Plan

Department of Posts, with its physical access of network of around 1.5 lakh post offices is well situated to play a critical role in opening of savings accounts both in urban and rural areas for the financially excluded. Rangarajan Committee Report on financial inclusion states that 51.4% of farmer households are financially excluded from both formal / informal sources. Of the total farmer households, only 27% access formal sources of credit and overall, 73% of farmer households have no access to formal sources of credit. Planning Commission in its report on Financial Sector reforms (2009) reports that only 34.3 % of the lowest income quartile has savings, and only 17.7 % have a bank account. The population served per bank branch in rural India is approximately 18,000 while in urban India is 5,000 (World Bank-NCAER *Rural Financial Access Survey*, 2003). However 80 % of those without savings reside in the rural areas. For those in higher income brackets, access to banks in rural areas is not vastly different from access in urban areas. Banks are approaching near 100 %

coverage of individuals with incomes above Rs. 2 lakh, irrespective of geographical location.

In view of the above, Department proposes to provide access to the financially excluded with an additional 39 crore accounts, with a CAGR of 15 % in Plan period.

Department is in the process, or putting in place, core banking infrastructure. This IT infrastructure is proposed to be expanded further. Automatic Teller Machine network of the post office is proposed to be expanded to semi urban and block level post offices. Mobile based remittance services are also proposed in order to exploit the penetration of mobile phones all over the country.

Growth Projections for POSB accounts during the 12th plan period:

Growth of accounts for POSB is projected at a growth rate of 15 % CAGR.

| Plan | Year | Projected Number of accounts (in crore) |
|----------|---------|---|
| 11th FYP | 2011-12 | 28 |
| 12th FYP | 2012-13 | 34 |
| | 2013-14 | 40 |
| | 2014-15 | 48 |
| | 2015-16 | 57 |
| | 2016-17 | 67 |

3. Gap Analysis:

1. Gap in providing credit services: Department of Posts has been providing savings services through various schemes such as Savings Bank, Recurring Deposit, Time Deposit and Kisan Vikas Patra. The demand for rural banking is particularly high with only 39% of rural households covered by the institutional banking services. Department of Posts is best situated to fulfill this need because of its large network and its brand credibility by setting up a Post Bank and to provide credit services.

2. We have remittance products such as money orders, Western Union money transfer. But there is a gap in terms of providing a mobile based money order system through mobiles.

3. In order to address the needs of the semi urban and rural population to have facilities of Anytime Anywhere banking, Department is in the process of providing Core Banking services in all departmental post offices. However there is a need to provide alternate delivery channel such as Automatic Teller Machine banking to all post offices. It is proposed to fill the gap by providing Automatic Teller Machines in an additional 3000 post offices in the semi urban and rural areas.

4. Potential challenges to be addressed in the 12th Plan

i. Enhancing capacity for growth: Department of Posts Plan to increase the number of accounts by 39 crore accounts which will result in financial inclusion. The IT infrastructure and the Post Bank of India that is planned together with financial inclusion will increase the capacity to grow and to sustain our GDP over 8 % a year.

ii. Enhancing skills and faster generation of employment: Post Bank of India which is envisaged in the 12th plan will provide credit facilities to rural population through microfinance and credit to small and medium enterprises. This will address the challenges of unemployment and lead to a faster generation of employment.

iii. Decentralization, empowerment and Information: The plan to increase the number of accounts at a CAGR of 15 % leading to an addition of 39 crore savings accounts will help in bringing those who are excluded under financial inclusion and will empower the most disadvantage.

iv. Rural transformation. Post Bank of India which is envisaged in the plan will provide credit facilities for rural population through microfinance, small and medium enterprises in rural areas and help in transforming rural areas. The plan to increase the number of accounts at a CAGR of 15 % leading to an addition of 39 crore savings accounts will help in bringing about rural transformation.

5. Proposed schemes for 12th Plan

a. Expansion of Core banking – Automatic Teller Machine network, Processing centre and call centres

By the end of Eleventh Plan, it is planned to implement deployment of Core Banking Service in all departmental offices, setting up Automatic Teller Machines in 1000 offices, setting up Circle Processing centres and call centres and issue of debit cards to customers. The Project will have new delivery channels like Automatic Teller Machine, Internet Phone and Mobile banking services. In the 12th five year plan, it is therefore proposed that the scheme may be continued further augmenting and expanding Automatic Teller Machine network and processing centres.

b. Need for expansion of Automatic Teller Machine network

Financial inclusion:

The 3000 additional Automatic Teller Machines proposed for Lower Selection Grade (LSG) level offices under the 12th plan are to be located in semi urban and rural areas. The Lower Selection Grade offices are mainly located in semi urban and rural areas. These Automatic Teller Machines will help the Department to reach those people who have not benefited from use of technology. This will help in bridging the digital divide which they experience due to lack of Automatic Teller Machines in rural areas.

Improving operational efficiency:

Department Of Posts has a cost advantage if it owns Automatic Teller Machine network. The operational cost of Automatic Teller Machine transaction may come down, if DOP has more ATMs on its own. Our operational cost for Automatic Teller Machine will be lower because of our own departmental buildings which we may have to leverage to reduce our operational cost. As our post offices are located in prime areas there is a good possibility of customers of other banks using our Automatic Teller Machines and this may help us in generating revenue. Installing Automatic Teller Machines in post office will also help in improving the brand value of the post office and these factors of access

to other bank customers and per Courier Express Parcel on our brand value may help the post offices to cross sell its products to other customers. Having a sizeable number of Automatic Teller Machines on our own will help us in getting better deal on Automatic Teller Machine usage charges by our customers in ATMs of other banks. This will help us in reducing our operational cost as the usage charges will be less than what is charged by National Financial Switch for using the same bank's ATMs. New Business models of brown label ATMs where capex cost will be borne by a small bank and operational costs by a larger bank are in the process of getting approved by Reserve Bank of India. It is possible to use these models to cut down our operational costs further.

c. Need for expansion of Processing Centres and Customer Call centres.

In the Eleventh Plan 22 Circle Processing Centres (CPCs) were to be set up and a centralized Customer Call Centre. Debit cards are planned to be issued to customers of 4000 post offices.

Activity Proposed

The issue of debit cards will be extended to customers of the rest of the departmental offices. It is also expected that more customers would opt for debit cards, internet banking and mobile banking facilities. These require augmenting the existing CPCs and also call centres.

d. Automatic Teller Machine network, Processing centres and call centres

Activity Proposed

1. Expanding Automatic Teller Machine network by adding 3000 ATMs (for sub post offices including offshore ATMs) and augmenting the capacity of Circle Processing Centres and expanding to regional level for Debit Card issue/document preservation etc is required. Also infrastructural support needs to be provided for issue of debit cards for SB Accounts holders in all departmental offices as well as augmenting capacity of customer call centres and expanding call centres to zonal or regional levels.

2 A Core Banking Service Cyber Fraud Risk monitoring and management unit is also proposed to be set up in the 12th plan, for monitoring and controlling cyber frauds.

e. Setting up Post Bank of India

The demand for rural banking is particularly high with only 39% of rural households covered by the institutional banking services. Department of Posts is best situated to fulfill this need because of its large network and its brand credibility by setting up a Post Bank. Globally a number of Postal organizations have also transformed their financial services into a Post Bank successfully for

e.g Deutsche Post Bank, Japan Post Bank, Kiwi Bank, La Banque Postale (France). Also Core Banking is being introduced in 26,000 post offices with another 1, 39,000 post offices being connected through rural ICT. Not only will a shift to a Post Bank will provide a better return on this massive investment but the presence of this new technology will help make the shift to the Post Bank relatively easy. In pursuance of the intent to carry out the feasibility study to set up the Post Bank of India a provision was made in the 11th Five year plan and accordingly Administrative Staff College of India (ASCI) had submitted a report to Department on "Roadmap to setup Post Bank of India". The report details the proposed ownership and capital structure, organizational structure, personnel and HRD management policies, new product and services to be offered, costing viability and profitability issues and the approach for the transition. It finds that the Post Bank of India (PBI) will be both feasible and desirable means to provide banking services particularly to rural areas and to low income group in urban areas by utilizing the available resources optimally and to facilitate organic and logical growth of Department of Posts to increase business and earnings, with an aim to become independent and self sufficient organization.

Activities in 12th Plan

1. Preparation of Detailed Project Report for setting up Post Bank of India.
2. Setting up Post Bank of India with required authorised capital of Rs. 700 crore. (RBI in its discussion paper (August, 2010) has proposed authorized capital ranging from Rs. 300 crore to Rs. 1000 crore).

f. Integrated remittance services and Mobile remittance service

The scheme of expansion of iMO was covered in the 11th Plan. Besides iMO service, Department is providing money transfer services such as eMO, IMTS in collaboration with Western Union and Money Gram and MO Videsh. The scope of the new scheme will include review and reorganization of all the existing remittance services (both domestic and international), the integration of a nationwide payment and remittance infrastructure, business strategy planning for the remittance network and setting up of a Remittances Capability Development Unit at Directorate and Circle levels.

Proposed Activities

Integration of existing remittance services to align with customer preference and with the objective of govt to disburse wages and social security disbursement. Launch of new products like mobile remittance service on the lines of services like m-pesa to serve the needs of population of rural area.

g. Creation of an Anti Money Laundering (AML)/Combating of Financing of Terrorism (CFT) Compliance Structure

Since June 2009 Department of Posts is a regulated entity under Prevention of Money Laundering Act and its provisions relating to Customer Due Diligence, Record Keeping and Reporting are now mandatorily applicable to all financial activities conducted by Department of Posts. In addition the new provisions have to be kept updated with reference to changes in law, rule and government sanctions. Further the updated changes need to be communicated, specialized training imparted, the compliance supervised regularly and suitable technology filters created and maintained. There needs to be a Principal Officer designated for the entire department, his office and implementation units at field levels. Finally, there need to be setting up of record maintenance warehouses where archival records can be stored and preserved for 10 years. This scheme will provide for all logistical modifications and support required to meet the changing needs of AML/CFT under Prevention of Money Laundering Act.

Proposed Activity:

Setting up Record Maintenance warehouse in 22 circles.

The details of the proposed targets for 12th plan are as follows:

Financial:

(in crores)

| Name of activity | Objective | Financial targets proposed (for 5 years) | | | | | |
|--|---|--|-------|--------|---------|---------|-----------------------|
| <p>Centralized Banking for POSB</p> | <p>By the end of Eleventh Plan, it is planned to implement deployment of CBS in all departmental offices, setting up ATMs in 1000 offices, setting up Circle Processing centres and call centres and issue of debit cards to customers. The Project will have new delivery channels like ATM, Internet Phone and Mobile banking services.</p> | 1Yr | 2Yr | 3Yr | 4Yr | 5Yr | T o t a l |
| | <p>In the 12th five year plan, it is therefore proposed that the scheme may be continued and further augmented and expanded . The following schemes are outlined.</p> <p>Expansion of Core banking</p> <p>ATM network</p> | 5 Cr. | 5 Cr. | 90 Cr. | 100 Cr. | 100 Cr. | 300 Cr |

| | | | | | | | |
|--|---|--|--|--|--|--|--|
| | <p>,Processing centres and call centre</p> <p>1. Expanding ATM network by adding 3000 ATMs (for sub post offices including offshore ATMs) and augmenting the capacity of Circle Processing Centres and expanding to regional level for Debit Card issue/document preservation etc and infrastructural support for issue of debit cards for SB Accounts holders in all departmental offices and augmenting capacity of customer call centres and expanding call centres to zonal or regional levels.</p> <p>2. A CBS Cyber fraud risk, monitoring and management unit is also proposed to be set up in the 12th plan, for monitoring and controlling cyber frauds.</p> | | | | | | |
|--|---|--|--|--|--|--|--|

| | | | | | | | |
|--|--|----------------|----------------------|------------|------------|------------|-------------------------|
| <p><u>Setting up Post Bank of India</u></p> | <p>Department proposes to set up Post Bank of India (PBI). The aim of setting up of PBI is to provide full banking services primarily to the rural poor who still do not have the privilege of modern banking facilities and have to depend on the informal sector for their credit requirements. PBI is envisaged as a profit generating institution, which would enable the Department of Posts to reduce its deficit. The following activities are proposed:</p> <p>3. Preparation of Detailed Project Report for setting up Post Bank of India. (Rs. 5 crores)</p> <p>4. Setting up Post Bank of India with authorised capital of Rs. 700 crore.</p> | <p>5 crore</p> | <p>Rs. 700 crore</p> | <p>Nil</p> | <p>Nil</p> | <p>Nil</p> | <p>100 5 Cr</p> |
|--|--|----------------|----------------------|------------|------------|------------|-------------------------|

| | | | | | | | | |
|--|---|---------------------|-------------|--------------------|-------------|-----------------|------------------|--|
| <p><u>III.</u> <u>New</u> <u>Schem</u> <u>es</u> <u>1.Integ</u> <u>rated</u> <u>Remitt</u> <u>ance</u> <u>Service</u> <u>s</u></p> | <p>The scheme of expansion of iMO is already in the 11th five year plan and it is proposed to set up over ten thousand iMO centres in the 11th plan. Besides iMO service, Department is providing money transfer services such as iMO , eMO , IMTS in collaboration with Western Union and Money Gram and MO Videsh. The scope of the new scheme will include review and reorganization of all the existing remittance services (both domestic and international), the integration of a nationwide payment and remittance infrastructure, business strategy planning for the remittance network and setting up of a Remittances Capability Development Unit at Directorate and Circle levels.</p> | <p>10 crore</p> | <p>2 cr</p> | <p>2 crore</p> | <p>2 cr</p> | <p>2 cr</p> | <p>18 Cr</p> | |
|--|---|---------------------|-------------|--------------------|-------------|-----------------|------------------|--|

| | | | | | | | |
|--|--|-----------------|--|--|--|--------------|--|
| | <p>Activities under Integrated Remittance Services.</p> <p>1. Integration of existing remittance services to align with customer preference and with the objective of govt to disburse wages and social security disbursement.</p> <p>2. Launch of new products like mobile remittance service in the lines of services like m-pesa to serve the needs of population of rural area.</p> | | | | | | |
| <p><u>Creation of an AML/CFT compliance Structure</u></p> | <p>Since June 2009 Department of Posts is a regulated entity under Prevention of Money Laundering Act and its provisions relating to Customer Due Diligence, Record Keeping and Reporting are now mandatorily applicable to all financial activities conducted by Department of Posts. In addition the new</p> | <p>22 crore</p> | | | | <p>22 Cr</p> | |

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | <p>provisions have to be kept updated with reference to changes in law, rule and government sanctions. Further the updated changes need to be communicated, specialized training imparted, the compliance supervised regularly and suitable technology filters created and maintained. There need to be a Principle Officer designated for the entire department, his office and implementation units at field levels. Finally, there need to be setting up of record maintenance warehouses where archival records can be stored and preserved for 10 years. This scheme will provide for all logistical modifications and support required to meet the changing needs of AML/CFT</p> | | | | | | | |
|--|--|--|--|--|--|--|--|--|

| | | | | | | | | |
|--|---|--|--|--|--|--|--|--|
| | under Prevention of Money Laundering Act. | | | | | | | |
|--|---|--|--|--|--|--|--|--|

Total Rs 1045 crores.

The details of physical targets proposed are:

| Name of activity | Objective | Physical targets proposed for 5 years | | | | |
|-------------------------------------|--|--|---|---|--|------|
| | | 1Yr | 3 Yr | 4 Yr | 5 Yr | 5 Yr |
| Centralized Banking for POSB | <p>By the end of Eleventh Plan, it is planned to implement deployment of CBS in all departmental offices, setting up ATMs in 1000 offices, setting up Circle Processing centres and call centres and issue of debit cards to customers. The Project will have new delivery channels like ATM, Internet Phone and Mobile banking services.</p> <p>In the 12th five year plan, it is therefore proposed that the scheme may be continued and further augmented and expanded .The following schemes are outlined.</p> <p>Expansion of Core banking</p> <p>ATM network ,Processing centres and call centre</p> <p>Expanding ATM network by adding 3000 ATMs (for sub post offices including offshore ATMs) and augmenting the capacity of Circle Processing Centres and expanding to regional level for Debit Card</p> | Expanding Processing centres to regional level | Expanding Processing centres to regional level. Setting up CBS unit | Installation of 3000 ATMs; expanding and augmenting Processing centres and call centres | Maintenance and monitoring of ATM operations; expanding and augmenting Processing centres and call centres | |

| | | | | | | |
|--|--|-------------------------|---|--------------------------------|--------------------------------|--------------------------------|
| | <p>issue/document preservation etc and infrastructural support for issue of debit cards for SB Accounts holders in all departmental offices and augmenting capacity of customer call centres and expanding call centres to zonal or regional levels.</p> <p>2. A CBS Cyber fraud risk, monitoring and management unit is also proposed to be set up in the 12th plan, for monitoring and controlling cyber frauds.</p> | | | | | |
| <p><u>Setting up Post Bank of India</u></p> | <p>Department proposes to set up Post Bank of India (PBI). The aim of setting up of PBI is to provide full banking services primarily to the rural poor who still do not have the privilege of modern banking facilities and have to depend on the informal sector for their credit requirements. PBI is envisaged as a profit generating institution, which would enable the Department of Posts to reduce its deficit. The following activities are proposed:</p> <p>Preparation of Detailed Project Report for setting up Post Bank of India. (Rs. 5 crores)</p> <p>Setting up Post Bank of India with authorised capital of Rs. 700 crore.</p> | <p>DPR study on PBI</p> | <p>Setting up of Post Bank of India</p> | <p>Operationalising of PBI</p> | <p>Operationalising of PBI</p> | <p>Operationalising of PBI</p> |

| | | | | | | |
|---|--|--|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------|
| <p><u>III. New Schemes</u> <u>1.Integrated Remittance Services</u></p> | <p>The scheme of expansion of iMO is already in the 11th five year plan and it is proposed to set up over ten thousand iMO centres in the 11th plan. Besides iMO service, Department is providing money transfer services such as iMO , eMO , IMTS in collaboration with Western Union and Money Gram and MO Videsh. The scope of the new scheme will include review and reorganization of all the existing remittance services (both domestic and international), the integration of a nationwide payment and remittance infrastructure, business strategy planning for the remittance network and setting up of a Remittances Capability Development Unit at Directorate and Circle levels.</p> <p>Activities under Integrated Remittance Services.</p> <p>Integration of existing remittance services to align with customer preference and with the objective of govt to disburse wages and social security disbursement.</p> <p>Launch of new products like mobile remittance service in the lines of services like m-pesa to serve the needs of population of rural area.</p> | <p>Integration of existing remittance services and launch of Mobile based remittance service</p> | | | | |
| <p><u>Creation of an AML/CFT compliance</u></p> | <p>Since June 2009 Department of Posts is a regulated entity under Prevention of Money Laundering Act and its provisions relating to Customer Due Diligence, Record Keeping and Reporting are now</p> | <p>22 record maintenance ware</p> | <p>22 record maintenance ware</p> | <p>22 record maintenance ware</p> | <p>22 record maintenance ware</p> | <p>22 record maintenance</p> |

| | | | | | | |
|------------------|---|------------|------------|------------|------------|-------------------------------------|
| Structure | <p>mandatorily applicable to all financial activities conducted by Department of Posts. In addition the new provisions have to be kept updated with reference to changes in law, rule and government sanctions. Further the updated changes need to be communicated, specialized training imparted, the compliance supervised regularly and suitable technology filters created and maintained. There need to be a Principle Officer designated for the entire department, his office and implementation units at field levels. Finally, there need to be setting up of record maintenance warehouses where archival records can be stored and preserved for 10 years. This scheme will provide for all logistical modifications and support required to meet the changing needs of AML/CFT under Prevention of Money Laundering Act.</p> | house s | house s | house s | house s | nan ce war e hou ses |
|------------------|---|------------|------------|------------|------------|-------------------------------------|

III POSTAL LIFE INSURANCE (PLI)

Introduction

One of the oldest life insurance players in India is Postal Life Insurance of Department of Posts. Originally, started in 1884 for the welfare of employees of the Postal Department, it was subsequently extended to cover other categories of government employees and semi government employees. Following the initiation of economic reforms in India, the Government entrusted the Department of Posts to start the Rural Postal Life Insurance Scheme (RPLI) in 1995 with the objective of spreading life coverage in rural areas with special focus on women and weaker sections of society.

As on 31.03.2011, Postal Life Insurance has 5.2 million (Male- 4.3 million, Female – 0.65 million) policies and Rural Postal Life Insurance has 17.36 million policies (Male-11.99 million, Female-5.36 million) with a total sum assured of Rs. 67,199.67 Crores and 76,157.39 Crores respectively.

During the 11th Plan period, Rs 23.16 Cr. was allocated for plan activities –

- (i) Computerisation of PLI/RPLI operations and Development of software
- (ii) Training of Marketing personnel /Circle office staff
- (iii) Publicity of Insurance Products.

Targeted efforts to implement these schemes from 2007-08 to 2010-11 has resulted in growth of business on all parameters : number of policies of PLI and RPLI has increased by 59% and 230% respectively ; premium income has grown by 147% and 154 % respectively ; corpus of both PLI and RPLI has increased by 61% and 142% (**Ref. Table A**) . The detailed evaluation/impact of Eleventh Plan Scheme of the Division is given as under :-

Evaluation/Impact of Eleventh Plan Schemes

(a) Computerisation of PLI & RPLI

- Hardware and peripherals for complete computerization of PLI/RPLI operations have been procured for 452 Divisions, 23 Circles and 36 Regions.

- Supply of computers/printers and peripherals has resulted in the online access to the National Data Centre by these offices through NIC leased line for all services regarding PLI/RPLI policies .
- The manual work has been reduced to the barest minimum and servicing of the policies has been expedited. Now after sales service is available at Divisional and H.O. level i.e. at the doorstep of the customers for betterment of PLI/RPLI operations.

(b) Development of Software

- Web based integrated software on Oracle 10g platform was developed and existing data on standalone servers at all Circles and Regions have been migrated to the National Data Centre (NDC).
- Now PLI/RPLI software is working from Central Server up to Head Post Office/Divisional level through leased line. PLI and RPLI schedules are prepared through the software and posted online.
- The modules for reporting daily net accretions of POLIF and RPOLIF by HOs has been developed and operationalized w.e.f. November,2009, facilitating investment of daily net collection in the financial market.
- After sales services are now available on line from NDC up to Divisional level . The issue of acceptance letter, premium receipt book and policy bonds , issue of sanctions for various claims viz , maturity , death, survival benefits and loan have been expedited through system generated sanction memos.
- Customer interface is being developed where the customers will be able to see policy details, admissibility of claims, payment of premium by credit/debit card. The persons desirous of taking a PLI/RPLI policy would then be able to select the plan(s) of his/her choice and calculate the premium applicable.
- Online posting of schedules from H.Os and D.D.Os.

(c) Training of Marketing personnel and Circle office staff

- During the Plan period we had a physical target of training 10,000 marketing personnel comprising Direct Agents, Gramin Dak Sewaks, and Departmental employees, and 2000 Circle office personnel and DPLI Staff in underwriting.
- The training of marketing personnel has two components viz, In-house training and licentiate training. In house training is imparted locally at Divisional

and Sub Divisional level, and licentiate training at selected places in coordination with Insurance Institute of India, Mumbai.

- Course material for licentiate examination of Direct Agents was devised , printed and supplied to Circles
- During the period 2007-08 to 2010-11 we have imparted training to 9252 Marketing personnel , 1386 Circle office staff and 69 System Administrators of Circle/Regional offices . Licentiate training has been imparted to about 3000 personnel through Insurance Institute of India, Mumbai.
- 12 Workshops/interactive sessions for Senior Officers /Divisional Managers/Deputy Divisional Mangers (PLI) have been conducted at various Insurance Institutes, PLI Directorate and Postal Staff College, Ghaziabad during the year 2007-08 to 2010-11.

(d) Publicity of Insurance Products

- During the current Plan period , an allocation of Rs 10 cr was made for publicity of PLI and RPLI products through various media such as : Print & electronic media, outdoor publicity , distribution of PLI/RPLI brochures, leaflets, road show and RPLI/PLI Melas, seminar etc.
- We have been able to generate awareness among clientele group by publicizing the PLI/RPLI products thereby increasing the number of policies to more than 20 million.
- The campaign for Micro insurance RPLI policy launched in November 2009 culminated in coverage of more than 3.5 million lives during 2009-10.
- Initiatives taken to publicize PLI and RPLI during the period through various media such as :-
 - PLI/RPLI displays on Mobile van /State Road Transport Corporation Bus Panels
 - RPLI wall paintings in rural areas. So far about 15000 villages have been covered
 - Publicity through SMS
 - Publicity through posters at HOs/SOs/ BOs
 - Publicity through print media
 - Sponsoring important seminars , sports events etc of Educational institutions
 - Publicity of PLI/RPLI through website

Table A : Business Growth of PLI/RPLI in XIth Plan (2007-08 to 2010-11)**PLI**

| Indicators | As on 31.03.2007 | As on 31.03.2011 | Growth |
|--|-------------------------|------------------------------|---------------|
| Number of Policies | 32,97,825 | 52,57,123 | 59% |
| Sum assured (Rs. in Cr) | 26,753.17 | 67,199.67 | 151% |
| Size of the corpus(Rs. in Cr.) | 10,342.61 | 16,656.02 (as on 31.03.2010) | 61 % |
| Premium income for the year (Rs. in Cr.) | 1211.78 | 3000.00* | 147 % |

*unaudited figures.

RPLI

| Indicators | As on 31.03.2007 | As on 31.03.2011 | Growth |
|--|-------------------------|----------------------------|---------------|
| Number of Policies | 52,46,673 | 1,73,66,087 | 230% |
| Sum assured (Rs. in Cr.) | 33,865.00 | 76,157.39 | 125% |
| Size of the corpus (Rs. in Cr.) | 2284.92 | 5524.69 (as on 31.03.2010) | 141.78 % |
| Premium income for the year (Rs. in Cr.) | 601.02 | 1529.00 | 154 % |

PROPOSALS FOR TWELFTH FIVE YEAR PLAN :

I. Enhancing the Capacity for growth –

During the 12th Plan period, it is proposed to increase the coverage of PLI beyond the Government and Semi Government employees and to introduce new products such as ULIPS and Group policies which will benefit the masses especially in rural areas . We propose to provide insurance coverage to the existing small savings scheme account holders, MNREGA beneficiaries , artisans, integrated child health scheme workers, weavers, forest workers, mother dairy workers etc, by devising group policies with special emphasis to North East and J&K This will go a long way in providing financial inclusion and risk coverage especially to rural population with special emphasis on women workers and economically weaker sections of society. This will result in financial security of masses providing more purchasing power and in the process thereby increasing capacity for growth .

II - Enhancing Skills and Faster Generation of Employment-

During the 12th Plan period it is proposed to engage about 40,000 Direct Agents comprising of Aanganwadi workers , self help groups, Panchayat sanchar sewa Kendra workers , unemployed /self employed youth of urban and rural areas, ex-servicemen etc for sale of PLI and RPLI products. This will also provide additional source of income to these groups. By providing training to direct agent and postal staff , it would lead to skill enhancement also.

III -Managing the Environment

We have more than 20 million PLI/RPLI policies as on date and this number is expected to increase by another 15 million policies in the 12th Five Year Plan . Each policy has a case file and we require volumes of paper and space to maintain these files. It is proposed to digitize the records of PLI/RPLI. This will reduce consumption of paper which would have a favourable impact on environment. Further, by digitising the records we would require lesser space and buildings to house the offices of PLI/RPLI.

IV - Markets for Efficiency and Inclusion

It is proposed to make Post offices as point of sale and after sales operations of PLI/RPLI and marketing of products by professionally sound personnel/sales force during the 12th plan period .

V- Decentralization , Empowerment and Information

It is proposed to insure about 15 million lives under PLI/RPLI during the 12th plan period. By decentralizing the PLI/RPLI operations and after sales service up to Post office/Postal Divisional level these services will be available at door step of customers. Rural Postal Life schemes especially, have affordable premium which will go a long way in insuring and empowering the rural poor providing resources of their own for taking proper decisions.

VI - Technology and Innovation :

In the next plan period technology upgradation to facilitate payment of online premia of policies by customers through Electronic Clearance Service facility , use of hand held devices by PLI/RPLI Sales force and operators , deposit of premia through debit/credit card etc would be undertaken. Likewise, maturity proceeds of PLI/RPLI could be transferred online to respective accounts of the claimants by making adequate provision in the software.

VII - Rural Transformation and sustained growth of Agriculture

Department of Posts is mandated to provide affordable insurance coverage to rural population engaged in Agriculture under RPLI. The existing number of policy holders in RPLI is more than 17 million. This number will increase by another 12 million. Financial inclusion through insurance will lead to empowerment – social, economic in rural India thereby resulting in Rural Transformation.

Financial:

Several steps have been taken by the Government for empowering rural India by providing income to the people through various schemes such as NREGS etc. However, empowerment requires not only generation of income but also protecting the income through effective risk management. There is, therefore, a

need for insurance which is one of the components of financial inclusion that can empower the vulnerable group. Empowering rural India through rural Postal Life Insurance Scheme focuses on mobilizing the self-help efforts of Rural people so that they have resources of their own for taking proper decisions.

2. There was a distinct change in the strategy of Department in 2009-10 in insuring the rural lives. It was observed that though the opening of the insurance sector led to relatively higher penetration of life insurance in India, this was largely urban centric and vast majority of the rural population were still left out. Moreover, whatever Government promoted insurance schemes were available, they happened to be in the nature of term insurance thereby implying that such insurance does not provide part or full cover for important events such as marriage, education, etc. Realizing the need to institutionalize risk management, the Department of Posts decided to launch a massive drive to insure the rural population with special focus on micro insurance.

3. To supplement the existing system of marketing by the Postal Staff and Gramin Dak Sewaks, it was decided to focus on engaging outsiders such as Aanganwadi workers, Members of Self Help Groups, educated unemployed youth etc. as Agents. Workshops were held at Meerut, Yamuna Nagar and Amethi to educate Aanganwadi workers and Members of Self Help Groups about the various insurance schemes of the Department. The incentive structure was also revised bringing it at par with industry standards. Training was also provided to Departmental employees, Gramin Dak Sewaks and Direct Agents.

4. The focus was on selling small value policies of the denomination of Rs.10,000 to Rs.25,000 with premium starting at about Re.1/- per day. The target groups were small farmers, those in unorganized sectors, NREGS beneficiaries etc. Consequently, in the last two years the number of lives insured more than doubled from about 7.3 million to about 17 million.

5. The objective of the Department is to insure at least 15 million additional lives by end of the 12th Five Year Plan. Department of Posts is best suited to overcome all challenges associated with spreading insurance coverage in rural areas. Besides having the trust of the prospective insurers, with its large network of Post Offices in rural areas, large base of Gramin Dak Sewaks, and recent focus on enrolling Aanganwadi workers and Self Help Groups from the

local population, the Department can provide a low cost distribution channel. Moreover, in terms of the returns on the policies, the RPLI Schemes while charging a lower premium have higher returns as compared to schemes of other life insurance companies. The target group would be the existing small savings account holders banking with the Department, the NREGA beneficiaries, clusters such as forest guards, weavers, artisans, fishermen, dairy cooperatives etc. There would be a special focus on covering the lives in North-East and J & K. The Department proposes to introduce group policies, term policies and also Unit Linked Insurance Products (ULIPS). The Group and Term policies would be specially targeted towards benefitting the marginalized groups such as labourers, artisans, fishermen, quarry workers etc., who though exposed to greatest risk, have little or no insurance cover.

6. Life Insurance being a push product, there is a need for aggressive marketing so as to create a committed customer base. An advertising campaign is, therefore, proposed using various media such as Television network, Mobile Phones, Print Media, wall paintings in rural areas, tie up with other Ministries etc. An aggressive publicity campaign will entail expenditure of around Rs.450 crores so as to cover the entire length of the country during the 12th Five Year Plan.

7. Technology also needs to be leveraged so that insurance can be provided at low cost. The architecture would essentially comprise of either a multi-application smart card (or a Pass Book), a hand held device, a terminal with the Agent/Post Office with connectivity to a Central Data Base. Presently, all the Data of insurants are on Central Server. The connectivity can be provided using GPRS, GSM, CDMA etc. For better after sales service, there is also a need to digitize all physical records so that claims can be sanctioned and paid at the village level. All these would require modification in the existing software besides providing for hardware. While the above technology requirements are being handled in the overall technology plan of the Department, specific schemes such as computerization of DPLI, Kolkata, PLI Directorate and Army Postal Services and development of software for DPLI Kolkata and Investment Division, Mumbai will have to be undertaken by PLI Directorate itself. The estimated cost of the above will be around Rs.10 crores.

8. The Department has been engaging Direct Agents from among Self Help Groups, other educated unemployed youth in both urban and rural areas since 2003, which has since been revitalized in 2009. As per the industry guidelines only a licensed agent can sell insurance. In consonance with the same, all the sales force of the Department along with outsiders engaged as Direct Agents are proposed to be imparted training. The Department has its own sales force of around 2.8 lakh Gramin Dak Sewaks apart from Postal employees. Besides the Department have already more than 11,000 Direct Agents. This number is expected to increase to more than 50,000 by the end of the 12th Five Year Plan . Apart from training the above sales force, senior officers of the Department would also be trained, and Circle and Regional Office staff on marketing, after sales service and underwriting. Moreover, Department has commenced investment of life insurance fund with effect from November, 2009 and the investment is to be done in-house during the 12th Five Year Plan. Hence, specialized training will also need to be imparted to personnel manning the posts in Investment Division, besides officers of the Department. All these activities will require an expenditure of around Rs.100 crores during the 12th Five Year Plan.

9. The total expenditure proposed to be incurred during the 12th Five Year Plan would, therefore, be around Rs. 560 crores.

10. The deliverables accruing especially to the rural population would be immense. Insurance coverage to the people in rural areas specially women and weaker sections of society would enable them not only to meet unforeseen circumstances, but would also provide resources for covering anticipated events. It would also supplement the income of Aanganwadi workers and other Agents empanelled from the rural areas. The scheme would also benefit the Department of Posts by providing much higher revenue than the present Rs.385 crore in 2010-11.

11. The benefits accruing from Rural Postal Life Insurance are, therefore, manifold. While in Financial terms, it would mean more revenue to the Department, it has major potential as a scheme for empowering rural India.

Deliverables for 12th Five Year Plan

| Sl.No | Plan Schemes | Deliverables | Financial (proposed) Rs. In Crores |
|-------|---|--|--|
| a | Computerization of PLI/RPLI | (i) DPLI Kolkata (ii) PLI Directorate (iii) APS | 5.00 |
| b. | Development of Software | (i) DPLI Kolkata (ii) Investment Division, Mumbai | 5.00 |
| c. | Publicity of Insurance Products | (i) Production of PLI/RPLI spots and its release through TV/Radio (ii) Publicity through print media (iii) Outdoor displays/hoardings (iv) RPLI wall paintings in 1,00,000 villages (v) SMS Marketing | 450.00 |
| d. | Training of marketing personnel and Circle Office staff | (i) Training on marketing for 75,000 Agents/GDS and other sales force, back office staff (Co/RO/Divnl) etc. (ii) Devising /printing course material for in-house and licentiate training for sales force/Agents (iii) Training of System Administrators/operators on technology (iv) Claim Management / Underwriting training for Senior Officers/Divisional / Deputy Divisional Managers | 100.00 |

| | | | |
|--|--------------|---|---------------|
| | | and Asst. Divisional Managers (RPLI) Training on Investments and Financial Markets | |
| | Total | | 560.00 |

| Name of Activity | Objectives | Financial outlay Proposed (for 5 years) in crores | | | | |
|---|--|---|-----|-----|-----|-----|
| | | 1Yr | 2Yr | 3Yr | 4Yr | 5Yr |
| Publicity of Insurance products | Creation of brand image and intensive publicity of the products through mass media especially the Radio and Television is envisaged. wide campaign also through SMSs, outdoor publicity through Posters/displays, Mobile vans/SRTC buses Panels, Display of wall paintings/Hoardings, slides/tickers in movie halls. Sponsorships of important events, major sports and academic events for creation of awareness amongst clientele. | 75 | 100 | 100 | 100 | 75 |
| | | | | | | |
| Training of Marketing Personnel/ Circle Staff and others | (i) Training of marketing personnel- Agents must have a bench mark educational standard and need to be Trained in insurance marketing Techniques. At present departmental Employees, Development officer (PLI), Field Officers (PLI), GDS employees and PLI/RPLI Direct Agents ,Comprising Self Help Groups workers, | 20 | 20 | 20 | 20 | 20 |

| | | | | | | |
|--|--|---|---|---|---|---|
| | <p>Aanganwadi workers, Panchayat Sanchar Sewa Kendra workers etc are engaged for sale of PLI/RPLI products . In the 12th Five year plan , it is proposed to impart 3 days in house and 3 days licentiate Training to 75,000 marketing personnel /underwriting training to back office staff (CO/RO/Divn), System Administrators working in Divisional/Regional offices on Software enhancements . Besides the above , we propose to conduct workshops to train senior Officers on investment and financial markets. Printing of Study material for Agents would also be required.</p> | | | | | |
| <p>Computerization of PLI/RPLI operations and & development of software</p> | <p>At present the PLI/RPLI is using web based integrated software on Oracle 10g platform which was developed by the NIC. PLI/RPLI data has been migrated to National Data Centre. Apart from the above our objective is to computerize the following offices :-</p> | 2 | 2 | 2 | 2 | 2 |

| | | | | | | |
|--|---|--|--|--|--|--|
| | (i)PLI Investment Division ,Mumbai (ii)Director PLI Office , Kolkata (iii)Army Postal Service (Base Circle) Necessary hardware/peripherals- Commensurate to S/W requirement will also be procured. | | | | | |
|--|---|--|--|--|--|--|

The details of the Physical targets proposed for 12th plan year wise are as follows:

| Name of Activity | Objectives | Physical Targets proposed (for 5 years) | | | | |
|---------------------------------------|--|---|-----|-----|-----|-----|
| | | 1Yr | 2Yr | 3Yr | 4Yr | 5Yr |
| Publicity of Insurance product | Creation of brand image and intensive publicity of the products through mass media especially the Radio and Television is envisaged. It is proposed to undertake a wide campaign also through SMSs, outdoor publicity through Posters/displays, Mobile vans/SRTC buses Panels, Display of wall paintings/Hoardings, slides/tickers in movie halls. Sponsorships of important events, major sports and academic events for creation of awareness amongst clientele. | | | | | |
| | | Publicity of PLI/RPLI Products as per Sales/Media Plan mentioned in objectives. | do | do | do | do |

| | | | | | | |
|--|---|--|----|-----|----|-----|
| <p>Training of Marketing Personnel/ Circle Staff and others</p> | <p>(i) Training of marketing personnel- Agents must have a benchmark educational standard and need to be Trained in insurance marketing Techniques. At present departmental Employees, Development officer (PLI), Field Officers (PLI), GDS employees and PLI/RPLI Direct Agents Comprising Self Help Groups workers, Aanganwadi workers, Panchayat Sanchar Sewa Kendra workers etc are engaged for sale of PLI/RPLI products . In the 12th Five year plan , it is proposed to impart 3 days in house and 3 days licentiate Training to 75,000 marketing personnel /underwriting training to back office staff (CO/RO/Divn), System Administrators working in Divisional/Regional offices on Software enhancements . Besides the above , we propose to conduct workshops to train senior Officers on investment and financial markets. Printing of Study material for Agents would also be required.</p> | <p>Training of 15,000 Marketing personnel Including Direct Agents/GDS, Circle Office/RO/ Divnl, Office staff and System administrators each year</p> | do | do- | do | do- |
|--|---|--|----|-----|----|-----|

| | | | | | | |
|--|---|---|-----|-----|-----|-----|
| <p>Computerization of PLI/RPLI operations and & development of software</p> | <p>At present the PLI/RPLI is using web based integrated software on Oracle 10g platform which was developed by the NIC. PLI/RPLI data has been migrated to National Data Centre. Apart from the above our objective is to computerize the following offices :-</p> <p>(i)PLI Investment Division , Mumbai</p> <p>(ii)Director PLI Office , Kolkata</p> <p>(iii)Army Postal Service (Base Circle)</p> <p>Necessary hardware/peripherals- Commensurate to S/W requirement will also be procured.</p> | <p>Development of Software computerization of</p> <p>(i)Investment Div.Mumbai</p> <p>(ii)DPLI Kolkata</p> <p>(iii)APS</p> | do- | do- | do- | do- |
|--|---|---|-----|-----|-----|-----|

IV. RURAL BUSINESS AND ACCESS TO POSTAL NETWORK

Review and Evaluation of 11th Plan Schemes

During the 11th Plan, a Plan scheme namely "Access to the Postal Network" is being implemented which has following major components:

1. Access to postal network, consisting of:

- (i) Opening of Branch Post Offices (BOs) in rural Areas by creation of new GDS posts
- (ii) Opening of BOs by redeployment
- (iii) Opening of Sub Post Offices (SOs) by redeployment
- (iv) Opening of franchise outlets in urban areas

2. Rationalization of postal network, consisting of

- (i) Relocation of Branch Post Offices
- (ii) Relocation of Sub Post Offices

3. Infrastructural equipment for EDBOs

About 109000 Branch Post Offices have been provided with infrastructural equipment including fans and heaters in the 11th Plan.

4. Franchisee Scheme

It was launched in February, 2007 during 11th Plan Period. However, due to non receipt of adequate fund allocation for the Scheme during the current Plan, no financial assistance could be provided to the Circles for opening of new 'Franchise Outlets' under this scheme and the outlets were opened largely under non-Plan. Similarly, due to imposition of stipulations on creation of new posts by the Ministry of Finance, the proposals for opening of new BOs by creation of new posts could not be materialized during the current Plan period.

As improving the access to postal network and rationalization of the existing network are important Plan objectives of the Department, all the above schemes would continue in the 12th Plan as well. Similarly it is very important to equip the BOs with basic infrastructural facilities.

As far as opening of BOs in rural areas is concerned the rural postal network needs significant expansion in view of the requirements of the people in rural areas as also the needs of the various Government Departments to provide services to rural population through the postal network. As the Panchayats are increasingly becoming hubs of various kinds of activities in the villages, it is important that the rural Branch Post Offices are co-terminus with Panchayats so that they are able to provide the required infrastructural support to all activities of Panchayats in the interest of rural population and also increase the revenues of Postal Department. Currently only 120,279 Post Offices are located at Panchayats Head Quarters in the villages and as many as 125,362 Panchayats villages do not have Post Offices. As it would be very costly to open BOs at all remaining Panchayat Head Quarters in the villages during the period of 12th Plan, it is recommended that BOs should be established at all the Panchayat Head Quarters in remote, tribal and backward areas, to ensure efficient delivery of various services to the people in such areas and also to improve financial inclusion of the currently excluded people, as in such areas there is no agency to provide these services. Efforts should also be made to link different local and community institutions such as Aanganwadis and people's collectives including SHGs with the Post Offices.

Regarding opening of SOs, newly developed urban areas fall under two categories viz urban outgrowths like Rohini in Delhi and entirely new urban areas that are not outgrowths of existing urban spaces like Greater Noida. While it may be possible to open SOs by redeployment / relocation in the first category of urban areas, in the second category SOs should be opened by creation of posts including for delivery staff.

Assessment of Potential of the Postal System and new capabilities and activities proposed for 12th Plan:

i) Engagement with Social Protection Programmes

Department of Posts may be considered as the first choice as a delivery channel for various social protection programmes (including social security, social insurance, social assistance, and social safety net programmes). Social protection programmes are being increasingly considered as effective instruments of poverty reduction. Literature on social protection however

suggests that the lack of an effective delivery mechanism is a major roadblock to the success of such programmes in most of the developing countries. Availability of an extensive postal network with vast experience of delivering financial and other services offers an opportunity to the Central/State Governments in India to address the constraints associated with delivery of various social protection programmes. The experience with delivery of various pension schemes and MGNREGA wage disbursement programmes suggests that the post offices can provide effective and cheaper mechanisms to deliver social protection programmes along with the associated financial services according to the needs of the social protection recipients. A study by the Overseas Development Institute (ODI), UK, recommends using a central government-owned postal channel for direct cash transfers under social protection, especially in the weaker states, as 'a continued role for the centre in defining and controlling implementation mechanisms could help to redress some of the tendency for poverty to remain high in the weaker states'.

Department of Posts, being a government department, is in a better position than similarly placed agencies such as banks and non-governmental organizations to coordinate with other government departments offering social protection. Various studies suggest that the post office personnel are in a much better position than their state government counterparts to identify and reach poor and marginalized households in particular, as the latter do not have much contact with such households. Their contact with the villagers is generally through the elected representatives or local elite. Since they do not belong to the local communities in most cases, their information deficit on the local communities results in various errors of exclusion and inclusion.

By involving post offices, the state government may also be in a position to avoid extra expenditure on creating new channels to deliver social protection measures. As the post offices are thoroughly embedded in local communities and thus are in possession of crucial knowledge capital on such communities, their involvement may result in better identification and the reduction of 'leakages' in social protection programmes. In this connection the Sub Group was informed of the case of financial assistance to widows in Gujarat. A survey by the post offices in the year 2003 revealed that, out of 130,187 women drawing the

assistance, 10,353 did not fulfill the eligibility criteria. Thus, it was possible to locate the points of leakages, leveraging on the information capital available with the post offices.

An ambitious programme of computerizing and digitally connecting the entire postal network is likely to further strengthen the potential and the capabilities of the network. Hence Department of Posts should be the first choice for delivery of social protection and other relevant programmes implemented by other Government agencies in the interest of the poor of this country.

(ii) Engagement of Postal network with Financial Inclusion Efforts

The postal network can be substantially engaged towards achieving financial inclusion in rural India. It is widely recognized that financial services such as savings, credit, insurance, remittance and pensions, when they reach the poor, help them weather socio-economic shocks, build productive assets, and become less economically isolated, and thus help them to cope with poverty. In India, more than half of the population is excluded from access to even most basic financial services.

Available evidence suggests that the efforts to financially include the poor are not yielding satisfactory results. This is largely due to their demand deficit for the financial services currently being offered and the constraints on the supply side. Causal factors on the demand side include lack of financial literacy and awareness amongst the poor, while the supply side constraints mainly arise due to the large distances of the villages from the bank branches.

Department of Posts has the largest outreach among all the Central Government departments and agencies. It is also the largest financial delivery network in the country and thus is ideally situated to deliver various instruments of financial inclusion particularly in rural areas. The network holds about 25.6 crore deposit accounts (including 4.97 crore MGNREGA wage earners' accounts). Moreover, the terms and conditions of these accounts are substantially more in tune with the needs of the poor than those of ordinary bank accounts, as one can have a transaction of Rs. 50 and can also maintain a balance of Rs. 50 in her post office savings bank account.

Financial inclusion efforts of RBI however leave out the postal infrastructure from its ambit despite the fact that it is the largest postal network in the world and has a rich and vast experience of delivering various financial services including small savings, life insurance, and remittance to even the remotest and most backward areas. This combined with the fact that in many small villages post office is the only government agency; it has traditionally enjoyed trust and confidence of local people and is highly accessible to all the sections of the society. Rural Finance Access Survey by the World Bank shows that post offices in India have closest proximity (2 km on average) to rural clients compared to branches of commercial banks, regional rural banks, and cooperatives (5 km on average). A report of the Steering Committee on Microfinance and Poverty Alleviation, constituted by the Planning Commission of India (2007), observes that banks do not have sufficient number of retail outlets to effectively reach the poor. The committee notes that the number of post offices in India exceeds the number of all the banking outlets and the functional Primary Agricultural Cooperative Societies taken together. It recommends that the ***'post office network could very well be considered for increasing the outreach of banking services, especially in remote and rural areas.... [post offices] have a regular and paid staff and with little training and incentives, their services could be utilized very usefully'***. It is reiterated that an ambitious programme of computerizing and digitally connecting the entire postal network is likely to further strengthen the potential and the capabilities of the network. It is thus recommended that the Department should collaborate with other Government as well as non-Government agencies to implement their schemes and programmes on financial inclusion. This recommendation is not only in the interest of the deprived population but also has the potential to increase revenues of the Post Offices significantly.

(iii) Business Model for Generating rural income and social transformation

Department of Posts has potential to make significant inroads in a traditional agrarian economy of India and help augment rural income. Each Branch Post Office in rural India needs to be envisaged as a viable and robust model of business and also social transformation in terms of empowerment of farmers. With the implementation of Department of Posts IT project 2012 and successful

organization of "rural entrepreneurship program' branch post office can easily become a Kiosk of business rooted in the local ecology. For instance, Branch Post Office, assisted with seamless IT infrastructure, can train local farmers to access daily prices of variety of crops in India and abroad; with the payment a small amount of user charge, this will help local farmers to get the best prices for their products. Farmers can also find out about many other important things – weather forecasts, the latest farming techniques, crop insurance, etc. The branch post master may source information regarding weather, modern farming practices, and market prices from bodies like Meteorological Department, Agri-universities, mandis (regional market) etc., and upload all information on to the branch post office web site. All information would be customized according to local farmer's requirements and provided in the local language through branch Post office ICT network. Branch Post master (BPM) would access this information and facilitate its dissemination to farmers. Information regarding weather and scientific farming helps farmers to select the right crop and improve the productivity of their farms. Availability of market information helps farmers to become market oriented. (The training of branch post masters in rural entrepreneurship program of Department of Posts would be leveraged for this purpose.)

Thus, following business functions can accrue to Branch Post Office:

- transmit Information (weather, prices, news),
- transfers Knowledge (farm management, risk management)
- facilitate sales of Farm Inputs (screened for quality) and
- Offer the choice of an alternative Output-marketing channel (convenience, lower transaction costs) to the farmer right at his doorstep.

Several best practices can be learned from this initiative, namely:

- ease of replicability and scalability of Kiosk Model of Business
- customization of Branch Post Office to meet the specific local needs and
- organizational commitment

(iii) Building of Capabilities of Rural Postal Personnel

While it is acknowledged that the physical network of Post Offices is suitable for the delivery of various Government Development, Social Security Programmes

and other business functions as mentioned the preceding paras, particularly in rural areas, it is also important to build the capacity of the personnel staffing the rural BOs (Gramin Dak Sewaks) so that they are able to efficiently deliver such programme. The extensive training programme named Rural Entrepreneurship Programme has been formulated for training the Gramin Dak Sewaks. The programme intends to impart knowledge and skills on various Government programmes, banking, insurance, accounts and finance, entrepreneurship and usage of computers. It also intends to bring about attitudinal change among Gramin Dak Sewaks and also provide them with communication and other soft skills. Therefore all Gramin Dak Sewaks in the country should be covered under this programme during 12th Plan.

(iv) Study to Explore Business Opportunities in Rural Areas

While the Department proposes to strengthen its rural network, it is very important that the extensive study is carried out to explore business opportunities for the Post Offices in the rural areas and identify appropriate business opportunities for Government business as also for private businesses. A reputed organization may be approached for carrying out such study.

(v) Installation of New Improved Letter Boxes in Rural Areas

As Department of Posts is planning to revamp rural postal infrastructure by inducting Information and Communication Technology (ICT) in all the Branch Post Offices and shifting them either in panchayat buildings or at Bharat Nirman Rajiv Gandhi Seva Kendras it is important that rural areas get better quality of letter boxes. No substantial investment has been made on letter boxes in rural areas in recent years and most of them are in dilapidated condition. Letter boxes are important part of postal infrastructure and thus the Sub Group recommends that Plan scheme may be introduced to provide better quality letter boxes in the rural areas in a phased manner. This activity may be included in the scheme of Material Management for fabrication of letter boxes.

(vi) Installation of Signages for Rural Branch Post Offices

As mentioned above the Department is planning to revamp rural postal infrastructure by inducting Information and Communication Technology (ICT) in all the Branch Post Offices and shifting them either in panchayats buildings or at

Bharat Nirman Rajiv Gandhi Seva Kendras. Such efforts have potential to bring the post offices to the centre of their villages and mainstream of economic and social activities of their local communities. In order to facilitate this process it is essential to improve its visibility and brand capital by providing all the branch post offices (BOs) with appropriately attractive signages. Hence this activity is proposed to be included as a Plan scheme for 12th Plan.

(vii) Embedding of Cash Chests at Rural Branch Post Offices

The amount of cash being handled at rural BOs has increased manifold due to implementation of schemes such as MGNREGA wage disbursement and disbursement of various pensions under National Social Assistance Programme (NSAP). It is likely to substantially increase further with many more such schemes planned to be delivered through the BOs. With the current levels of cash transaction most BOs now require proper chests to keep their cash safely. Supply of cash chests to BOs should therefore be part of the Plan activities for the 12th Plan.

(viii) Supply of Remotely Managed Franking Machines

Franking machines are being used by Departmental offices as well as by bulk mailers to frank postal articles in bulk. As of now electronic franking machines are being used but there are possibilities of leakage of revenue in such machines. Switch over to Remotely Managed Franking Machines in view of inherent strengths of such machines in preventing leakage of revenue is recommended as a Plan activity in the 12th Plan.

(ix) Franchised Networks with Electronic Connectivity and Flexible Revenue Model

It is felt that the franchise model cannot be financially viable and successful unless franchisees are allowed to deliver all the services and products delivered through an ordinary post office including the financial products. And this issue would need to be resolved in consultation with Ministry of Finance to allow the Department to perform its agency functions through franchise network as well on par with Banking Correspondents who are franchisees of banks in underserved areas and are allowed to undertake banking operations. This activity will be attractive to already established businesses such as grocery stores and PCOs who would not have to make additional investment for setting

up franchise outlet, and revenues through *such outlets* will be in addition to their regular income rather than an independent means of income.

Summary of Recommendations

On the basis of above discussion, the following Plan schemes are proposed to be implemented during 12th Plan:

1. **Access to postal network**, consisting of:

(i) Opening of Branch Post Offices in Rural Areas by creation of new GDS posts:

The rural postal network needs significant expansion in view of the requirements of the people in rural areas as also the needs of the various Government Departments to provide services to rural population through the postal network. As the panchayats are increasingly becoming hubs of various kinds of activities in the villages, it is important that the rural Branch Post Offices are co-terminus with panchayats so that they are able to provide the required infrastructural support to all activities of panchayats in the interest of rural population and also increase the revenues of Postal Department.

Parliamentary Standing Committee Communications & IT in most of its reports recommend for opening of new post offices in every village of the country to provide postal facilities to the villagers. As per the information available in the Department, there are 2,43,916 [as on 31.3.2011] Gram Panchayats in the country out of which 1,24,780 Panchayats are without Post Offices. On an average, 191 Gram Panchayats are without Post Offices in a district. It may not be possible to open post offices in all these panchayats during the 12th Plan Period. However, Department proposes to open new post offices in all the Gram Panchayats of 60 identified districts for the Integrated Action Plan for Selected Tribal and Backward districts in the country during the 12th Plan Period. Based on the average number of Gram Panchayats in the country, the physical targets and financial outlays for opening of 11,460 BOs in 60 identified districts have been worked out.

(ii) Opening of Branch Post Offices (BOs) by redeployment:

BOs are opened in needy and justified areas mainly by redeployment of existing surplus staff or by relocation of the existing BOs which are not fulfilling the existing norms of BOs. It is an ongoing process. During the current Plan Period, 213 BOs have been opened by redeployment/ relocation and targets for opening of 90 BOs have been given to the Circles for the current financial year 2011-12. Based on the achievements of the current plan, it is proposed to open 200 BOs by redeployment during the 12th Plan Period i.e. 40 BOs in every financial year of the plan period. While BOs are opened by redeployment, one time expenditure is to be made for shifting of existing infrastructure/ purchase of new infrastructure which has been estimated to Rs.7,500/- per BOs. Accordingly, physical targets and financial outlays for opening of 200 BOs in rural areas have been worked out.

(iii) Opening of SOs by redeployment:

SOs are opened in needy and justified locations mainly by redeployment of existing surplus staff or by relocation of the existing SOs which are not fulfilling the existing norms. During the current Plan Period, 224 SOs have been opened by redeployment/ relocation [combined targets issued] and targets for opening of 60 SOs have been given to the Circles for the current financial year 2011-12. Due to shortage of staff in the Circles, it may not be possible to open sufficient number of SOs by redeployment during next plan. It is, therefore, proposed to open 50 SOs by redeployment during the 12th Plan Period i.e. 10 SOs in every financial year of the plan period. While SOs are opened by redeployment, one time expenditure is to be made for infrastructure equipments, computer, etc. and recurring rental expenditure. Accordingly, physical targets and financial outlays for opening of 50 SOs have been worked out.

(iv) Opening of SOs by creation of new posts:

Newly developed urban areas fall under two categories viz urban outgrowths like Rohini in Delhi and entirely new urban areas that are not outgrowths of existing urban spaces like Greater Noida. While it may be possible to open SOs by redeployment/ relocation in the first category of the urban areas, in the **second category SOs** should be opened by creation of posts including for delivery staff. Based on the achievements in opening of SOs by relocation/ redeployment during current plan, it is proposed to open 200 SOs during 12th Plan Period by creation

of equal number of new Sub-Postmaster posts for entirely new urban areas i.e. 40 SOs in each financial year of the entire plan period. These SOs will consist of one SPM including Postal Assistant, delivery staff, etc. These SOs have to be provided one time grants for infrastructure equipment, computers, etc. Accordingly, physical targets and financial outlays for opening of 200 SOs have been worked out.

(v) Opening of franchise outlets in Urban Areas:

Due to stipulation imposed on creation of new posts by the Ministry of Finance, Franchise Outlets are opened in urban and upcoming urban areas to fulfill the demands of postal services in that areas. As on 31.3.2011, 1155 Franchise Outlets are functioning in the country and all have been opened during current plan. For the current financial year 2011-12, target for opening of 125 Franchise Outlets have been given to the Circles. Based on the achievement in the current plan, it is proposed to open 1,000 Franchise Outlets during the entire 12th Plan period i.e. 200 FOs in each financial year of the plan period.

(vi) Rationalization of postal network, consisting of Relocation of Branch Post Offices:

BOs are opened in needy and justified areas mainly by redeployment of existing surplus staff or by relocation of the existing BOs which are not fulfilling the existing norms of BOs. It is an ongoing process. During the current Plan Period, 213 BOs have been opened by redeployment/ relocation[combined targets issued] and targets for opening of 90 BOs have been given to the Circles for the current financial year 2011-12. Based on the achievements of the current plan, it is proposed to open 200 BOs by relocation during the 12th Plan Period i.e. 40 BOs in every financial year of the plan period. While BOs are opened by redeployment, one time expenditure is to be made for shifting of existing infrastructure/ purchase of new infrastructure which has been estimated to Rs.7,500/- per BOs.

(vii) Relocation of Sub Post Offices:

SOs are opened in needy and justified locations mainly by redeployment of existing surplus staff or by relocation of the existing SOs which are not fulfilling the existing norms. During the current Plan Period, 224 SOs have been opened

by redeployment/ relocation [combined targets issued] and targets for opening of 60 BOs have been given to the Circles for the current financial year 2011-12. Based on the achievements of the current plan, it is proposed to open 200 SOs by relocation during the 12th Plan Period i.e. 40 SOs in every financial year of the plan period. While SOs are opened by relocation, one time expenditure is to be made for shifting of infrastructure equipments, etc.

(viii) Infrastructural equipment for EDBOs:

During the current plan period, about 9,000 EDBOs have been provided funds for infrastructure equipment out of 1.29 lakhs EDBOs. During the 12th Plan Period additional 11,460 EDBOs and 200 EDBOs are proposed to be opened by creation of equal number of GDS posts and by redeployment of existing staff respectively. It is proposed to provide infrastructure equipment to remaining 1,20,000 EDBOs plus 11,460 & 200 proposed to be opened i.e. 1,31,660 EDBOs @ Rs.7,500/- per BO during 12th Plan Period. Accordingly, physical targets and financial outlays have been worked out.

(ix) Study to Explore Business Opportunities in Rural Areas:

The Sub-Group recommends for an extensive study to explore business opportunities for the post offices in the rural areas and identify appropriate business opportunities for Government business as also for private businesses. One study covering the whole country may be carried out through a reputed organization and it is estimated that an amount of Rs.1.50 crore may be required for conducting such study

(x) Installation of New Improved Letter Boxes in Rural Areas:

Department of Posts is planning to revamp rural postal infrastructure by inducting Information and Communication Technology (ICT) in all the Branch Post Offices and shifting them either in panchayats buildings or at Bharat Nirman Rajiv Gandhi Seva Kendras and it is important that rural areas get better quality of letter boxes. No substantial investment has been made on letter boxes in rural areas in recent years and most of them are in dilapidated condition. Letter Boxes are important part of postal infrastructure. A Plan Scheme is proposed to introduce better quality letter boxes in the rural areas in a phased manner. The letter boxes are made of good quality iron sheet with paint from both sides. As

per the prevailing market rate of iron sheet, estimated cost of a letter box may be Rs.1,500/-. It is proposed to provide letter boxes to all the existing BOs as well as BOs proposed to be opened during 12th Plan. Accordingly, physical targets and financial outlays have been worked out.

(xi) Installation of Signages for Rural Branch Post Offices:

Department is planning to revamp rural postal infrastructure by inducting Information and Communication Technology (ICT) in all the Branch Post Offices and shifting them either in panchayats buildings or at Bharat Nirman Rajiv Gandhi Seva Kendras. Such efforts have potential to bring the post offices to the centre of their villages and mainstream of economic and social activities of their local communities. In order to facilitate this process it is essential to improve its visibility and brand capital by providing all the branch post offices with appropriate attractive signages. As per the prevailing market rate, estimated cost of a signage board may be Rs.500/- per board. It is proposed to make provision of funds for providing signage to all existing BOs as well as BOs proposed to be opened during 12th Plan. Accordingly, physical targets and financial outlays have been worked out.

(xii) Embedding of Cash Chests at Rural Branch Post Offices:

The amount of cash being handled at rural BOs has increased manifolds due to implementation of scheme like MGNREGS wage disbursement and disbursement of various pensions under National Social Assistance Programme. It is likely to substantially increase further with many more such schemes planned to be delivered through the BOs. With current levels of cash transaction most BOs now require proper chests to keep their cash safely. Therefore, it is proposed to provide cash chest boxes to 98,000 BOs [operating MNREGS accounts] during 12th Plan Period and accordingly, physical targets and financial outlays have been worked out.

(xiii) Supply of Remotely Managed Franking Machines:

Requirements of Circles were assessed for low speed and high speed franking machines. Accordingly it is proposed to complete supply RMFMs in the first three years of the Plan as given below:

YEAR-WISE PROPOSED PHYSICAL TARGETS AND FINANCIAL OUTLEYS FOR THE 12TH PLAN PERIOD FOR DIFFERENT ACTIVITIES UNDER PLAN SCHEME -

ACCESS TO THE POSTAL NETWORK.

(i) Opening of Branch POs in rural areas by creation of new GDS posts: -

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Opening of BOs by creation of new GDS posts | 11,460 | 2,292 | 2,292 | 2,292 | 2,292 | 2,292 |
| Allocation of funds (Rs. in crores)* | 274.388 | 16.731 | 36.809 | 55.212 | 73.616 | 92.020 |

(ii) Opening of BOs by redeployment:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Opening of BOs by redeployment of posts | 200 | 40 | 40 | 40 | 40 | 40 |
| Allocation of funds (Rs. in cores)** | 0.15 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |

** Rs.7,500 per BO (one time expenditure) for shifting/ providing infrastructure equipment, etc.

(iii) Opening of SOs by redeployment:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Opening of SOs by redeployment of posts | 50 | 10 | 10 | 10 | 10 | 10 |
| Allocation of funds (Rs. in crores)*** | 1.465 | 0.173 | 0.233 | 0.293 | 0.353 | 0.413 |

(iv) Opening of SOs by creation of new posts:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Opening of SOs by creation of new posts | 200 | 40 | 40 | 40 | 40 | 40 |
| Allocation of funds (Rs. in crores)**** | 148.688 | 8.928 | 19.641 | 29.462 | 39.283 | 49.104 |
| | | 0.454 | 0.454 | 0.454 | 0.454 | 0.454 |

(vi) Opening of Franchise Outlets in urban areas: -

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Modified franchisee outlets | 1,000 | 200 | 200 | 200 | 200 | 200 |
| Allocation of funds (Rs. in crores)***** | 1.010 | 0.202 | 0.202 | 0.202 | 0.202 | 0.202 |

***** Rs.10,000/- per FO (one time expenditure) for setting up of FOs.

(vi) Relocation of Branch Post Offices:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012- 13 | 2013- 14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---------------------|---------------------|----------------|----------------|----------------|
| Opening of BOs by relocation | 200 | 40 | 40 | 40 | 40 | 40 |
| Allocation of funds (Rs. in cores) @ Rs.5,000/- per BO. | 0.10 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 |

(vii) Relocation of Sub-Post Offices:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012- 13 | 2013- 14 | 2014- 15 | 2015- 16 | 2016-17 |
|---|---|---------------------|---------------------|---------------------|---------------------|----------------|
| Opening of SOs by relocation | 200 | 40 | 40 | 40 | 40 | 40 |
| Allocation of funds (Rs. in crores) @ Rs.10,000/- per SO. | 0.20 | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 |

(viii) Infrastructural equipment for EDBOs:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012- 13 | 2013- 14 | 2014- 15 | 2015- 16 | 2016-17 |
|--|---|---------------------|---------------------|---------------------|---------------------|----------------|
| Provision for infrastructure equipments to BOs | 1,31,660 | 26,332 | 26,332 | 26,332 | 26,332 | 26,332 |
| Allocation of funds (Rs. in crores) @ Rs.7,500/- per BOs | 98.745 | 19.749 | 19.749 | 19.749 | 19.749 | 19.749 |

(ix) Study to Explore Business Opportunities in Rural Areas:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012- 13 | 2013- 14 | 2014-15 | 2015-16 | 2016-17 |
|--|---|---------------------|---------------------|----------------|----------------|----------------|
| Study of Explore Business opportunities in rural areas | 1 | 1 | - | - | - | - |
| Allocation of funds (Rs. in crores) | 1.50 | 1.50 | - | - | - | - |

(x) Installation of New Improved Letter Boxes in rural Areas:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012- 13 | 2013- 14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---------------------|---------------------|----------------|----------------|----------------|
| Installation of new improved letter boxes in rural areas | 1,40,660 | 28,132 | 28,132 | 28,132 | 28,132 | 28,132 |
| Allocation of funds (Rs. in crores) @ Rs.1,500 per Letter Boxes | 21.099 | 4.2198 | 4.2198 | 4.2198 | 4.2198 | 4.2198 |

(xi) Installation of Signages for Rural Branch Post Offices:-

| ITEM/ALLOCATION | 12TH PLAN TARGETS | 2012- 13 | 2013- 14 | 2014-15 | 2015-16 | 2016-17 |
|--|---|---------------------|---------------------|----------------|----------------|----------------|
| Installation of signages for rural Branch Post Offices | 1,40,660 | 28,132 | 28,132 | 28,132 | 28,132 | 28,132 |
| Allocation of funds (Rs. in crores) @ Rs.500/- per signage | 7.0330 | 1.4066 | 1.4066 | 1.4066 | 1.4066 | 1.4066 |

(xii) Embedding of Cash Chests at Rural Branch Post Offices: -

| ITEM/ALLOCATION | 12 TH PLAN TARGETS | 2012- 13 | 2013- 14 | 2014-15 | 2015-16 | 2016-17 |
|--|-------------------------------------|-------------|-------------|---------|---------|---------|
| Supply of cash chests to BOs | 98,000 | 19,600 | 19,600 | 19,600 | 19,600 | 19,600 |
| Allocation of funds (Rs.In crores) @ Rs.4000/- per cash chest. | 39.20 | 7.84 | 7.84 | 7.84 | 7.84 | 7.84 |

(xiii) Postal Operations: Franking Machines

(in crores)

| Sl No | Activity | targets | Financial outlay |
|-------|------------------------------|---------|------------------|
| 1 | Low speed franking machines | 650 | 7.00 |
| 2 | High speed franking machines | 370 | 37.00 |
| | Sub Total | | 44.00 |

V BUSINESS DEVELOPMENT

It is proposed to implement the following schemes of Business Development Directorate in 12th Plan for the reasons described in next paragraphs wherein a review of existing schemes under 11th Plan has also been done :

1. Business Expansion of Logistics Post
2. Business Expansion of Express Parcel Post
3. Up-gradation of Speed Post centers
4. Marketing function of Department of Posts

Evaluation and Review of Existing Schemes

a) Business Expansion of Logistics Post:

Fund of Rs 48.50 crore was approved during the Eleventh Five Year plan towards development of infrastructure for Logistics Post covering the following components:

- Establishment of Logistics Post Hubs
- Establishment of Logistics Post Centers with Warehousing Facilities
- Establishment of ISO & Quality Systems
- Scoping study of commercial systems of Logistics Post
- Market Surveys on Logistics Post
- Investment on commercial systems for Logistics Post
- Establishment of Logistics Post International Centers
- Establishment of Logistics Post Air Centers
- Development of e-Logistics Systems
- Software on WMS, Tracking and Vehicle tracking system
- Consultancy on Logistics Post Centers

However only Rs 2.74 Crore were allotted during the first four years of 11th Plan Period for two components viz. Establishment of Logistics Post Centers with Warehousing Facilities and Establishment of Logistics Post Air Centers. Thus only 74 Logistics Post Centers and 6 Logistics Post Air Centers could be established by the year 2010-11, and their requirements for infrastructure facilities could be

fulfilled only partially. Sub Group was of the view that it is essential for the Department to include Logistics as one of its core activities as development of Logistics sector is of paramount importance for the economic development of the country and it offers excellent opportunity for the department to improve its revenue. The Sub Group therefore recommends to continue this Plan scheme for the 12th Plan and emphasize allotment of a much bigger sum from Planning Commission to enable the Department to actualize its potential in this area.

b) Business Expansion of Express Parcel Post:

Fund of Rs 40.00 crore was approved during the Eleventh Five Year Plan towards this Plan scheme covering the following components:

- Establishment of Parcel Post Centers
- Establishment of Parcel Post Booking Centers
- Consultancy for establishing Parcel Post Hubs and Centers
- Provision of equipments to existing Parcel Post Centers
- Provision of equipments for Parcel Post Distribution Centers
- Establishment of booking systems at key corporate customers premises
- Establishment of web based booking system
- Establishment of ISO & Quality systems
- Development of Marketing System of Parcel Post

However only Rs 2.70 Crores were allotted during the first four years of 11th Plan for this Plan scheme. Thus only 37 Express Parcel Post Centers/ Hubs (partially established) could be established by the year 2010-11, and their requirements for infrastructure facilities could be fulfilled only partially.

It was perceived that although the Department is engaged in parcel business since 1854, focused attention and thus adequate investment, business planning, customer orientation and marketing efforts could not be put in towards developing business of parcels. Growth of Indian economy has caused significant growth in the parcel business and it is imperative for the Department to focus its attention improve its share in this sector. It is also felt that requirements of

business are quite different for parcels from those of the letters. Thus it is important to garner adequate Plan support to develop infrastructural facilities and induction of suitable technology to ensure speed and reliability for transmission of parcels while delivering value for money for the customers.

Department is providing Express Parcel Post service which has experienced substantial growth over the years. However the business needs to take a qualitative leap in view of the overall volume of business being transacted across the country. Thus the Sub Group recommends continuing with this scheme with a substantially enhanced outlay.

c) Up-gradation of Speed Post centers:

Department of Posts is modernizing the entire postal network as a part of its strategy to deliver quality service to its customer and thus improving its own business and revenues. Plan scheme to modernize Speed Post Centers is thus in sync with this strategy of the Department. This scheme will improve overall efficiency of Speed Post service delivery due to increased technological capabilities and thus improve the revenues of the Department. Sub Group thus recommends continuing with this Plan scheme.

d) Marketing function of Department of Posts:

Business development Directorate is responsible for all the marketing activities of the Department. The Plan scheme includes creating brand identity of Department of Posts, promotion, publicity & brand visibility, marketing of financial services and new products, and product enhancement. This is achieved through advertisement through print, electronic media, web portals and through event sponsorship; direct marketing through printing of mailers, brochures and other publicity materials; and customer awareness campaigns through customer meets, road show, and participation in trade fairs, exhibitions and celebration of postal weeks. Sub Group recommends to continue this scheme as it is important make people aware of the product basket of Department of Posts which will increase business and thus revenue of the organization while enabling its customers to take advantage of its services in their own interest. This needs to include development of marketing structure with adequate manpower at Circle, Region and Division levels.

The details of the targets proposed for 12th plan are as follows:

Financial:

| Component/ Activity | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total Plan Outlay in Cr |
|--|---------|---------|---------|---------|---------|-------------------------|
| Establishment of Express Parcel Post Hubs/ Centers | 3 | 7.5 | 7.5 | 6 | 6 | 30 |
| Upgradation of Parcel Post Centers | | 2.0 | 2.9 | 2.9 | 2.2 | 10 |
| Establishment of Logistics Post Hubs/ centers | | 5 | 10 | 10 | 5 | 30 |
| Establishment of warehouses | | 2 | 2 | 2 | | 6 |
| Upgradation of Logistics Post Centers | | 0.75 | 0.75 | 0.75 | 0.75 | 3.0 |
| Upgradation Logistics Post Air Centers | | 1.5 | 1.5 | 1.5 | | 4.5 |
| Upgradation of Speed Post Centres | 25 | 50 | 50 | 25 | 0 | 150 |
| Branding of Post Offices through Image Make Over | 50 | 75 | 75 | 50 | 50 | 300 |
| Marketing of Postal Services | 40 | 50 | 50 | 60 | 65 | 265 |
| Marketing of Financial Services | 20 | 25 | 30 | 35 | 40 | 150 |
| Marketing of New Services | 10 | 10 | 10 | 10 | 10 | 50 |
| Total | 148.00 | 228.75 | 239.65 | 203.15 | 178.95 | 998.50 |

Physical targets proposed

| Component/ Activity | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total |
|--|---------|---------|---------|---------|---------|-------|
| Establishment of Express Parcel Post Hubs/ Centers | 10 | 25 | 25 | 20 | 20 | 100 |

| | | | | | | |
|--|---|------|------|------|------|---|
| Upgradation of Parcel Post Centers | | 10 | 15 | 15 | 12 | 52 |
| Establishment of Logistics Post Hubs/centers | | 50 | 75 | 75 | 50 | 250 |
| Establishment of warehouses | | | 2 | 2 | 2 | 6 |
| Upgradation of Logistics Post Centers | | 10 | 15 | 15 | 10 | 50 |
| Upgradation Logistics Post Air Centers | | | 2 | 2 | 2 | 6 |
| Upgradation of Speed Post Centres | 50 | 100 | 100 | 50 | | 300 |
| Branding of Post Offices through Image Make Over | 2000 | 2000 | 2000 | 2000 | 2000 | 10000 |
| Marketing of Postal Services | <ul style="list-style-type: none"> • Advertisement through print, electronic media, web portals and through event sponsorship. • Direct marketing through printing of mailers, brochures and other publicity materials. • Customer awareness campaigns through customer meets, road show, and participation in trade fairs, exhibitions and celebration of postal weeks. | | | | | Promotion, Publicity & Marketing activities |
| Marketing of Financial Services | | | | | | |
| Marketing of New Services | | | | | | |

VI. IT INDUCTION AND MODERNISATION

Review of 11th Plan

IT Induction schemes were taken up in two projects in the 11th Plan:

(i) Computerisation and Networking of Departmental Post Offices with an approved outlay of Rs 628.66 crores wherein 4640 double handed post offices were computerized and networked, hardware of 4167 Post Offices was upgraded, hardware was supplied to 292 Divisional Offices, upgradation and modernization of 23 Postal Accounts Offices was completed, Software Center at Postal Training Center, Mysore was upgraded and a Project Management Unit for developing a comprehensive technology plan and advice on strategy for networking all post offices and integrated modular software was set up.

(ii) Computerization of Post Offices, Mail Offices, Administrative and other offices, establishment of IT infrastructure, development of software applications with an outlay of Rs 1877.2 crores. The following activities have been carried out :

(iii) Department has engaged the service of M/s. Accenture for professional consultancy to develop a technology strategy and action plan for process re-engineering total networking and computerization of post offices, administrative offices and offices of the accounts wing.

(iv) Business process re-engineering study has been done in consultation with the consultant and stakeholders. Detailed Project Report has been prepared by the IT Consultant, the same has been approved by the competent authority.

(v) A comprehensive IT roadmap was developed for network architecture, integrated software, proper data management including strengthening/ establishment of National Data Centre(s) and Disaster Recovery Centre.

(vi) Eight Request For Proposals (RFPs) have been floated as proposed in the DPR and is pending for finalization at various stages. The status of RFPs is as follows:

a) Eight RFPs have been issued.

b) Technical evaluation is under progress in case of Financial System Integrator (FSI), Data Centre (DC), Network Integrator (NI), Core System Integrator (CSI) & Rural ICT Hardware (RH) RFPs.

c) Financial bid opened on 09.6.11 and process of finalization of vendor is under progress in Rural ICT System Integrator (RSI) RFP.

d) Vendor has been finalized in Change Management (CM) RFP. Process of finalisation of contract is under progress

e) Prequalification bids opened on 17.08.11. Evaluation of Pre-qualification bids is under progress in case of Mail Operations Hardware(MOH) RFP

Road Map for 12th Plan

As indicated in the preceding chapters the major thrust of the 12th Plan in IT Induction and Modernisation would be to complete, implement, and sustain the initiatives set rolling in the 11th Plan. The exercise of Business Process Re-engineering taken up prior to the implementation of Networking, Computerisation and Software Integration as envisaged in the second project detailed above implies that implementation of this project would usher in improved processes and computerization and networking would not be applied to existing processes and would not imitate manual processes. Hence the 12th Plan would be a period of implementation of new and improved processes, a new regime of Enterprise Resource Planning, integration and interlinking of applications, greater access, enhanced productivity, improved functionality and efficient and cost effective services.

The main features of the project are:

- Supply of Mail Office Hardware - Automation of mail processing offices and supply of hardware for successful installation, integration and functioning of all applications. The objective is to supply hardware to departmental post offices- Computerisation of remaining post offices; supply of handheld devices to select post offices.
- Development and deployment of Rural ICT solutions- the objective is IT induction in Rural post offices – Hardware Supply, Training and Network

Connectivity. New and improved services to residents of rural India; making it easier for customers to conduct business.

- Development and deployment of Banking & PLI solutions – the objective is Application Development of Postal Banking Solution and Postal Life Insurance. A fully integrated Life Insurance platform to enable efficient and cost effective service to existing and new customers. Improved Banking and money remittance services to the citizens of the country with a focus on the rural population.
- Data Centre & Disaster Recovery System- set up of Data Centre and disaster recovery centre- improved and scaled up Data Centre to manage operations and disaster recovery centre which will ensure seamless functioning in case of DC outage.
- Network Integration - for connecting all post offices. Centralized and decentralized mode of connectivity supporting all business areas, functions and post offices.
- Development & deployment of Integrated Scalable Software & change management activities - for Mail solutions, HR, Administration, Finance & Accounts, Call centres and Web Portal , system integration etc. Training and change management to ensure readiness of DoP to adopt the solution. The outcome would be an Integrated scalable software for mail solutions, Hr, Admin, F&A, OM solutions for all channels (including Rural ICT platform); a centralized 24x7 Service desk; a call centre for DoP and enable cross- functional area coordination(Website, Call Centre, eCommerce, application service desk etc). Change management activities to assess stakeholder's readiness to change, conduct workshops, communicate and create awareness about the change and plan and monitor trainings.

The details of the financial and physical inclusion proposed during 12th plan are as follows:

| SI No | Name of the Activity | Physical Targets | Financial Outlay (Rs in crores) |
|-------|---|---|---------------------------------|
| 1 | Supply of Mail Office Hardware | Supply of hardware to all remaining post offices& Maintenance | 12.00 |
| 2 | Development & Deployment of Rural ICT Solution | Development, Testing and Pilot run in location identified;& Rural ICT solution rollout in all locations | 1109.70 |
| 3 | Development & Deployment of Banking & PLI Solution | Development , Testing and Rollout of CBS & PLI Solutions at pilot locations , Support & Maintenance | 450.83 |
| 4 | Data Centre & Disaster Recovery System | Primary data centre to be set up & Disaster Recovery Centre to be setup | 71.44 |
| 5 | Network Integration | Rollout of network at Pilot post offices/Locations, Rollout of Network at all remaining locations, connectivity and NOC operations | 2523.53 |
| 6 | Development & Deployment of Integrated Scalable Software & Change Management Activities | Design, Development and Testing of proposed solution, Pilot and Rollout of software solutions across all locations, support and maintenance | 1158.84 |
| 7 | Computerisation & Networking of BOs opened in 12 th plan | 11460 | 100.00 |
| 8 | Annual Maintenance | | 1500.00 |
| | Total | | 6926.34 |

| Sl No | Name of the Activity | Objective | Physical targets proposed (for 5 years) | | | | |
|-------|--|--|---|---|-------------------------|-------------------------|-----------------------|
| | | | FY 12-13 | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 |
| 1 | Supply of Mail Office Hardware | Hardware supply to departmental Post Offices, Computerization of remaining post offices, supply of handheld devices to select post offices | Supply of hardware to all remaining post offices | Maintenance & Monitoring | Warranty services | Warranty services | Warranty services |
| 2 | Development & Deployment of Rural ICT Solution | IT Induction in rural post offices: - i. Hardware Supply ii. Training iii. Network Connectivity | Development, Testing and Pilot run in location identified; supply of hardware and connectivity. | Rural ICT solution rollout in all locations | Support & Maintenance | Support & Maintenance | Support & Maintenance |
| 3 | Development & Deployment of Banking & PLI Solution | Application Development of : i. Postal Banking Solution ii. Postal Life Insurance | Development, Testing and Rollout of CBS & PLI Solutions at pilot locations. | Rollout of CBS & PLI Solutions at pilot locations | Support & Maintenance | Support & Maintenance | Support & Maintenance |
| 4 | Data Centre & Disaster Recovery System | Set up Data Centre and Disaster Recovery Centre | Primary data centre to be set up | Disaster Recovery Centre to be setup | Operation of DC and DRC | Operation of DC and DRC | |

| | | | | | | | |
|---|---|--|--|--|---------------------------------|---------------------------------|--|
| 5 | Network Integration | Network integration for connecting all POs | Rollout of network at Pilot post offices/ Locations | Rollout of Network at all remaining locations | Connectivity and NOC Operations | Connectivity and NOC Operations | |
| 6 | Development & Deployment of Integrated Scalable Software & Change Management Activities | Integrated Scalable Software for : i. Mail Solutions ii. HR Administration, Finance & Accounts iii. Call center and Web Portal. iv. System Integration etc Training and change management to ensure readiness of DoP to adopt the solution. | Design, Development and Testing of proposed solution . | Pilot and Rollout of software solutions across all locations | Support & Maintenance | Support & Maintenance | |

VII. Human Resource Management

1. Evaluation of 11th Five Year Plan

1.1 Under EFC of 11th Five Year Plan on Human Resources Management, a sum of Rs 124.92 crores was approved. The scheme includes imparting of institutional in service training, technology training, business orientation programmes, capacity building of training centres and trainers and development of infrastructure.

1.2 The funds allotted during the 11th plan period and their utilization are as follows:

| Year | Funds allotted (in crores) | Funds utilized (in crores) |
|-----------|--------------------------------|-----------------------------|
| 2007-2008 | Rs 19.13 | Rs 10.35 |
| 2008-2009 | Rs 15.28 | Rs 14.09 |
| 2009-2010 | Rs 13.43 | Rs 13.44 |
| 2010-2011 | Rs 10.15 | Rs 10.48 |
| 2011-2012 | Rs 15.00 | ---- |

The shortfall during the first year of the Plan period was for want of approval of EFC.

1.3 The physical targets and the achievements thereon are as follows:

| Year | Target | Achieved |
|-----------|--------|----------|
| 2007-2008 | 94360 | 76841 |
| 2008-2009 | 94057 | 112708 |
| 2009-2010 | 100300 | 138880 |
| 2010-2011 | 80161 | 99595 |
| 2011-2012 | 83950 | --- |

1.4 The group 'A' and 'B' officers are trained at Postal Staff college of India (PSCI) at Ghaziabad, which is the apex institute of the Department and there are six Postal Training Centres (PTCs) which impart induction training to inspectors of Post Offices, Postal Assistants and Sorting Assistants. The PTCs also organized in service training programme for Postmasters and Assistant Superintendents of Post Offices (ASPOs) on departmental matters and technology.

1.5 The Plan scheme for Human Resource Management during XI Plan included following training programmes covering all the cadres of employees.

a) Induction Training Programmes were imparted for new entrants. The induction training programmes for major cadres like Inspector of Post Offices, Postal Assistants and Sorting Assistants have been reviewed and revised with the focus on gaining operational efficiency and improving soft skills for handling customers. The new entrants were sensitized to the focus needs and initiatives of the Department.

b) Development Programmes were conducted to develop officers after specific spells of service. The existing development programmes for middle level and junior level officers have been enhanced. These included one week exposure to a foreign postal administration which have been successfully transformed themselves. Three new development programmes have been introduced in this Plan, namely the Advanced Development Programme for senior level officers and programmes for Assistant Superintendent of Post Offices and for Accounts officers (Group 'B' cadre).

c) In service Training Programmes were introduced for Postmasters and Supervisors on software along with technology knowledge programmes. Presently, the Postmasters and Supervisors in Project Arrow Phase I, ii, and iii post offices have been trained. The Postal Training Centres also imparted the 'Train the Trainers' training to the Workplace Computer Training Centre trainers. As part of improvement of quality of service, training has been imparted to Sorting Assistants with a view to improve their sorting skills particularly improving town delivery sorting. Training Programmes have also been initiated for the Accounts personnel through Zonal Training Centres and Divisional Training Centres in the office of the Director of Accounts (Postal).

d) Technology Training have been given to group 'A' and 'B' officers for technology implementation, training to Assistant Superintendent of Post Offices and Inspector of Post Offices to enable them to inspect computerized offices and training to Postal Assistants, Postmasters, Sub-postmasters. System Administrators are also being developed for troubleshooting and assisting in technology implementation at the post office level. Similarly, the focus has been on expansion of facilities for imparting training from the year 2007 onwards.

e) Business Orientation Programmes were organized for the work force with the customers directly. This included Customers' Relationship Management programme for the Marketing Executives and Rural Marketing Programmes for the Assistant Superintendents of Post Offices who are in- charge of the Sub division. Programmes for postmen and the Gramin Dak Sevaks are also being organized. Programmes are also being organized for frontline staff which included postmen and the counter staff. Training is also being imparted to drivers and other technical staff.

f) Capacity Building- To meet the ever increasing need for upgrading the skills of the work force, initiatives in this direction were taken which include train the trainers, development of mentors, standardization of training packages as well as building infrastructure and development of training facilities. In addition to this, training on Direct Trainers' Skill is also being imparted to the trainers. The trainers of Postal Training Centres and Workplace Training Centres were trained in Direct Trainers Skill (DTS) in association with Deptt of Personnel and Training. Assistant Superintendents of Posts were trained as trainers to train postmen.

g) Technology Training- further to keep pace with technology implementation, local training facilities were developed to supplement the training provided by Postal Training Centres. Accordingly, training facilities were set up at field level designated as Workplace Training Centre (WTC). There are 225 such WTCs now it will grow further by the end of the current five year plan.

h) Standardisation of Training – The Standard Training Packages (STPs) have been developed for imparting computer training. The Postal Training Centres develop the STPs. The STP contain the programme objectives, break down of module, trainee material and notes for instructor for conducting the training.

These STPs were posted in the training Website of PTC Mysore for use by all PTCs and field level training centres on uniform basis.

2. Training Requirements

2.1 In the Eleventh Five Year Plan, a component of foreign training was included in three in-service comprehensive training programmes. This has given a very good exposure to the officers of higher managerial cadres. In the present scenario, no Postal Administration can develop in isolation and exposure to the functioning of other Postal Administrations is an essential pre-requisite for an officer to discharge his duties effectively. In fact, in many other Central Services, the probationers are being deputed to foreign countries to have an exposure to different good practices prevailing elsewhere. **Probationers of the Indian Postal Service should also be exposed to the functioning of the Postal Administrations elsewhere viz Singapore, South Korea, Malaysia, Australia etc to enrich their knowledge and develop them as a professional before they assume charge of the field units.** The field visits abroad would add value to the induction programme of the probationers and will facilitate them to develop as high caliber executives, capable of seeing the organization through future challenges.

2.2 Whereas an IPoS Officer gets three mandatory in-service training in his service career (excluding probation), no such training programme has been envisaged as yet for the following cadres: -

- (a) **Postal Service (Group 'B')**
- (b) **The officers belonging to Inspector/ASP Cadre**
- (c) **Supervisory Cadre viz Post Masters' Cadre (Grade I/II/III)**
- (d) **Postal Assistant/Sorting Assistant**
- (e) **Postman/Mail Guard/Overseers**
- (f) **Multi-Tasking Staff (MTS)**
- (g) **Gramin Dak Sevaks (GDS)**

a. Besides induction training, such officers in **Postal Services (Group 'B')** who are recruited through competitive examinations should be exposed to at least two mandatory comprehensive in-service training of the sort of EDP/MDP at PSCI. Presuming that the average age of an entrant who is coming through Departmental competitive examination in Postal Service (Group B), is 40 years, one is **required to be sent at least twice in comprehensive**

in-service training of the sort of EDP /MDP. The first training may be imparted after completing 6-7 years of service and second one after completing 11-12 years of service in PS (Gr. 'B')/JTS/STS. Even the officers, who get promoted to PS (Gr. B) in usual course, will be sent to in-service training after 6-7 years in the cadre. We should try to **develop some foreign component in these training programmes also.** APPC Bangkok is a premium training institute in Asia with well designed courses and with proper infrastructure. Exposure of our officers to such courses will sensitize them in global business strategies and in international marketing practices.

2.3 Mid service training is aimed at developing a comprehensive perspective of an officer. The officers in the field units are normally so hard pressed; they hardly get the time to think in broader perspective. The idea of mandatory mid service training is to ignite the thinking capacity in him which is required to appreciate the journey of the organization. **Technology focus needs to be imbibed at all mid service trainings, besides customer orientation.**

2.4 An Inspector/Assistant Superintendent also needs to be imparted institutional training, at least twice, before he gets promoted to Postal Service (Group 'B') in due course. These trainings may be of at least of two weeks' duration and the training curriculum needs to be comprehensive in nature. These programmes may be conducted preferably at PSCI. The training after 7-8 years may be termed as **'Officer Development Programme'** and the institutional training after working for 14/15 years in Inspector/ASP Grade may be termed as **'Manager Development Programme'**. **This training programme needs to have field visits in different cities in India to expose the participants to best practices in various Circles.**

2.5 Postal Assistants (PA)/Sorting Assistants (SA) needs to be trained at least thrice in one's entire service career, excluding the induction training. One can be brought under the **'Assistant Development Programme'** before he is eligible for first MACP. When 2nd MACP is due for a PA/SA, he can be brought under the **'Supervisor Development Programme'**. Before the 3rd MACP, one may be brought under the **'Senior Supervisor Development Programme'**. Those who are absorbed in the Supervisor Cadres, such as Post Master (Grade

I/II/III), also need to be fitted in a comprehensive training schedule drawn on above line.

2.6 In the present scenario, there is no arrangement for imparting institutional training for the Pas recruited in the Circle Offices/Regional Offices (PACOs). **PACOs are also required to be brought under induction training in PTCs. Hence the possibility of imparting some training to them in secretarial practices in the beginning of their career and for that the tie-up with institutions like ISTM can be explored.** One of the PTCs may be identified for imparting induction training to the PACOs. **This training should include an exposure to the postal operations and also to the RMS operations. This will enable the Pas in their file work which deals with mainly the operations in the field.** PACOs should also be subject to 'Assistant Development Programme', 'Supervisor Development Programme' & 'Senior Supervisor Development Programme' in PTCs like their counterparts in Post Office. One of the PTCs may be specially designated for this purpose.

2.7 The **principles of career training, as has been elaborated in respect of Inspectors/ASPs and Postal Service (Group 'B') Officers, should also be developed on the similar lines for JAOs/AAOs and for the Accounts Officers.** The **Accountants and other junior Gr.C officials in Accounts wing should also be brought under the purview of institutional training both at the time of induction as well as before they are entitled to 1st / 2nd / 3rd MACP.** If PTCs or the five Regional Training Centres of the Accounts wing are not in a position to impart training to the employees of Accounts wing, circle level tie up may be done with outside professional agencies.

2.8 There is no arrangement of imparting institutional training for the Postal Assistants recruited in RLOs and those recruited in Foreign Posts. **One of the PTCs may be identified for imparting induction training, as well as Assistant Development Programme, Supervisor Development Programme and Senior Supervisor Development Programme for these employees of the Department.** SBCO staff is also required to be imparted three comprehensive in-service training programmes, similar to their counterpart in Postal Operations. In certain Circles, PSD is being treated as an exclusive recruiting unit and there is confusion about the type of training

required to be imparted to them. The Pas of PSDs and those who are manning CSDs on deputation will be subject to same training as the Postal Assistants in Postal Divisions.

2.9 The Director of Motor vehicles, Sr. Managers, Managers, Deputy Managers, Asst Managers and the Oas in MMS units are needed to trained in the PSCI and PTCs, depending on their grade, along with their counterparts in Postal / RMS wing at the time of induction as well as for mid service trainings. The Technicians of the MMS, other artisans and the Drivers are also required to be imparted institutional induction training and in-service training at least thrice in one's entire service career. PTCs are not suitable for imparting this sort of training. Here, **we need to have tie-ups with such organizations, which have the experience of imparting training to the employees of the automobile sector.**

2.10 Postman / Mail Guards and MTS employees of different wings of the Department need to be imparted institutional Induction training of 15 days. **Till the time PTCs have that infrastructure, Circles can organize such training programmes in a centralized manner.** Lower Grade Officials in different wings of the Circle should also be subject to three in-service training in the entire career before 1st / 2nd / 3rd MACP. **One of the Officers in the Circle, not below the rank of JAG may be identified as the Nodal Training officer to organize training of Postman, Mailguard and MTS employees of different wings.**

2.11 **Gramin Dak Sevaks** are required to be upgraded through training to make them suitable in handling different hand held devices and in integrating them with the overall technological initiatives of the Department. Department of Posts is exploring a tie up with National Institute of Open Schooling to have a skill up gradation Programme for the Branch Postmasters. Parallel to this, we need to bring other GDS officials viz. Delivery Agents, Packers, Mail Carriers to the fold of training. Imparting any institutional training to 2.50 lakhs of Gramin Dak Sevaks is next to impossible at present. However **it can be made mandatory for all new recruits to have a week's Training before they join.** The training package for this need to be developed and such training may be organized locally at Divisional level. The existing GDS employees may be

imparted one week refresher training at the Sub Divisional level in phased manner and the standard package for that needs to be developed.

2.12 Circles need to have tie ups with Professional bodies for training of System Administrators, Sales Promotion Executives, Agents of PLI/RPLI, and training on Secretarial practices. Association with reputed institutes will facilitate outsourcing of specific training and institutionalization of induction training of such cadres who are not subject to training by the PSCI / PTCs.

2.13 System Administrators need training at regular intervals to update their knowledge. Their training needs to be organized by the Circles in specialized institutes. Besides training on hardware and networking, the System Administrators need to be imparted training on Disaster Recovery, SQL and trouble shooting. However PTC Mysore will continue to have its present role its role in organizing workshops as and when Centre for Excellence in Postal Technology brings out any upgradation in the departmental Software.

2.14 Our Managers in charge of Sales Promotion, the Marketing Executives need to be imparted training in regular intervals to update them on happenings of Express Industry worldwide with special reference to India. These trainings also need to be organized at Circle level through specialized institutes under the direct supervision of the Nodal training officer of the Circle.

2.15 Project Arrow, after Phase V, is now in place in more than ten thousand Post offices of the country. During the 12th Plan period it will be in place in Double and Single handed offices. Mail Network optimization Programme (**MNOP**) will also be extended to every nook and corner of the country by the 12th Plan. These two flagship programmes of the Department along with **Core Banking** will need training of our operative staff to a large number. Present infrastructure of the PTCs is thoroughly inadequate to take care of this requirement. Circles/ Regions have to take this responsibility of organizing such trainings in WTCs on the Standard Packages developed by the PTCs.

3. Distinctive Roles of PSCI/PTCs/WTCs

3.1 PSCI being the apex training centre in the country in the Postal Sector, it needs to be developed to an 'Academy'. The apex Centre may be

termed as National Postal Academy, in the line with similar Central Training Institutes for Direct recruit officers in the other Departments, viz National Academy of Direct Taxes (NADT), National Police Academy etc. **PSCI needs to have a flexibility of engaging academicians or HR specialists from the industry on medium to long term basis.** Such academicians/specialists, besides conducting courses will concentrate on designing trainings, developing training material, updating curriculum, conducting training needs assessment, evaluating the training programmes and will carry out research activities in the Postal Sector. This is essentially required if we are to upgrade the Postal Staff College to an Academy – an institution which aspires to impart effective training to the officers of higher management cadre of Postal Sector of India and abroad.

3.2 Specialized in service training programmes, such as training on Business Development and Sales Promotion, Mail Operations, Financial Services, Technology, PLI / RPLI, Investigation, Philately etc are imparted by the PTCs, whereas WTCs also impart similar training at the circle level. We need to see that these efforts do not overlap with each other. **Whereas Postal Training Centres will concentrate primarily on induction training and three compulsory in-service training for non-gazetted cadres, WTCs will have their focus on specialized trainings** on Sales Promotion, Mail Operations, Philately, Technology, Life insurance and Financial Services. The nodal Training Officer at the Circle level will be responsible to coordinate such trainings at WTCs. Standard Training Packages may be developed for all these courses which will be used by the WTCs. **Local resources may be utilized to the best possible extent in organizing such trainings. The services of outside experts, retired officials may be used for organizing such trainings at WTCs.** In other words **WTCs at the Circle/ Regional level need to be developed as institutions instead of running them in ad hoc fashion as it is done today.**

4. Capacity Building

4.1 The existing infrastructure for training appears to be thoroughly inadequate to the Sub-Group. **Whereas PSCI will be responsible for training of nearly 4,000 officers of the rank Gazetted and above, six PTCs are responsible to impart training to nearly 1.70 lakhs of Gr. C employees.**

PTCs deliver training to nearly 12,000 employees. Thus PTCs will take nearly 15 years to complete one cycle of training to nongazetted employees. If four institutional training sessions (including the induction training) is required to be imparted to each employee, **annual capacity of the PTCs are required to be 20,000**. We, therefore, need to have at least one Postal Training Centre in each major circle. However, considering the expenses involved, and availability of fund, it was felt that in the 12th Five Year Plan, the following new training centres may be set up: -

| Place of the proposed training centre | Circles to be attached |
|---------------------------------------|---|
| Ajmer | Rajasthan, Punjab, Himachal Pradesh and Jammu & Kashmir |
| Kolkata (Kharibari) | West Bengal & Orissa |
| Vijayawada | Andhra Pradesh |
| Kottayam / Thiruvananthapuram | Kerala |
| Nagpur | Maharashtra |
| Indore | Madhya Pradesh & Chhattisgarh |

4.2 Workplace Training Centres (WTCs) (225) are presently functioning under the control of the Circles/Regions. Infrastructure of WTCs was increased substantially in the 11thFiveYear Plan period. This facilitated enormously in reaching our operative staff who really needed training to adapt themselves to changing needs of the Department. The WTCs in 12th Plan period will be responsible for imparting all specialized training. Besides that, Circles/ Regions will be responsible for imparting training to nearly 35,000 MTS employees. Keeping that requirement in mind, the Group is of the view that **each Postal / RMS Division needs to have at least one WTC with** proper infrastructure and needs to have at least one server, 10 nodes, Printer, Scanner, Projector, internet connection, White-Board and other related accessories. **Each WTC needs to be headed by an ASP level officer and at least one dedicated trainer in PA grade is required. Posts need to be created against these positions in WTCs.**

4.3 **e-Learning platforms** can be an effective tool for training of large number of officials without dislocating them from their workplace. To start we need to develop video conferencing facilities in all the PTCs and create related infrastructure.

4.4 In the Accounts wing, five Zonal Training Centres together can accommodate nearly 125 trainees at a time. In this five year Plan more emphasis should be given in utilization of this capacity in full, instead of creating new Centres. Each Zonal Training Centre needs to be headed by an Officer of the Grade of Accounts Officer. Posts need to be created against these positions.

4.5 Priority may be given in enhancing **the Hostel accommodation** in the PTCs. All the PTCs should try to run training for two batches of participants, one in the morning/forenoon session and one in the afternoon/evening session provided hostel accommodation support that number of participants. The existing hostel accommodation in PTC Mysore /Madurai /Saharanpur act as a constraining factor in imparting training to more number of employees. This needs to be looked into. Infrastructure of Computer Lab in PTC Saharanpur is also not sufficient to take care of requisite number of trainees in double shift.

5. **Quality of Training:**

5.1 In the present scenario, we often tend to undermine the quality of training. **Those who are being posted as Inspectors/Assistant Directors in the PTCs need to undergo training for the trainers.** The training for the trainers needs to have two components: whereas the art of training and the soft skill training may be imparted by some specialized organizations, training on departmental issues may be imparted by one of the identified PTCs.

5.2 In order to acquire training skills, the trainers and the officers in PTCs and in WTCs and all Sub Divisional Inspectors / ASPs should be subject to **Direct Training Skill (DTS) courses**. This will help us gradually to develop a **Trainers pool**. In the 11th Five Year Plan period, more than 1000 persons have undergone DTS training. Department needs to **develop a Software, to maintain the database of the officials in Trainers Pool**. This will help in selection of right trainee for various courses and also to analyze the gaps in training. The software will also have the provision to enable the trainees to do

registration and other pre training activities on line and will thus facilitate the mundane work of training administration. Each PTC and each Circle has to have at least one '**Recognised Trainer**' and the department needs to develop few '**Masters Trainer**'. For development of the skills of the officers in Trainers Pool, Department should explore developing e-Learning modules whereby the Master Trainers will help the Recognized Trainers to develop. Recognized Trainers in turn will develop the trainers who have undergone the DTS Training. Quality of training can never improve without upgrading the skill of the trainers.

5.3 We **need to rework the curriculum of induction training of all the cadres and upgrade the Standard Training Package once in very 2/3 years**. This job may be undertaken by the training division in the Directorate. We need to develop the induction training curriculum of IpoS officers also and such revisions should be done in regular intervals.

5.4 Ideally all the training programmes need to be carried out on the basis of Training Need Analysis. Conducting Training Need Analysis (TNA) is reported to be very effective. Training Need Analysis and development of Training Material will be a collaborative effort of all PTCs and the material so developed will be shared with WTCs for the areas of training identified for them. **The training division of DTE will coordinate with the resource persons from all PTCs to undertake Training Need Analysis, for development of training material and for evaluation of impact of training**. The identified officials may be imparted necessary specialized training to equip them to handle above responsibilities. They will interact with each other in development of material.

5.5 As the Centre for Excellence in Postal Technology (CEPT) was developed out of PTC Mysore, we can explore developing couple of more Centres of Excellence in other PTCs viz. Vadodara, Saharanpur etc – one on Sales Promotion and market research in Express Industry and one on Financial & Insurance services.

The details of the targets proposed for 12th Plan are as follows:

Financial: Rs in crores

| SI No | Activity | Total Outlay | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-----------|---|--------------|---------|---------|---------|---------|---------|
| I | Development Programmes | | | | | | |
| 1 | for Gr.A Officers | 12.45 | 2.2 | 2.2 | 2.42 | 2.65 | 2.98 |
| 2 | Programs for training other institutions viz IIM etc. | | | | | | |
| 3 | Dev. Program for Probationers | 0.60 | 0.10 | 0.10 | 0.12 | 0.12 | 0.16 |
| 4 | For PS Gr. B Officers | 2.90 | 0.50 | 0.50 | 0.60 | 0.6 | 0.7 |
| 5 | Manager Dev program for ASPs | 1.10 | 0.20 | 0.20 | 0.20 | 0.25 | 0.25 |
| 6 | Manager Dev. Program – for ASPs | 0.70 | 0.10 | 0.15 | 0.15 | 0.15 | 0.15 |
| 7 | Training for Managers/Mktg. Exe. on sales promotion | 0.50 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| | Sub Total | 18.25 | 3.20 | 3.25 | 3.59 | 3.87 | 4.34 |
| II | In service Mid-Career training Program | | | | | | |
| 7 | Asstt. Dev. Program for Pas/Sas | 7.50 | 1.00 | 1.60 | 1.60 | 1.65 | 1.65 |
| 8 | Supervisors Dev. Program for Pas/Sas | 22.00 | 3.00 | 4.75 | 4.75 | 4.75 | 4.75 |

| | | | | | | | |
|----|--|--------------|-------|-------|-------|-------|-------|
| 9 | Sr. Supervisors Dev. Program for Pas/Sas | 7.50 | 1.00 | 1.60 | 1.60 | 1.65 | 1.65 |
| 10 | Training for PACOs | 1.00 | 0.15 | 0.20 | 0.20 | 0.2 | 0.25 |
| 11 | Training for Accounts Wing staff | 0.27 | 0.05 | 0.05 | 0.05 | 0.05 | 0.07 |
| 12 | Training for the staff of RLO & SBCO | 0.60 | 0.09 | 0.12 | 0.12 | 0.12 | 0.15 |
| 13 | Training for MMS employees | 0.50 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| 14 | Training for Sr. P.S/P.S. PA/PA/Stenographer s | 0.22 | 0.03 | 0.04 | 0.04 | 0.04 | 0.07 |
| 15 | Training for staff of Postal Printing Press, Bhubaneswar | 0.03 | 0.00 | 0.03 | 0.00 | 0.00 | 0.00 |
| 16 | Ist training for Mail Overseers/ Postman MailGuard | 0.5 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| 17 | 2 nd training for Mail Overseers/Postman Mail Guard | 75.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| 18 | 3 rd training for Mail Overseers/Postman Mail Guard | 0.50 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| 19 | Refresher Training for GDS Employees/Rural entrepreneurship | 20.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 20 | Training for System Administrators | 3.00 | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| 21 | Training for staff for Project Arrow./ | 2.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |

| | | | | | | | |
|-----|--|---------------|-------|-------|-------|-------|-------|
| | MNOP / Core Banking | | | | | | |
| | Sub Total | 141.12 | 25.72 | 28.79 | 28.76 | 28.86 | 28.99 |
| III | Expansion of Training Facilities | | | | | | |
| 22 | Engaging HR specialists at PTCs | 1.00 | 0.10 | 0.20 | 0.20 | 0.25 | 0.25 |
| 23 | Developing WCTCs as institutions- Engagement of outside expert for specialized trainings | 5.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 24 | Setting up of new PTCs-Infrastructure | 8.50 | 0.50 | 2.00 | 2.00 | 2.00 | 2.00 |
| 25 | Creation of New WTCs | 25.5 | 0.5 | 12.5 | 12.50 | 0.00 | 0.00 |
| 26 | Creation of Posts at new PTCs on matching/saving basis | | | | 0.00 | 0.00 | 0.00 |
| 27 | Upgradation of existing of existing WTCs | 4.25 | 1 | 1 | 0.75 | 0.75 | 0.75 |
| 28 | Creation of Posts at WTCs on matching saving basis | | 0 | | | | |
| 29 | Video conferencing facility in all PTCs | 0.50 | 0.30 | 0.20 | 0.00 | 0.00 | 0.00 |
| 30 | Creation of Posts of "Incharge" of WTCs on matching saving | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | | |
|----|--|--------------|-------------|---------------|-------------|--------------|--------------|
| | basis | | | | | | |
| | Sub Total | 44.75 | 3.50 | 16.90 | 16.45 | 3.95 | 3.95 |
| IV | Capacity Building | | | | | | |
| 31 | Training for Trainers-Soft skill | 0.30 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| 32 | Training for Trainers-DTS | 1.00 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| 33 | Development of 'Recognized Trainer' and 'Master Trainer' | 0.03 | 1.50 | 1.50 | | | |
| 34 | Upgradation of PSCI – engaging specialists in HR | 1.00 | 0.10 | 0.20 | 0.20 | 0.25 | 0.25 |
| | Sub Total | 2.33 | 0.375 | 0.475 | 0.46 | 0.51 | 0.51 |
| V | Building Projects | | | | | | |
| 35 | Setting up of new PTCs | 6.00 | 2.00 | 4.00 | | | |
| 36 | Other building projects (Annexure-II) | 33.00 | 5.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| | Total | 39.00 | 7.00 | 11.00 | 7.00 | 7.00 | 7.00 |
| | Grand Total | 245.4 | 39.7 | 60.415 | 56.2 | 44.19 | 44.79 |
| | | 5 | 5 | | 6 | | |

The details of the physical targets are as follows:

| SI No | Activity | Total | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-----------|---|--------------|---------|---------|---------|---------|---------|
| I | Development Programmes | | | | | | |
| 1 | for Gr.A Officers | 180 | 40 | 30 | 40 | 30 | 40 |
| 2 | Programs for training other institutions viz IIM etc. | 180 | 20 | 40 | 40 | 40 | 40 |
| 3 | Dev. Program for Probationers | 60 | 10 | 10 | 12 | 12 | 16 |
| 4 | for PS Gr. B Officers | 250 | 50 | 50 | 50 | 50 | 50 |
| 5 | Officers Dev. Program for ASPs | 1100 | 200 | 200 | 200 | 250 | 250 |
| 6 | Manager. Dev. Program for ASPs- | 700 | 100 | 150 | 150 | 150 | 150 |
| 7 | Training for Managers/Mktg Exe on sale promotion | 1000 | 200 | 200 | 200 | 200 | 2003 |
| II | In service Mid Career training Programmes | | | | | | |
| 7 | Asstt. level . Program for PAs/SAs | 23000 | 3000 | 5000 | 5000 | 5000 | 5000 |
| 8 | Supervisors level . Program for PAs/SAs | 69000 | 9000 | 15000 | 15000 | 15000 | 15000 |

| | | | | | | | |
|----|---|---------------|-------|-------|-------|-------|-----------|
| 9 | Sr. Supervisors Dev. Program for PAs/SAs | 23000 | 3000 | 5000 | 5000 | 5000 | 5000 |
| 10 | Training for PACOs | 3000 | 400 | 600 | 600 | 600 | 800 |
| 11 | Training for Accounts Wing staff | 800 | 150 | 150 | 150 | 150 | 200 |
| 12 | Training for the staff of RLO & SBCO | 2000 | 300 | 400 | 400 | 400 | 500 |
| 13 | Training for MMS employees | 1000 | 200 | 200 | 200 | 200 | 200 |
| 14 | Training for Sr. P.S/P.S. PA/PA/ Stenographers | 400 | 500 | 75 | 75 | 75 | 75 |
| 15 | Training for staff of Postal Printing Press, Bhubaneswar | 50 | | 50 | | | |
| 16 | Ist training for Mail Overseers/ Postman Mail Guard | 10000 | 2000 | 2000 | 2000 | 2000 | 2000 |
| 17 | 2nd training for Mail Overseers/ Postman MailGuard | 15000 | 3000 | 3000 | 3000 | 3000 | 3000 |
| 18 | 3rd training for Mail Overseers/ Postman MailGuard | 10000 | 2000 | 2000 | 2000 | 2000 | 2000 |
| 19 | Refresher Training/ Rural Entrepreneurship program for GDS | 250000 | 50000 | 50000 | 50000 | 50000 | 5000 0 |

| | | | | | | | |
|------------|---|---------------|--|--|-------|-------|-------|
| | Employees | | | | | | |
| 20 | Training for System Administrators | 3000 | 600 | 600 | 600 | 600 | 600 |
| 21 | Training for staff of Project Arrow./ MNOP / Core Banking | 25000 | 5000 | 5000 | 5000 | 5000 | 5000 |
| III | Expansion of Training facilities | | | | | | |
| 22 | Developing WCTCs as institutions-Engagement of outside expert for specialized trainings | 100000 | 20000 | 20000 | 20000 | 20000 | 20000 |
| 23 | Setting up of new PTCs-Infrastructure | 6 | 2 | 4 | | | |
| 24. | Engaging HR Specialist at PTCs | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | Creation of Posts at new PTCs on matching/saving basis | | AD-2 Instuctor-10, Office staff-4, MTS-2 | AD-4 Instructor-20, Office staff--8, MTS-8 | 0 | 0 | 0 |
| 26 | Creation of New WTCs | 300 | 50 | 125 | 125 | 0 | 0 |
| 27 | Upgradation of existing WTCs | 190 | 50 | 50 | 30 | 30 | 30 |

| | | | | | | | |
|-----------|--|-------------|--|--|--|-----|-----|
| 28 | Creation of Posts at WTCs on matching saving basis | | Incharge cum trainers- 275 Instructor 275 | Incharge cum trainers- 150 Instructor 150 | Incharge cum trainers- 150 Instructor 150 | | |
| 29 | Video conferencing facility in all PTCs | 13 | 7 | 6 | 0 | 0 | 0 |
| 30. | Creation of Posts at WTCs on matching saving basis | 125 | 50 | 75 | 0 | 0 | 0 |
| IV | Capacity Building | | | | | | |
| 31 | Upgradation of PSCI – Engaging specialists in HR | 9 | 1 | 2 | 2 | 2 | 2 |
| 32 | Training for Trainers – Soft Skill | 1200 | 240 | 240 | 240 | 240 | 240 |
| 33 | Training for Trainers – DTS | 3500 | 700 | 700 | 700 | 700 | 700 |
| 34 | Development of ‘Recognized Trainer’ and ‘Master Trainer’ | 50 | 25 | 25 | | | |
| V | Building Projects | | | | | | |
| 35 | Setting up new PTCs | 6 | 2 | 4 | | | |
| 36 | Other building projects (Annexure II) | 0 | 0 | 0 | 0 | 0 | 0 |

12th FIVE YEAR PLAN : PROPOSAL FOR BUILDING PROJECTS

| Sl No | Activities | Estimated Cost (In Crores) |
|--------------|-------------------|-----------------------------------|
|--------------|-------------------|-----------------------------------|

| | | |
|----|--|--------------|
| | A: Spill over from 11th Plan and included in 12th Plan | |
| 1 | Academic/Administrative Block - PTC, Guwahati | 6.39 |
| 2 | Combined Hostel - PTC, Guwahati | 2.82 |
| 3 | Staff Quarters - Postal Staff College India, Ghaziabad | 0.58 |
| 4 | Vertical Expansion of Data Recovery Centre - COURIER EXPRESS PARCELT, Mysore (Amount already allotted) | |
| | Sub Total | 9.79 |
| | B: Projects approved in 11th Plan, but not commenced and included in 12th Plan | |
| 1 | Staff Quarters - Postal Staff College India, Ghaziabad | 0.50 |
| 2 | International Standard Hostel -Postal Staff College India, Ghaziabad | 2.00 |
| 3 | Auditorium-Postal Staff College India, Ghaziabad | 0.75 |
| 4 | Sports Complex -Postal Staff College India, Ghaziabad | 0.75 |
| 5 | Combined Hostel - PTC, Darbhanga | 0.50 |
| 6 | Common Mess - PTC, Darbhanga | 0.25 |
| 7 | Hostel - PTC, Mysore | 1.25 |
| 8 | Hostel - PTC, Saharanpur | 2.21 |
| 9 | Computer Lab - PTC, Saharanpur | 2.20 |
| 10 | Academic/Administrative Block - PTC, Vadodara | 1.42 |
| | Sub Total | 11.83 |
| | C: New Projects | |
| 1 | Class Rooms by Horizontal Extension of Academic Block - PSCI | 0.60 |
| 2 | Sorting Lab, PTC, Mysore | 1.70 |
| | Computer Lab - PTC, Mysore | 1.50 |
| | Auditorium - PTC, Mysore | 2.00 |
| | Staff Quarters- PTC, Mysore | 1.50 |
| | Class Room-cum- Computer Lab : PTC, Saharanpur | 1.50 |
| | Staff Quarters - PTC, Saharanpur | 1.00 |
| | Sports Complex -PTC, Vadodara | 0.50 |
| | Staff Quarters, PTC, Vadodara | 1.00 |
| | Sub Total | 11.30 |
| | Grand Total | 32.92 |

VIII. Quality Management

Introduction

The Department of Administrative Reforms and Public Grievances under the World Bank Sub-Project on 'Capacity building for good governance' has developed a model for benchmarking excellence in service delivery (Sevottam) by Government Organizations. The objective of the scheme is to develop a frame work supported by a requirement standard using which the service providers (The Post Office) can, over a period of time, improve the delivery of its service and graduate to a level where the qualities of these services can be evaluated objectively by an outside agency. The thrust of this scheme is to systematically bring about qualitative improvement in the service rendered by the Post Office across the country. Operationally the implementation of Sevottam entails implementation of three modules, viz Citizen's Charter Public Grievance Redressal Service delivery capability on an ongoing basis for addressing the organisations performance.

An evaluation of 11th Plan:

The Department planned to take up the improvement in the quality of the services through its outlet across the country. The salient features of the scheme are as follows:

- i) Training of 500 project managers during the plan period (cost involved is 50 lakhs @ Rs 10000/- per head)
- ii) Installation of information Kiosks at 674 post offices (cost involved is Rs 3.37 crores @ Rs 50000/- pe office)
- iii) Commissioning of electrical scrolls at 16666 post offices (cost involved is 2.5 crore @ Rs 15000/- per scroll)

However funds allocated were far less than the approved Plan. Hence physical and financial targets could not be fully achieved during the first four years of the Eleventh Five Year plan. It was laid down that 330 project managers will be imparted training for implementation of Sevottam during the first three years but only 30 project managers were trained in BIS Centre, Noida. Similarly the Information Kiosk could not be installed in view of escalation of prices to almost three times of the estimated cost at the time of project formulation. In the meanwhile, Project Arrow' was conceived in April 2008. The project envisaged

upgradation of post offices in urban and rural areas both in terms of upgrading and enhancing the quality of service in core areas and improving the look and feel of the identified post offices. In view of this, Information Kiosks were provided to identified post offices under 'Project Arrow'. In view of much reduced financial allocation, implementation of Project Arrow and price escalation of Kiosks, the targets projected during 11th plan could not be fully met.

Road Map for the 12th Plan

Implementation of "Sevottam" – a Service Delivery Excellence Model and Quality Certification as per a corresponding standard IS 15700: 2005.

1. A Model for improvement of service quality has been developed by Department of Administrative Reforms and Public Grievances which is the nodal department for implementation of Sevottam and it is mandated by the Prime Minister's office that all Government Departments should implement this scheme. Ten Central Government Departments having large public interface have been selected for implementation of Sevottam.
2. Essentially, Sevottam entails three pillars or modules of assessing an organization's performance i.e. Citizen Charter, Public Grievance Redress and Service Delivery Capability. The main aspects stressed in respect of Citizen Charter are implementation, monitoring and review of Citizen Charter. In the area of public grievance redress, the model lays stress on receipt of public grievances, mechanism for redress and prevention of public grievances. Service Delivery Capability seeks to fill in gaps between customer expectations, employee capabilities and infrastructure availability.
3. As one of the major initiatives to improve the quality of service being provided to the citizens, Bureau of Indian Standards (BIS) has published an Indian Standard IS 15700: 2005 – Quality Management System – requirements for Service Quality by Public Service Organizations. This standard sets the minimum requirements to be achieved by Public Service Organizations and the methodology for the same. Department of Posts has obtained the IS 15700: 2005 Certification for the New Delhi GPO for having successfully implemented

the Sevottam. This milestone has been achieved on 05th April, 2008. Department of Posts gets the credit to be the first Government Department to achieve the certification status.

4. "Sevottam" being the thrust area of Government of India, it is felt that all HPOs (832 in number) be considered for Sevottam Certification under ISO 15700 : 2005 during the 12th Five Year Plan under the "Quality Management Scheme".

5. IS 15700 : 2005 may be implemented by public service organizations to demonstrate their ability to consistently provide effective and efficient services which meet customer and applicable legal, statutory and regulatory requirements, to enhance customer satisfaction and for continual improvement in their services and service delivery processes. However, it does not apply for employment related disputes referred for resolution outside an organization.

6. Department of Posts has to take full benefit of the changing Economic scenario-taking place in different sectors. Adopting Sevottam in Post Offices across the country will provide the Post Office management, an updated tool both for customer satisfaction and an image makeover. The management of change through Sevottam implementation will provide a win-win situation both for the Management and the customers. The objective is to spread the message of Change – "Parivartan" and be a part of bringing about such a change in Postal management. Experience has shown that improvements in counter services, mail delivery, financial services and customer care are effectively brought about by using the Sevottam framework in "Post Offices" for the benefit of our customers.

7. Based on the above projected activities, physical and financial deliverables has been estimated as under:

| Sl No | Name of the Activity | Physical Targets | Financial Outlay (in crores) |
|--------------|-----------------------------|-------------------------|-------------------------------------|
| 1 | Quality Management –IS | 832 offices | 5.80 |

| | | | |
|--|---------------|--|-------------|
| | certification | | |
| | Total | | 5.80 |

The year wise targets are as follows:

Financial:

| Activity | Objective | Financial outlay proposed (for 5 years) (Rs. in lakhs) | | | | |
|------------------|---------------------|--|---------|---------|---------|---------|
| | | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| IS Certification | Quality improvement | 55 | 90 | 110 | 150 | 175 |

Physical:

| Activity | Objective | Physical targets proposed (for 5 years) | | | | | Total Physical target |
|------------------|---------------------|---|---------|---------|---------|---------|-----------------------|
| | | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | |
| IS Certification | Quality improvement | 167 | 167 | 167 | 167 | 164 | 832 |

IX. Materials Management

Introduction

The procurement, and supply of various materials required for the purpose of running various operative and administrative units of the Department of Posts when done on large scale is done by the Materials Management Division, mostly centrally through the DGS&D, which is the central purchase organization of Govt. of India. DGS&D has got its own defined rate contracts for various products/items on the basis of which DOP places orders for procurement, There are certain items for which DGS&D does not have a rate contract, for which 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

Review and Evaluation of Present Procurement Process

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

- * Indents for various items required are obtained from the Head Offices and Sub-Offices (includes the requirement of the BPOs) and sent to the respective Divisions.
- * The Divisional Superintendents scrutinize the requirements obtained from the various Post Offices and send the same to the concerned Postal Store Depots (PSD) which maintain the inventory of various items of stores and forms required by the Post Offices/Administrative Offices.
- * PSD on receipt of the indents from such Post Offices examines the actual requirements with reference to its existing stock on these items and then submits these indents in a consolidated manner to the Circle Office.
- * These figures from various PSDs are again compiled in the Circle and sent to the MM Division of the Directorate where the final round of scrutiny is made in consultation with Integrated Finance Wing and the quantum of order to be placed is decided. Thereafter the indent which in most of the cases, due to low

amount, are not acceptable to DGS&D, the procurement is done at the level of DOP itself.

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

Total Computerization of all PSDs

To reduce the time lag and to ensure in-time inventory management, the entire process needs to be computerized. Under the 12th five Year Plan all the Post Offices are going to be computerized and likely to be interlinked. Likewise, all the PSDs should also be fully computerized and interlinked. In the 9th Five Year Plan, supply of two computers for each PSD was made, but this did not make any impact because with just two computers the process of issuing indents 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 in the PSDs which are some time operating in different floors. 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 can be fully computerized and networked across the country. Therefore, in the terms of reference of the 12th Five Year Plan, it is imperative to have total computerization of PSDs as a Plan Scheme so the Department can benefit and achieve synergy with the other Plan Schemes of total computerization of post offices and thereby effectively use all latest inventory management techniques. Idea is to ensure that functioning of the PSDs is oriented in such a manner as to ensure development and maintenance of data bases – both centrally at the Directorate level, and also at the Circle and Divisional levels. This activity would have to be integrated into the Core System Integration (CSI) solution as part of the overall IT Induction and Modernization Scheme.

Review and Evaluation of 11th Plan Schemes

During the 11th Five Year Plan the following two schemes were in operation and it has now been decided to continue these schemes under the 12th Five Year Plan.

1. Fabrication of Pillar Letter Boxes.
2. Upgradation of Technology for Stamps and Seals.

i) Fabrication of Pillar Letter Box

During the Eleventh Five Year Plan, the main aim was to invest in schemes whereby the Department will be able to fulfill its Universal Service Obligation, increase customer satisfaction and garner additional revenues. Keeping this in view, the Department had proposed a Plan scheme namely 'Increasing Access to the Postal Network' under which this activity was taken up. In the 12th Plan installation of letter boxes in the rural areas has been included as an activity under the Scheme Rural Business. The new fabricated Pillar Letter Boxes proposed in this scheme is meant for urban areas only.

A Memorandum of Understanding was signed with IIT Bombay for award of Faculty Research Fellowship for a period of three years for project design consultancy concerning subject of interest to Department of Posts. IIT Bombay was asked to design the new letter box. IIT Bombay has developed prototype of new letter box. Specification of new designed letter box and its prototype along with specifications have already been approved and 50000 letter boxes, calculated on the basis of requirement sent by circles, are proposed to be replaced by the new pillar letter box.

The ground work for the procurement of pillar letter boxes is now at final stage. As the cost of one pillar letter box is Rs 10000/-, a provision of Rs10000 X 50000 =Rs50 crore is proposed in XIIth Plan for continuation/implementation of the scheme of **Fabrication of Pillar Letter Box**.

ii) Up gradation of Technology for Stamps and Seals.

The Department of Posts has a social responsibility of delivering mail in the remotest part of the country, which is a part of its Universal Service Obligation. Stamp and seal is a very important component of the letter mail since it is an indicator of cancelling the stamp, fixing the date of receipt which would be useful in measuring our efficiency in keeping up of the prescribed norms of delivery. It is also important that the seals reach all the remote parts of the country promptly and refurbished from time to time. The present system has only one manufacturer in Aligarh viz., the Postal Seals Industrial Cooperative Society (PSICS) Ltd and is an obsolete system of metal engraving. The seals get worn out quickly and start giving indistinct impressions, but replacement takes a long time. The need for modern machine produced stamps and seals in keeping with international standards has been felt for long.

As per MOU signed with IIT Bombay the project for designing improved Hand Stamp and Seals was assigned to IIT Bombay. It is proposed to continue the scheme during the 12th Five Year Plan.

| Sl. No | Name of the Activity | Objective | Physical targets proposed (for 5 years) | Financial outlay proposed (for 5 years) | Reasons/outcome |
|--------|------------------------------------|--|---|---|---|
| 1. | Fabrication of Pillar Letter Boxes | The main aim was to invest in schemes whereby the Department will be able to fulfill its Universal Service Obligation, increase customer | 50000 Letter box | Rs 50 crores @Rs 10000 of one letter box. | A provision of ₹ 6.95 crore was made during the XIth Plan period. No expenditure incurred due to non-finalization of specification and approval of pillar letter box during the first four year of the XIth Plan. The prototype of letter box designed by IIT Bombay has been |

| | | | | | |
|----|--|---|--------------------------|---|--|
| | | satisfaction and garner additional revenues. | | | approved. The scheme is proposed to be carried on in the 12th Plan. |
| 2. | Upgradation of Technology for Stamps and Seals | To improve the design of Stamps and Seals as per international standards with latest modern technology to obtain clear and distinct impression. | 2 lakhs Stamps and Seals | Rs. .30 crores @ Rs. 1500/- per Stamps/ Seals | A provision of Rs. 10 crores was made during the 11 th Plan period. No expenditure during the 1 st 3 years of the plan period could be incurred as design of new Stamps and Seals with latest technology was not finalized. Payment of Rs. 1,90,000/- only made on 31/03/2011 to IIT Bombay for preparation of prototype of hand Stamps. As the scheme could not take off during the 11 th plan it is proposed to that scheme may be carried on in the 12 th plan. |
| | Total | | | 80.00 | |

Road map with year wise financial as well as physical targets of the Plan schemes:

Fabrication of Pillar letter boxes

| | 12 th Plan Target | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|------------------|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Physical Target | 50000 | 10000 | 10000 | 10000 | 10000 | 10000 |
| Financial Target | 50 crores | 10 crores | 10 crores | 10 crores | 10 crores | 10 crores |

Upgradation of Seals and Stamps

| | 12 th Plan Target | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|------------------|------------------------------|----------|----------|----------|----------|----------|
| Physical Target | 200000 | 40000 | 40000 | 40000 | 40000 | 40000 |
| Financial Target | 30 crores | 6 crores | 6 crores | 6 crores | 6 crores | 6 crores |

X. Postal Accounts and Finance

Evaluation of 11th Plan

During 11th Five Year Plan, the project of upgradation and modernization of Postal Accounts Offices and Postal Accounts Wing of Postal Directorate was approved for Rs.7.47 crores. This project / activity contained the following schemes with financial and physical targets indicated against each scheme.

| SI | Name of the scheme / project | Financial outlay (in Rs.) | Physical Target | Physical target achieved |
|----|---|---------------------------|-----------------|---|
| 1. | Intranet for interacting and communicating accounts related information with Postal Accounts Offices in PA Wing of Directorate. | 0.40 crores | 1 | 1 |
| 2. | Implementation of Compact (PAO-2000) software and e-Lekha in all Postal Accounts Offices and PA Wing of Directorate. | 2.41 crore | 23 | 23 |
| 3. | Implementation of Postal Account Current System (PACS) Software in all Postal Accounts Offices. | 4.66 crore | 22 | 22 Partially achieved. To be fully achieved by the end of the 31 st March 2012 |

Road Map for 12th Plan

The following activities / schemes are proposed in the 12th Five Year Plan of the Department of Posts: -

I. CAPACITY BUILDING AND CONSULTANCY SUPPORT FOR TRANSITION TO ACCRUAL BASED ACCOUNTING

The Government has accepted the recommendation of 12th Finance Commission and decided to move towards accrual accounting. The Government Accounting Standard Advisory Board (GASAB), constituted in the O/o the C&AG of India has recommended an operational framework and detailed roadmap for implementation of accrual accounting. The Department of Posts has decided to switch over to Accrual Based Accounting System (ABAS) from Cash Based Accounting System and contacted ICAI ARF for taking action in the initial development of the roadmap. It was also important as the principles of accrual accounting were needed for the commercial functions i.e. Banking and Insurance, of the Department of Posts. Finally, these accounts need to be transposed in their entirety in the government accounting.

Capacity Building

It is expected that the modified accrual accounting will be implemented w.e.f. 01-04-2013. In order to complete all the activities for going to accrual accounting from Cash based Accounting, the consultancy and support will be required at each accounting unit i.e. division now which was earlier HO. The consultancy will be driven from the Circle accounts office in each of the units of Department of Post.

It is also mentioned here that till now the department is working on Cash based accounting in accordance with the rules well defined for each and every event/transactions. There is also an HR Challenge in the transition work from cash accounting to accrual based accounting. We will have to adopt both the accounting systems i.e for reporting purpose cash based accounting and for Preparation of financial statement based on Accrual accounting as a parallel account till finally switch over to the new modified accounting system. This will only be possible with the rest of the departments in the government.

A task force will be set up to oversee the accounting reform which will ride the IT plan of the Department of Posts. However regular training needs to be imparted to the staff and continuous implementation support needs to be provided for sustainability of the project. The financial implications to be involved for

engaging the consultancy and support are as under :-

| YEAR | AMOUNT REQUIRED IN LAKHS |
|---------|--------------------------|
| 2012-13 | 220 |
| 2013-14 | 220 |
| 2014-15 | 110 |

The proposed financial outlay desired for the project in the twelfth plan period is of Rs. 5.5 (550 lakhs) Crores for the implementation of the accrual accounting system in the Department of Posts in all the accounting units and for including the proforma accounts of the commercial units of the department.

Human Resource Development Programme

To achieve the goal in a better manner we shall have to create the training personnel in the Zonal Training Centres in conformity with the Postal Training Centres through redeployment of the personnel so that the Training Faculty could devote their full time for the training of the staff & officers of the PAO's concerned. It may be mentioned here that other organized accounts services like IA&AS, Civil & Defence accounts services have training facilities at a large scale to train their Accounts & Finance Personnel on regular basis.

Identified Trainers/Instructor will be able to provide the training to the staff & officers of the PAO's so that they could update themselves for day-to-day working by inclusion of the following training programme by the Zonal Training Centres:-

(A) Training for Trainers in NIFM, ICAI, INGAF, NICF etc.

(B) Induction Training

- (i) Training for LDC,
- (ii) Training for Jr. Accountant
- (iii) Training for AAO's

(C) In-service Training

- (i) Training for AO, AAO.
- (ii) Training of Jr./Sr. Accountant

(iii) Foreign Training

(a) Accrual Accounting at Newzealand, USA, Canada.

(b) UPU

(2) Role of Zonal Training Centres

Roll of Zonal Training Centre includes as under also: -

(i) In-house computer software.

(ii) Change Management.

(iii) Other operational aspects.

(iv) Feedback & further development of existing software.

(v) Training for Accrual Accounting and keeping of various books of records.

(3) Administrative Control

Such Zonal Training Centers will be under the administrative control of respective Head of Postal Accounts Office and the requirement of the staff will be mainly met from the existing sanctioned strength or by getting the guest faculty to cater the expertise requirement.

Financial Implication:-

The details of the financial and physical inclusion proposed during 12th plan are as follows:

| SI No | Name of the Activity | Physical Targets (in Rs.) | Financial Outlay (Rs in crores) |
|--------------|--|--------------------------------------|--|
| 1. | Implementation of Accrual Based Accounting in the Department of Posts (capacity building and consultancy support for transition to accrual based accounting. | 22 | 5.50 crore |
| 2. | Human Resource Development Programme | 2446 | 2.52 crore |
| | Total | | Rs.8.02 crore |

The details of the year-wise physical and financial targets proposed are as follows:

| Sl. No | Name of the Activity | Objective | Physical targets proposed (for 5 years) | Financial outlay proposed (for 5 years) | Reasons/ Outcome Identification |
|--------|--|--|---|---|--|
| 2 | CAPACITY BUILDING AND CONSULTANCY SUPPORT FOR TRANSITION TO ACCRUAL BASED ACCOUNTING | The Department of Posts has decided to switch over to Accrual Based Accounting System (ABAS) from Cash Based Accounting System to adopt the new modernized system for transparent reporting, relevant/easy understandability of financial statement by users | <p>FY 2012-13</p> <p>1.Preparation of Asset Register & capturing of opening balance as on 31.03.2011</p> <p>2. Identification of head of assets, liabilities, Income & Expenditure etc.</p> <p>3.Restricture of Chart of Account</p> <p>FY 2013-014</p> <p>1. Finalisation of significant accounting policies/standards for preparation of financial statements.</p> <p>2. finalisation of format of financial statement.</p> <p>3.Finalisation of format of subsidiary</p> | <p>Rs.220 lakhs</p> <p>Rs.220 lakhs</p> <p>Rs.110 lakhs</p> | <p>Financial implications to be involved for engaging the consultancy and support.</p> |

| | | | | | |
|---|---------------------------|---|--|--------------------|--|
| | | | records. FY 2014-15 1. Finalisation of MIS formats. 2. Voucher entry 3. Period ending procedures 4. Compilation of financial statements. FY 2015-16 Sustainability & capacity Building FY 2016-17 Hand holding | | |
| 3 | Human Resource Management | Train staff and officers in prime institutes like ICWAI, INGAF, NIFM, NPC, ISTM etc | 2446 | Rs 2.52 crores | |
| | | | Total | 8.02 crores | |

XI. Estates Management

1. Objective:

The objective of this scheme is to fulfill the Universal Service obligation for providing the critical infrastructure for easy access to Postal Service from suitable buildings owned by the department for efficient postal operations, with optimal utilization of the asset.

- To construct buildings to house Operative Offices, Administrative Offices and Residential Accommodation in view of the demand, suitability and reasonable/economical cost through Postal Engineering Wing with assistance from Plan funds.
- To construct 'eco-friendly' & 'Gender sensitive' buildings
and
- To make the Post Office buildings suitable for Differently-abled Persons/elderly persons under the Public Disability Act.

2. Need for construction:

Departmental Buildings form a vital infrastructure for Postal operations

- Provide efficient services to the public.
- Improve the work flow and other operational requirements.
- Enhance the quality of service and level of customer satisfaction.
- Provide proper amenities and working conditions to the staff.
- For modernization and computerization of post offices
- To provide techno-savvy & customer friendly environment.
- To attract a wider clientele to visit the post office in this era of competition.
- To save rental expenditure.

The Department incurs an expenditure of Rs. 50 Crs. (approx.) per annum on rental liability in respect of hired buildings. There is a cost involved in the uncertainty of continuance of operations from the same location as well in case of rented buildings especially in areas of critical importance for business. Providing accommodation is an essential element for acquiring an efficient and responsive Postal service both for the staff who caters to the public and the members of the public (stake holders), who are its users.

Building requirements are also undergoing changes with large scale induction of technology. Since, the Department of Posts has modernized and computerized all the Head Offices and a large number of Sub Post Offices in the country, it has become all the more necessary to provide these offices with departmental buildings as a basic pre-requisite for computerization.

Construction of staff quarters for employees is necessary to mitigate the hardship of staff of different categories having transfer liability. The post attached quarters to the Sub Post Master are required to be provided in view of essential and extended hours working nature of postal service. The broad parameters which are followed while planning construction of staff quarters are as follows:

- a) Construction of quarters for 100% satisfaction for supervisory field officers and staff having all India transfer liability followed by all circle liability.
- b) Construction of quarters in difficult and far flung areas like, Nagaland, Mizoram, Manipur, Arunachal, Lakshadweep. Ladakh, Andaman and Nicobar Islands, where 100% satisfaction is required.
- c) Construction of quarters in places where accommodation is just not available, like industrial and project areas, hilly and tribal and newly developing areas, even on rent for offices as well as residences.
- d) Priority to be given to the Divisional officers followed by Sub Divisional Officers (Asstt. Supdt.of Posts/Inspector Posts) on a selective basis.

3. Review of XI Five Year Plan:

Against the proposed outlay of Rs. 346.50 Crs., a revised outlay of Rs. 112.81 Crs. was approved under the Plan Scheme "Estates Management" for the XI Five Year Plan.

a) **Financial**: The expenditure booked during the first 4 years of current Plan is Rs. 60.98 Crs., against the Final Grant approval of Rs. 70.47 Crs.. Thus, the percentage of utilization is 86.53%.

b) **Physical**: During the first 4 years of current Plan, 81 PO buildings, 13 Admn. Office projects, 15 Staff Quarter projects (49 quarters) besides purchased 3 plots. Also preserved 37 Heritage Buildings.

The details of financial and physical achievements during the current Plan period (from the year 2007-08 to 2010-11) are enclosed as **Annexure "A"**.

4. Activities Proposed in the 12th Plan

4.1 Construction of Post Office buildings:

i) **Head Post Offices**: At present 49 HPOs are functioning in rented buildings. Out of these, the department has vacant plots for 17 Head Post Offices.

ii) **Mukhya Dak Ghar(MDG)**: At present 114 MDGs are functioning in rented buildings and out of these, the department has vacant plots for 36 MDGs.

iii) **Sub Post Offices having staff strength of 15 and above**: At present 287 Sub Post Offices are functioning in rented buildings. Out of these, the department has vacant plots 67 such offices.

4.2 Construction of Administrative Office buildings:

The rental liability of some of the administrative offices, which are functioning in rented buildings, is in lakhs of rupees per month. Preference is to be given to construction of departmental buildings for such categories of Administrative Offices.

4.3 Construction of Staff Quarters:

To mitigate the hardship of staff of different categories having transfer liability, construction of staff quarters for employees is very much necessary also. To fulfill the requirement of the quarters for officers having all India transfer liability, construction of staff quarters has to be planned.

4.4 Purchase of Land:

It is necessary to purchase land for those HPOs, MDGs and other important Sub Post Offices, which are functioning in rented buildings and also for the post offices in the newly upcoming colonies where the Local Development Authority keeps a provision of a plot for the post offices in there plan at subsidized rates.

4.5 Preservation of Heritage Buildings:

The Department has 38 Heritage Buildings which have architectural value and are an invaluable asset of the department. Funds are required for preservation of these Heritage Buildings.

4.6 Installation of Solar Power Packs for Rural Post Offices:

i) Department of Posts is in the process of computerizing, networking and modernizing of post offices in rural areas. Non-availability of power/erratic electric supply in rural areas is proving a great hurdle. A viable solution to these mounting power problems in rural postal net-works in the country is the decentralized distributed generation (DDG) through the Non-conventional energy sources.

ii) Postal initiatives in rural India face problems as availability of quality power in the rural areas, is not assured. Inmost of the rural areas conventional grid power is not available. Wherever the grid supply is available the power quality is poor and erratic. The poor power quality is mainly due to supply interruption,

sudden change in voltage, under-voltage/over-voltage, voltage fluctuation etc.

iii) The solar revolution has made solar energy a powerful source in the energy sector, which is a clean reversible and environmentally a sound mean of harvesting the solar energy. Solar panel use array of solar photovoltaic cells, which convert the solar energy into usable energy and can be used for harvesting the solar energy for indoor/outdoor lighting/powering all sets of electronic equipments.

iv) Converting solar energy into electricity could be the answer to mounting power problems in the rural areas. Solar radiations represent the earth's most abundant energy source. The perennial source of solar energy provides unlimited supply, has no negative impact on the environment. Its suitability for decentralized applications and its environment-friendly nature make it an attractive option to supplement the energy supply from other sources.

4.6.1. Advantages of Renewable Energy Systems:

- o Provide un-interrupted power supply to the equipment
- o Provide clean, green, reliable, pollution free, low emission and distributed technology power
- o Save High-Running cost of Generator and increasing diesel cost.
- o Efficient and easy installation/longer life.

The Pilot project for installation of Solar Power Packs (SPP) in 12 identified departmental double handed post office buildings in 7 Postal Circles has been carried out at a total expenditure of Rs. 47.69 lakhs. This project has been executed through DOT/BSNL. As per Project Report received from DOT, with the installation of solar photovoltaic cells in the rural post offices there is reduction in grid power consumption of approximately 120 units per month in the electricity bill and a savings of 10 liters diesel per day have been achieved.

During XII Five Year Plan, it is proposed to install at least 500 SPPs in rural Sub Post Offices functioning in Departmental buildings, subject to fulfilling of all the conditions.

4.7 Roof Top Rain Water Harvesting:

The ground water levels in various parts of the country have declined considerably in the last few years resulting in water shortage. Over-exploitation of ground water and considerable reduction in recharge due to expansion of roads, pavements and construction of buildings has accentuated the water problem even further. The depletion of ground water is also causing upward movement of brackish water from deeper aquifers. The problem could be addressed to some extent by taking recourse to water harvesting measures.

Water Crisis- solution:

- Rainwater is the ultimate source of fresh water
- Potential of rain to meet water demand is tremendous.
- Rainwater harvesting helps to overcome water scarcity.
- To conserve ground water, the aquifers must be recharged with rainwater.

b) Why Rainwater be harvested?

- To conserve and augment the storage of ground water.
- To reduce water table depletion.
- To improve the quality of ground water.
- To arrest sea water intrusion in coastal areas.
- To avoid flood and water stagnation in urban areas.
- To control formation of cracks on walls.

c) What is Roof Top Rainwater Harvesting?

- It is the activity of direct collecting of rain water from the rooftop of the building.
- The surplus water runoff during monsoon can be fully utilized to recharge ground water.

d) How Rainwater can be harvested?

Broadly rain water can be harvested in two ways:

1. Collected and stored for ready use in containers.
2. Recharged into the ground for withdrawal later.

e) Methods of Rainwater Harvesting:

- Rainwater can be harvested from roof tops and also from open spaces.
- Wherever open wells/bore wells are available, roof top water can be used for direct recharging of these wells.
- Rainwater available in the open spaces can be recharged into the ground using other recharge structures.

During XII Five Year Plan, it is proposed to provide the 'Roof Top Rain Water Harvesting' structures in 1000 new/existing Departmental buildings. The expenditure is estimated as Rs. 3.00 lakhs per building (approximately). Hence funds of Rs. 30.00 Crs. are required.

4.8 Gender Concerns

Gender Budgeting has emerged as an important strategy to enable gender mainstreaming at all levels of stages of Government policies, plan and budgets for development and welfare of women. There are a number of gender specific barriers, which still prevent women from gaining access to their rightful share in the flow of public goods and services. The XII Five Year Plan has laid special emphasis on incorporating Gender-Budgeting in all sectors as well as on engendering of important national macro-economic policies.

Many of the post offices and administrative offices housed in departmental buildings do not have a separate ladies toilet and rest room at present, and in order to provide facilitation to women employees, separate 'Ladies Rest Room' in Departmental buildings has been proposed. In case of Administrative Offices and Head Post Offices, provision of 'Crèche' shall also be considered to mitigate the difficulties being faced by the working women. Separate rest rooms will be provided for ladies who work in shifts in mail offices and also for postwomen, PAs, who are bound to stay in office for long hours especially in case of split duty attendance.

Hence, it is proposed to construct 'Ladies Retiring/rest Room' in 200 buildings (existing and new as per requirement). Provision of 'Crèche' in big Administrative Offices and Head Post Offices will also be considered. For this purpose, Plan funds of Rs. 20.00 Crs. (@ Rs. 10.00 lakhs per 'Ladies Retiring Room') is required to be provided during the 12th Five Year Plan.

4.9 Vacant plots:

The Department of Posts has around 1800 plots of land. Out of these vacant plots, some of the plots have been encroached. Significantly, 371 plots are lying vacant in prime locations having high commercial value. Adequate number of buildings could not be constructed in the past due to fund constraints as the Department is constructing buildings on vacant plots in phased manner subject to availability of funds.

Role of Postal Engineering Wing:

- o New construction
- o Maintenance of Buildings.
- o To examine and recommend site suitability for purchase of new sites.
- o Assessment of core rent for hiring private buildings as members of Fair Rent Assessment Committee.
- o To assess structural safety of old departmental buildings
- o For achieving energy efficiency in buildings
- o Environmental aspects of properties, water harvesting etc.

Engineering Wing has a critical role in effective execution of Plan for Management of Postal Estates – Quality of construction and time being crucial factors in efficiency of the system.

4.10 The available resources of engineering wing have to be optimally utilized. As on date these are inadequate. The inadequacy of technical support affects the achievement of the targets set by the department. The expertise of in-house engineering wing needs to be captured & utilized for improving the physical & financial achievement of targets. 'Outsourcing' of construction of

Departmental Building under the supervision of Departmental engineering wing is the solution proposed in XII Five Year Plan.

5. Public Private Partnership for construction activities of the department during XII Five Year Plan:

Department is having around 1800 vacant plots of land, which were acquired for construction of post offices, administrative offices and staff quarters. In the 8th, 9th, 10th and 11th Plans the Planning Commission allocated Rs. 121.35 Crs., Rs. 119.62 Crs., Rs. 115.40 Crs. and Rs. 112.81 Crs. respectively for construction of buildings in Department of Posts.

The Department identified 371 plots of land for commercial utilization. Due to insufficient budgetary support adequate funds are not available to construct buildings on all the vacant plots of land acquired by the Department of Posts. As such, a proposal to explore the possibility of Public Private Partnership for execution and operation of infrastructure projects by leveraging the land bank of the Department to attract private capital is under consideration.

Necessary action for selection of projects to be taken up through PPPs and undertaking preparation of feasibility studies, project agreements etc. with the assistance of legal, financial and technical consultants as necessary will be taken once the proposal is approved.

6. Approach to XII Plan:

(i) To construct departmental buildings, wherever plots of land are available for :

- HPOs and Sub Post Offices generally with a staff strength of more than 15;
- Staff Quarters where there is urgent requirement of quarters;
- Circle Offices/Regional Offices housed in rented buildings

(ii) To Purchase plots and construct remaining HPOs with Government funds where there is no vacant plot available on these locations and also to purchase a limited number of plots to house other important offices

(iii) To install 500 solar power packs in rural post offices functioning from Departmental buildings, subject to fulfilling all the conditions.

7. Thrust Areas of XII Plan:

In view of above during the 12th 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. Policy:

The Policy of the Department of Posts for construction of buildings during XII Five Year Plan will be to construct departmental buildings, wherever plots of land are available for:

- a) Head Post Offices/Head Post Offices cum Divisional Offices functioning from rented buildings
- b) Circle Offices/Regional Offices housed in rented buildings;
- c) Sub Post Offices generally with a staff strength of more than 15 ;
- d) Staff quarters where there is urgent requirement of staff quarters;
- d) Boundary wall projects at selected locations to protect the plots from encroachment;

- e) Besides construction activities, Purchase of vacant plots to construct remaining Head Post Offices with Government funds where there is no vacant plot available on these locations and also to purchase a limited number of plots to house other important offices;
- f) To install 500 solar power packs in rural post offices functioning from Departmental buildings, subject to fulfilling all the conditions;
- g) To make all the buildings eco-friendly (rainwater harvesting/groundwater recharging) and gender sensitive.
- h) To make all the Post Office buildings barrier free environment for Differently-abled Persons/elderly persons and for making Post Offices accessible to the public.

10. Mode of Execution:

- i) Construction of buildings on vacant plots utilizing Plan funds through any eligible "outsourcing" agency after completing all the formalities under the supervision & guidance of Postal Engineering Wing. The Maintenance work of Departmental buildings can be taken care of Engineering Wing as a whole.
- ii) For others, where Plan funds are not available but departmental buildings would be useful functionally and for business, construction is proposed to be taken up through "PPP" model; as per the guidelines finalized. Once 'PPP' comes to existence dependence of the department on Government funding for construction of buildings will reduce and be eliminated in due course.
- iii) Provision to be made for spill over liabilities from 11th Plan which may get added to the 12th Five Year Plan due to non-completion of certain projects owing to various reasons.
- iv) The proposed physical, financial targets of XII Five Year Plan are as detailed below:

Details of financial and physical achievement, year-wise during 11th

Plan period

Financial:

(Rs. in Crs.)

| Sl. No | Year | Budget Estimates | Revised Estimates | Final Grant | Actual Expenditure | Percentage of utilization |
|---------------|-------------|-------------------------|--------------------------|--------------------|---------------------------|----------------------------------|
| 1 | 2007-08 | 30.25 | 34.25 | 25.50 | 20.09 | 78.78 % |
| 2 | 2008-09 | 12.00 | 14.49 | 14.49 | 13.02 | 89.85 % |
| 3 | 2009-10 | 19.00 | 11.77 | 13.25 | 12.07 | 91.09 % |
| 4 | 2010-11 | 19.08 | 16.08 | 17.23 | 15.80 | 91.70% |
| 5 | 2011-12 | 24.00 | (in progress) | | | |
| Total | | 80.33 | 76.59 | 70.47 | 60.98 | 86.53% |

Physical:

| Sl. No | Name of the Activity | Achievements during the year from 2007-08 to 2010-11 |
|---------------|--|---|
| 1 | Construction of Post Office buildings. | Completed 81 spill over/new PO projects. |
| 2 | Construction of Administrative offices. | Completed 13 spill over/new AO projects including installation of 1 lift. |
| 3 | Construction of staff quarter- projects. | Completed 15 spill over/new SQ projects (49 quarters). |
| 4 | Purchase of land. | 3 plots. |
| 5 | Preservation of Heritage buildings. | 37 Heritage buildings. |

I. Physical:

| <u>Estates Management</u> | | | | | | | |
|--|--|----------------|----------------|----------------|----------------|----------------|--------------|
| Proposed physical target (including spill over projects of XI Plan, which are likely to be carried forward to XII Five Year Plan) | | | | | | | |
| S.No | Activity | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | TOTAL |
| 1 | Spill over Post Offices/ Administrative office | 66 | 0 | 0 | 0 | 0 | 66 |

| | | | | | | | |
|----|---|-----|-----|-----|-----|-----|-------------|
| | projects/staff quarters of XI Plan to be carried forward to XII Plan | | | | | | |
| 2 | Construction of new Post Offices | 10 | 17 | 19 | 19 | 17 | 82 |
| 3 | Re-construction of old Departmental buildings. | 0 | 3 | 5 | 6 | 6 | 20 |
| 4 | Construction of boundary wall projects | 15 | 16 | 23 | 23 | 23 | 100 |
| 5 | Construction of new Administrative Office buildings | 0 | 1 | 2 | 1 | 1 | 5 |
| 6 | Construction of new Staff Quarter- projects | 4 | 5 | 7 | 7 | 7 | 30 |
| 7 | Purchase of Land | 1 | 1 | 1 | 1 | 1 | 5 |
| 8 | Preservation of Heritage Buildings | 6 | 8 | 8 | 8 | 8 | 38 |
| 9 | Installation of solar power packs | 50 | 75 | 125 | 125 | 125 | 500 |
| 10 | Expenditure in connection with "Public Private Partnership" | 5 | 10 | 10 | 10 | 10 | 45 |
| 11 | Component for Rain Water Harvesting/Ground Water Recharge for new/existing Departmental buildings | 100 | 150 | 250 | 250 | 250 | 1000 |
| 12 | Gender Concerns – construction of retiring rooms/rest rooms/crèche | 20 | 30 | 50 | 50 | 50 | 200 |

II. Financial:

(Rs. in Crores)

| <u>"Estates Management"</u> | | | | | | | |
|---|--|----------------|----------------|----------------|----------------|----------------|--------------|
| Proposed financial target (including spill over projects of XI Plan, which are likely to be carried forward to XII Five Year Plan) | | | | | | | |
| S.No | Activity | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | TOTAL |
| 1 | Spill over Head Post Office/Post Office/Sub Post Office building projects of XI Plan to be carried forward to XII Plan | 65.60 | 0 | 0 | 0 | 0 | 65.60 |
| 2 | Construction of new Post Offices | 11.44 | 19.97 | 22.78 | 22.78 | 19.97 | 96.94 |
| 3 | Re-construction of old Departmental buildings | 0 | 3.00 | 5.00 | 6.00 | 6.00 | 20.00 |
| 4 | Construction of boundary wall projects | 1.50 | 1.60 | 2.30 | 2.30 | 2.30 | 10.00 |
| 5 | Construction of new Administrative Office buildings | 0 | 2.93 | 5.86 | 2.93 | 2.93 | 14.65 |
| 6 | Construction of new Staff Quarters | 3.72 | 4.65 | 6.51 | 6.51 | 6.51 | 27.90 |
| 7 | Purchase of Land | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 3.75 |
| 8 | Preservation of Heritage Buildings | 4.80 | 6.40 | 6.40 | 6.40 | 6.40 | 30.40 |
| 9 | Installation of solar power packs | 2.00 | 3.00 | 5.00 | 5.00 | 5.00 | 20.00 |
| 10 | Expenditure in connection with "Public Private | 0.80 | 0.30 | 0.30 | 0.30 | 0.30 | 2.00 |

| | | | | | | | |
|----------------|---|--------------|--------------|--------------|--------------|--------------|---------------|
| | Partnership" | | | | | | |
| 11 | Component for Rain Water Harvesting/Ground Water Recharge for new/existing Departmental buildings | 3.00 | 4.50 | 7.50 | 7.50 | 7.50 | 30.00 |
| 12 | Gender Concerns – construction of retiring rooms/rest rooms/crèche | 2.00 | 3.00 | 5.00 | 5.00 | 5.00 | 20.00 |
| G/TOTAL | | 95.61 | 50.10 | 67.40 | 65.47 | 62.66 | 341.24 |

Improving Ergonomics in Post Offices(Project Arrow)

Objectives, Strategy and Deliverables

Project Arrow was conceived in April, 2008. The project envisages upgradation of Post Offices in urban and rural areas both in terms of upgrading and enhancing the quality of service in 'core areas' and improving the 'look and feel'. The project aims at creating a conducive and friendly work environment both for the staff and the customers visiting the Post Offices, providing all IT enabled services through secure connectivity, improving the service quality levels in the core business areas e.g. Mail delivery, Remittances and Postal Savings bank schemes. So far 1530 post offices have been covered under the Look and Feel component of the project and it is proposed to continue the activity in 12th Plan and cover 2500 more post offices. Project Arrow was awarded the Prime Minister's Excellence in Public Administration for the year 2008-2009. The award winning projects are being monitored by Department of Administrative Reforms and Public Grievances.

The objectives of Project Arrow are:

- To make a visible, tangible and noteworthy difference in the Post Office operations that matters to "Aam Aadmi";
- To verify and certify progress on ongoing basis using clearly defined Key Performance Indicators for each improvement area;
- To lay the foundation for a comprehensive, long term transformation of India Post.

Scope of the project:

- To make Post Offices especially in the rural areas, a window for availing services, hitherto confined to urban locales; take up new roles and challenges, provide IT enabled services and ensure a return on investment necessary for a self- sustained growth
- To transform the large man power into a committed and professional human resource;

- To change the “look and feel” of the post office to give it a distinct identity of its own.

The Components:

This project has two components:

- (a) Get the Core Right with focus areas on Mail Delivery, Remittances, Savings Bank and Office Service Levels
- (b) Modernize ‘look and feel’ – with focus areas on Branding, IT, Human Resource and infrastructure

Infrastructure:

Under the project it is aimed to provide necessary infrastructure to the post offices in order to_ develop standardized and consistent interior and exterior blueprints for these Post Offices.

- To design and install uniform modular furniture across these Post Offices.
- All the identified Post Offices in Project Arrow are required to form local citizens’ forum consisting of prominent citizens interested in the development of Postal services in the area.

Monitoring Mechanism:

- A Web-based monitoring mechanism has been devised to collect the data from the field units directly from the server without any manual intervention. Data on all key performance indicators is minutely scrutinized and gaps in implementation and remedial measures thereto are discussed in the video-conference.

The Services Provided in Project Arrow Post Offices

Computerized counter operations: Booking of Registered letters, Money Orders, Speed Post, Parcels etc.

Computerized Savings Bank operations: Savings Bank Deposit, Withdrawal, Computerized Passbooks etc.

Web-based services: Booking of Electronic Money Order, Instant Money Order, e-Payment, e-Post, Computerized Customer Care Service etc.

It is proposed to cover more than 4000 Post offices under Project Arrow in a phased manner in 12th plan. The proposed expenditure is as under: -

| <u>Number of Post offices proposed to be covered</u> | <u>Year</u> | <u>Expenditure of Infrastructure</u> |
|--|--------------------|---|
| 500 | 2012-13 | Rs. 50 crore (@ Rs. 10 Lakh per office) |
| 500 | 2013-14 | Rs. 50 crore (@ Rs. 10 Lakh per office) |
| 500 | 2014-15 | Rs. 50 crore (@ Rs. 10 Lakh per office) |
| 500 | 2015-16 | Rs. 50 crore (@ Rs. 10 Lakh per office) |
| 500 | 2016-17 | Rs. 50 crore (@ Rs. 10 Lakh per office) |
| During the period of five years Rs 3.37 lakhs will be utilized for branding , rewards to staff etc | | |
| Total | Rs. 253.37 Crore | |

XII. PHILATELY OPERATIONS

Introduction

1.1 Indian philately is respected internationally for its theme and design and adherence to good international practices. Philately provides the Government of India, Ministry of Communications & IT and the Department of Posts a platform for projecting its best features and achievements in the international forum. Apart from being a symbol of sovereignty, the postage stamp is a tool not only for pre-payment for postage but an ambassador that carries the historical, cultural and developmental concerns of a country across the world. Known as the hobby of kings, philately has a potential to be a revenue earner for the Department of Posts and consequently Government of India. Philately Operations were a part of Plan Activities during the 11th Plan.

1.2 During the last plan period the Promotion of Philately was taken forward through exhibitions, particularly Indipex-2011. The aim of the exhibition was to promote philately. It provided a unique forum for interaction between philatelic stakeholders, viz., collectors, dealers, writers and publishers of philatelic literature, stamp designers and printers and postal administrations, who issue stamps/stationery. It provided an opportunity to learn the best international practices and latest trends by showcasing the best philatelic collections. The exhibition also helped to generate interest in stamps and philately. With the participation of about 70 countries, the respect in which Indian philately is held internationally was reiterated. Further, stamps that have been brought out over the last year have been popular with both the veteran philatelists and random customer. The revenue generated was Rs.4,94,24,790/-

1.3 It is also significant that during the last plan period, a software for Philatelic Inventory Management (**Philsim**) has been developed and rolled out in all the postal 23 circles covering circle offices. The process of monitoring the software is a regular task undertaken by the philately provides an MIS to facilitate information on stock, sales and revenue.

Secondly, it provides only access to indenting units to facilitate indenting, invoicing and distribution of stocks. The software is constantly upgraded and monitored. The National Philatelic Museum was relocated to its present site on the ground floor of Dak Bhawan and substantially expanded to include not only exhibits of stamps but an amphitheatre, souvenir shop, library, strong room and an artist's /philatelist's corner. Evaluation of 11th Plan is as under:

The Evaluation of Xlth Five year plan (2007-12) of Philately Division

| Sl. No | Name of Activity | Physical Target | Target Achieved | Committed Physical Target FY 2011-12 | Financial Outlays | Expenditure | Committed Liability for FY 2011-12 |
|--------|---|-----------------|-----------------|--------------------------------------|-------------------|-------------|------------------------------------|
| 1 | | | | | | | |
| | (I) Exhibition | 165 | 111 | 55 | 17.36 | 11.62 | 2.17 |
| | (II) Publicity | 25 | 24 | 1 | 4.37 | 2.37 | 1.91 |
| 2 | Modernisation of Philately | | | | | | |
| | (I)Business Website | 3 | 2 | 1 | 0.86 | 0.24 | 0.62 |
| | (II) Relocation of Philately Museum | 1 | 1 | - | 1.50 | 1.03 | - |
| | (III) Networking of Philately Bureau | 21 | 19 | - | 0.32 | 0.31 | - |
| | (IV)Providing connectivity of CSD | 30 | 27 | - | 0.33 | 0.31 | - |
| | (V)Estt. Of Zonal Customer Service Centre | 4 | 4 | - | 0.26 | 0.26 | - |
| 3 | Training | | | | | | |
| | (i)Officer(s) / Staff | 460 | - | 230 | | - | 0.10 |
| | (ii)Attending Philately Events | 8 | 6 | 2 | | 0.13 | 0.10 |
| | Total | 717 | 194 | 289 | 25.00 | 15.96 | 4.90 |

Road map of XIIth Five year Plan (2012-17)

Several initiatives are proposed in the XIIth Five Year Plan to consolidate the benefits of the activities which have been initiated in the 11th plan and also to take up new activities is retained as in the 11th Five Year Plan. However, the activity itself differs or is substantially enlarged from what was envisaged in the XIth Plan.

2. Promotion of Philately

i) The Department of Posts proposes to undertake a series of activities right down to the district level for promotion of philately. Six components are proposed under this activity. In the first component exhibitions to popularize philately and to involve local philatelists and amateurs will be held at district level (225), state level (23), Zonal level (06) and national level (01) over this period of five years.

| Exhibition | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-------------------|---------|---------|---------|---------|---------|
| Distt./Div. level | 25 | 50 | 50 | 50 | 50 |
| State level | | | 23 | | |
| Zonal level | | | | 6* | |
| National level | | | | | 1 |
| Total | 25 | 50 | 73 | 56* | 51 |

*** Zonal**

1.North 2.South 3.East 4.West 5.Central 6.N.E.

i) Promoting philately through the National Philatelic Museum:

With the opening of the relocated National Philatelic Museum (NPM), a platform for promoting philately through its activities has become available. Therefore during the 12th Plan period the Department of Posts proposes to prepare

promotional material for NPM, including films/CDs/DVDs for display and/or distribution. It will also organize demonstrations and talks for groups from schools etc. and philatelic festivals with thematic displays to encourage young new comers into the field of philately.

ii) **Promotion in educational institutions:**

Philately can be promoted ideally through schools and colleges in which talks and demonstrations will be held by the Department of Posts, involving local philatelists and philatelists' association also.

iii) It is proposed that a philately corner will be installed in the museums of various states/union territories, thus expanding the reach of the Department of Posts through an existing available channel for display, attracting the interest of those visiting these museums and the state governments.

iv) It is further proposed that the Department of Posts will tie-up with other organizations/authorities such as the Ministry of Tourism, state tourism bodies, Ministry of Railways, Airport Authorities, Airlines, Doordarshan, All India Radio etc. To expand the outreach of philately. This will be done through personal contacts, fliers, posters and participation in their local activities as also by publishing articles, advertisements etc. in their magazines / newsletters and at places where there are significant number of footfalls.

v) Workshops are proposed to be organised for senior citizens, as it has been noticed that this group of people has both the time and money available for activities such as philately. It is also seen that philately arouses a certain amount of nostalgia, thus attracting this niche market.

3. New Schemes:

3.1 South Asian Festival of Stamps

To reap the benefit from the interest and enthusiasm generated by Indipex 2011. It is proposed to have a non-competitive exhibition of the philatelic products of South Asian Postal Administrations for a period of seven days in the year 2013-2014.

| Name of the activity | Year of activity | Amount Rs. (in Crores) |
|--------------------------------|------------------|----------------------------|
| South Asian Festival of Stamps | 2013-14 | 5.00 |

3.2 Setting up a Design Studio

One of the most significant task of Philately Division, Department of Posts, is the designing of postage stamps and philatelic ancillaries and new products. This is done by repeated consultations with external artists for whom no studio facility is available in Philately Division. This results in serious delay in conceptualization and designing of stamps etc. as security of the material is a major issue. This constraint will be substantially addressed with the setting up of a design studio for artists in the Directorate to facilitate the conceptualization and designing of stamp by external artists. This is a new scheme under the XIIth Plan. It will be provided with relevant latest software and located so as to cut out any possibility of delay or insecurity. The security aspect is particularly important to prevent any leakage of design before issue. It will also facilitate the preparation of publicity material and dummies such as posters, fliers, presentation packs etc. by enhancing designing capabilities.

3.3 Setting up a Digital Museum

The objective of setting up of digital Museum is to promote philately worldwide through Virtual tours of theme based galleries. The galleries will be displayed for a quarter and will be replaced by new themes it will help in popularizing stamps on different themes all over the world. It will also showcase the different philatelic products / souvenirs available in the National Philatelic Museum.

4. Training

i) Training in Philately will be focused on internal marketing of philately and its products. Training will be given at Circle level by conducting workshops, seminars etc.

ii) The second part of this activity relates to attending international events such as exhibitions held abroad or conferences of the World Association for Development of Philately (WADP) or any other conference for which Department of Posts is invited. Two such international events are proposed to be attended by the Department of Posts per annum. In addition to these events the Department of Posts will attend functions relating to joint issues organized by the concerned country and attended by the Department of Posts in consultation and in coordination with the Ministry of External Affairs.

5. New Scheme:

5.1 Research Wing along with Consultancy for Marketing

In accordance with decisions taken by the Philatelic Advisory Committee at its meeting held on 3rd February 2011, Chaired by Hon'ble Minister of Communication & IT, the Department proposes to set-up a research wing for philately. This is a new Scheme under scheme under the XIIth Plan. A Cabinet Note will be moved after the Plan is approved. The research wing will focus on three areas primarily.

i) It will examine the quality of design and product in consultation with bodies which are experts in the concerned field such as the Security Printing and Minting Corporation of India Ltd. (SPMCIL) under which the Security Printing Presses operate, the Bureau of Indian Standards (BIS), Archeological Survey of India (ASI), National Archives of India, National Museums and individual artists known for their expertise in the concerned field etc.

ii) The research wing will also employ a consultant to study marketing trends in India and abroad specifically with regard to philately to propose ways and means to improve philately, its products and promotion in India and abroad.

i) It will propose innovation in product line in keeping with good international conventions and practices.

5.2 In the course of the above activities the research wing will identify niche markets in India, compile the details contacts of philatelists, clubs, societies and associations which will help promote philately. They will also compile Philately Deposit Account records to study trends.

XII TH FIVE YEAR PLAN (2012-2017)

| Sl. No | Name of Activity | Physical Target | Rate | Budget Proj.(Rs. In crores) |
|--------|---|------------------|------------------------|------------------------------|
| 1 | Developing & Promoting the hobby of Philately | | | |
| | (i) Exhibition/Festival | National-01 | 1 Crore | 1.00 |
| | | Zonal level-06 | @25 lakh per exhi. | 1.50 |
| | | State level-23 | | 2.30 |
| | | Distt. Level-225 | @10 lakh per exhi. | 22.50 |
| | | Total-255 | @5 lakh per festival | <u>27.30</u> |
| | (ii) South Asian Festival of Stamps | 01 | | 05.00 |
| | (iii) Promoting Philately through NPM | 01 | | 00.50 |
| | (iv) Setting up a digital museum | 01 | | 02.00 |
| | (v)Promotion in | 23 | @2 lakh per circle per | 02.30 |

| | | | | |
|---|---|-----------------|---|--------------|
| | educational institutions | (2x23x5) | annum | |
| | (vi) Philately galleries in circles/states | 30 | @ 1 lakh per museum | 00.30 |
| | (vii) Tie up with other organisations/authorities e.g., tourism, Rly, Airports, Airlines & Doordarshan etc. | 20 (4 p.a.) | @ 1 crore (p.a.) | 05.00 |
| | (viii) Workshop for Sr. Citizen 2 workshop per annum per circle | 230 (2X5X23) | @1 lakh per workshop | 0 2.30 |
| | Subtotal | 583 | | 44.70 |
| 2 | Setting up a Design studio at Directorate | | 01 30 lakh | 00.30 |
| 3 | Training | | | |
| | (i) Impart training on Philately based on internal marketing | | 23 For circles software training material travel etc. | 00.50 |
| | (ii) Marketing & Sales Points at Global/international events 3 per year @10 lakh each & Joint issue per annum @10 lakh each | | 20 2 crore (15+5) | 2.00 |
| | Subtotal | | 27 | 2.80 |
| 4 | Establishment of Research & Marketing Wing (a) Research & consultancy on quality and product innovation | | 01 | 30.00 |

| | | | | |
|--|---|--|--|--------------|
| | (b) Study of market including trends in India & Abroad | | | |
| | (c)Marketing plan for Philately including compilation & study of data relating to Philately | | | |
| | (d) Marketing of the Philatelic Products | | | |
| | Grand total | | | 77.50 |

CONCLUSION

The total revenue of the Department of Posts increased by 6.6% from 2007-2008 to 2008-2009 and by 6.9% from 2008-2009 to 2009-2010. This trend is indicative of the fact that incremental improvements in infrastructure, IT support and quality monitoring during 11th Plan has taken effect and the with the roll out of all IT induction dependent activities like Core Banking, Rural ICT, Mail Network Optimisation and Modernisation, subject to adequate funding, the upward trend will not only be sustained but will register a higher percentage growth. 12th Plan Schemes for the Department of Posts also target financial inclusion and rural empowerment (it is proposed to increase the number of POSB Accounts by 39 crores and provide insurance coverage to 1.5 crore lives) which will bring in substantive socio-economic impact amongst the rural poor.

The 12th Plan will also focus on quality monitoring, maximizing customer satisfaction, transparency in all processes and improved service delivery. Hence Sevottam, an initiative for improvement of service delivery developed by Department of Administrative Reforms and Public Grievances will be implemented in 832 Head Post Offices. This is expected, in addition to monitoring of service delivery under Project Arrow and Mail Network Optimisation Programme to significantly improve service delivery performance and thereby lead to customer satisfaction and expansion of customer base for Department of Posts.

Summary of the proposals made during the twelfth five year plan both in terms of physical and financial aspects.

The details of the financial proposals made under various components are as detailed below: -

| Sl No | Name of the Activity | Physical Targets | Financial outlay proposed (Rs in crores) |
|-----------|---|------------------|---|
| I | Mail Operations | | |
| a | Mail Network Optimisation | | 100.00 |
| b | Setting up of AMPCs | 24 | 426.00 |
| c | National Address Data Base Management | 22 circles | 15.00 |
| d | Procurement of new sealing device for use in Mail Offices/Post offices | 22 circles | 100.00 |
| e | Development of Road Transport Network | 22 circles | 50.00 |
| f | Upgradation of MMS vehicles and containerised transportation of mail | 6 metros | 10.00 |
| g | Providing vehicles for bulk and speed post mail delivery and collection | 22 circles | 8.00 |
| h | Providing bicycles to postmen for delivery of mail | | 7.20 |
| | Sub Total | | 716.20 |
| II | International Mails, Global Business & e-Commerce | | |
| a | Development of e Commerce Project | 1 | 50.00 |
| b | Creation of a centre of Excellence for International Cooperation | 1 | 12.00 |
| c | Quality improvement | | 20.00 |

| | | | |
|------------|--|---|----------------|
| | programme of EMS (international) | | |
| d | Developing outside delivery area (ODA) | 4 circles | 15.00 |
| e | Social Media Marketing | 1 at central and 22 at circles | 8.00 |
| | Sub Total | | 105.00 |
| III | Financial Services (Savings Bank and Remittances) | | |
| a | Centralised Banking for POSB | Set up 3000 ATMs, Expanding processing centres | 300.00 |
| b | Setting up of Post Bank of India | Study on PBI, and set up PBI | 705.00 |
| c | Integrated Remittance Services | Integration of existing remittance services and launch of mobile based remittance | 18.00 |
| d | Creation of an AML/CFT compliance structure | 22 record maintenance ware houses. | 22.00 |
| | Sub Total | | 1045.00 |
| IV | Postal Life Insurance | | |
| a | Computerisation of PLI/RPLI | 3 | 5.00 |
| b | Development of software | 2 | 5.00 |
| c | Publicity of Insurance Products | | 450.00 |
| d | Training of marketing personnel and circle office staff | 75000 | 100.00 |
| | Sub Total | | 560.00 |
| V | Rural Business & Access to Postal Network | | |

| | | | |
|------------|--|---------|---------------|
| a | Opening of BOs in rural areas by creation of new GDS posts | 11460 | 274.39 |
| b | Opening of BOs by redeployment of posts | 200 | 0.15 |
| c | Opening of SOs by redeployment | 50 | 1.46 |
| d | Opening of SOs by creation of new posts | 200 | 148.69 |
| e | Opening of Franchisee Outlets in urban areas | 1000 | 1.01 |
| f | Relocation of Branch post offices | 200 | 0.10 |
| g | Relocation of Sub Post Offices | 200 | 0.20 |
| h | Infrastructural equipments for EDBOs | 131660 | 98.75 |
| i | Building of capabilities of Rural Postal Personnel | 1 study | 1.50 |
| j | Installation of new improved letter boxes in rural areas | 140660 | 21.10 |
| k | Installation of signages for rural branch post offices | 140660 | 7.03 |
| l | Embedding of cash chests to BOs | 98000 | 39.20 |
| | Sub Total | | 593.58 |
| VI | Postal Operations | | |
| 1 | Low speed franking machines | 650 | 7.00 |
| 2 | High speed franking machines | 370 | 37.00 |
| | Sub Total | | 44.00 |
| VII | Premium Services | | |
| a | Establishment of Express Parcel Post Centres | 100 | 30.00 |
| b | Upgradation of Parcel Post centres | 52 | 10.00 |

| | | | |
|-------------|--|--|---------------|
| c | Establishment of logistics Post Hubs | 250 | 30.00 |
| d | Establishment of ware houses | 6 | 6.00 |
| e | Upgradation of logistics Post Centres | 50 | 3.00 |
| f | Upgradation of logistics Post Air Centres | 6 | 4.50 |
| g | Upgradation of Speed Post Centres | 300 | 150.00 |
| h | Branding of post offices through make over | 10000 | 300.00 |
| i | Marketing of Postal Services | Advertisement through various media, Direct marketing and release of publicity material etc | 265.00 |
| j | Marketing of Financial Services | | 150.00 |
| k | Marketing of New Services | | 50.00 |
| | Sub Total | | 998.50 |
| VIII | IT Induction & Modernization | | |
| a | Supply of Mail Office Hardware | Supply of hardware to all remaining post offices and maintenance | 12.00 |
| b | Development & Deployment of Rural ICT solution | Development, Testing and Pilot run in location identified; & Rural ICT solution rollout in all locations | 1109.70 |
| c | Development & Deployment | Development , | 450.83 |

| | | | |
|---|---|---|---------|
| | of Banking & PLI system | Testing and Rollout of CBS & PLI Solutions at pilot locations , Support & Maintenance | |
| d | Data Centre & Disaster Recovery System | Primary data centre to be set up& Disaster Recovery Centre to be setup | 71.44 |
| e | Network Integration | Rollout of network at Pilot post offices/Locations, Rollout of Network at all remaining locations, connectivity and NOC operations | 2523.53 |
| f | Development & deployment of Integrated Scalable Software & Change Management Activities | Design, Development and Testing of proposed solution, Pilot and Rollout of software solutions across all locations, support and maintenance | 1158.84 |
| g | Computerisation & Networking of BOs opened in 12 th plan | 11460 | 100.00 |

| | | | |
|-------------|--|-------------|----------------|
| h | Annual Maintenance | | 1500.00 |
| | Sub Total | | 6926.34 |
| IX | Human Resource Management | | |
| 1 | Development Programme | 3290 | 18.25 |
| 2 | In Service Mid Career training Programmes | 435250 | 141.12 |
| 3 | Expansion of training facilities | 100634 | 44.75 |
| 4 | Capacity Building | 4759 | 2.33 |
| 5 | Building Projects | 6 | 39.00 |
| | Sub Total | | 245.45 |
| X | Quality Management | | |
| a | Quality improvement | 832 offices | 5.80 |
| | Sub Total | | 5.80 |
| XI | Material Management | | |
| a | Fabrication of pillar letter boxes | 50000 | 50.00 |
| b | Upgradation of Technology for Stamps and Seals | 2 lakhs | 30.00 |
| | Sub Total | | 80.00 |
| XII | Postal Accounts and Finance | | |
| a | Capacity building (Accrual Based Accounting) | 22 PAOs | 5.50 |
| b | Human Resource Management | 2446 | 2.52 |
| | Sub Total | | 8.02 |
| XIII | Estates Management | | |
| 1 | Spillover of post office buildings/admin offices/staff quarters of 11 th plan | 66 | 65.60 |
| 2 | Construction of new Post offices | 82 | 96.94 |
| 3 | Reconstruction of old departmental buildings | 20 | 20.00 |
| 4 | Construction of boundary walls | 100 | 10.00 |

| | | | |
|------------|---|------|-----------------|
| 5 | Construction of new Administrative Office buildings | 5 | 14.65 |
| 6 | Construction of staff quarters | 30 | 27.90 |
| 7 | Purchase of land | 5 | 3.75 |
| 8 | Preservation of heritage building | 38 | 30.40 |
| 9 | Installation of solar power packs | 500 | 20.00 |
| 10 | Expenditure in c/w PPP | 45 | 2.00 |
| 13 | Rainwater harvesting | 1000 | 30.00 |
| 14 | Gender concerns | 200 | 20.00 |
| 15 | Improving Ergonomics (Project Arrow) | 2500 | 253.37 |
| | Sub Total | | 594.61 |
| XIV | Philately Operations | | |
| 1 | Exhibition | 255 | 28.45 |
| 2 | Promotion of philately | 23 | 2.90 |
| 3 | Philately corner in museums | 35 | 0.35 |
| 4 | Tie-Ups with other organisation | 20 | 10.00 |
| 5 | Workshops | 230 | 2.30 |
| 6 | Setting up of a design studio | 1 | 0.50 |
| 7 | Training | 7 | 0.50 |
| 8 | Attending International events | 15 | 1.50 |
| 9 | Research Wing | 1 | 31.00 |
| | Sub Total | | 77.50 |
| | Grand Total | | 12000.00 |