



Federation of National Postal Organisations

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SIVAJI VASIREDDY

Secretary General

No. FNPO/DOP/Revenue loss/suggestions

dated 05.02.2026

To
Sri Jyotiraditya Madhavrao Scindia Ji,
Hon'ble Union Minister for Communications,
& Minister for Development of NE Region, Govt. Of India,
New Delhi - 110001

Respected Sir,

Sub:- Observations on Revenue, Deficit, Pension Liability and USO Obligations of the Department of Posts - regd.

With reference to the figures available in the India Post Annual Report 2024-25 and the Lok Sabha reply on postal pension expenditure, the following observations are respectfully submitted for consideration.

1. Revenue and Expenditure - FY 2023-24:

As per the India Post Annual Report 2024-25 (covering April 2023 to March 2024): **Total revenue from all postal operations (including mail/postage, savings bank, certificates, commissions, stamps, etc.): Rs.11,321.35 crore. Broad break-up of receipts includes:**

Postage realised in cash: Rs.4,476.49 crore
Sale of stamps: Rs. 165.97 crore
Commission on money orders and allied services: Rs.72.60 crore
Savings bank and other receipts: approximately: Rs.6,606.29 crore

(The above represents total departmental receipts; separate figures for individual mail services such as letters or parcels are not itemised in the published extract.)

Total expenditure: R.34,389.64 crore

Net deficit (expenditure minus revenue): Rs. 23,068.29 crore

Thus, the revenue realized during the year covered only a portion of the total operational expenditure, resulting in a deficit of approximately Rs. 23,068 crore.

2. Postal Pension Expenditure:

As per the Lok Sabha reply for FY 2022-23, issued by the Hon'ble Minister for Personnel, Public Grievances and Pensions: Expenditure on pension and family pension for postal retirees: Rs. 8,214.85 crore. This amount represents pensionary payments made to retired postal employees and eligible family pensioners during the said financial year.

In this our submission is that the Postal pension expenditure should be supported by the Govt. through the "Consolidated Fund of India" instead showing expenditure in Department of Post like other departments. This will reduce the revenue loss in a high manner.

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3. Observations on Deficit and Pension Liability:

Out of the net deficit of Rs.23,068.29 crore, pension expenditure alone accounts for Rs.8,214.85 crore, leaving an operational gap of approximately Rs.14,853.44 crore. The Government has reportedly set a revenue target of Rs.17,546 crore. If achieved, this would potentially bridge a substantial portion of the remaining gap, leaving an estimated difference of around Rs.2,692.56 crore.

It is respectfully submitted that pension expenditure, being a statutory and social obligation of the Government, is more appropriately borne from the Consolidated Fund of India, and should not be viewed as a routine operational expenditure of the Department.

4. Universal Service Obligation (USO):

Further, the Universal Service Obligation (USO) discharged by the Department of Posts—particularly the maintenance of rural and uneconomical services—also represents a sovereign responsibility. The financial burden arising from USO may appropriately be supported directly from the Government exchequer, rather than being reflected as departmental loss.

5. Recent Reforms and Revenue-Augmenting Measures:

It is also noted that several structural and operational reforms have been initiated, including: Revision of postal tariffs with effect from 01.09.2025. Merger of Registered Post and Speed Post operations.. Conversion of the Transit Section into RTN
These measures are expected to improve efficiency and revenue realization. Based on a preliminary assessment, there is a reasonable possibility that such reforms may reduce departmental losses further, subject to actual performance outcomes.

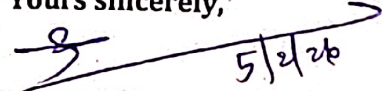
6. Concluding View:

Based on the above analysis and publicly available data, it is my personal and preliminary assessment that, if revenue targets are achieved and pension and USO liabilities are addressed at the Government level, the Department of Posts may significantly reduce, or potentially eliminate, its operational deficit in the coming financial year.

(Personal opinion based on publicly available data International Best Practice – German Post (Deutsche Post DHL Group): In Germany, employee participation in management is an established practice. Workers' unions are represented through works councils and supervisory boards, enabling structured consultation and dialogue on operational, financial, and organizational matters. This participative model has contributed to improved industrial relations, transparency, and shared responsibility in decision-making.

In this context, it may be beneficial for the Hon'ble Ministry to take postal employees' unions into confidence, drawing from successful international models such as those followed in European postal administrations. These views are submitted purely as an analytical perspective, based on published reports and parliamentary replies.

Yours sincerely,


(SIVAJI VASIREDDY)
Secretary General

Copy to: The Secretary Posts, Dak Bhawan, New Delhi for information and with request to take necessary action please.