



Federation of National Postal Organisations

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SIVAJI VASIREDDY

Secretary General

No: FNPO/DoP/Revenue Loss/Suggestions

dated 11.02.2026

To

**Dr. Pemmasani Chandra Sekhar Garu,
Hon'ble Minister of State for Communications
& Rural Development,
New Delhi – 110001.**

Respected Sir,

**Sub: Observations on Revenue Deficit, Pension Liability and USO Obligations of
the Department of Posts – reg.**

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), the total Revenue from all postal operations (including mail/postage, savings bank, certificates, commissions, stamps, etc.) is Rs. 11,321.35 crore. A broad break-up of receipts is as follows:

Postage realized 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 figures represent total departmental receipts; separate figures for individual mail services such as letters or parcels are not itemized in the published extract.)

Total expenditure: Rs. 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, the expenditure on pension and family pension for postal retirees is Rs. 8,214.85 crore. This amount represents pensionary payments made to retired postal employees and eligible family pensioners during the said financial year.

It is respectfully submitted that postal pension expenditure, being a statutory and social obligation of the Government, should be borne through the Consolidated Fund of India, instead of being reflected as routine operational expenditure of the Department of Posts. This would substantially reduce the apparent revenue deficit.

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2. 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 could potentially bridge a substantial portion of the remaining gap, leaving an estimated difference of around Rs. 2,692.56 crore.

It is therefore submitted that pension expenditure should not be viewed as routine departmental expenditure, but rather as a responsibility of the Government to be met from the Consolidated Fund of India.

4. Universal Service Obligation (USO):

The Universal Service Obligation (USO) discharged by the Department of Posts—particularly the maintenance of rural and uneconomical services—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 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 and 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 further reduce departmental losses, 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.

International Best Practice – German Post (Personal opinion based on publicly available data):

In Germany (Deutsche Post DHL Group), 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 followed in European postal administrations. These views are submitted purely as an analytical perspective, based on published reports and parliamentary replies.

Thanking you Sir,

Yours faithfully,

(SHIVAJI VASIREDDY)
Secretary General