Postal Operations Scheme – Extended for the 16th Finance Commission Cycle

Prelims: *Current events of National and International Importance | Economy and Governance*

Why in News?

*The Union Cabinet approved on November 25, 2026 the **continuation of the Postal Operations Scheme** for FY 2026-27 to 2030-31, with an outlay of ₹1,141 crore.*

About the Scheme

- **Type** – A ***Central Sector Scheme***, funded by the Union Government.
- **Ministry and agency** – Ministry of Communications; implemented by the Department of Posts (India Post).
- **Components** – Six sub-schemes: mail operations (₹575 crore), rural post office access (₹120 crore), parcel hubs and packaging units (₹278 crore), international mail, quality of service, and philately.

Aims and Objectives

- **Modernisation** – Upgrade the ***postal network through mechanisation*** and advanced IT.
- **Mail and parcels** – Strengthen operations with centralised delivery systems, parcel hubs and packaging units.
- **Rural reach** – Deepen financial inclusion, digital connectivity and local economic development through rural post offices.
- **Alignment** – Support Digital India, Atmanirbhar Bharat and Viksit Bharat.



Beneficiaries

- Citizens, especially rural households served by over ***1.49 lakh rural post offices***; small businesses and online sellers using parcel services; philatelists; and postal staff.

Eligibility

- There are no individual eligibility conditions.
- It is a departmental scheme with no application or enrolment; services reach all users through post offices, with rural offices prioritised.

Why Continuation Is Needed

- **Funding cycle** – Central Sector Schemes need fresh approval for each Finance Commission cycle to keep receiving funds.
- **Growth** – India Post's revenue rose 16% to about ₹15,500 crore in 2025-26; it targets ₹20,000 crore this year and profit by 2030.
- **Parcels** – Parcels are the growth area and need modern hubs and packaging units.
- **Reach** – Its 1,64,825 post offices, including 1,40,128 Branch Post Offices, need upgraded technology and services.

Reference

Business Standard | Cabinet extends two India Post schemes with combined outlay of ₹2,632 cr

