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P & T Accounts and Finance Officers Association

National Headquarters : O/o Pr. CCA, Hyderabad –500020

(Association consisting members of IP&T AFS Group 'B' and Promotee Group 'A' officers, viz AAO, AO, Sr.AO, JTS, STS and JAG Grades)

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No. CHQ/P&TAFOA/2025/36 **Dated: 27.07.2026**

To
The Secretary (Posts)
Department of Posts
Dak Bhawan, New Delhi – 110001

Subject: Representation regarding the constitution of the Committee for Re-organisation and Rationalisation of Postal Accounts Offices (PAOs) – reg.

Reference: Department of Posts Office Memorandum No. Y-23/3/2026-PE-II dated 23.07.2026 regarding constitution of the Committee for undertaking the Re-organisation and Rationalisation of Postal Accounts Offices (PAOs).

Respected Sir,

1. On behalf of the PTAFOA, I respectfully submit this representation regarding the Office Memorandum cited above.

2. At the outset, we wish to clarify that our Association fully appreciates the Department's objective of improving efficiency, strengthening service delivery and modernising the functioning of Postal Accounts Offices. Rationalisation, when undertaken through an objective, transparent and evidence-based approach, can significantly benefit the Department. However, the constitution of the Committee and certain provisions contained in its Terms of Reference have caused serious concern among officers of the Postal Accounts cadre. Since the recommendations of this Committee will have a far-reaching impact on the structure, independence and future career prospects of the entire Postal Accounts organisation, we humbly request that the following issues may kindly be considered before the Committee proceeds further.

Historical Background of the Postal Accounts Organisation (PAO)

The Postal Accounts Organisation occupies a unique and distinguished position within the Government of India's Organised Accounts framework. Its present structure and mandate are rooted in the historic bifurcation of the accounting functions of the Department of Posts from the Controller General of Accounts (CGA) in 1976. This reform was undertaken to provide the Department with a dedicated, technically specialised accounting system capable of ensuring financial discipline, impartial scrutiny and robust internal financial control.

Following this bifurcation, the PAO emerged as an independent Organised Accounts cadre, entrusted with the responsibility of maintaining the financial integrity of one of India's largest public service organisations. Over the subsequent decades, the PAO has evolved in tandem with the Department's expanding operations—transitioning from manual accounting systems to computerised modules, supporting the rollout of Speed Post, Business Post, PLI/RPLI, and later leading the financial governance of digital platforms such as CBS, APT 1.0 and APT 2.0.

The PAO has playing a pivotal role in implementing the new taxation framework, digital pension systems, strengthened financial monitoring, Internal Audit, Inter-Circle Audit and theme-based audits. As noted in the representation, “the role of Postal Accounts Offices has expanded considerably due to the implementation of the new taxation framework, enhanced delegation of financial powers, APT 2.0, digital financial systems…”

This historical trajectory underscores the PAO’s identity as a specialised financial institution whose independence, expertise and organisational integrity must be preserved in any restructuring exercise.

Constitution of the Committee requires balanced representation

The Committee constituted to examine the reorganisation and rationalisation of Postal Accounts Offices comprises five members, of whom only two belong to the Postal Accounts stream, while the Chairperson and the majority represent the operational and administrative side of the Department. Considering that Postal Accounts Offices perform highly specialised financial, accounting and audit functions, their restructuring should be examined by a committee with adequate expertise and experience in public financial administration.

We therefore respectfully request that the Committee be reconstituted under the chairmanship of a senior IP&TAFS officer (serving or retired) of the rank of Sr. DDG/DDG with extensive experience at both the Directorate and field levels, and that a majority of the members be drawn from the Postal Accounts stream to ensure an objective, balanced and technically sound assessment.

Representation from the affected Group ‘B’ Accounts Cadre

The Terms of Reference require the Committee to examine and recommend the future deployment and utilisation of cadres from LDC to Senior Accounts Officer. However, while the recommendations will directly impact the AAO, AO and Senior AO cadres, no representative from these cadres has been included in the Committee. Instead, representation has been provided to another Group ‘B’ cadre, leaving out the officers whose service conditions and career prospects are under consideration.

In the interest of fairness, transparency and natural justice, it is essential that the affected Group ‘B’ Accounts cadre is adequately represented. We therefore request that suitable representatives from the IP&TAFS Group ‘B’ cadre (AAO/AO/Sr.AO) be included in the Committee.

Terms of Reference should ensure an objective and unbiased study

Clause IV of the Terms of Reference empowers the Committee to recommend measures for the “optimum deployment and effective utilisation” of various cadres. While the objective of improving organisational efficiency is appreciated, the present wording may inadvertently create an impression that rationalisation or redeployment has already been envisaged before a comprehensive assessment of workload, organisational requirements and functional responsibilities is undertaken.

It is therefore requested that the Terms of Reference be suitably modified to clarify that the Committee shall undertake an independent, evidence-based assessment and that any recommendations on restructuring, redeployment or rationalisation shall be made only after detailed study, stakeholder consultation and objective evaluation.

Rationalisation at the present stage may not reflect the actual workload

In recent years, the role of Postal Accounts Offices has expanded considerably due to the implementation of the new taxation framework, enhanced delegation of financial powers, APT 2.0, digital financial systems, strengthened financial monitoring, Internal Audit, Inter-Circle Audit, theme-based audits, pension-related activities and several other financial management initiatives. These changes have significantly increased both the volume and complexity of work.

At the same time, the Department's IT transformation is still in progress, and its full impact on manpower requirements is yet to be assessed. To our knowledge, no comprehensive workload or manpower study has been conducted after these major functional changes. Therefore, any rationalisation exercise undertaken at this stage may not accurately reflect the actual or future workload of Postal Accounts Offices.

We therefore request that the Committee be given adequate time to undertake a scientific workload assessment after the stabilisation of ongoing IT initiatives.

Adequate time should be provided for such an important exercise

As per the Office Memorandum, the Committee has been given only 37 days to examine the organisational structure and functioning of Postal Accounts Offices across the country, consult stakeholders and recommend far-reaching structural reforms. Considering the complexity and long-term implications of this exercise, the prescribed timeframe is insufficient for conducting comprehensive field studies, workload assessments and meaningful stakeholder consultations.

We therefore request that the tenure of the Committee be suitably extended.

Need to preserve the institutional independence of the accounting system

In all Government of India Departments, the accounting cadre functions independently from the administrative and operational wings. This separation is an established principle of public financial administration, designed to ensure objective financial scrutiny, impartial accounting, effective internal financial control and accountability in the management of public funds.

We therefore request that the following additional Term of Reference be included:

"To study and recommend measures for preserving and strengthening the institutional independence of the Accounting System in the Department of Posts, in line with the established principles of public financial administration followed across Government of India."

Conclusion

The Postal Accounts Organisation has served as the financial backbone of the Department of Posts for decades, ensuring financial discipline, accountability and sound public financial management. Any decision affecting its organisational structure, manpower or institutional independence should be preceded by balanced representation, meaningful stakeholder consultation and a scientific assessment of workload and future functionuirements.

We therefore earnestly request your kind intervention to:

- Reconstitute the Committee with adequate representation from the Postal Accounts stream.

- Appoint a senior and experienced IP&TAFS officer as the Chairperson of the Committee.

- Include suitable representation from the AAO/AO/Sr.AO cadres.

- Clarify the Terms of Reference to ensure an unbiased, evidence-based study.

- Extend the tenure of the Committee.

- Include preservation of institutional independence as an additional Term of Reference.

We are confident that your kind consideration of these genuine concerns will reinforce the confidence of the Postal Accounts fraternity in the reform process and ensure that the Committee's recommendations are balanced, technically sound and in the best interests of the Department, its employees and the Government of India.

Yours faithfully,

(M. Sudhakar)
General Secretary
(PTAFOA)

Copy to:

1. Director General (Postal Services), Department of Posts.
2. Member (Finance), DOT.
3. Senior DDG (PAF), Department of Posts.
4. DDG (Estates) & Chairperson of the Committee.
5. Director (Accounts Postal), Nagpur – Member.
6. Director (Taxation), PA Wing – Member.
7. All Circle Secretaries, PTAFOA.