

**Government of India
Ministry of Communications and
Information Technology
Department of Posts
(Planning Division)**

No.40-36/EFC/04-Plg.

Dated : 8/02/2007

SUBJECT : INITIAL LAUNCH OF THE FRANCHISING SCHEME IN SPECIFIED URBAN AREAS.

In consonance with the 10th Plan policy imperatives, an innovative method has been conceived by the Department for providing better access to postal counter services by opening franchised outlets in areas where a post office cannot be opened as per departmental norms. The scheme has been approved by the Hon'ble MoC & IT for launch. This scheme also figures in the Prime Minister's Thrust Areas. The scheme has been launched through DDG (E&PN) D.O. letter of even number from 1.2.07 in 100 identified locations of specified Circles. The following orders are hereby issued for immediate implementation of the scheme.

2. Details of the Scheme

(1) Introduction

The Department of Posts is entrusted with the Universal Service Obligation of increasing access to basic postal facilities throughout the country. Even though India has the largest postal network in the world, with over 1.55 lakh post offices, including 89% in the rural area, there continues to be a demand for post offices. Post offices in the rural area are incurring more than the permissible level of loss. In the urban area, where a minimum of 5% profit is required as per norms, over 50% of the single and double handed offices are incurring losses. There is a clear need to reduce the deficit, while increasing access to post office facilities.

Under the 10th Plan the Department is required to rationalize the network and explore new viable avenues for expansion of its network. The objective is to optimize the resources with a view to achieving self sufficiency while continuing to fulfill the Universal Service Obligation. There is a constant demand from customers to open more post offices especially in newly developing urban agglomerations.

(2) Basic features of the urban franchise model

- 2.1** Only counter services are to be franchised, while delivery and transmission will be continued through the Department. Linking arrangements for the franchised outlets will be provided by the franchisee.
- 2.2.** The franchisee will provide service across the counter for a minimum defined time schedule with flexibility to work round the clock.

2.3 *Products and services offered*

- 1.** Sale of stamps and stationery
- 2.** Booking registered articles, speed post articles, money orders (on EDBO model), e-post, etc. (no bulk booking to be taken up in franchised outlets)

3. Functioning as an agent for PLI and provide related after sales service, including collection of premia. (subject to fulfillment of criteria for PLI agents)
4. Marketing products for which the Department has a corporate agency or tie-up and provide related follow up services. (subject to agreement with the other organizations involved)
5. Providing retail and bill/tax/fine collection/payment services of the Department. (subject to agreement with the other organizations involved)
6. Facilitating the provision of e—governance and citizen centric services (subject to agreement with the other organizations involved)
7. Any other service introduced by the Department in future through its outlets which is considered amenable to the franchise model. (subject to agreement with the other organizations involved)

The model has adequate flexibility built in to allow a range of services to be extended through the outlets according to the need / demand, and to increase the range when found necessary. Thus, the range of counter services that can be offered through different outlets can vary, keeping in view the location and its capacity to generate revenues.

2.4 Implementation Strategy:

In the initial phase and for the present, the urban franchise model will be implemented only in fast developing areas of urban growth like metros and their satellite towns, as also such urban areas where there is a justification for post offices on the distance and population norms but there is difficulty in providing the same through redeployment. The further extension of the scheme can be taken up after the results available from experience of the initial phase – say after six months of initial launch.

2.5 Viability:

The viability of each franchise only requires to be assessed by the concerned field unit so as to ensure adequate returns to the franchisee. The expected minimum revenue, would depend on the range of services, particular location, potential revenue, the investments that the franchisee is willing to make, the cost likely to be incurred by the Department in providing support facilities, etc.

2.6 Criteria for Selection:

Applicants for franchises would need to submit an application in a prescribed proforma (Annex-I). The selected franchisee will sign a Memorandum of Agreement with the Department (Annex-II). Criteria for selection have been fixed considering the need to select persons with the capacity to manage and market a range of products, along with a sense of the community needs and public aspects of the job, and willingness to accept technological options. The criteria are as below:

- (i) Only individuals are eligible for appointment and not any organization which he / she may be serving / representing.
- (ii) Age : Above 18 years. No upper age limit.
- (iii) Educational qualifications : 10+2 standard or 12th class pass of a recognized University or Board of School Education or Board of Secondary Education.
- (iv) Preference:
 - a. Postal pensioners

- b. Those able to provide computer facilities.
- (v) Premises : Proper appropriately located and accessible premises, properly maintained with suitable display of approved signages.
 - (vi) Applicant should be willing to make the necessary investments for the conduct of the business and be able to provide a simple business plan comprising details of how the premises will be run, what the opening hours would be, investments proposed, market conditions, proposals for marketing products, awareness of customer base, role in local community, budget, finances, etc. Two references from respectable persons of the locality where the franchise is proposed to be located would also be required to establish the character and antecedents of the applicant.
 - (vii) A business plan would be prepared taking into account the anticipated minimum level of business / revenue worked out by the Divisional Head for the specific franchise.
 - (viii) Security Deposit : The security deposit to be provided by the franchisee would be based on the maximum possible level of financial transactions likely be undertaken by the franchisee in a day. The minimum security deposit would be Rs.10,000 in the shape of a performance bank guarantee.
 - (ix) Selection : Would be made by a committee comprising the Heads of the concerned Division and a neighbouring Division, based on a report from the ASP /SDI.

2.7 remuneration to franchisee:

The franchisee will earn remuneration / commission on services provided, as set out in the Schedule of Memorandum of Agreement.

(3) Monitoring

The monitoring mechanism for the scheme will be strengthened vis-à-vis regular outlets, with monthly monitoring by inspectors. An element of electronic monitoring will be introduced in due course.

(4) Training

Introduction to the objectives, products / services, basic procedures, upkeep of the premises and customer care would be part of induction training of the franchisee. The briefing will be done by the sub-divisional inspector of the area.

(5) Branding of franchisee outlet

Standard signages for India Post franchisee would be provided to give a uniform look to all franchised outlets. Signage design is at Annex – III.

3. The operating manual for franchised outlets in urban areas is at Annex-IV. The accounting procedure for remuneration is at Annex-V.

4. This issues with the approval of competent authority. The scheme is required to be implemented in 100 identified urban locations by 31/3/2007.

Forwarded to : All Heads of Postal Circles.

Copy for information and necessary action to:

1. Sr. DDG (PO & I) / Secretary (PSB) / JS & FA /All DDsG
2. CGM (PLI), Chanakyapuri, New Delhi / CGM (BD & M)
3. Director, Postal Staff College, Ghaziabad.
4. Additional DG, Army Postal Services Corps, R.K. Puram, New Delhi-110066.

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
DEPARTMENT OF POSTS

Application No.

Application cum Franchisee Agreement Form

PART-A

(To be filled by the applicant)

- 1) Name of Applicant (in block letters):
- 2) Nationality:
- 3) Age: (Should be 18 years or above on the date of application, proof to be attached)
- 4) Whether DOP pensioner (Yes / No):
(If yes, attach copy of PPO)
- 5) Income Tax PAN / GIR No.:
(In case Pan / GIR No is not provided, declaration in form 60 to be provided)
- 6) Present Address:
- 7) Permanent Address:
- 8) Location from which business will be conducted:
- 9) Proposed timings of business:
- 10) Details of premises from where business is to be conducted:
 - (a) Whether owned / rented / leased
 - (b) If not owned, indicate period up to which present agreement is valid
 - (c) Distance of premises from the nearest Post Office:
- 11) Indicate present business occupation, if any and whether it is intended to be carried on from the same premises / address as the postal franchise.
- 12) Please indicate previous experience, if any, in retailing services:
- 13) Do you have knowledge of working on a computer and would you be using a computer for providing this service:
- 14) Names, addresses and telephone numbers of two respectable persons of the locality who can be contacted for reference.

I

II
- 15) Please indicate if Business Plan has been enclosed:

16) Details of Security required:

I agree to abide by all the terms / conditions mentioned in the franchising agreement & license.

Declaration:

I, _____ s/o d/o w/o _____
Declare and undertake that the above information is wholly true. I have read and understood the terms and conditions mentioned in the Annexure to this Application Form, I hereby agree to abide by them. I also agree to abide by any changes that may be made in them from time to time.

Dated :

Signature of the Applicant / Franchisee

PART – B

(For office use only)

1. Application received on
2. Registration No. allotted
3. Date of allotment
4. Date of performance bank guarantee execution
5. Date of authorization of franchise
(To be authorized within 7 days from date of execution of performance bank guarantee)

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DEPARTMENT OF POSTS
(Acknowledgement)

Received one application for franchising from
Mr./Mrs./Ms.
(Name and address of the applicant)

Registration No. is

Receipt Assistant

Office Stamp

Memorandum of Agreement

An agreement is formed between Mr./Mrs./Ms. _____ s/o d/o w/o _____ referred to in the application (hereinafter referred to as the franchisee) and the Department of Posts, a Department of the Government of India with its Headquarters at Dak Bhavan, Sansad Marg, New Delhi – 110 001, and Circle / Regional Headquarters at _____ who is the franchiser (hereinafter referred to as DOP and includes its successors, assignors, executors and administrators) when this documents is signed by or on behalf of the franchisee, and DOP has accepted the signed document –

Whereas,

- (1) DOP has established a vast network of outlets throughout the country for fulfilling the mandate given to it under the relevant provisions of the Indian Post Office Act, 1898.
- (2) DOP has developed a number of products and services, in terms of its commitment to provide postal services relevant to the needs of customers, and also provide financial, insurance and retail services through postal outlets on agency basis. All these services and related activities shall hereinafter be referred to as “The services”. Details of services and related activities, which may be modified from time to time by the DOP, are detailed in Schedule I to the Agreement.
- (3) DOP has also developed procedures and guidelines based on its expertise and practical experience (know how), as well as software packages, which are documented and which together form a system (The System) the written record of which is contained in DOP’s operational manuals (The Manual) and which is the sole property of DOP.
- (4) DOP has a logo and other corporate identities which are the sole property of DOP (The Marks). The business of providing the services in accordance with the System under the Marks is hereinafter referred to as “the Business”
- (5) The Business is currently being carried on through the network of outlets manned by employees of DOP – Departmental, Extra Departmental, llicensed agents or employees appointed by agents – who may continue to man the outlets or discharge those functions as deemed necessary by DOP.
- (6) DOP now wishes to maintain select existing outlets, as well as select new outlets, through person to be appointed as franchisees, after due selection, and the success of which depends, interalia, on the franchisee providing prompt, efficient, satisfactory and courteous service to the public, of the Services of the DOP, using the Manual, as well as instruction and guidelines issued from time to time, and the related material as well as equipment provided for the conduct of the Business.
- (7) DOP is entering into this Agreement upon the Franchisee’s assurance that he / she will be committed to developing the Business within the territory (The Territory) identified for being serviced through his / her outlet.

Now hereby it is agreed as follows:

- (1) Rights granted

Subject to and in accordance with the terms hereof DOP hereby grants to the Franchisee:

(a) The right to carry on the Business within the Territory of his / her outlet viz

(b) The right to use in the Business the Marks, other symbols, insignia, distinctive plans, designs or specifications owned by or authorized to be used by DOP together with the benefit of the accumulated experience and knowledge relating to provision of the Services.

(c) The royalty free right to use in the business the copyright in any printed matter or other relevant matter or materials developed by DOP for use in the Business.

(d) All other rights and benefits accruing to the franchisee by virtue of this Agreement.

(2) Notwithstanding the rights granted to the Franchisee he/she shall not be entitled or permitted to use the Marks or any part, or any other colourable imitation thereof in their own business activities.

(3) The franchisee shall not hold himself / herself out as being the agent or partner of DOP or as being entitled to pledge the credit of the DOP, and will identify himself / herself as an independent person in all dealings with third parties and on all stationery, signs and other objects bearing the Marks.

(4) The Franchisee shall not undertake Business or indulge in canvassing Business outside the Territory of his / her outlet.

2. Term and Renewal

(1) The Agreement shall, subject to the provisions for termination in Clause 13 below subsist for an initial period of one year from _____ (month) _____ year being the date on which DOP accepts the signed copy of this Agreement from the Franchisee.

(2) Based on successful completion of the first term, and subject to the provisions for termination in Clause 13 below, the period of the second Term shall subsist for a period of 3 years from _____, being the date on which DOP accepts the renewed Agreement duly signed by the Franchisee. DOP shall have sole discretion to renew or not renew the Agreement.

3. Franchiser's initial obligations

In order to assist the franchisee in launching the Business, DOP shall, in addition to the training to be provided as per clause 6, provide to or make available to the franchisee the copies of the Manual and forms and stamps, seals and such other Marks which are essential for the conduct of the Business, and which shall remain the exclusive property of DOP.

4. Franchiser's continuing obligations

To assist the Franchisee in conducting the Business, DOP shall in addition to the continuing training to be provided as per clause 7, provide or make available to the Franchisee the following:

(1) The continual updates, if any, alternatives and/or improvements in or to the System, to enable the Franchisee to keep the Manual upto date. In the event of any dispute the text of the Manual/including guidelines issued by DOP, shall be deemed the authentic text. The Manual

and its updates shall at all times remain the property of DOP. The Franchisee hereby acknowledges that the copyright of the Manual and its updates is vested in the Franchiser.

(2) Copies of all other advertising material suitable for use in the Territory, as soon as it is practically possible.

(3) Periodic visits and inspections by such members of DOP's staff as shall be deemed appropriate for the purpose of monitoring the standards of the franchisee.

(4) Guidance/training to assist the achievement and maintenance by the Franchisee of high standards of operation of the services.

(5) Any services that DOP may deem necessary to retail as part of its Business through the franchisee.

(6) A fixed rate of Commission on the Business undertaken by the franchisee as per pre determined rates, which may be modified from time to time and remuneration for related activities specified in Schedule-I of this document.

(7) Seek/fix information from Franchisee's bankers/credit providers and such other sources as to carry out other verifications.

(8) DOP reserves the right to modify at any time the terms and conditions of the license, without any notice to franchisee. The franchisee will have to abide by the policy. Rules and Regulations of DOP as revised / modified from time to time, without any prior notice to franchisee, in respect of all matters, including amount of security deposit, commission, remuneration payable to the franchisee etc. This agreement shall be subject to all applicable Rules and Regulations, orders issued by DOP from time to time.

5. Franchisees Obligations

In order to promote DOP's Business, protect the Marks, and maintain the identity, reputation and standard of the franchised services, the Franchisee agrees to:

(1) Carry out the franchisee's responsibilities, while abiding with the provisions of the Indian Post Office (IPO) Act, 1898, including penalties set out thereunder, and other relevant statutes and Rules and regulations there under, as well as specifications, requirements and the limitations imposed by DOP, and as amended from time to time in the conduct of the Business, in order to ensure adherence to obligations advertised by the franchiser and to promote the standard of the services and the market for them.

(2) Employ any suitable person(s) to provide services on his/her behalf, as may be required for the conduct of the Business. However, the franchise is not transferable and the franchisee himself/herself shall be responsible for any breach of the Terms of the license both by the franchisee and his/her employees.

(3) Train his/her own employees in the operation of the System in all its aspects, to such a standard as will discharge the training obligations of the DOP under the agreement.

(4) Provide the services defined under the Agreement to the people on all business days of the week in the Territory assigned to the franchisee. The business days and hours may be fixed by the franchisee keeping in view the minimum number of hours specified by DOP and also the convenience and needs of the Territory. These business hours shall be notified and duly

intimated to DOP. The franchisee shall not refuse to provide any services that he/she is required to provide as per this Agreement.

(5) Provide the linking arrangements between the franchisee's outlet and the designated office/s of DOP to which it is attached for all operational and administrative requirements, and for financing the daily transactions where so required.

(6) Undertake provision of all services only at the tariff / rate specified for this purpose by DOP. Breach of this condition, if proved, will invite termination of the franchise.

(7) Provide and neatly maintain the space and layout for conducting the Business, keeping in view the need for providing convenient, access and interface to customers, and for display of mandatory information and documentation to the customers, as prescribed by DOP. Any modification of the layout or shift in accommodation can be effected only with prior approval of DOP.

(8) Maintain books of account as directed by DOP and preserve all related documents as per periodicity fixed by DOP. These shall be made available to DOP, and any person authorized by DOP at such time and place as may be required by DOP for the purposes of inspecting the service.

(9) Ensure availability of adequate stock of the various products, forms etc. needed for providing the services, by placing timely indent for them, as per the guidelines prescribed by DOP for this purpose.

(10) Allow any authorized member of the staff of DOP to inspect the stock of various products, forms, equipments etc. held by him and also the accounts and related documents, at any time, without notice. Not allowing this facility will be treated as a breach of this agreement and can lead to termination of the franchise.

(11) Ensure safety and security of all articles of mails, documents and chash, generated/received as part of Business through the outlet, while they are in his/her custody, to maintain necessary documentation, and to ensure their safe and timely further disposal as prescribed by DOP. Loss to DOP due to failure to do so will be made good by the franchisee.

(12) At all times to use the Marks in the Business, including forms etc. provided by DOP and to maintain the high standards associated with the Marks Purchase of any equipment in the Business even at his/her cost will be done only with prior written consent of DOP, to ensure compatibility with the requirements of the Business.

(13) Ensure that customers are dealt with in a fair, courteous and honest manner, render prompt, and willing service and conduct Business in such a manner as not to detract from or bring disrepute to the Marks.

(14) Promote the Business and even arrange for pick up services etc. within the earmarked Territory. However, such canvassing of business must be limited to the specified Territory. No canvassing near the premises of other outlets of DOP will be permitted.

(15) Advertise the Business being provided. The Franchise will also prominently display any information supplied by DOP from time to time, and display a signboard of prescribed dimensions, colour and indications bearing the logo of DOP.

(16) Not to bring the Services, System or Business into disrepute or to use the service for any unlawful, immoral, improper or abusive purpose or for sending obscene, indecent, threatening,

harassing, unsolicited message or messages affecting / infringing national interest, nor create any damage or risk of DOP or its Network and / or other franchisees / customers.

(17) Use best endeavors to increase the profits of the business and pay minimum monthly guaranteed revenue to DOP, as prescribed from time to time, irrespective of the level of revenues earned by the franchisee.

(18) Fully co-operate with DOP in conducting any investigation into complaints received. He/she shall provide all relevant information in such cases as well as for any other matter, as may be required by DOP from time to time.

(19) Agree to not start any similar venture or undertake any activity, independently or otherwise, during the validity of this agreement which will constitute a conflict of interest with the Business of DOP, or which will give the franchisee, the power to influence the economic conduct of such an undertaking.

(20) Ensure that any business taken up from the outlet does not detract or conflict with the image of the post office. In case the franchisee proposes to undertake a change in this business conducted from the outlet, this may be done only with the approval of DOP which will give its consent only after satisfying itself that the business will not adversely affect the image of the post office.

(21) Be liable for all taxes, present and future, and additional taxes/cesses/duties etc. that may be levied by the Government or local authorities etc. on the Business, over and above what is notified to be collected by DOP. The DOP has no service tax liability for the Business.

(22) Agree to provide a bank guarantee that is irrevocable, non-negotiable and without any recourse to the drawee and encashable merely on the instruction of the DOP to encash it, for such amount(s) as DOP may determine from time to time. The Franchisee shall continue to be liable for balance, if any, DOP reserves the right to increase the amount of deposit(s)/advance(s) etc. at all times, in its sole discretion, with respect to any / some / all franchisees.

(23) Agree to undertake to pay all dues and outstandings to DOP during the currency of agreement or on termination of agreement, even if there are any disputes pending between the franchisee and DOP.

(24) DOP's acceptance of payment from any employee or person other than the franchisee will not amount to the franchisee having been transferred to that person or modified in any way, any of the terms and conditions of this agreement, and the obligations from the franchisee to the third party.

(25) Return to DOP the Marks and all related documents including the Manual which are the exclusive property of DOP on termination of the Franchise.

6. Initial Training

(1) DOP will provide training to the franchisee or his designated nominee who will undertake the Business, in all its aspects so that services are provided as per desired standard. The training will be provided for a period to be determined by DOP and at location to be fixed by DOP. However, the cost of travel and stay of the franchisee or his nominee during training, where necessary, will be borne by the franchisee.

(2) DOP may, at any time, during the training period, by notice or in writing, inform the Franchisee that he / she or the nominees of the franchisee does not satisfy the prescribed standards and requirements, and will not pass, or has not passed, a training course, in which even DOP reserves the right to terminate the franchise agreement or seek an alternate nominee to be trained in the Business.

7. Continuous Training

DOP reserves the rights to train any replacement nominee or a franchisee in the operation of the Business. This will be done at the cost of the franchisee. DOP shall also provide such further training from time to time, as deemed fit, to update their know-how.

8. Fees, remuneration and security

(1) The Franchisee shall

- (i) Furnish security, as may be prescribed by the Department of Posts from time to time by taking into account the maximum possible level of transaction likely to be undertaken by the franchisee in a day, in the form of a bank guarantee as per clause 5(22) of this agreement. The quantum of security can be modified by the Department of Posts as prescribed under clause 5(21). The minimum quantum of security deposit shall be Rs.10,000 (Rupees Ten thousand only).
- (ii) Remit all the actual revenue earned / collected by the franchisee through the Business daily in the form of cash / cheques to the prescribed office in toto without deducting his remuneration / commission. Remuneration / commission payable on postage stamps, postal stationery and money order forms purchased on cash down basis by the franchisee, shall however, be deducted from the amount paid in cash by the franchisee at the time of purchase.

(2) The franchisee shall be paid commission on the revenues generated and a fee for related services rendered by the franchisee, as per details listed at Schedule-I and modified from time to time. The payment will be made by DOP to the franchisee on a monthly basis.

(3) The accounting periods for purposes payment of commission / remuneration security deposit etc. in any year shall be periods of one calendar month. However, for determining the maximum quantum of financial transactions that the franchisee may handle the basis shall be a single day's transactions.

(4) In the event of any default in the payment of any sum which may be due to DOP by the franchisee, the franchisee shall, without prejudice to any other remedy that DOP may have under this agreement, or at law, whether before or after judgment, pay to DOP interest on the amount of any sums due but not paid. This interest shall be payable every month or part the month thereof, at a rate that is 2 percent above the current market rates fixed by the RBI for borrowings.

9. Promotion and advertising

The franchisee shall ensure that all material, if any, used by him/her in local advertising and promotion, is in accordance with the style and form of advertising and promotion used by DOP.

10. The Marks

(1) The franchise shall co-operate in taking whatever steps are reasonably necessary to defend the Marks, or the DOP's assertion of rights over the marks.

(2) The franchisee shall notify DOP of any suspected infringement of the Marks or other rights of DOP at their expense, to take such reasonable action thereupon as DOP deems fit.

11. Audit

(1) DOP or its audits or authorized representative shall be entitled to inspect and audit the books of account and all supporting documentation of the franchisee relating to the Business, at any time, in respect of the whole or any part of the period of this Agreement on an annual basis, after giving written notice to the franchisee that such inspection of audit is proposed to be done.

(2) If the audit (or any other periodic inspection not being a full audit) shows that there are any discrepancies, irregularities or non-compliance with prescribed procedures, due action will be taken by DOP to recover its dues along with interest on any sums outstanding at the rate of 2% above the current market rates fixed by the RBI for borrowings, without prejudice to any other action permissible as per law and the provision of this Agreement.

12. Sale of Business

(1) The franchisee shall have no right to change the location of his/her franchise or take action to change his/her current business from the same location or sell his/her premises /business except with the prior written consent of DOP and subject to conditions listed in Clause no.2 below.

(2) In case the franchisee wishes to terminate the agreement, then him/her should give DOP not less than three months notice period. Such notice shall not also absolve the franchisee of his/her liability to make the payments of the amounts that may be due and outstanding as on date of notice or as may become due subsequently.

13. Termination

DOP shall have the right to unilaterally terminate this Agreement, without prejudice to any other rights or remedies available under this Agreement.

(1) If the franchisee shall:

1.1 Fail to commence the Business within the period of two weeks from the date of this Agreement.

1.2 Neglect or fail to perform or observe any of the obligations or conditions undertaken by them.

1.3 In the franchise application or supporting details, is found to have provided DOP with information which contains any materially false or misleading statements or omits any material fact which may make any statement misleading.

1.4 Not pay or submit any sum or document required under the terms of the Agreement with the time specified by DOP.

1.5 Cause DOP to suspect, on reasonable grounds, that any confidential information, concerning the Business has been disclosed to third parties, and the franchisee cannot reasonably satisfy DOP that this is untrue or that the franchisee is undertaking economic activities which are detrimental to the Business of DOP.

1.6 Acts in a manner that does not protect the exclusivity of the Marks.

(2) In the case of

2.1 Any default, neglect or failure that can be remedied, affecting the quality of the service provided to customers, DOP shall have the right to terminate the Agreement only if the franchisee fails to remedy such defect, neglect or failure to the reasonable satisfaction of DOP within 48 hours of the written notice thereof from DOP.

2.2 Any other default, neglect or failure, DOP shall have the right to terminate the agreement only if the franchisee fails to remedy it within a week of the written notice thereof from DOP.

2.3 Persistent default, neglect or failure – the franchisee shall not be entitled to any period of grace within which to remedy any neglect, default or failure. If any default, neglect or failure occur more than thrice in any period of 12 consecutive months, this shall be deemed to be a persistent default, failure or neglect.

14. Consequences of Termination

Upon the termination of this Agreement, the franchisee undertakes

(1) To cease forthwith to advertise or make use of the Marks and to return to DOP all copies of the Manual and updations, instructions thereof, and all materials stationery, documents, promotional materials, signs and other items then in his/her possession or under his/her control owned by or relating to DOP or the services or the Business or the Marks, whether or not they have been supplied by DOP, and DOP shall have the right to enter upon the premises of the Franchisee to ensure that all of the obligations of the Franchisee howsoever arising, are being complied with.

(2) To pay to DOP any and all sums due at or after the date of termination to DOP howsoever arising.

(3) Not to disclose to any party directly or indirectly to make use of the Manual any of the confidential information, or know how relating to the Business the System of the services acquired by the franchisee during or as a result of this Agreement except that which has become generally known or is in public domain through means other than by breach of an obligation by the Franchisee.

(4) Not to make use in any manner of the Marks or any name, slogan or device similar thereto, or which may be confusing therewith, or which may reasonably be considered to impute an association therewith.

(5) Not to purport to be a franchisee of or otherwise associated with DOP or advertise or promote itself as having been a Franchisee of DOP.

(6) No to use directly or indirectly any of DOP's copyright material.

(7) Not at any time to use or duplicate the Business or the System or any part thereof.

15. Waiver

Any forbearance delay or indulgence by DOP in enforcing any of the terms and conditions of this Agreement shall not prejudice or affect the rights and remedies of DOP hereunder, nor shall any waiver of any breach hereof operate as a waiver of any subsequent

breach and no waiver or variation of any of the terms and conditions of this Agreement shall be valid or have any effect unless the same be made in writing and signed by a representative of DOP authorized for the purpose on behalf of DOP.

16. Severability

Should any part-term or provision of this Agreement be declared by any court to be in conflict with the law or unenforceable, the validity and enforceability of the remainder of the Agreement shall not be effected thereby. In such an event the part-term or provision shall be deemed not to be part of this Agreement and any resulting necessary consequential amendment shall be deemed to be incorporated in this Agreement, save if it affects the Marks or DOP's right to be paid fees, when the Agreement may be terminated at the DOP's sole election.

17. Assignment by DOP:

DOP reserves the right to assign the benefit of similar Agreement to any other party at any time, and shall inform the franchisee thereof in writing within a reasonable time of the intent to do so. The decision of DOP in this regard will be final.

18. Arbitration

In the event of any dispute or difference arising between the parties hereto, such dispute or difference shall be resolved amicably by mutual consultation or through the good offices of the empowered agencies of the Government. If such resolution is not possible, then, the unresolved dispute or difference shall be referred to arbitration of an Arbitrator to be nominated by Chief Postmaster General. The Arbitration And Conciliation Act 1996 (No. 26 of 1996) shall be applicable to the arbitration under this clause. The award of the Arbitrator shall be binding upon parties to the dispute. Provided, however, any party aggrieved by and dissatisfied with such award may make a further reference for setting aside or revision of the award to Secretary (Department of Posts). Upon such reference the dispute shall be decided by the Secretary (Posts) or the Member, when so authorized by Secretary (Posts), whose decision shall bind the parties finally and conclusively. Arbitration proceedings shall be held in the concerned Postal Division.

19. Insurance

The Franchisee shall take out and maintain with an Insurance Company of good repute and substance, insurance cover in his/her name against loss or damage arising from fire, explosion, impart, burglary and such other risks to his/her property and premises.

20. Notices

Any notice required or permitted to be given under this MOA shall be deemed properly given, if reduced to writing, and personally delivered or transmitted by registered or certified post or by fax with corrected answer back received or any other mutually accepted mode to the officially communicated address of the office of the designated officer of the DOP and the franchisee at their office address as indicated in this Agreement.

21. Applicable Law & Jurisdiction

The validity performance and all matters relating to the effect of this Agreement and any amendment hereto, shall be governed by the laws of India and under the jurisdiction of courts of the respective State in which the franchisee is operating.

22. Force Majeure

In case of strike, combination or workmen or natural calamity of any kind, fire accidents or circumstances beyond the control of the franchisee causing stoppage of his/her work, whereby the Business is required to be suspended, DOP shall have the power during such stoppage to get the work done elsewhere. No obligation will rest on DOP to make any payment to the franchisee during this period if he/she is not able to partake in the alternate arrangement. The franchisee shall provide every facility for removal and use the materials as may be necessary for providing the services through alternate arrangements.

Signed by
Representative of DOP
Address :

Signed by Franchisee
Address:

Witness

- 1.
- 2.

SCHEDULE

Service	Commissioner per transaction
1. Booking of Registered Articles	Rs.2.00
2. Booking of Speed Post Articles	Rs.2.00
3. Booking of Money Orders	Rs.3.50
4. Sale of postage stamps and postal stationery and money order forms	5% of sale amount
5. Retail Services	40% of commission earned by DoP (rounded off in rupees to be 40% or less)

Government of India
Ministry of Communications and
Information Technology
Department of Posts
Planning Division

No. : 40-36-efc/04/Plg-(Vol – III)

Dated : 5.01.07.

All HoC's

Sub. : Signage for Franchised Outlets.

The undersigned is directed to inform that, in order to ensure that all the Franchised Outlets give a uniform look, a standard signage design has been devised. A colour copy of the specimen signage design is enclosed, based on which the signage for the Franchised Outlets can be displayed when the scheme is launched.

The scheme launch date will be intimated shortly.

(Vandita Kaul)

Director (CP/PN & Admn.)

**No.40-36/04-Plg.
Government of India
Ministry of Communications & IT
Department of Posts
(Planning Division)**

**Dak Bhavan, Sansad Marg
New Delhi-110001
Dated the 31st January, 2008**

To,
All Heads of Circles

Subject: Review of the Franchisee Scheme.

Sir,

This Department vide letter No.40-36/EFC/04-Plg. dated 8.2.2007 initially launched a Franchisee Scheme in specified urban areas where there was demand and justification for postal facilities.

2. A review of the existing Franchisee Scheme has been carried out and proposal for "Extension of Franchisee Scheme" has been considered and approved by the Postal Services Board. Based on the proposals approved by the Postal Services Board, the following instructions are issued for expansion of the Franchisee Scheme in urban areas to meet the increasing demand for postal facilities.

3. As per the existing Franchisee Scheme, only individuals are eligible for appointment as franchisees and not any organizations. The Franchisee Scheme would now cover areas such as new upcoming urban townships, special economic zones, major highway projects, upcoming new industrial centres, colleges, polytechnics, universities, professional colleges etc. Thus, institutions/ other entities would be eligible for taking up the Franchisee work. The agreement will be entered into with the Head of the institution/ organization/ entity.

4. The members of family of serving postal employees are not eligible for taking up franchisee scheme in the same Division in which postal employees are working. Members of family for this purpose would include the following:

- (i) The spouse, but not including a separated spouse or one living separately while judicial separation proceedings are on;
- (ii) Children and stepchildren but not including children and stepchildren of whose custody the serving postal employee has been deprived by law;

(iii) Other persons such as wards who are dependent on and normally live with the serving postal employee.

5. The bulk booking of registered/speed post articles is allowed without any limit. No rebate for bulk booking of speed post articles will be admissible over and above the commission payable to the franchisees as applicable from time to time. However, the franchisees will not do bulk booking from BNPL customers. Further, Link Post Offices should report any cases of heavy bulk bookings to the HO. The HO would send a report to the Divisional Office. The Divisional Office will then alert the Marketing Executives in the Speed Post Centres etc. to make efforts to bring such customers into the fold of the BNPL Scheme of the Department. The restrictions imposed by the Department regarding bulk booking on the outsourcing agents would also be applicable to the franchisee for bulk booking.

6. The franchisee outlets will not book any money order for a value less than Rs.100/-.

7. A para to the effect that “Any infringement in terms and conditions laid down in the Memorandum of Agreement would result in forfeiture of whole or part of the amount of security deposit at the sole discretion of the Department of Posts whose decision shall be final and binding” shall be incorporated after para 8(1)(i){Page 6 of MoA Annexed with letter dated 8.2.2007 referred to in Para 1 above} of the Memorandum of Agreement.

Yours faithfully

**Sd/
(Bharat Ram
Assistant Director General (Planning)
Tele:23036419
Fax:23096035**