

**Government of India
Ministry of Communications & I T
Department of Posts**

* * *

**Dak Bhawan, Sansad Marg,
New Delhi – 110 001.**

No. 9-10/2007-PO

Dated: 26.02.2008

To

All Pr. CPMsG / CPMsG

**Subject: Issue of fresh license / extension of existing licenses for
franking machines of bulk mailers.**

1. Kindly refer to this office D.O. letter No.9-10/2003-PO dated 16.12.2004 regarding issue of fresh license / extension of existing licenses for franking machines of bulk mailers.

2. As you are aware, franking machines are a very convenient device for collecting postage from the customers, especially the bulk mailers who post large volumes of mail. It is, however, very important that the operation of franking machines is monitored very closely so that no user can indulge in malpractices. Instances have come to light of this Directorate that some of the mailers have actually indulged in malpractices which resulted in substantial loss of revenue to the Department of Posts. Accordingly, a decision was taken and conveyed to you vide D.O. letter under reference to restrict the issue and renewal of licenses to bulk mailers for a period of one year. It was also decided that our own business offices will be set up in a period of six months, in the beginning of 2005, so that we could take over the entire business of bulk mailing.

3. Experience has shown that many Circles have not been able to raise the necessary infrastructure due to various constraints. Many Circles have also stopped issuing new FM licenses altogether. This has resulted in many Bulk Mailers moving away from us, resulting in loss of business. The result is entirely opposite to what was intended to be achieved.

4. Issue is being examined afresh in this Directorate. It is felt that solution to the problem of malpractices lies in enhancing security features of operation of Franking Machines, their proper monitoring and identification of the bulk mailers who are suspected to be indulging in malpractices so that they may be blacklisted for the purpose of issue of fresh licenses or renewal of existing licenses. Similarly, it also needs to be examined whether it would be prudent to

....2/-

extend the currency period of renewal of license from one year to three years. But till such time as a final decision is taken, it is hereby clarified that all the Circles may issue new licenses or renew existing licenses for a period of one year at a time till further orders. All mailers, whether individual, bulk or commercial, will be covered by these instructions with the sole exception of those mailers who have been found to have indulged in malpractices in the past. If any representation is received from the customers who have been refused license by issuing authority, the same may be decided by the CPMG/RPMG concerned keeping in view the merits of the case.

5. The above clarification, however, does not mean that CPMsG/PMsG are obliged to issue new FM licenses in every case. If some Circles have raised the necessary infrastructure to take over the entire mailing business, they are within their rights to refuse to issue of new licenses. The new licenses to bulk mailers are to be issued when the same are expected to result in net additional revenue to the Department as a result of additional business brought to the Department.

6. As stated earlier, it is of utmost importance that proper monitoring of operation of the franking machines is ensured. You are, therefore, requested to kindly direct the officers in the field to pay special attention to this aspect. If proper documentation is maintained in the use of franking machines and surprise checks are carried out, the misuse of franking machines can certainly be stopped. Meanwhile, decision on replacing the existing mode of wax sealing of machines by tamper evident and accountable wire seals is being conveyed to you separately. Efforts are also on to develop Remote Setting of Franking Machines. These steps are aimed at ensuring proper security of revenue from Franking Machines. This should also help us in generating more mail business in future.

sd
(Brig. Y.P.S. Mohan)
Dy. Director General (PO & I)