



PO ORDER –MO/02/2024

F.No.MO Division-PO Regulation-2024
Government of India
Ministry of Communications
Department of Posts
Mail Operations Division

Dak Bhawan, Sansad Marg,
New Delhi-110001
Dated: 16.12.2024

Subject [Regulation 88(14)]: Administrative Instructions of the discount and value additions to the contractual customers for Speed Post Documents (Domestic) Under the Post Office Regulations, 2024-reg.

In pursuance of the introduction of "The Post Office Act, 2023" issued vide Notification no. S.O. 2352(E) dated 17th June, 2024, which came into force w.e.f. 18th June, 2024, repealing the Indian Post Office Act, 1898, the Department of Posts has introduced "The Post Office Regulations, 2024" effective from 16.12.2024. This Administrative order shall supersede all instructions, guidelines, orders related to the subject matter issued earlier by this office.

2. The changing market offerings and customer's needs has created a demand to re-look into the entire chain to provide customer convenience, single account management for all the requirements and making the discount structure more attractive to increase business.
3. In view of such developments, it was considered necessary to review the entire guidelines of operations, discount structure, value added services etc.
4. This PO Order shall supersede all instructions/orders issued on the subject from time to time and will be in force in future.

5. Volume Discount

5.1 The following discount structure will be available to contractual customers of Speed Post document(domestic):

| Monthly Revenue | Discount rate (Credit facility) |
|-------------------------------|---------------------------------|
| | Speed PostDocument(Domestic) |
| Rs 50,001/to 5,00,000/- | 10 % |
| Rs5,00,001/to 25,00,000/- | 15 % |
| Rs 25,00,001/to 100,00,000/- | 20 % |
| Rs 100,00,001/to 500,00,000/- | 25 % |
| Above Rs 500,00,000/- | 30 % |

5.1.1 1% additional discount will be offered to those contractual customers who either avail advance deposit facility or make payment at the time of booking. In case monthly revenue is more than Rs. 25 lac, additional discount for such customers will be 2%.

5.1.2 The above-mentioned discount would be offered to the customers provided that the booking data is made available to the booking office by the customer in electronic format as prescribed. In respect of booking data received with a paper manifest only without soft copy, the discount amount offered to the contractual customer would be reduced by half.

5.2 There are also walk-in one-time customers who book across the counter. In order to attract such customers following discount will be offered to such customers while booking across the counter (No need of any agreement or contract):

| Daily Revenue | Discount rate for Speed Post Document(domestic) |
|-------------------------|---|
| Rs 2,000/-to 1,00,000/- | 5% |
| Above Rs. 1,00,000/- | 10% |

5.3 Consolidation of Speed Post Document(domestic)revenue of a customer shall not be allowed in any case.

5.4 The contractual Speed Post customers who are mailing their items from multiple locations may be offered consolidation of accounts under National Account facility at all booking locations for calculation of discount and billing and payment at a nodal office. All proposals of National Account facility involving multiple Circles should be referred to MO Division in Directorate for approval. (Illustration at Annexure- 'G'). No consolidation of Speed Post Domestic(domestic) business of a contractual customer at any location shall be allowed for calculation of discount.

6. Contractual customers will be given various value additions subject to fulfillment of prescribed conditions:

- Home pick up
- Flexible modes of payment viz. credit, advance deposit, payment at the time of booking
- Volume based discount
- Cash-on- Delivery facility
- Customised MIS and account management

7. Operational guidelines:

7.1 A "Contractual customer" in respect of Speed Post Document(domestic) is defined as anyone who provides Rs.10,000/- Rs. ten thousand only (exclusive of applicable taxes) worth of business either under Speed Post Document(domestic) in a calendar month at a single booking office and Rs.50,000/- Rs. fifty thousand only

(exclusive of applicable taxes) worth of business in case the booking happens at multiple locations.

| Service | Speed Post |
|---|--|
| Minimum monthly revenue for eligibility as contractual customer at a single location. | Rs. 10,000/- Based on business requirement/competition, CPMG/PMG are empowered to revise limit on case-to-case basis in consultation with IFA |
| Minimum monthly revenue for eligibility as contractual customer for booking at multiple locations | Rs. 50,000/- |
| Minimum monthly revenue for eligibility of free pick up | Rs.10,000/- Based on business requirement/ competition, CPMG/PMG are empowered to revise limit on case-to-case basis in consultation with IFA |
| Place of booking | At identified booking offices |
| Minimum revenue for volume discount | Rs. 50,001/-and above |
| Modes of payment | Credit/ Advance deposit/ At the time of booking |
| Approving authority of Credit facility | Regional PMG for all cases falling under his/her region i.e. the location of office where agreement has been signed falls in the jurisdiction of the Region. CPMG for all other cases |
| Approving authority of advance deposit/ payment at the time of booking | Authority designated to sign the contract |
| Security deposit for credit facility | Equal to three billing cycles anticipated postage |

7.2 The customer has to apply to the designated authority in the format prescribed at **Annexure- 'A'** for registering as a “Contractual customer” with Department of Posts to avail Speed Post Document(domestic) service.

7.3 The Contractual customers who opt to avail credit facility will have to enter into an agreement with Department in the format prescribed at **Annexure- 'B'**.

7.4 The contractual customers who opt to avail advance payment or payment at the time of booking will have to enter into an agreement with Department as per **Annexure- 'C'**.

7.5 The designated authority after entering into agreement with the applicant will send a copy of the signed agreement for information of the approving authority. The office of ‘Approving Authority’ would maintain the record of disposal of all such cases received along with copies of agreement entered into by the designated authority.

7.6 The various value additions like Home Pick Up, Credit/ Advance Deposit facility, Volume discount etc. will be provided to contractual customers subject to following condition:

7.6.1 Home Pick up:

- i. Free pick up will be limited to municipal area to which the booking centre belongs or within a radius of 20 Km from the centre.
- ii. HOCs are empowered to extend the jurisdiction to provide free pick up of the consignments from the locations/ customer's premises beyond the municipal limit.
- iii. In specific cases, considering the business potential, extension counter of the designated Centre may be opened at the premises of the bulk customer or HOC may identify a booking centre in the vicinity of business.
- iv. HOC in consultation with C may work out the cost of home pick up so that pick up may be provided to those customers also who do not fulfill the above criterion.

7.6.2 Credit facility: Credit facility shall be provided to those customers who fulfill the following criterion:

- i. Credit facility will be offered to contractual customers only who enter into an agreement with the Department as given in **Annexure-'B'** and present the consignments for booking at identified centers only.
- ii. Once the request of the customer to avail credit facility is approved by the competent authority, the customer will be required to furnish a security deposit in the form of 'Bank Guarantee's per format given at **Annexure- 'D'**. Alternatively, security deposit may be furnished in the form of amount deposited in the Post Office through cash or Demand Draft/ Cheques duly pledged in the favor of Postmaster of the Post Office to which the booking centre is attached. Amount of security deposit to be furnished should be equal to expected business of three billing cycles.
- iii. In case a contractual customer opts to avail. Speed post document (domestic) service bank guarantee of appropriate amount may be accepted.
- iv. The Bank Guarantee should be issued by a Nationalized or Scheduled Bank.
- v. If the applicant is a Central/ State Government Ministry/ Department/ Nationalized Bank/Scheduled Bank/Public Sector Undertaking; in such cases, the authorized signatory of the applicant shall furnish an undertaking in the format given in **Annexure- 'E'**.

- vi. The amount of Bank Guarantee shall be reviewed by the authority who has signed the agreement on a quarterly basis. In case amount of Speed Post document(domestic) service is found to exceed the amount of Bank Guarantee, a Bank Guarantee of the additional amount from the contractual customer would need to be taken.
- vii. In case customer fails to provide minimum business prescribed for a contractual customer for two consecutive months, credit facility will be withdrawn.

7.6.3 Advance Deposit facility/ Payment at the time of booking:

- (i) Since a provision of additional discount for customer availing advance payment or payment at the time of booking facility has been made in the discount structure, wide publicity of this feature may be given. Customers may be requested to adopt advance payment facility
- (ii) Contractual customers who want to avail advance deposit facility or make the payment at the time of booking have to sign an agreement as given in **Annexure- 'C'** and present the consignments for booking at identified centers only.
- (ii) Such advance deposit customer will have to open a deposit account with minimum amount of Rs. 1,000/-.
- (iii) Such requests of customers may be approved by authorities designated to sign the agreement and need not to be referred to Regional/ Circle Office.

7.7 Billing

- 7.7.1 The bill for Speed Post document(domestic) shall be issued separately.
- 7.7.2 The bill will be raised on a monthly basis (calendar month) by the office of booking.
- 7.7.3 The monthly bill will be raised by the booking office by the 7th day of the following month (Bill date). The contractual customer shall pay the bill amount in full on or before last day of the month in which bill is raised i.e. due date.
- 7.7.4 For customers providing monthly business of more than Rs.50 lac, if opted, the bill may be raised on fortnightly basis. However, the applicable discount for such customers will be adjusted on monthly basis in the bill raised in 2nd fortnight of the month.
- 7.7.5 For fortnight billing, 1st bill will be raised by 22nd day of the current month which shall be paid on or before 7th day of the following month. The bill of 2nd fortnight will be issued on 7th day of the following month which shall be paid on or before last day of the month in which bill is raised i.e. due date. Clause-9 of the agreement at Annexure-B may be modified accordingly for such customers.

7.7.6 In case the customer fails to make the payment by the due date, penalty at the rate of 12% per annum on the amount of the bill shall be imposed by the Department upon the defaulting customer (to be calculated on a daily basis). The penalty will be imposed from the Bill date. (Illustration at **Annexure- 'F'**)

7.7.7 No booking of Speed Post document(domestic) will be allowed from the defaulting customer after one month from the due date of the payment of bill till all the pending bills along with the penalty due are paid in full to the Department.

7.7.8 In case of non-payment of bill even after 2 months from the bill date, action will be taken by the designated authority for invoking the Bank Guarantee for recover the total outstanding amount. This period can be extended for Central/ State Government organization by the concerned CPMG, if deemed fit.

7.7.9 However, the Department may accept the booking of Speed Post items from such defaulting customer on full prepayment of postage as a new customer in accordance with prevailing guidelines.

7.7.10 The offices of billing would prepare a monthly statement account of Speed Post booking received from contractual Customers in the format at **Annexure- 'H'** and submit a copy to its Divisional office/ Reporting office with copy endorsed to Regional Postmaster General and Chief Postmaster General. Regional Postmaster General and Chief Postmaster General would review the bulk bookings of the Speed Post Document(domestic) service in their Region/ Circle through their respective Finance Advisor.

8. Designated Authority:

Designated authorities to sign the agreement are given as follows:

Speed Post:

| Office of Posting | Designated Authority |
|--|--|
| Sub Office | Divisional Head |
| HO/ MDG (up to HSG-I) | Divisional Head |
| HO/ GPO (Group 'B' & above) | Head of the Office |
| RMS units/ MBC | Divisional Head |
| BNPL booking Centers (Group B & above) | Manager/In charge of BNPL booking centre |
| BNPL booking Centers (Below Group B) | Divisional Head |

8.1 The designated authority shall verify the application and would forward both the copies of the application to the approving authority with his/her recommendation.

8.2 The approving authority shall examine the application in consultation with his/her financial advisor and would approve/ reject the application and send one copy of the application duly approved/ rejected to the designated authority. The second copy of the application would be retained by the approving authority.

9. Discount mechanism for Retail bookings:

9.1. Discount will be applicable in each case when a retail customer renders articles having Speed Post charges of Rs.2000/- or more, irrespective of number of bookings in a day. Sender address on all the articles should be same availing the admissible discount for Retail customers.

9.2. **Rounding off of Discount values:** Discount value will be calculated on the overall tariff value and adjusted against each article individually. The discount amount and the net amount collected (after deducting the discount amount from the existing net amount) will be printed on the receipt without rounding off them.

9.3 In case of Retail customer of Speed Post, the discount will be applicable for Speed Post items booked with cash payment over the counter. No discount will be offered to customer who brings fully pre-paid items for booking over the counters (postage affixed).

9.4 **Discount applicability on partially prepaid postage:** Discount will not be paid on fully pre-paid items as in those cases it is not possible to refund amount in the form of postage or franked amount and if same is refunded in case there will be discrepancy in actually paid amount and amount affixed on the items. However, in cases where postage is paid partially, altogether on all cases, discount will be applicable in all those cases limiting discount to exact amount or amount recoverable from the customer after deducting pre-paid amount.

9.5. **Rounding off the postage in case of bulk booking:** The fraction left after adding all the net amounts of the bulk booking transaction can be adjusted in the receipt of the last transaction. Fore.g., if the bulk booking of 10 articles is taken, of which net amount will be rounded off to 1956 and 0.48 Rs. Will be added to the amount to be collected as value of the 10th article of the bulk booking transaction while printing the 10th article receipt.

10. Immediate action be initiated to get into the agreement with such current contractual/bulk customers as per the new format (**Annexure 'B' & 'C'**), if required and obtain fresh bank guarantee (**Annexure- 'D'**) as stipulated in this PO order. This exercise should be completed at the earliest and latest by 31.12.2024.

11. All existing bulk customers be informed of the applicability of the new Discount Structure to be provided on all Speed Post bookings to be made by them from 01.01.2026 onwards.

12. These instructions become effective w.e.f. the date of implementation of the PO Regulations, 2024 and shall be applicable henceforth.

13. This issues with the approval of Director General.

(Signature)
16.12.24

(Hariom Sharma)

ADG (MO Division)

To,

All Heads of Circles/Regions

Copy to: -

- 1.Sr.PPS to Secretary (Posts).
- 2.Sr.PPS to Director General.
- 3.Sr.PPS/PPS/PS to the Members of Postal Service Board.
- 4.Addl.Director General, APS, New Delhi.
- 5.CGM, BD/Parcel Directorate/CGM CEPT.
- 6.Sr.DDG (Vigilance) & CVO/Sr.DDG (PAF).
- 7.Director, RAKNPA/GM, CEPT/Directors of All PTCs.
- 8.All PAOs.

(F.No.MO Division-PO Regulation-2024/PO ORDER-MO/02/2024) **Annexure 'F'**
ILLUSTRATION FOR IMPOSING PENALTY

If 'X' Billing Office has raised the following bill on Firm 'A' for the month of October'2016 on 6th November 2016:

| | | |
|--|-------------|------------------------------|
| Total Speed Post charges | Rs 1,00,000 | |
| Discount (-) | Rs 10,000 | (10% of Rs 1,00,000) |
| Net postage payable (Principal Amount) | Rs 90,000 | (1,00,000 – 10,00) |
| Service tax & Edu Cess (+) | Rs 13,500 | (Presently 15% on Rs 90,000) |
| Net Amount payable | Rs 1,03,550 | (97,500 + 13,500) |

Bill Date: 6th November 2016

Due Date: 30th November 2016 (Last day of the month in which bill has been raised)

The following possible scenarios emerge: -

Scenario 1:

Firm 'A' makes payment of Rs 1,03,550 before 30th November, 2016.

Action 1:

No Action required

Scenario 2:

Firm 'A' makes payment on 6th December 2013 (within one month from the Due Date)

Action 2:

Penalty to be calculated as follows: -

| | | | |
|------------------|---|--|-----------------------|
| Principle amount | : | Rs 90,000 | [Net Postage Payable] |
| Rate | : | 12% | |
| Default period | : | 30 days (November'13: 25 days, Decmber'13: 5 days) | |

Interest : $\frac{90000 \times 12 \times 30}{365 \times 100} = 887.67 = \text{Rs } 888$

Total Amount Due (payable on 06.12.2016: Rs 1,03,500 + Rs 888 = Rs 1,04,388/-

Scenario 3:

Firm 'A' makes payment on 5th January 2017 (after one month from the Due Date)

Action 3:

Speed Post booking for Firm 'A' to be discontinued from 30th December 2016 till the date of payment outstanding dues i.e. 5th January 2017.

Penalty to be calculated as follows: -

| | | | |
|------------------|---|--|-----------------------|
| Principle amount | : | Rs 97,500 | [Net postage payable] |
| Rate | : | 12% | |
| Default period | : | 60 days (November'2016: 25 days, December'2016: 31 days, January'2017: 4 days) | |

Interest : $\frac{90000 \times 12 \times 60}{365 \times 100} = 1775.34 = \text{Rs } 1775$

Total Amount Due : Rs. 1,09,551 + Rs 1923 = Rs 1,11,474/-

Scenario 4:

Firm 'A' has not made payment till 30th January 2017 (Two months from the due date)

Action 4:

Speed Post booking for the customer to be discontinued from 30th December 2016.

Designated authority to address the bank for invoking the Bank Guarantee for recovering the Total Outstanding Amount on 30th January 2017.

India Post

(F.No.MO Division-PO Regulation- 2024/POORDER-MO/02/2024)Annexure‘G’

ILLUSTRATION FOR CALCULATION OF DISCOUNT IN CASE OF BOOKING AT MULTIPLE LOCATIONS

Speed Post

| Location | Discount in case booking at single location | | | | | | Discount on consolidation of revenue booking at multiple locations | | | |
|------------|---|-----------------|-----------|---|-----------|------------|--|-----------------|--------|------------------|
| | Monthly revenue (In Rs.) | Credit customer | | Advance payment or payment at the time of booking | | | Monthly revenue (In Rs.) | Credit Customer | | Adv payment time |
| | | | | | | | | | | |
| | | %age | In Rs. | %age | In Rs. | | | %age | In Rs. | %age |
| Location A | 1,00,000 | 10.00 | 10,000 | 11.00 | 11,000 | 3,00,000 | 10.00 | 30,000 | 11.0 | |
| Location B | 1,00,000 | 10.00 | 10,000 | 11.00 | 11,000 | | | | | |
| Location C | 1,00,000 | 10.00 | 10,000 | 11.00 | 11,000 | | | | | |
| Location A | 5,00,000 | 10.00 | 50,000 | 11.00 | 55,000 | 15,00,000 | 15.00 | 2,25,000 | 16.0 | |
| Location B | 5,00,000 | 10.00 | 50,000 | 11.00 | 55,000 | | | | | |
| Location C | 5,00,000 | 10.00 | 50,000 | 11.00 | 55,000 | | | | | |
| Location A | 25,00,000 | 15.00 | 3,75,000 | 16.00 | 4,00,000 | 75,00,000 | 20.00 | 15,00,000 | 22.0 | |
| Location B | 25,00,000 | 15.00 | 3,75,000 | 16.00 | 4,00,000 | | | | | |
| Location C | 25,00,000 | 15.00 | 3,75,000 | 16.00 | 4,00,000 | | | | | |
| Location A | 50,00,000 | 20.00 | 10,00,000 | 22.00 | 11,00,000 | 150,00,000 | 25.00 | 37,50,000 | 27.0 | |
| Location B | 50,00,000 | 20.00 | 10,00,000 | 22.00 | 11,00,000 | | | | | |
| Location C | 50,00,000 | 20.00 | 10,00,000 | 22.00 | 11,00,000 | | | | | |
| Location A | 100,00,000 | 25.00 | 25,00,000 | 27.00 | 27,00,000 | 300,00,000 | 25.00 | 75,00,000 | 27.0 | |
| Location B | 100,00,000 | 25.00 | 25,00,000 | 27.00 | 27,00,000 | | | | | |
| Location C | 100,00,000 | 25.00 | 25,00,000 | 27.00 | 27,00,000 | | | | | |

(F.No.MODivision-PORegulation-2024/POORDER-MO/02/2024)**Annexure‘H’**
MONTHLY ACCOUNT OF SPEED POST DOCUMENT (DOMESTIC) BOOKING
ACCEPTED FROM BNPL CUSTOMERS MAINTAINED AT BILLING OFFICE

Name of the Booking Office:

Name of Billing office:

Name of the Customer:

Month:

| | No. of items received in the month | | Speed Post/Express/Business Parcel Revenue for consignments | |
|------|---|---|---|-----------------------------------|
| | With paper manifest | With soft copy in The prescribed format | With paper manifest | With soft copy |
| | (1) | (2) | (3) | (4) |
| (5) | Total Speed Post/Express/Business Parcel business for the month | | | (3)+(4) |
| (6) | Discount % applicable on{(3)+(4)}(asperpara5(a)) | | | A |
| (7) | Total Discount applicable | | | $\frac{1}{2}X(A\%of(3))+A\%of(4)$ |
| (8) | Net Speed Post/Express/Business Parcel charges | | | (5)–(6) |
| (9) | Service tax & education cess(as applicable on(8)) | | | |
| (10) | Net amount payable | | | (8)+(9) |

To:-

1. Divisional/Reporting office

Copy to: -

1. Circle Office
2. Regional Office

India Post