

Government of India  
Ministry of Communication and Information Technology  
Department of Telecommunication  
20-Ashoka Road, Sanchar Bhawan  
New Delhi - 110001

To

1. C.M.D., BSNL, Statesman Bldg., Bara Khamba Road, New Delhi.
2. All I.F.As, BSNL Telecom Circles,
3. All Controller of Communication Accounts /  
Joint Controller of Communication Accounts /  
Deputy Controller of Communication Accounts /

File No : 7-1/2000/TA-I/17

Dated : 31.7.2002

**Subject : Clarifications on items of settlement between BSNL & DOT.**

1. With the formation of the BSNL on 1.10.2000, a number of procedures came into operation that would have to be acted upon regularly by the Company's units and the DOT Cells. These related to pension contribution, leave salary contribution, leave encashment, CGEGIS, GPF final payment, the transfer of assets and liabilities and the loans and advances granted to BSNL's employees. The Deptt. of Telecom issued instructions on all the items but one or the other DOT Cell / BSNL unit still either expressed doubts on some items or failed to implement them. A comprehensive set of clarifications are now being issued. They may please be read carefully and implemented with consistency as they derive their authority from Govt. rules / orders on each subject.

2. The clarifications are as follows :

**(i) PENSION CONTRIBUTION :** Pension contribution is payable by BSNL (both for the deemed deputationists of all categories as well as the absorbed employees of the Groups 'C' and 'D') as per rates of contribution prescribed in the Fundamental Rules 116 & 117 under Appendix 2 of Swamy's Compilation. These will be calculated at the maximum of the scale of the post held by the official at rates varying with the length of service given in the Annexure of appendix 2 (FRs 116 & 117). To avoid the Company having to pay penal interest on delayed pension contributions, as required by rules, the BSNL Circles will pay pension contribution, to the DOT Cell within 15 days of the end of each month in which the employees' pay is drawn. Pension Contribution so recovered will be credited to the Major Head 0071 01 101 Subscriptions and Contributions, by the DOT Cells.

**(ii) LEAVE SALARY CONTRIBUTIONS :** Leave salary contribution is payable at 11% of the pay drawn, as per F.Rs 116 & 117 under Appendix 2 of Swamy's Compilation, but only for the deemed deputationists (not for absorbed employees) working in BSNL. To avoid payment of penal interest on delayed leave salary contribution, as required by rules, the BSNL Circle will pay leave salary contribution within 15 days of the end of the month in which the employees' pay is drawn. Leave salary contribution received by the DOT Cells will be booked to the Head - 1275 00 800 Other Receipts.

**(iii) LEAVE ENCASHMENT AT THE END OF SERVICE :** Regarding the Groups 'C' & 'D' who stand absorbed in the BSNL, payment in encashment of leave will be made by the BSNL - as earned leave and half - pay leave at the credit of the absorbed Group 'C' & 'D' employees stands transferred to the BSNL. Instructions issued vide this office letter no. 7-1/2000 TA-I/17 dated 18.10.2000 will thus hold good. Leave encashment will be paid by the DOT Cells for the Groups 'A' & 'B'. Payments made by the DOT Cells will be booked under the Head - 20710111501 Leave Encashment (Tact Code 1405).

**(iv) CGEGIS & CGEIS : PAYMENT AT THE END OF SERVICE.** As per the instructions contained in this office letter no. 7-1/2000 TA-I/17 dated 18.10.2000, CGEGIS for the absorbed employees of DOT/DTS/DTO was to be paid by the BSNL. The position has been reviewed and the payment can continue to be made by the DOT Cells till the BSNL has a clear Groups Insurance Scheme for its employees. Recoveries from the employees' pay by the BSNL units will continue to be paid to the DOT Cell for the present. Recoveries of CGEIS - 1977 will be accounted for under the Head - 023560105 - C.G.E. Insurance Scheme, and those relating to the CGEGIS - 1980 will be accounted for under the Head - 80110010303 - CGEGIS by the DOT Cells.

**(v) GPF FINAL PAYMENT AT THE END OF SERVICE :** The BSNL Corporate Office has been asked to take over the balances of Provident Fund lying at the credit of its absorbed employees, for which a positive response is still awaited. For the present, final payments of GPF balances may continue to be made by the DOT Cells to all employees of the Groups 'A', 'B', 'C' & 'D' of BSNL till the BSNL formalises a scheme for the administration of its employees' provident fund accounts. Instructions contained in this office letter no. 7-1/2000-TA-I/17 dated 18.10.2000 thus stand modified. It must, however, be ensured by the DOT Cells that the balances paid to them are tallied with the BROADSHEET figures maintained by them (DOT - Cells).

**(vi) TRANSFER OF ASSETS AND LIABILITIES TO BSNL :** According to the instructions contained in the O.M. 2-3/2000 Restg dated 30.09.2000, the Government of India transferred all its assets and liabilities related to operations to the BSNL with effect from 01.10.2000. In compliance with the said O.M., transfer of balances under assets and liabilities of the erstwhile DTS / DTO (as reflected in the Union Finance Accounts of DOT), have been proposed to CGA for transfer to the BSNL. These assets include all advances given to other organizations and deposits from telephone subscribers, contractors, PCO Operators etc., such as security deposits, earnest money deposits, etc.

It is thus reiterated that no claims for the refund of revenue or advances paid out / deposits received from telephone subscribers, contractors, PCO Operators, eg. Security deposits, earnest money deposits etc. (excepting under MH 7610) or any other claims of salary arrears, allowances etc are to be entertained from BSNL by the DOT Cells.

**(vii) LOANS & ADVANCES TO GOVT. EMPLOYEES (Major Head - 7610) :** For house building advance, motor car advance, scooter advance and computer advance etc, it was communicated vide letter no. 7-1/2001-TA-1/17 dated 18.10.2000 that payment will be made by the DOT Cells to all employees on deemed deputation from DOT, but not to those who have been absorbed in BSNL before 01.04.2001. It was indicated that from 01.04.2001 onwards, BSNL will have to pay the advances to all employees from its own fund, including to those on deemed deputation. The question of reimbursement by the DOT - Cells for the period from 1.4.2001 does not arise.

In respect of loans and advances already paid by the govt. to employees working in BSNL, DOTCell should be receiving the recoveries on the loans / advances from the BSNL Circle Accounting Units along with schedules, on monthly basis. BROADSHEETS have to be maintained by the DOT Cells, taking the outstanding balances as on 30.9.2000 from BSNL. These broadsheets have to be updated at the earliest and the figure of the outstanding balances under each long-term advance recoverable from BSNL at the end of 30.6.2002 finalise. If BROADSHEETS are not maintained and full recoveries on a loan / advances given by the Govt. fail to take place before an employee's retirement, responsibility will be fixed on the concerned officials of both the DOT Cells and BSNL.

**(viii) SETTLEMENT OF SUSPENSE, REMITTANCE & BANKING TRANSACTIONS PERIOD ENDING 30.9.2000 :** On the formation of BSNL on 1.10.2000, the DOT could have passed on all the balances accumulated for decades by the SSA under the above heads immediately to the BSNL to adjust and capitalize. To help the BSNL reduce its balances, however, it was

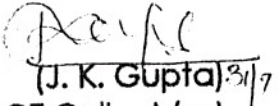
prescribed vide para 1(a) & (b) of this office letter no. 7-1/2000-TA-I/22 dated 4.12.2000 that the debits / credits raised by the SSAs / PAUs in the Same Circle / by one Circle another have to be settled latest by 31.12.2000. Settlement of these transactions (ATDs / ATCs) was to be entered in the DOT's Account for which a monthly Circle Abstract (Cash & Stores) had to be furnished by the BSNL. These transactions have not been settled completely even up to the present. Thus the Circle Abstract in this connection continues to be called for from the BSNL's units.

The action required by the BSNL units on Remittance / Suspense / Banking items up to 30.9.2000 was again re-iterated in the instructions for the Closure of A/cs 2000-2001 (Letter No. 41-1/2001-TA-II dated 10.4.2001) and yet again for the Closure of Annual A/cs for 2001-2002 (letter dated 8.4.2002). The BSNL Circle Accounting Units will thus continue to submit the Circle Abstract (Cash & Stores) till all the O/s balances under MH-8662 Suspense A/c, MH-8782 Remittance (Different Circle + Same Circle), MH-8670 Drawing from Bank and MH-8677 Remittance from Bank are adjusted or passed on by DOT to the BSNL. It is in the BSNL's own interest to ensure that the outstanding balance are cleared immediately so that only the minimum remains pending in the books of BSNL.

(ix) **GENERAL:** It is learnt that GPF subscriptions and recoveries against advances, CGEGIS recoveries and recoveries against loans and advances etc. are not being passed on to the DOT Cells monthly (by cheque or D.D.) by certain Circles of the BSNL. It has now been decided that the BSNL Circle will give separate cheques in respect of recoveries of GPF, CGEGIS, Loan and Advance Recoveries, Pension Contribution and Leave Salary Contribution to the concerned DOT Cells, with a separate schedule for each category. There is to be no netting of BSNL's claims against the GPF Contribution or pension contribution or leave salary contribution etc. Also, as far as possible, a soft copy (floppy) and hard copy (printout) of the schedules is to be given.

This has the approval of Member (F), Telecom Commission.

Hindi version will follow.

  
(J. K. Gupta) 31/7  
Director (DOT Cell - A/cs)


Copy for information to :-

1. Sr. P.P.S. to Chairman Telecom Commission, Sanchar Bhawan, New Delhi.

2. Sr. P.P.S. to Member (Finance) Telecom Commission, Sanchar Bhawan, New Delhi.
3. Advisor (Finance), DOT, Sanchar Bhawan, New Delhi.
4. Director (Finance), BSNL Board, Statesman Building, Barakhamba Road, New Delhi.
5. Shri A.S. Ray, DDG (Corporate Accounts), BSNL, Statesman Building, Barakhamba Road, New Delhi.
6. DDG (TPF) / DDG (FEB) / DDG (WCF) / DDG (LF) & DDG (DOT Cell - A/cs), DOT, Sanchar Bhawan, New Delhi.
7. Director General of Audit (P & T), Civil Lines, Near Old Secretariat, Delhi - 54.
8. Director (SEA), DOT for amending their O.M. No. 34-31/2000-SEA-I dated 30.01.2001 suitably.

Copy for information and necessary action to :-

9. Sr. DDG (TEC), Khurshid Lal Bhawan, New Delhi.
10. PAO (HQ), DOT, Sanchar Bhawan, New Delhi.
11. Resident Audit Officer, Sanchar Bhawan, New Delhi.
12. S. A.O. (TA - II) / AO (TA - II) / AO (TA - I) / AO (PFP) / ADG (Cash) and SO (PB), DOT, Sanchar Bhawan, New Delhi.
13. Guard File.
14. File No. 7-1/2000-TA-I/22.
15. Spare.

  
( P. Krishna Moorthy )  
ADG (DOT Cell - A/cs)