

Tamil Nadu Telecom Circle
Office of The General Manager
Consumer Mobility and sales & Marketing
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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

To

All SSA Heads

TN Circle

No GM/S&M-CM/S&D Policy2009/09-10/2

dt 20/11/09

Sub: Additional support and penalties to franchisees for appointment of FOSs and retailer coverage

Kindly find herewith enclosed a letter from BSNL CO on the above subject for information and necessary action at your end pl.

DGM&Rollout Manager

Project Vijay

TN Circle, Chennai

Encl:A/a

Sales & Marketing-CM
219, Eastern court
Corporate Office, New Delhi-1
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ddg_sales@bsnl.co.in



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BHARAT SANCHAR NIGAM LIMITED
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No. 19-1 /2009-SM-CM

Date: 18.11.2009

To,
The Chief General Managers,
All Telecom Circles/ Districts
BSNL

Subject: Additional support and penalties for franchisees regarding FoS appointment and retailer coverage

Provision of additional support to franchisees for FoS appointment and retailer coverage

BSNL is committed to help Franchisees expand their retailer network within their primary territories and to service all retail outlets selling telecom products within their primary territory. The overall objective is to increase sales for BSNL and create a 'win-win' partnership between BSNL and franchisees.

Competent Authority has, therefore, decided to provide support to BSNL franchisees in the short term so that they may appoint additional FoS, and increase reach to retailers while maintaining the viability of their business. In this context, the following special scheme should be implemented for all franchisees (existing and new) in each circle till March 2010. The scheme described below provides support to franchisees in two parts – Part 1 is linked to # SIM activations, and Part 2 is linked to # retailers covered by the Franchisee. Both Part 1 and Part 2 should be provided together to all franchisees.

Part 1: support based on # activations

Total Part 1 support per month = No of effective FoS X Subsidy per FoS,
where

Subsidy per FoS = Rs. 3,000/-

No of effective FoS = $\frac{\text{\# of SIM activations during the month by franchisee}}{350}$

Note:

1. To participate in Part 1 of the scheme, the franchisee should input name and contact details of all FoS in Sancharsoft, within the first 15 days of starting the scheme.
2. The SSA sales head and Franchisee Managers should verify details of each FoS provided by the franchisee.
3. The amount is to be provided from the marketing budget of the SSA, and paid as a lump sum at end of month.

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Part 2: support based on # retailers (multi-brand outlets) covered

The # of retailers covered by a Franchisee would be determined by the minimum of (A) and (B) below:

- (A) # of individual CTO-UP SIMs under the Franchisees master SIM from which more than 5 FRCs have been loaded during the month
- (B) # of retailers showing more than 5 SIM activations on Sancharsoft during the month

There are several ways in which Part 2 of this scheme can be offered. Circles can implement any one of the following approaches:

1. The franchisee could be communicated a monthly target # retailers to be covered based on the market retailer survey. Based on the % achievement of the target, the franchisee may be provided the applicable support.
2. The franchisee could be provided applicable support on every retailer covered.
3. The franchisee could be provided applicable support on every retailer covered, above a minimum threshold of # retailers.
4. The franchisee could be provided applicable support as per pre-defined slabs for no of retailers being covered (with additional commission defined for each slab)

The maximum support to be paid to franchisees per retailer (in any category/ slab) is to be capped at Rs. 35/-.

Note:

1. To claim the benefit of Part 2 of the scheme, the franchisee should provide the CTO-UP numbers being counted against the retailer details in Sancharsoft. The CTO-UP numbers without any retailer details against them will not be considered as valid retailers under the scheme.
2. The SSA sales head and Franchisee Managers should verify the retailer details in Sancharsoft against which the scheme is being claimed, to ensure that they are genuine retailers being served by the franchisee.
3. The amount is to be provided from the marketing budget of the SSA, and paid as a lump sum at end of month.

Circles are requested to create requisition for additional marketing budget, if required.

Penalty on Franchisees for not using Sancharsoft after 1st December, 2009

Kindly refer to earlier communications from this office regarding time bound implementation of "Sancharsoft" in your circle. Specifically, please refer to 39-1/2008-Sales & Marketing-CM Dated 19th Aug, 2009.

The circles should impose a penalty on the franchisees after 1st December, 2009 for:

1. Not Recording Secondary sales of RCV and SIMs (Franchisee to Retailers) through Sancharsoft only
2. Not creating and updating details of the Feet-On-Street (FoS) employed by the franchisee on Sancharsoft
3. Not providing the mapping of retailers to Feet-On-Street (FoS) on Sancharsoft

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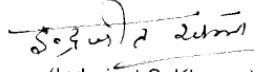
Examples of penalty that could be imposed on Franchisees for the above are:

- **Prepaid SIM:** upto 50% of applicable commission on submission of CAF form
- **Recharge:** 10% of discount applicable on sale of recharge (paid to Franchisee upfront) could be deducted from future payments

Please note that penalty would be imposed after the Franchisee Manager assigned to the Franchisee had produced relevant reports from Sancharsoft and had certified non-usage of Sancharsoft in writing.

It is requested that the penalty structure as decided by the circle may be communicated to the SSAs immediately. SSAs should forward the same to the entire Channel Management Team (SSA Sales Heads, Franchisee Managers, and Retailer Managers) and the Franchisees.

This is issued with the approval of Director CM.


(Indrajéet S. Khanna) 18/11/09
GM (Sales & Marketing)
Consumer Mobility

Copy to:

1. Director – CM
2. Director – HR
3. GM (Product & Pricing – Consumer Mobility)
4. GM (Restructuring – Corporate Office)