

O/o the Chief General Manager
Tamilnadu Circle,
Banking Section, 4th Floor,
No. 80, Anna Salai,
Chennai – 600 202.

भारत संचार निगम लिमिटेड
BHARAT SANCHAR NIGAM LIMITED

(12)

To

All Heads of SSAs
Tamilnadu circle

No. BSNL Policy / 1-8 / Franchisee paym/ dated @ CNI - 2, the 20.09.2013
13.14/12

Sub: Providing cheque facility to franchisees for issuing stock on
credit - Reg.

Ref: Addl G.M.(S&M)-CM, BSNL C.O..New Delhi No. 27-1/2012-S&M-
CM dated 19.09.2013.

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With reference to the subject mentioned above the copy of the letter dated 19.09.2013 is enclosed herewith which is self-explanatory. In this connection the following may be noted:

SSAs will have to take a separate BG for each franchisee territory for this purpose and issue inventory to franchisees against cheque of value not exceeding the amount of BG.

1. Further it is mentioned that this bank guarantee is separate from PBG. SSAs will have to decide upper cap on this bank guarantee which may be equivalent to 7 days inventory requirement in the multiple of Rs.50,000/-
2. The cheque will be presented to the bank in a manner that it is realized by 3rd day (Date of purchase + 2 working days) and if it is dishonored, the steps for forfeiture of BG will be initiated immediately and the franchisee will be debarred from availing credit facility for the rest of his agreement period.
3. The Officer(s) concerned who will accept payment by cheque will be responsible for monitoring of cheque clearance as per time frame given as mentioned above and they will also ensure that the value of cheques outstanding does not exceed the value of Bank Guarantee at any time.
4. CTS-2010 standard / MICR cheque with all India clearing facility at par will only be accepted.
5. Inter-alia, guidelines issued vide letter No.1-4/BBF/e-payment/TM/2007-08 dated 17.10.2012 (copy enclosed) by BFCI section of BSNL CO regarding safe banking may also be followed.

It may kindly be ensured that there is no delay in the remittance of cheques accepted from franchisees and monitored for its clearance.

Encl: As above.


Pr.General Manager (Finance)
O/o C.G.M.Tamilnadu Circle,
Chennai 600 002

Copy to: All I.F.As of SSAs

Sales & Marketing-CM
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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

YA

No.27-1 /2012-S&M-CM

Dated: 19 .09.2013

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

(11)

Subject: Providing cheque facility to franchisees for issuing stock on credit

Approval of the Management Committee of BSNL Board is hereby conveyed to provide Cheque facility to franchisees for issue of stock on credit.

The field units shall follow below mentioned procedure in implementation of this facility.

SSAs will take a separate BG for each franchisee territory for this purpose and issue inventory to franchisees against cheque of value not exceeding the amount of BG.

- a. To purchase material against cheque, franchisee will have to provide a separate bank guarantee with validity of 180 days more than the period of agreement. Franchisee can then purchase material of value up-to bank guarantee. This bank guarantee is separate from PBG. Circles will have to decide upper cap on this bank guarantee which may be equivalent to 7 days inventory requirement in the multiple of Rs.50,000/-.
- b. The cheque will be presented to the bank in a manner that it is realized by 3rd day (Date of purchase + 2 working days) and if it is dishonored, the steps for forfeiture of BG will be initiated immediately & the franchisee will be debarred from availing credit facility for the rest of his agreement period.
- c. The officer(s) concerned who will accept payment by cheque will be responsible for monitoring of cheque clearance as per time frame given in para 'b' above and they will also ensure that the value of cheques outstanding does not exceed the value of Bank Guarantee at any time.
- d. CTS-2010 standard / MICR cheque with all India clearing facility at par will only be accepted.
- e. Inter-alia, guidelines issued vide letter no. 1-4/BBF/e-payment/TM/2007-08 dated 17.10.2012 (Copy enclosed) by BFCI section of BSNL CO regarding safe banking may also be followed.

Encl: as above

(Upendra Bakolia)
Addl. GM (S&M)-CM

Copy to-

1. CS & Sr.GM (Legal), BSNL CO w.r.to his no. BSNL/SECTT/EXTRACT/173/MCB/04
Dated 27-08-2013
2. GM (BFC& I) / GM (RA), BSNL CO

BFCI Section
5th Floor, Bharat Sanchar Bhawan,
Janpath, New Delhi-110001
Ph.23734077 : Fax-23734033



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Dated : 17.10.2012

No. 1-4/BBF/e-payment/TM/2007-08

To
All Heads of Circle

SUB: GUIDELINES FOR SAFE BANKING IN BSNL

BACKGROUND

Cases have come to light where unauthorized Cheques have been presented in the banks, the cheques issued purportedly by BSNL against vendor payment, which were fraudulent. In order to avoid recurrence of such an irregularity, following guidelines are issued for strict compliance by field units :

A Receipts

BSNL receives inflows in banking system from retail subscribers, enterprise customers, contractors and service providers. In all these, focus should be to enable e-banking inward payments. For this as far as possible payments should be received through e-payments options and Cheques should be avoided. This will provide for secure transactions as well as early realization of the receipts.

B Payments

- i. *All third party payments may be made through RTGS, where amount payable is more than ₹ One Lakh and through NEFT for amount less than ₹ One Lakh. Strict compliance of this instruction is warranted in view of the CYC instructions vide office order no. 20/4L/04 dated 06.04.2004 to implement e-payment for all third party payments. Detailed instructions circulated in this regard have been circulated from time to time vide lrs. No. 1-4/BBF/e-payment/TM/2007-08 dated 14.06.2006, 26.12.2006, 25.04.2007, 22.11.2007, 10.12.2007, 06.05.2008, 14.07.2008, 31.07.2008 & 05.03.2010 and the same may be strictly complied.*
- ii. *All circles should send the monthly progress report detailing implementation of e-payment in the circle. The report has to be sent to the undersigned regularly by 15th of following month on regular basis as per format circulated vide this office letter no. 1-4/BBF/e-payment/TM/2007-08 dated 31.07.2008.*

C From time to time, **Bank Reconciliation Section, BFCI Division** has also issued detailed instructions to circles, reproduced herein below :

1. Issuing of cheques in bulk should be stopped immediately as per instructions of BBF section, BSNL CO, vide letter No. 1-4/BBF/e-payment /2008-09 dated 11/07/2008. Cheque(s) should be drawn only in exceptional cases. Monthly reports for Cheques issued in the prescribed format to be sent regularly to Corporate Office BRS Section. Any slackness in this regard will be viewed seriously.

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2. Cheque Books/leaves issued by bank should be kept in safe custody of DDO only leaving no scope for Cheques to be photocopied etc.
3. Internet View and SMS alert facility should be availed by the units without fail.
4. To avoid any forgery, bank products like Suvidha and Suraksha Scheme must be availed by all the DDOs where only the cheques, for which list is sent to bank by DDOs, are cleared by bank and any other cheque presented for payment is withheld.
5. Unlinked items appearing in the Bank Reconciliation Statement (BRS) should be reviewed and settled at the earliest. Before opting to change bank for operational or collection accounts all unlinked items in the previous bank to be cleared.
6. Excess debits appearing in the BRS should be thoroughly reviewed in the light of recent incidents to see whether any fake/wrong cheque has been debited in the account. Prompt action should be taken for immediate settlement of such wrong/excess debits.
7. Timely completion of Bank Reconciliation Statements should be strictly monitored by the IFA incharge of SSAs and its compliance monitored by Circle IFAs.
8. Month to month review of the BR statement to ensure that unlinked/wrong debits and credits are linked/rectified must be carried out.
9. Bank Statements be obtained on daily basis and reviewed for wrong debit/credit by the bank. Such wrong deposit/credit must be notified to the concerned bank immediately and got rectified. Joint meetings with the banks may also be held, if required.

D Necessary & timely action to be taken in respect of followings:

- a. Non-furnishing of age analysis of 'cheques deposited but not credited' and unlinked items.
- b. Non-pursuance with banks for settlement of disputed items.
- c. Non-resolution of heavy amounts in excess credits and inflated figures of 'cheques deposited but not credited'.
- d. Non-accounting of 'sweep-in' interest on monthly basis causing inflation in 'excess credits'.
- e. Non-settlement of unauthorized bank charges resulting in increase in 'excess debits'

(Reference : Lr. No. I-1(2)/BBF/BRS/Corr./2007-08/14 dated 12.01.2009)

E In addition to the above, banks have been requested to offer secured modes/facilities pertaining to Cheque transactions for BSNL. All field units may obtain the following facilities from the respective CMS banks to ensure safe and secure banking and avert any irregularities in the banking transactions.

- i. Special types of Cheque Books having BSNL name & Logo watermark shall be issued to BSNL units by banks. When these Cheques are issued by BSNL, the Cheque issuance details like account number, beneficiary name, instrument number and amount shall be exchanged with the bank branch maintaining the account. Such branch, known as "Home branch" shall keep the related data in a data file in a secure mode.

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- ii. The home branch shall upload these details in the bank's centralised Banking System.
- iii. At the time of payment at any of the branches of the bank, details of the payment shall be validated against the issuance details and only those instruments the details whereof match with data uploaded by the home branch, shall be allowed to be paid i.e. for the same amount to the same beneficiary.
- iv. At day end, bank shall electronically transfers an Excel Sheet to the AO(Cash) of the concerned BSNL unit(s) whereby DDO shall be able to verify all Cheques paid and presented.
- v. BSNL has issued instructions to its units that all payments above Rs. 25,000/- to suppliers, contractors, grantee and lending institutions shall be directly credited to their bank accounts electronically. Bank shall ensure that any payment to third parties in contravention of the above guidelines (i.e. through Cheques & other instruments) must be cross checked with Cheque issuing BSNL authority before payment thereof is processed.
- vi. "View Facility" of the Collection & Operation accounts must be obtained by the concerned AO(Cash)/Circle IFA and AGM(BF), BSNL Corporate Office. The progressive daily and monthly bank statement may also be provided to the concerned AO(Cash)/Circle IFA and AGM(BF), BSNL Corporate Office by the concerned bank.
- vii. The Bank shall provide software based SMS facility whereby instant message may be flashed to the concerned AO (Cash)/Circle IFA/AGM(BF), BSNL Corporate Office on completion of successful transaction in Collection Account and in event of any Cheque drawn by BSNL is/are presented in the bank, before any payment is made. The requisition for SMS alert facility may be sent to concerned bank immediately and it may be confirmed that the facility has been made available by 31.10.2012.

The above-mentioned guidelines may be strictly followed and in addition, field units along with their banking partners must also adopt other measures to foresee and forestall such risks.


(E.S.Gupta)
DGM (BF-III)

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