

Sales & Marketing-CM
219, Eastern court
Corporate Office, New Delhi-1
Tel No 23326544, Fax 23326545
ddg_sales@bsnl.co.in



भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

No. 27-11 /2013 -S&M-CM/11

Dated: 30.08.2013

To

The Chief General Managers
All Telecom Circles/Districts
BSNL

Sub: "Trade Scheme" and Incentive to Franchisee (for addition of active retailers) for the financial year - 2013-14

Ref: No. 27-18 /2012 -S&M-CM/21 dated: 16.11.2012

Vide this office letter under reference, a Trade Scheme for Channel Partners was conveyed and subsequently the same was deferred upto 31.08.2013 due to technical reasons.

The issues raised by ITPC and Finance wing have been resolved and it has been decided by the competent authority to implement the Trade Scheme w.e.f. 01.09.2013 for the FY 2013-14. This Trade scheme supersedes the existing Trade scheme. The modified scheme is as mentioned below

A. Trade Scheme :

Either of the following options can be chosen in a month by the circle at any point of time at its own discretion. Only activations that have done a minimum first C-TOPUP of Rs 50/- shall be taken into account for trade scheme purposes. Physical vouchers used for first recharge shall not be accounted for the scheme.

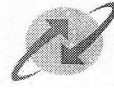
Option – I (for a period of one month at a time)

1) For Franchisee:

This Trade Scheme may be given to those franchisees that have done minimum activation of 400, 200 and 100 per month for Type A, B and C respectively.

SIMs equal to no. of activation beyond the minimum activation as defined above shall be given free of cost .For example if a franchisee of "A" category has done 800 activation then he will get Free 2G SIM equal to $(800-400) = 400$ in the subsequent month.

- Service Tax to be charged at the time of issue of free SIMs to franchisees.
- The basic cost of SIM (exclusive of service Tax) be considered as commission and TDS to be charged from franchisees at applicable rate.



-2-

2) For DSA/ retailer:

Graded incentive for SIM activation with minimum recharge of Rs.50/-

No. of SIM activation during month	Amount in Rs. per SIM activation
0-2	Nil
3-10	5
11-20	6
21-50	7
51 and above	8

3) RDs (Direct with BSNL & through franchisee) will be given an incentive @ Rs. 3/- per SIM activation beyond 10 activations during trade scheme period for facilitating rural retailers.

Option – II (for period of maximum 7 days at a time in a month)

- 1) DSA/Retailers will be paid @ Rs.10/- for each activation above the minimum 5 activation for example if a retailer has done 8 activation during the trade scheme period he will get $(8 - 5) \times 3 \times \text{Rs.}10/- = \text{Rs.} 30/-$.
- 2) Franchisee will be paid @ Rs.8/- for each activation done by the retailers beyond the 5 activation. For example if a franchisee has 300 retailers and 100 retailers are activating more than 5 SIMs contributing total 730 activations. Franchisee will get benefit of the trade scheme from the activation done by these 100 retailers beyond 500 activations that is the franchisee shall get Rs $(730-500) \times 8 = \text{Rs.}1840$.
- 3) RDs (Direct with BSNL & through franchisee) will be given additional incentive @Rs3/- per SIM beyond 10 activations during trade scheme period for facilitating rural retailers.

Periodicity and launching of Trade Scheme shall be decided by circle, but it should not be more than six months for option I and six weeks for option II in a financial year & circles may choose either of Option-I or Option-II at a time. No scheme shall run continuously for two periods, a gap may be provided after each Trade scheme.

TDS at the rate of 10% is deductible on commission paid to such retailers/ DSAs /RDs who have PAN details and in case of non-availability of PAN, TDS at the rate of 20% is deductible.



-3-

B. Incentive to franchisee for addition of SIM / RC selling retailer:

It is observed that the active retailer base for selling SIM and TOP UP Vouchers are declining on month to month basis. Therefore following incentive plan shall be applicable in case of Franchisee for adding the SIM and TOP UP/STV selling retailers.

1. Net addition of SIM selling active retailers during the month above the peak active retailers from 1st April-2013 to last month, will be paid on graded basis as follows:
@ Rs.100/- per addition of retailer up to 5 per month.
@ Rs 200/- per addition of retailer 6 and beyond per month.
2. Net addition of active RC/C-top-up selling retailers during the month above the peak active retailers from 1st April-2013 to last month, will be paid on graded basis as follows:
@ Rs.20/- per addition of retailer up-to 5 per month.
@ Rs 40 per addition of retailer 6 and beyond per month.

Trade Scheme and incentive to franchisee shall be applicable for franchisees under CM-S&D policy 2012 only and the scheme amount shall be paid in the form of C-TOPUP value.

This Trade scheme as well as incentive for addition of active retailers shall be applicable initially up to **31.03.2014** on monthly basis.

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

Copy to: CGM ITPC, Pune