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Dated: 11-Apr-2013

To,
The Chief General Manager,
All Circles
BSNL

Sub: Timely payment of gratuity on retirement/ superannuation to directly recruited employees of BSNL – reg.

BSNL has created BSNL Employees Gratuity Fund Trust on 14th July 2008 to meet out the expenditure on gratuity towards the employees recruited or regularized by BSNL w.e.f. 01.10.2000. This office is collecting data of payment of gratuity to directly recruited employees of BSNL on yearly basis at the time of audit for the purpose of audit and claiming the same from fund manager(s) through Gratuity Trust. During the last year audit of Trust, Trust auditor has pointed out that there is a big gap between the date of leaving service and date of payment of gratuity on retirement / superannuation to the employees covered by Trust Rules and it seems that the gratuity has not been paid within a period of thirty days from the date it becomes payable as specified in 'The Payment of Gratuity Act, 1972'.

In this regard, it is mentioned that as per section 7(3A) of the Payment of Gratuity Act, 1972, non-payment of gratuity amount within specified period of thirty days will attract simple interest not exceeding the rate notified by the Central Government from time to time for repayment of long term deposits for the period from the date on which the gratuity becomes payable to the date on which it is paid. And Central Government has notified ten per cent per annum as the rate of simple interest payable for the time being by the employer to his employee in cases where the gratuity is not paid within the specified period.

Hence, it is requested to kindly issue the necessary guidelines to the concerned to make payment of gratuity to the directly recruited employees of BSNL on retirement / superannuation within period of thirty days as specified in 'The Payment of Gratuity Act, 1972' to avoid interest payment and audit qualification in future.

(Rajeev Singh)
General Manager (CA)

Copy to:

1. Sr. General Manager (Estt.), Corporate Office, BSNL.