

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- 2/2019/S&M-CM/11

Dated: 04.03.2020

To


The Chief General Manager
All Telecom Circles/Districts
BSNL

Sub: - Concept of RED (Retired employee distributor Policy-2020) under CM-S&D Policy-2018.

Kindly find enclosed herewith the RED Policy-2020 (Retired employee distributor Policy-2020) under CM-S&D Policy-2018. RED Policy-2020 will be effective from 01.03.2020.

All circles/districts are requested to give wide publicity amongst retired employees of BSNL and put all out efforts to enroll maximum numbers of RED (retired employee distributor) in sales channel of BSNL and utilize vast experience of retired employees of BSNL to impart positive impact on SIM sale/revenue.

Encl:- As above.


GM (Sales)-CM 04/03/2020

Copy to:-

1. PS to all Directors, BSNL Board for kind info.
2. GM (Taxation)/Sr.GM(Fin-CM)/Sr. GM(CA), BSNL CO for kind info.
3. GM (SancharSoft), ITPC Hyderabad, for kind info and n/a.
4. GM (ERP), ALTTC Ghaziabad for kind info and n/a.
5. M/s Pyro, for kind info. and n/a.

RED (Retired Employee Distributor) Policy-2020

1. **Background:-** BSNL has recently launched VRS scheme-2019 for reducing aging employee. It is understood that approx. 75000 employees have opted for the scheme. The scheme is going to be effective from **01.03.2020**. Many of the VRS optees were working for Sales & Marketing units of the circles. To address the shortage of direct selling agent/Sales persons and to make use of experienced BSNL VRS optees the following RED Policy-2020 is envisaged.

2. Scope of the Work:-

The **RED (Retired Employee Distributor)** shall market and sell BSNL products e.g. SIM, C-top-up, etc. to customers at their door steps and through organizing Mela / Camp at various locations in the SSA. REDs shall earn commissions/ discounts as defined subsequently under this policy.

3. Selection of RED:-

1. Selection of **RED** will be done by SSA Head.
2. The initial period of agreement shall be for 3 years.
3. Eligibility Criteria: Only retired employees of BSNL willing to serve customers/ prospects at their premises & through organizing Mela /Camp etc. shall be eligible to apply.
4. Valid PAN No.
5. Valid Goods and Services Tax (GST) registration Certificate No. for respective state (if applicable).
6. Self-declaration that the applicant is not black listed by the GST authorities.
7. Self-declaration that the applicant is retired from BSNL.
8. In case the **RED** gets black-listed during the tenure of BSNL contract, then adequate indemnity clause should be inserted to ensure that no loss of credit is borne by BSNL due to a default of **RED**.
9. Security Deposit: Refundable Security Deposit of **Rs.500/-** (Rupees five Hundred only).
10. Area of Operation: RED shall be allowed to operate within SSA where he/she is registered.
11. RED will be given free C-TOPUP SIM with applicable concessional tariff and freebies.

4. Verification of credentials of new customers.

- a. Verification of credentials of new customers – Verification of PIA (photo, identity and address) of new customer to be done as per the various guidelines issued by DoT and BSNL from time to time. REDs will be responsible for the verifications done by him/her.
- b. **RED** shall obtain from customers/subscribers such documents as prescribed from time to time by BSNL.

5. Commission/Discount structure for RED (Retired Employee Distributor)

i. For Pre-paid/Post-paid SIM/FRC and C-Top-up:-

Sr. No.	Name of Product	Particulars	Initial discount/ margin to RED	Secondary/ Subsequent incentive to RED
Post-Paid Products				
1	Post-Paid Voice & Data Plan	SIM & Activation (Note)	NIL	90% of existing franchisee commission. (At present CAF commission for both physical and e-KYC CAF activation is Rs. 10/- per activation and is applicable after submission of CAF and activation of SIM). (Note)
		Any Monthly Plan	90% of existing franchisee commission (Rs.80/- on deposit of security amount at the time of activation)	90% of existing franchisee commission (Balance incentive if any will be paid @14% of Fixed monthly Charges (FMC) at the end each month for six months subject to maximum of 90% of lowest FMC or Rs 500/- (Including initial payment of Rs. 80/-) whichever is less and payment of monthly bills by the customer.)
Pre-Paid Products				
Sr. No.	Name of Product	Particulars	Discount, margin and incentive to RED	
2	Pre-Paid Voice & Data	SIM & Activation	90% of CAF existing Franchisee commission (At present CAF commission for both physical and e-KYC CAF activation is Rs. 10/- per activation and is applicable after submission of CAF and activation of SIM). (Note)	
		Plan voucher	90% of existing Franchisee discount/margin (90% of Plan voucher or Rs.100/- whichever is less. For special plans where discount is specified, the same is applicable.)	
RCVs & TOP-Ups Products				
Sr. No.	Name of Product / Service	Particulars	Discount to RED	

3	All Top-up Vouchers / Flexi Top-up / STV (Special Tariff Vouchers)/ RCV (Recharge Vouchers) / C-TOPUP	70% of Franchisee Discount @ 4.66% on MRP (See Note) i.e. equivalent to existing retailer discount share.
Note:-		
1. At present CAF commission for both physical and e-KYC CAF activation is Rs. 10/- per activation issued vide this office letter no. 27-18/2017/S&M-CM/7 dated 07.11.2017 and subject to revision from time to time.		
2. Rate of discount on all Top-up Vouchers / Flexi Top-up / STV (Special Tariff Vouchers)/ RCV (Recharge Vouchers) / C-TOPUP shall be calculated on MRP and subject to revision from time to time.		
3. Discount on C-TOPUP/ recharge to RED shall be 70% of discount/ margin offered to Franchisees as being done in case of retailer as per instructions issued vide letter 27-22/2017/S&M-CM/13 dated 04.01.2018 and subject to revision from time to time.		

ii. Trade scheme benefit: - Trade scheme benefit for REDs shall be as per the criteria being followed for existing retailer's and its modification time to time.

Amount of incentive may be modified time to time based on market dynamics.

6. Targets:

There shall be minimum monthly sales target of 50 no. SIM/FRC and C-top-up/recharge of Rs. 5000/- Sales targets assigned to RED shall be communicated by SSA on monthly basis. Targets will be reviewed every three months; if minimum monthly sales targets are not achieved by the RED then they would not be continued further.

7. Termination:

If not found active for six consecutive months, the RED may be terminated after issue of notice and seeking explanation. In case of any irregularity / violation of BSNL/ Gol rules, the RED registration may be terminated without any notice.

8. Extension/Migration:

SSA Head may extend / migrate agreement on year-to-year basis for a period of two years with RED on same terms for the active RED. Decision of BSNL shall be final and binding in this regard.

9. Procedure for purchase and sale of BSNL Products:

BSNL and RED shall observe the following procedure in connection with purchase and sale of BSNL Products:

- i. The RED shall place an order for purchase of products from BSNL.
- ii. The payment for buying of any products of BSNL by RED shall be made in advance.
- iii. Upon dispatch of ordered products, BSNL shall raise an invoice on the RED, net of applicable discount to be provided to RED.
- iv. BSNL will charge GST on the price at the transaction value i.e. the price at which BSNL sells its products to RED. BSNL would raise sale invoice for sale of BSNL products to RED.
- v. GST paid by RED to BSNL shall be available to RED as input tax credit which can be set off against the GST charged by RED to the retailer
- vi. Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive etc. to RED shall be given online in the form of c-top-up value through any platform like Sanchar-soft/Pyro/ERP after levy of applicable taxes i.e. TDS /GST etc, wherever applicable.
- vii. For the subsequent incentives provided by BSNL (refer point v above), RED will raise an invoice (along with applicable GST) on BSNL. Since incentive is paid to RED in the form of c-topup, BSNL will also raise an invoice (along with applicable GST) on RED for allocation of such c-topup value.
- viii. Where RED is not registered under GST Act, it shall be the responsibility of BSNL to discharge liability under reverse charge mechanism. It is further agreed that RED shall not charge tax on invoice in such case.
- ix. BSNL shall, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on the secondary/ subsequent incentive provided by BSNL to the RED for sale of BSNL Products.
- x. GST paid by RED to BSNL and by BSNL to RED (as the case maybe w.r.t. secondary / subsequent incentive provided by BSNL) shall be available to RED and BSNL, respectively, as input tax credit which can be set off against the GST charged by RED or BSNL
- xi. Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL Products, discount on FRC/RC, any scheme based incentive, etc. to RED may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL Corporate Office.
- xii. The invoices raised by RED and BSNL should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2017
- xiii. Where RED is not registered under GST Act, it shall be the responsibility of BSNL to discharge liability under reverse charge mechanism. It is further agreed that RED shall not charge tax on invoice.
- xiv. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL Corporate Office, which shall be applicable to circle/SSA.

10. Invoice for Incentives:

- a) In case of secondary/ subsequent incentives granted to the RED it shall be the responsibility of RED to raise appropriate tax invoice as per the provisions of GST Act. BSNL reserves the right to be indemnified for the credit loss in case BSNL is unable to claim the ITC for any non-compliance / default in raising appropriate invoice by RED. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.
- b) Further RED is required to comply following requirements w.r.t. issuance of invoice:
 - i. All the details of RED (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice.
 - ii. Invoice/DN/CN need to be issued timely within the time prescribed under GST law/rules.
 - iii. In case of any deficient supply, BSNL shall convey the same in a reasonable time to enable RED to issue credit note and take tax adjustment.
 - iv. It would be the responsibility of RED to declare correct information on invoice and GST portal viz. the amount, the place of supply, rate of tax etc. In case, the eligibility of input tax credit is questioned or denied to BSNL on account of default by RED, the same would be recovered by BSNL from RED.
 - v. Registered location of both the parties i.e. BSNL and RED should be mentioned in the agreement with GSTIN No. Further, RED should raise invoices at the registered premise of BSNL for availment of credit and ensure that the place of supply as per GST law is same as registered premise.
 - vi. It shall be the responsibility of RED to raise invoice within the prescribed timelines.
- c) Rate of discount/ margin/ incentive needs to be reviewed with every change in the rate of GST in order to keep it at par with or lower than the current rate applicable on face value.
- d) Methodology of calculation of discount/ margin, Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL Corporate Office will be issued time to time, which shall be applicable to Circle/SSA.
- e) In case any GST and/ or cess liability, interest, penalties or any other tax/ duty/ amount/ charge/ liability / professional costs related to litigation becomes payable by BSNL or ITC is denied to BSNL due to failure of RED to comply with the relevant laws/ regulations applicable in India or overseas, RED undertakes to indemnify BSNL for an amount equal to amount payable by BSNL and the same shall be recovered by BSNL
- f) In case of any deviation, default or negligence on the part of RED due to which it is liable to pay penalty to BSNL, the same shall be recovered by BSNL from RED along with applicable GST tax (as may be applicable)
- g) BSNL shall deduct tax at source if required under GST Act and GST regulations or any other regulation.
- h) In case of any deficient supply or incomplete supply, it shall be the responsibility of RED to issue GST compliance credit note (both at the time of sale of BSNL products or at the time of subsequent incentives provided to the RED)) within the reasonable time and take tax adjustment. In case RED fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by RED.

- i) RED to comply with all the compliances as may be prescribed to ensure that compliance rating is not reduced below the prescribed limit as laid down under GST Act and GST regulations. RED will be required to submit a self-declaration from time to time, that he/she is not black-listed by GST authorities. Notwithstanding anything contained in agreement, in the event of black listing of RED i.e. compliance rating reduced below the prescribed limit, the amount related to tax shall be paid to RED only on receipt of input tax credit to BSNL.
- j) GST (if applicable) on account of any penalty imposed on RED by BSNL, would be borne by RED.
- k) The place of supply under GST Act shall be the place of supply as per the invoice raised by BSNL. It shall be the responsibility of RED to intimate BSNL well in advance in case of deviation / disagreement with the place of supply as specified in invoice.
- l) RED agrees to share the monthly information with BSNL which would be uploaded by RED in its GSTR -1 along with the information of input credit to be claimed by BSNL in such month. It shall be the responsibility of RED to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents as prescribed, within 30th September following the end of relevant financial year

BSNL reserves the right to modify any part this “RED (Retired Employee Distributor) Policy-2020” and discount/ margin structure at any point of time with the approval of Director (Consumer Mobility), BSNL.