



To
CGM of all Territorial Circle/Metro District and NTR

Circular No. 289
Dated: 30.10.2012

Sub: Accounting Procedure to be followed for Project Tarang (Income tax Department)

Ref: Circular No. 3-32/2009/EB-I Dated 09.03.2011 and Dated 06.01.2012

BSNL has entered service level agreement with Income Tax Department for providing service in bulk for Landline, GSM Mobile, Broadband, Data card and Blackberry and NTR Circle has been designated as Nodal Centre for billing of Fixed monthly charges for all the above service twice in a year. The details of MOU between BSNL and ITD are mentioned in circular under reference above. Accounting entries need to be followed are:

1. To be followed by NTR Circle

1. 1 Raising of bills – Accounting entry: While raising the half-yearly claim bill for lump-sum amount (fixed charges) the following accounting entry shall be passed by NTR:

1110101 – Sundry Debtor – Telephone other than WLL (for landline connection)	Dr.
1110509 – Sundry Debtor – Broadband (for Broadband including usage charge)	Dr.
4110100 – Cellular Mobile Telephone Service	Dr.
1114401- Service Tax Recoverable on post paid service as per POT Rule	Dr.
1114402- Education Cess on Service Tax recoverable on post paid service as per POT Rule	Dr.
1114403- SHE Cess on Service Tax recoverable on post paid service as per POT Rule	Dr.
4111901- Service Tax Recoverable on post paid service as per POT Rule	Dr.
4111902- Education Cess on Service Tax recoverable on post paid service as per POT Rule	Dr.
4111903- SHE Cess on Service Tax recoverable on post paid service as per POT Rule	Dr.
To 19901xx – Remittance Different Circle	Cr.
To 19907xx – Remittance between segments (different circle)	Cr.
To 1196001 - Service Tax payable on post paid service as per POT Rule	Cr.
To 1196002- Education Cess on Service Tax payable on post paid service ..	Cr.
To 1196003 - SHE Cess on Service Tax payable on post paid service as per POT Rule	Cr.
To 4194301- Service Tax payable on post paid service as per POT Rule	Cr.
To 4194302- Education Cess on Service Tax payable on post paid service ..	Cr.
To 4194303- SHE Cess on Service Tax payable on post paid service as per POT Rule	Cr.

Note:

- Accode 4110100 shall be utilized for debtors in respect of revenue from mobile connection, Data Card & blackberry connections
- Accodes 1114401, 1114402, 1114403, 1196001, 1196002 & 1196003 shall be utilized for service tax recoverable and service tax payable in respect landline connection and broadband connection
- Accodes 4111901, 4111902, 4111903, 4194301, 4194302 & 4194303 shall be utilized for service tax recoverable and service tax payable in respect GSM Connection, data card & blackberry connection
- Accode 19901xx and so on will be utilized to transfer the revenue in respect of landline and broadband connection.
- Accode 19907xx and so on will be utilized to transfer the revenue in respect of GSM, Data card & blackberry connection.
- 'xx' of 19901xx & 19907xx indicates the circle code to which revenue is transferred. The code 19901xx & 19907xx will be repeated depending upon the number of circles to which the revenue is transferred.



1.2. For Service Tax: Apart from the entries mentioned in Para 1.1, NTR circle must pass further accounting entries as per instructions issued by CA Section of Corporate Officer through Circular No. CA-264, CA-264A, & CA-264B.

1.3. Raising of ATC: After raising the bills, NTR will prepare the ATC and send the same along with all details of the service-wise revenue to Circles. As the accodes for CMTS Segment are utilized by NTR for accounting the debtors, service tax recoverable, service tax payable and transfer of revenue for GSM connection, Data Card & blackberry connections, NTR will raise two separate ATC one for transfer of revenue for land line & Broadband and the other for transfer of revenue of GSM, Data Card & Blackberry connection. The details of such ATC along with the service-wise revenue particulars shall immediately be uploaded by NTR in IBTMS Package. **Since Bills are to be issued on or before 14th January and 14th July, NTR must raise the ATC on or before 20th January and 20th July for the 1st and 2nd half respectively. NTR must also upload the details of ATC in IBTMS on or before 20 January & 20th July.**

1.4. Accounting of payment received: The payment received from ITD shall be accounted by NTR by passing the following entry

Bank A/c	Dr.
To 1110101 – Sundry Debtor – Telephone other than WLL (for landline connection)	Cr.
To 1110509 – Sundry Debtor – Broadband (for Broadband including usage charge)	Cr.
To 4110100 – Cellular Mobile Telephone Service	Cr.
To 1114401 - Service Tax Recoverable on post paid service as per POT Rule	Cr.
To 1114402 - Education Cess on ST Recoverable on post paid service as per POT Rule	Cr.
To 1114403 - SHE Cess on Service Tax Recoverable on post paid service as per POT Rule	Cr.
To 4111901 - Service Tax Recoverable on post paid service as per POT Rule	Cr.
To 4111902 - Education Cess on ST Recoverable on post paid service as per POT Rule	Cr.
To 4111903 - SHE Cess on Service Tax Recoverable on post paid service as per POT Rule	Cr.

1.5. Service Tax – payment received from ITD and payment / adjustment of service tax collected from ITD: Apart from the entries mentioned above NTR shall take action for accounting the payment received on account of service tax as well as payment / adjustment of service tax collected from ITD as per instructions given by CA Section through Circular No. CA-264, CA-264A & CA-264B.

2 To be followed by concerned Territorial Telecom Circles / Metro District:

2.1. Receipt of ATC and accounting of the same by the Circle Authority: The Territorial Telecom Circles and Metro District must watch the IBTMS site from 20th January and 20th July onwards in respect of ATC of NTR Circle for ITD revenue billed by the latter for 1st half and 2nd half respectively. On the basis of data in IBTMS package and/or physical ATC received, the circles must account the ATC immediately by passing the following accounting entry.

2.1.1. The following accounting entry shall be passed by the Basic Segment of Circle for accounting the ATC for landline and broadband revenue::

1990331 – Remittance different circle	Dr.
To 19902xx – Remittance same circle	Cr.

2.1.2 The following accounting entry shall be passed by the CMTS Segment of Circle for accounting the ATC for GSM, Data Card & blackberry revenue:

4990831 – Remittance between segment – different circle	Dr.
To 49902xx – Remittance same circle	Cr.



2.1.3. By passing the accounting entry as mentioned in Para 2.1.1 above the Circle will transfer the revenue to concerned SSA / Accounting Unit. The Circle Authority must upload the acceptance of ATC of NTR circle as well as the same circle ATC in the IBTMS Package promptly. 'xx' in the accode mentioned in Para 2.1.1 above indicates the accode of SSA / Accounting unit of the Circle.

2.2 Accounting of same Circle ATC by the SSA / Accounting units: The SSA / Accounting units of Circle on receipt of same circle ATC / Inter-segment ATC in respect of lump-sum revenue of ITD project shall immediately account for the same by passing the following accounting entry. The SSA / Accounting unit must segregate the service-wise revenue i.e. landline, broadband, GSM, data card, Blackberry and account for the same to concerned revenue accode / accode for revenue received in advance / prior period revenue accode depending upon the period of the revenue. The accounting entry in this regard will be:

2.2.1 For revenue of landline & Broadband using the concerned accode of Basic Segment:

19904xx – Remittance same circle – responding	Dr.
To concerned accode of landline revenue	Cr.
To concerned accode of Broadband revenue	Cr.
To concerned accode of prior period revenue	Cr.
To concerned accode for revenue received in advance	Cr.

2.2.2 For revenue of GSM, Data card & Blackberry and using the concerned accode of CMTS Segment:

49904xx – Remittance same circle – responding	Dr.
49906xx – Remittance between segments-same circle	Dr.
To concerned accode of GSM revenue	Cr.
To concerned accode Data card revenue	Cr.
To concerned accode Blackberry revenue	Cr.
To concerned accode prior period revenue	Cr.
To concerned accode for revenue received in advance	Cr.

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