

CORPORATE ACCOUNTS SECTION,
Bharat Sanchar Bhawan , 1st Floor
Harish Chandra Mathur Lane, Janpath
NEW DELHI – 110 001 .
TEL: 23734110, 23734164 (fax)



IndiaBroadband²⁰⁰⁷

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भारत संचार निगम लिमिटेड

(भारत सरकार का उपक्रम)

BHARAT SANCHAR NIGAM LIMITED

(A Govt. of India Enterprise)

CIRCULAR NO 135

No. 500-50/2007-08/CA II/BSNL

Dated at New Delhi the 15th May 2008

To
The Chief General Manager
All Territorial Telecom Circles / Kolkata & Chennai Phones
All Maintenance Circles / All Telecom Project Circles / Task Force Gauhati
All Telecom Factories / ALTTC / TTC / NATFM / TS Kolkata /
Data Network / T&D / QA / NCES
BSNL

Sub : Payment of gratuity as per provisions of BSNL Employees' Gratuity Trust Rules.

1. Bharat Sanchar Nigam Limited on its formation has appointed many persons as its employees on or after 01.10.2000. In addition, BSNL has regularized many persons who were working in DOT/DTS/DTO and not having temporary status as on 30.09.2000, as its employees on or after 1.10.2000. The above-mentioned employees hereinafter called as 'directly recruited employees' are covered by EPF Act & EPF Rules 1952 regarding their provident fund and other related benefits etc.

2. As per the Payment of Gratuity Act 1972 above-mentioned 'directly recruited employees' are eligible to get death-cum-retirement gratuity. In order to comply with the provisions of the Payment of Gratuity Act 1972, BSNL has framed BSNL Employees Gratuity Rules for its 'directly recruited employees'. The Board of Directors of BSNL in its 108th Meeting has approved BSNL Employees Gratuity Rules.

3. BSNL Employees Gratuity Rules are applicable to its 'directly recruited employees' as mentioned in Para 1 above. This Gratuity Rules will also be applicable to persons who will be appointed in future.

4. BSNL Employees Gratuity Rules will not be applicable to the employees of the Department of Telecommunications and erstwhile Department of Telecom Services & Department of Telecom Operation who have already been absorbed and / or will be absorbed in future in BSNL through Presidential Order issued by the Department of Telecommunications / to be issued in future by the competent authority and who are covered by Rule 50 of CCS (Pension) Rules 1972 read with Rules 37A of CCS (Pension) Rules 1972 and accordingly pension contributions are paid by BSNL to CCA on their account so that pension and death-cum-retirement gratuity are paid by the Govt. of India to such employees.

5. BSNL Management have also extended the benefit of gratuity as per BSNL Employees Gratuity Trust Rules to following categories of employees or nominees of such employees

- (a) Casual labourers / Mazdoors not having temporary status, who were regularized by BSNL on or after 01.10.2000, retired or died in harness & governed by the order No.



500-85/CA II/BSNL/EPF/Vol. III dt. 10.05.2007, 25.05.2007 & 21.06.2007 and not paid pensionary and other retirement benefits including death-cum-retirement gratuity by Department of Telecommunication

- (b) Persons who were appointed by BSNL on compassionate ground on or after 1.10.2000 and governed by the order No. 500-85/CA II/BSNL/EPF/Vol. III dt. 10.05.2007, 25.05.2007 & 21.06.2007 and not paid pensionary and other retirement benefits including death-cum-retirement gratuity by Department of Telecommunication

6. The copy of BSNL Employees Gratuity Rules is enclosed.

7. Various eligibility criteria i.e. conditions for grant of gratuity to the 'directly recruited employees' have been given in Para 1, 22, 23, 24, 25, 26, 28 & 29 of BSNL Employees Gratuity Trust Rules. The salient features of BSNL Employees Gratuity Rules are as follows:

- a) To be eligible for getting the gratuity benefit the employees as mentioned in Para 1 & 5 above, must have completed 5 (five) years continuous service before their retirement on superannuation / resignation / retirement / termination / permanent incapacity due to bodily or mental infirmity
- b) 'Retirement' means termination of the service of any employee otherwise than on superannuation
- c) 'Continuous Service' means uninterrupted service and includes service, which is interrupted by sickness, accident, leave, lay-off or lockout, or cessation of work not caused due to any fault of the employee concerned.
- d) In case of death i.e. died in harness and disablement the condition of completion of the 5 (five) years continuous service is not applicable. In such case the amount of gratuity will be paid to nominee(s) of the employee and in the absence of nomination to the legal heir(s) of the employee
- e) In case of termination on account of misconduct, insolvency or inefficiency the employee is not eligible for getting the gratuity
- f) In case the employee is terminated from service for riotous or disorderly conduct or any other act of violence on his part or for any act, which constitutes an offence involving moral turpitude provided such offence, is committed by him in the course of his employment, the amount of gratuity may be wholly or partly forfeited.
- g) In case the employee is terminated from service for any act, willful omission or negligence causing any damage or loss or destruction of property belonging to BSNL, the amount of gratuity to the extent of the damage or loss so caused, shall be forfeited.
- h) The amount of gratuity payable will be equal to fifteen days' salary for each completed year of service subject to a maximum of Rs. 3.5 lakh (Rupees three lakh fifty thousand)
- i) Fifteen days wages / salary shall be calculated by dividing the monthly rate of wages / salary last drawn by him, by twenty-six and multiplying the quotient by fifteen.
- j) Salary / wages for the purpose of calculation of gratuity means the sum paid by BSNL to the employee as basic salary / wages i.e. basic pay together with any dearness allowance and it shall not include commission, HRA, PLI, overtime and other allowance & perquisite etc.

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- k) Any part of service period of six months or more, after completion of the initial period of 5 years is to be treated as one year.

However, all the concerned authority of Circle / SSA / Civil & Electrical Division / Maintenance & Project areas / other must scrupulously observe and follow the various provisions of BSNL Employees Gratuity Trust Rules before allowing the gratuity benefit to the eligible employees as mentioned above.

8. In case of eligible employees as per BSNL Employees Gratuity Trust Rules the concerned Head of Circle / SSA / Civil & Electrical Division / Maintenance & Project Area / Other Administrative Units shall sanction the amount of gratuity amount payable to such employees as permissible under BSNL Employees Gratuity Trust Rules and account for the expenditure to accode for 'Gratuity' under respective 'Remuneration' Schedule.

8.1 In case the superannuation / resignation / retirement / termination / death / permanent incapacity due to bodily or mental infirmity of the directly recruited employees, has taken place up to 31.03.2008 and in case of employees mentioned in Para 5 above necessary **liability** for gratuity amount payable to such employees as permissible under BSNL Employees Gratuity Trust Rules shall be created in the accounts of 2007-08 positively by debiting the expenditure to accode for 'Gratuity' under respective 'Remuneration' Schedule and crediting the amount to liability accode under 119 / 419 schedule. All such liabilities on account of retirement-cum-death gratuity must be paid to the employees / nominees of employees / legal heirs of employees within 30 days from the date of issue of this order.

(P.K. Purwar)
DDG (CA)

Encl: As above

Copy to:

1. PPS to all Directors BSNL Board
2. GM (F)/IFA of all Circles BSNL for information & necessary action
3. Sr. DDG/DDG (Estt)/(SR)/(EF)/(Pers)/(FP)/(BW) CO BSNL
4. CAO (TCO)/CPAO (ITI Bills)/ADG (R&P) CO BSNL for necessary action
5. All ADG / Sr. AO / AO of CA Section.