

Information Technology Cell  
702, 7<sup>th</sup> Floor, Bharat Sanchar Bhawan,  
H C Mathur Lane, Janpath, New Delhi-110001  
Phone: 91-11-23714191 Fax: 23765290  
E-mail: ramesharya.its@gmail.com



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

**64-174/2011-BB**

**06/08/2013**

**To,  
The Chief General Managers  
All BSNL Circles.**

**Subject:- Guidelines regarding procedure for settlement of revenue share claim of franchisees of VVoBB services and other BBVAS at Zonal level.**

The guidelines for zonal Level payment of revenue share to VAS service providers have been approved by the competent authority. Following are the guidelines which are to be followed by Circles:-

1. BBVAS franchisees shall provide Zonal billing feed-files on 2<sup>nd</sup> of every month to the respective ITPC Data Center instead of sending it to ITPC Trivandrum.
2. To avoid skip file for error records, BBVAS franchisee shall install a server at ITPC Pune at their own cost. On this server, ITPC DCs will update disconnection, reconnection status of Broadband connection to avoid billing of VAS to disconnected broadband customers. This will avoid superfluous bills.
3. As per TRAI's instruction, Access provider must have the customer's consent for provision of VAS. So, BBVAS franchisee shall provide soft copy of customer's consent (recorded voice/DTMF as well as customer's confirmation through SMS/E-mail etc.) for provision of VAS to the concerned ITPC DC to deal customer's complaints.
4. Nodal Officer of the zone shall provide information regarding Total revenue of particular VAS, VAS provider's revenue share to concerned circles. Nodal officer of the zone shall raise the ATDs to the concerned circle.
5. Individual circle shall pay revenue share claim to VVoBB franchisees - M/s ITI Ltd up to 31/03/2013.
6. Individual circle shall pay revenue share claim to M/s Indiagames Ltd & M/s Hungama Ltd. as per their agreement on realized amount for the period 01/02/2013 to 31/03/2013.
7. Procedures for settlement of revenue share claim of franchisees of VVoBB service & other BBVAS franchisees (M/s Indiagames Ltd & M/s Hungama Ltd., etc) at zonal level will be effective from 01/04/2013.
8. All Four DC shall adopt the similar procedure for settlement of revenue share claims of BBVAS franchisee as adopted by West Data Center, Pune (attached as annexure -B,C & D).
9. The ITPC shall provide the Revenue billed figures as item wise (Where different revenue share exist for different items for example VVoBB), Collected amount excluding Service Tax to respective circles.
10. VAS providers shall claim their revenue share along with Service Tax for input service for Contents etc from the concerned Zonal Circle and the Circle concerned shall avail Cenvat Credit for the same.
11. The concerned Zonal Circle shall pay the revenue share to the concerned VAS providers after deducting the amount of License Fee as per terms and conditions of the agreement and from balance collected amount, revenue share shall be paid.
12. If there is any prepaid service provided as per agreement terms, then full prepaid revenue along with Service Tax shall be first paid to BSNL by concerned VAS providers to book the revenue by BSNL and pay service tax and License Fee to the concerned authorities and

Information Technology Cell  
702, 7<sup>th</sup> Floor, Bharat Sanchar Bhawan,  
H C Mathur Lane, Janpath, New Delhi-110001  
Phone: 91-11-23714191 Fax: 23765290  
E-mail: ramesharya.its@gmail.com



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

periodically, Concerned Zonal Circle shall pay the revenue share (after deducting License Fee) to the Vas provider for prepaid service also. The ITPC shall provide the prepaid revenue figures to Zonal Circle as per credit given and entered in CDR by the respective SSAs/Circles.

13. Necessary Accounting instructions have already been issued by Corporate Accounts Section, BSNL CO vide letter no. 500-31/2012-13/CA-1/BSNL dated 23/07/2013 (same enclosed for ready reference).

**Clarifications:-**

**1. How to add Credit given by SSAs for VAS Service?**

For Credit given by SSAs for VAS Services, following is to be included in the procedure for settlement of revenue share of BBVAS franchisees at Zonal Level(mentioned in Point no, 10 of annexure B, C & D).

*Credit is given by SSAs on VAS debits (against adjustment\_ID for each VAS) due to customer complaints that they have not subscribed for the service or connection was in IC barring. Data Center will provide list of such customers to the vendors along with reasons for credit and ask to delete those customers' details from feed files being submitted by the vendor to avoid wrong billing.*

- 2. Clarification for Service Tax-** The matter has already been clarified vide letter no. 700-04/2005/Taxation/BSNL/Part/629 dated 10/07/2007 of taxation Section, BSNL CO.

*It states that service tax paid on supply of content or other value added service(VAS) will be treated as service tax paid on input service and will be eligible for availing Cenvat Credit against service tax payable on output service.*

- 3. Processing of revenue share claims of BBVAS franchisee by designated officer in the nodal circle.** The procedure as explained in the Para 4.7 of letter 64-174/2011-BB dated 06/03/2013 is modified as follows:

*The payment of revenue share shall be made to **The Competent (i.e. VAS providers)** on the realized amount after the deduction of **applicable statutory levies and / or taxes and license fee applicable from time to time**, on the amount billed on account of provisioning of content based services to the customers. All such taxes/Levies would be paid to the respective statutory bodies by BSNL. Levies payable on billed amount to the statutory bodies would be calculated & deducted from the collected amount. Thereafter, revenue-sharing would be done in the prescribed ratio.*

This is for your kind information and further necessary action accordingly.

Encl: as above

R.C.Arya  
Sr. GM (IT-CFA)

Copy to:

1. GM Finance/IFA of All Territorial Telecom Circles/Kolkata and Chennai Telephones for information and necessary action.