

No. 15-10/2006/LF  
Government of India  
Ministry of Communications & IT  
Department of Telecommunications  
17, Sanchar Bhavan, 20 Ashoka Road, New Delhi – 110 001.  
(Licensing Finance Division)

Dated:- 20.03.2006

OFFICE MEMORANDUM FOR INTRODUCTION OF CHALLAN SYSTEM  
FOR RECEIVING LICENSE FEES AND SPECTRUM CHARGES

Sub: System for receipt of License Fee and Spectrum Charges in the Department of Telecom Head Quarters and the Controller of Communication Accounts offices.

1. License Fee and Spectrum Charges from commercial Telecom Service Providers licensed under Section 4 of Indian Telegraph Act 1885 were being received directly by the Department of Telecom, Head Quarters. Subsequently, the collection of these statutory levies was decentralized in respect of Access Service Providers to the Controller of Communication Accounts. Following decentralization of collection of License Fee/Spectrum charges from BSNL CCA Delhi has started collecting L.Fee for NLD service of BSNL.
2. Payments made in DoT Headquarters are received by the concerned branches (LF/WPF) which deposit the sums (received through DDs etc drawn in favour of PAO, HQs to PAO, HQs and an acknowledgment of the payment is given to the Licensee on their forwarding documents. A receipt is being issued through the prescribed ACG-67 proforma, upon receipt of these sums by the CCA officer.
3. This process of receiving a payment and issuing an acceptance is being revised following the approvals accorded by the competent authority. The new system, shall become effective from **April 1 2006**.
4. A system of challans is being introduced which has to be uniformly adopted in DoT Head Quarters, as also CCA offices for receiving payments from various telecom service providers. The proforma of the challan, which has to be in triplicate, is annexed to this memorandum. The challan form can be downloaded from DoT website [www.dot.gov.in](http://www.dot.gov.in) and shall be used for making payments for License Fee as also Spectrum Charges.
5. The following steps are to be followed for making payment of License Fee and/or Spectrum Charges: -
  - a. The Licensee should download this form from DoT website as and when an amount becomes payable by them (both quarterly dues as also dues arising upon annual assessment of License fees).
  - b. The relevant particulars of the payments describing the purpose of payment as also the details of the instrument must be recorded in the challan form **which shall be in triplicate**.

- a. The documents relevant to the payment and as applicable shall be captioned at the space provided at the end of the challan form.
  - b. The Licensee should approach the concerned branch (LF/WPF) in DoT Head Quarter or the CCA office, as the case may be, who shall record the Head of Account for the payment and upon receipt of the documents mentioned in the challan shall record an acknowledgment thereto.
  - c. Thereafter the concerned Licensee shall go to the concerned cash branch of the office (PAO for DoT Head Quarters and Communication Accounts Officer, (Cash) for the CCA offices) together with the instrument (DD/Banker's cheque) to be deposited.
  - d. The concerned officer, who receives the payments, shall verify the entries recorded in the challan with reference to the underlying instrument and thereafter receive the payment. As an acknowledgment one copy of the challan shall be returned to the concerned service provider.
  - e. At the time of receiving the payment the concerned officer shall record a serial number on the challan form (in all the three copies) and this serial number shall be a running serial number. The Sl. No. shall be of six digits with the first three digits to indicate the CCA/DoT H.Qtr office code. The office code, is the same code that is followed for the purpose of monthly accounts.
  - f. Even if the concerned operator may not have submitted relevant/requisite documents, under no circumstances a payment be refused except when the instrument is a cheque.
  - g. At the end of the day one copy of the challan in respect of each and every payment received on that day shall be handed over to the concerned user branch (LF, WPF or the officer designated in the CCA office), and the concerned cash branch would retain one copy. The user branch/officer shall acknowledge receipt of this challan from the cash branch. For this purpose a nodal officer in each of the branch/office shall be nominated by the concerned functional head or the CCA as the case may be.
6. Occasions where an amount is received by the Department upon invocation of the Bank Guarantee, the proceeds will be credited by the concerned branch to either security deposit or the revenue head as the case may be. The same challan proforma shall be used for this purpose as well. Necessary information regarding the instruments received from the bank as also the reference of DoT/CCA instructions concerning the invocation of a Bank Guarantee must be provided under the various heads as provided at the end of the challan proforma.
7. (i) Instruments from multiple banks/branches towards a single stipulated payment will have to be deposited through individual challans. The principle in short is therefore "one bank one challan".
- (ii) Also payment should be made license-wise through individual challans on the principle of "one challan—per license—per type of payment—per bank".
8. **Segregation of USO:** License Fee payments received from Licensees may be for a stipulated quarterly payment/payment of assessed demands and Segregation between Universal Service Levy and pure License Fee may be difficult at the time of receiving the payment. Therefore, the concerned branch (LF/WPF or CCA office) shall only record the Head of Account for License Fee alone in the receiving stage.

Once the payment is made, and one copy of the challan is received by the user branch from PAO Head Quarter, or the designated cash officer in the CCA, it shall, based on the underlying documents received from the Licensee be segregated between the License Fee and Universal Service Levy.

A Journal Voucher, for allocating such sums received towards Universal Service Levy, shall be prepared by the user branch and handed back to the PAO Head Quarter (or the designated officer in the CCA offices within three days of the receipt of the challan from the Cash branch.

At the end of the month, the PAO/Cashier in CCA offices shall provide to the concerned user branch the amounts received under different heads of account (License Fee, Universal Service Levy / Spectrum Charges). This shall be necessarily done after accounts are closed for the month and after accounting for journal vouchers issued by the user branch as described in the Para above.

9. While the above instructions shall be effective from April 1<sup>st</sup> 2006 it may still take some time for the new system to stabilize and in the intervening period there shall be no occasion when a payment is returned on grounds that the challan is not filled up. Such dispensation shall exist only for a month beginning April 2006.

10. As and when further decentralization of License Fee/Spectrum Collection is undertaken same instructions as above will apply with immediate effect.

11. Kindly acknowledge receipt.

Sd/-  
(S. Mandol)  
Director (LF)

Encl: As above (Form-I and Form-II)

To

1. DDG A/cs, Deptt of Telecom, for issue of accounting instructions, DDG (WPF).
2. All CCAs for implementation and necessary compliance.
3. PAO DoT H/q for necessary action.
4. DDG LR with a request to upload the challan proforma in DoT website with suitable link.
5. All Telecom Service Providers, BSNL/MTNL/VSNL for necessary action.
6. DG (P&T) Audit.