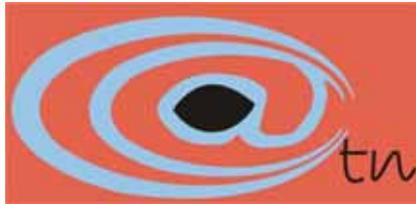# Controller of Communication Accounts
Tamil Nadu Circle, Chennai

Annual Report
2006-07

Department of Telecommunications
Ministry of Communications & IT

Contents

Preface

CCA Circles have become firmly established now. They have graduated from being mere pension focused units to multi functional circles. They have also evolved as a critical interface between DOT and the various stakeholders in policy implementation at the ground level. CCA, Tamil Nadu Circle (*CCAtn)* came into being in October 2000. *CCAtn* had published its first ever Annual Report last year -*Annual Report Y2005-06.*

This *Annual Report* for *Y2006-07* covers various facets of *CCAtn* working such as *License fee/spectrum management, USO fund management, Pension management, Pension Adalats, Cash Flows, Budget, MIS, Communication Accounts, etc* with facts and figures. The idea is that the readers of the report should get a good insight and clear understanding of the *CCAtn* working.

The *Annual Report Y2006-07* also showcases the initiatives and achievements of this circle during this period. *Conceptual frameworks made out for certain key issues add a little bit of study paper status to this Annual Report for Y2006-07.*

We would welcome feedback and any suggestion for improvement.

Team CCAtn
Tamil Nadu Circle

The Vision

[1] *"To leverage and lead*

on its strategic positioning as

*a **unique institutional assurance of DOT***

in its policy assurances

and

implementations at the ground level"

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[1]   This statement is made on the basis of the perception by Team CCAtn as an internal motivation
       driver and hence, has no official endorsement whatsoever.

The Mission

[2] "To excel in its role

*as **a professional interface***

between

DOT

and

its various stakeholders

at the ground level."

---

[2] This statement is made on the basis of the perception by Team CCAtn as an internal motivation driver and hence, has no official endorsement whatsoever.

Profile

- *Introduction*
- *Structure and Functionalities - USP of CCA*
- *Functionalities - A Snapshot*
- *Licensees in Tamil Nadu Circle*

Introduction

With the opening of the telecom sector, telecom service provisioning that was hither to within the domain of government monopoly was deregulated paving way for the entry of private sector. Ostensibly this has promoted a competitive environment in the telecom sector.

One important development was corporatisation of the incumbent government telecom operator as Bharat Sanchar Nigam Limited (BSNL) with effect from 1st October, 2000. When BSNL came into being, the officers/officials were allowed to be on deemed deputation for a period of five years, to start with pending absorption in BSNL. Simultaneously, BSNL employees have been guaranteed government pension under Rule 37-A of C.C.S. Pension Rules. To translate this guarantee in to a definitive action, a focused organizational set up was formed with the nomenclature as DoT Cell.

The office of the DoT Cell, Tamil Nadu was one among the 44 DoT Cells created on 1.10.2000 due to the corporatisation of the Department of Telecom Operations and Department of Telecom Services. The nomenclature was changed from "DOT Cell" to Controller of Communication Accounts (CCA) as the range of functions delegated from the DoT Head quarters were more diverse than the mere settlement of pension and related terminal benefits. In due course , the CCA Unit has outgrown its pension focused role and evolved into *a critical professional interface between Department of Telecommunications (DOT) and its various stakeholders* on various policy issues such as license fee management, USO Fund disbursement, VSAT billing, VPT checks etc. at the ground level .In a short span of time, the CCA units have carved out a niche for themselves by bringing the different stakeholders of DOT – telecom service providers and in particular BSNL employees-closer to DOT, with its lean structure and professional working. Most importantly, they remain as a symbolic of *institutional assurance of the government for the pension assurance* given under Rule 37-A to the BSNL employees.

The jurisdiction of *CCAtn* is unique in that it caters to the pension settlement of BSNL employees of four circles:

- *Tamil Nadu Telecom Circle*
- *Chennai Telephones*
- *Southern Telecom Projects (STP)*
- *Southern Telecom Region (STR)*

Tamil Nadu Telecom Circle comprises the entire state of Tamil Nadu (except Chenglepet SSA which has henceforth been made the part of Greater Chennai) and the state of Pondicherry. Chennai Telephones now covers the entire Chennai metro including the SDCAs (Short Distance Charging Areas) covered under the erstwhile Chenglepet SSA. The two BSNL functional circles – Southern Telecom Project and the Southern Telecom Region span the four southern states.

Besides pension authorization and settlement of the retired employees of BSNL from these four circles. For the purpose of license fee management, it deals with various service providers- mobile or basic or UASL – such as BSNL, Reliance infocomm, Bharti Televentures, Tata Teleservices, Aircel, Hutch, BPL – who operate in the Tamil Nadu and Chennai Telephones service areas. It also deals with eight Internet Service Providers (ISPs) for the purpose of license fee collection

As regards the USO Fund management, the jurisdiction covers the entire Tamil Nadu and Andaman & Nicobar Circles. As of now, the beneficiaries of USO funding in Tamil Nadu are BSNL and Reliance Communications Limited.

CCAtn - A Brief Profile

- *Controller of Communication Accounts, Tamil Nadu Circle has four units under its control in alignment with four telecom circles based at Chennai.*

  - *Chennai Telephone District*

  - *TamilNadu Telecom Circle*

  - *Southern Telecom Region*

  - *Southern Telecom Project*

- *This circle serves about 42000 serving employees of BSNL for GPF and other loans and advances such as HBA and about 18000 pensioners of BSNL and DOT*

- *This circle serves Tamil Nadu Telecom Circle and Andaman & Nicobar Telecom Circle for the purpose of USO disbursements*

- *This circle is in charge of collecting license fee and spectrum charges from 7 licensees - both, UASL and Cellular. Besides, it deals with 7 ISP operators for collection of license fee.*

Box 1

Structure and Functionalities – USP of CCA
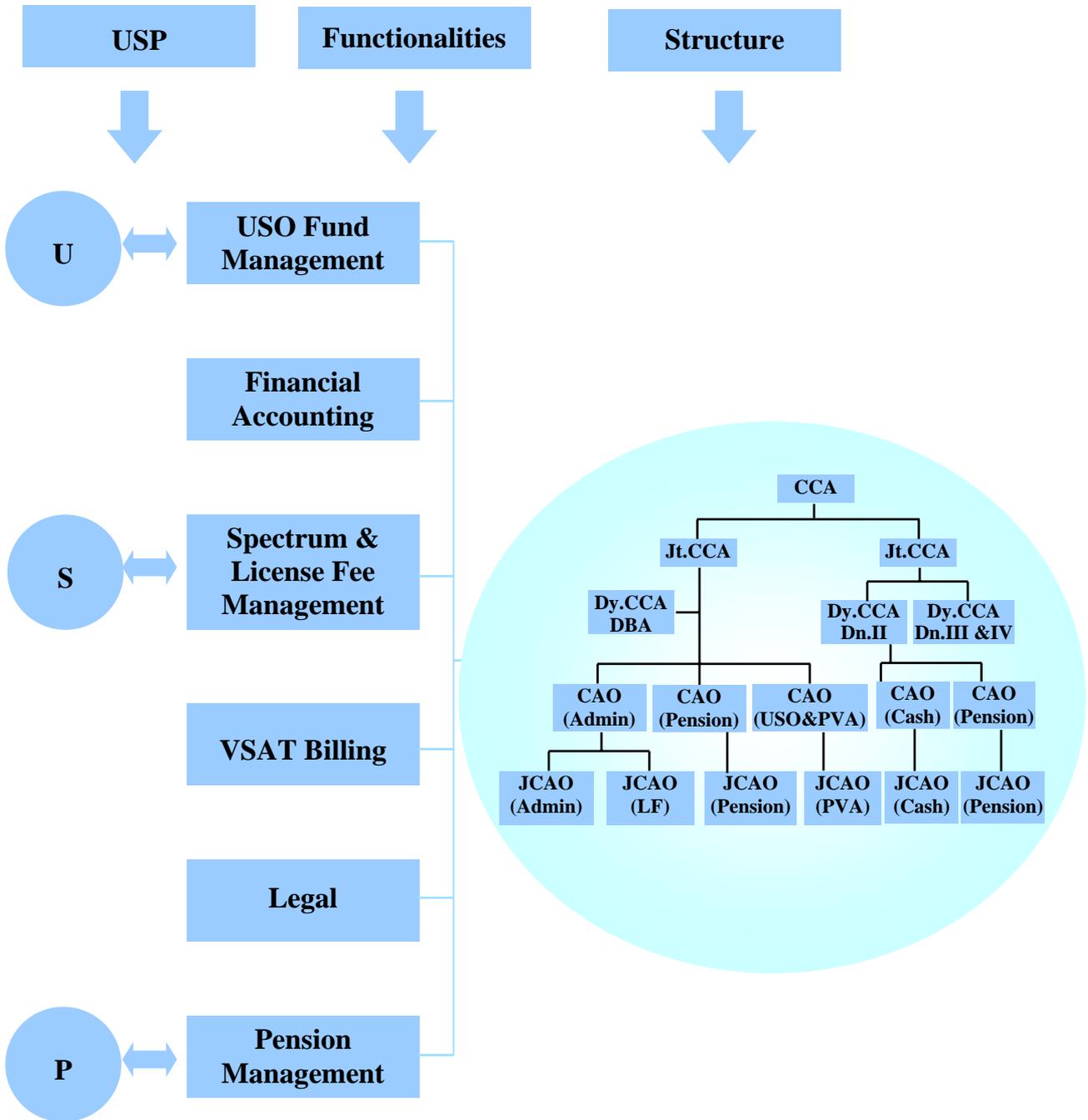
LEGEND

CCA - Controller of Communication Accounts   Jt. CCA - Joint Controller of Communication Accounts
Dy.CCA - Deputy Controller of Communication Accounts
CAO - Communication Accounts Officer   JCAO - Junior Communication Accounts Officer
Admn - Administration ; LF – License fee ; USO – Universal Service Obligation
PVA – Pension Voucher Audit ; Dn - Division

Figure 1

Functionalities – A Snapshot

- **Administration and Authorisation of Retirement Entitlements**

  Realisation of Pension Contribution from BSNL

  Sanction of Terminal Benefits & Pensions to retiring employees – DOT & BSNL

  Administering the drawal of pension by pensioners of DOT & BSNL

- **Management of Claims Under USOF**

  Projection

  Field visits –inspections of VPTs / RCPs / RDELs – Operator wise

  Process of claims

  Disbursement of various subsidies & claims

  Data base management

  Filing of periodical returns to USO Funds Administrator

- **Management of Licence Fee**

  Exercise checks on AGRs from licensees

  Collection of licence fee

  Management of Financial Bank Guarantees furnished by licensees

  Filing of periodical returns to HQ

- **Management of Spectrum Fee**

  Billing & collection

  Filing of periodical returns to HQ

- **Management of VSAT License Fees**

  Billing & collection

  Filing of periodical returns to HQ

- **Communication Financial Accounts**

  Maintenance of financial accounts

  Maintenance of Broad-sheets on GPF,Loans & Advances i/r/o staff absorbed with BSNL

  Administration of staff of Team CCA

  Budgeting

  Executive inspections

- **Legal**

  Representing DOT in legal cases

Licensees in CCA Tamil Nadu Circle

CCAtn basically deals with licensees operating in two service areas- Tamil Nadu and Chennai Metro. As already stated, the service area of Tamil Nadu covers entire Tamil Nadu Telecom Circle including Pondicherry State excluding Chengalpattu SSA which has now been made a part of Greater Chennai. The service area of Chennai Metro covers the entire Chennai Telephone District including Chengalpattu SSA which hitherto was a part of Tamil Nadu Telecom Circle with effect from 1.10.2005. The details of licensees are summarized in the *Table 1*.

Sl.no.	Operator	Category of license	Service area
1.	Aircel Limited	Cellular	Tamil Nadu
2.	Aircel Cellular Limited	Cellular	Chennai Metro
3.	Bharti Airtel Limited	UASL	Tamil Nadu
4	Bharti Airtel Limited	[1]UASL	Chennai Metro
5.	Hutchisson Essar South Limited	Cellular	Tamil Nadu
6.	Hutchisson Essar South Limited	Cellular	Chennai Metro
7.	BSNL Tamil Nadu Circle	Cellular	Tamil Nadu
8.	BSNL Chennai Telephones	Cellular	Chennai Metro
9.	BSNL Tamil Nadu Circle	Basic	Tamil Nadu
10.	BSNL Chennai Telephones	Basic	Chennai Metro
11.	Reliance Communication Limited	UASL	Tamil Nadu
12.	Reliance Communication Limited	UASL	Chennai Metro
13.	Tata Teleservices Limited	UASL	Tamil Nadu
14.	Tata Teleservices Limited	UASL	Chennai Metro

Table 1

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[1]   *UASL: Unified Access Service License which is a sort of integrated service license to which basic and cellular operators can migrate.*

The details of *ISP licensees* are shown in *Table 2*

Sl No	Operator	Service Area
1	Dishnet	All India
2	Sify Ltd	All India
3	Swiftmailcom ltd	All India
4	N-logue com Private Ltd	All India
5	Pulse Telesystems	Chennai and Pondicherry
6	Mylai Karpagambal inf systems(P) Ltd	Chennai
7	GSM online Internet Services(P) Ltd	Erode

Table 2

Perspectives

- *Human Resources*
  - *Staff Strength*
  - *Staff Training*
  - *HR Turnover*
- *Operational*
  - *USO Fund*
  - *License Fee*
  - *Spectrum charges*
  - *Pension Contribution*
  - *Pension Payments*
  - *Pension Vouching*
  - *Broad Sheet*
  - *Legal*
  - *Draft Audit Paras*
- *Cash Flows*
- *Budget*
- *Communication Accounts*

Human Resources

Staff Strength

The cadre wise working strength as on 31st March 2007 is shown in the *Table 3* below.

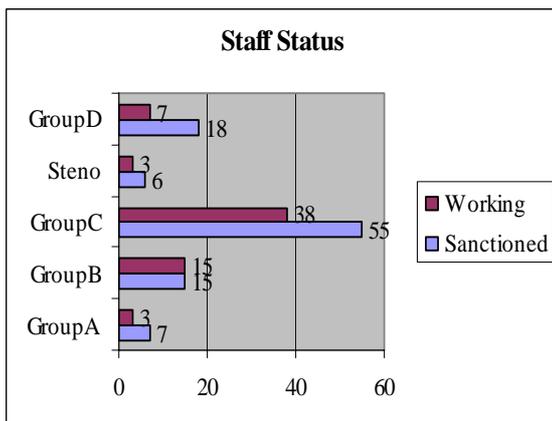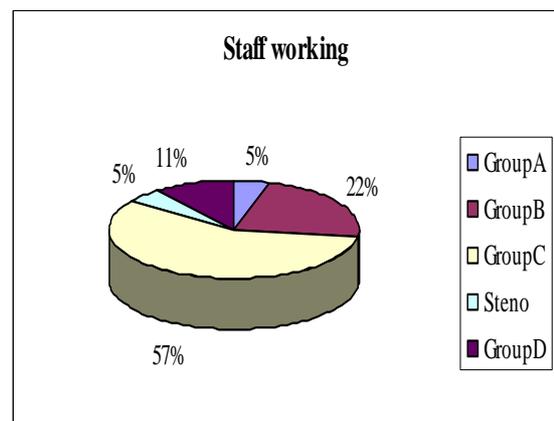| Cadre	Sanctioned Strength	Number
Group A	7	3
Group B	15	15
Group C	55	38
Steno	6	3
Group D	18	7
Total	101	66

Table 3

Figure 2(a)

Figure 2(b)

By and large, the working of this circle is managed by taking people from other departments on deputation basis at various levels. The sourcing is mainly from the departments such as Postal Accounts, P&T Audit, Railway Accounts etc. There exists shortage at various levels and it is acute at Group C level. Efforts have already been made to take the people on deputation from other departments to fill up the vacancies to certain extent.

Staff Training

The staff have been deployed for training for various courses conducted in ALTTC, Ghaziabad. The staff trained cadre wise are given in *Table 4* below.

Cadre	Number
Group A	1
Group B	6

Table 4

Besides the above, website maintenance training was given to officers and staff of DoT Cell and an ISO orientation course was conducted for all staff including BSNL employees working in DOT Cell.

HR Turnover

Incoming (S/S)	Outgoing (S/S)
A. Ranganath Shyam, JCCA	Rajesh Kachhap, JCCA
P. Ramachandran, AAO	N. Gurumoorthy, CAO

Table 5

Operational

USO Fund

The implementation of Universal Service Support Policy involves financial support from the USO Fund to meet the net cost of providing the specified USO. This covers both public access ([2]VPT & [3]RCP) as well as individual access in terms of provision of household telephone (RDEL) in rural and remote areas. The CCA is responsible for the verification of the claims and release of payments. The CCA also inspects and monitors the provisioning of the services for establishing the veracity of the claims.

- *USO Disbursements*

As far as *CCAtn* is concerned, the settlement of claims submitted by the service providers is shown in *Table 6*.

Service Provider	2005-2006 (In Lakhs)	2006-2007 (In Lakhs)
1. BSNL – Tamil Nadu Circle	4936.69	1048.34
2. BSNL – Andaman & Nicobar	16.96	5.83
3. Reliance	158.28	3869.49
4. Total	5111.93	4923.66

Table 6

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[2] *VPT: Village Panchayat Telephone*
[3] *RCP: This is the second VPT installed in a village*

Figure3

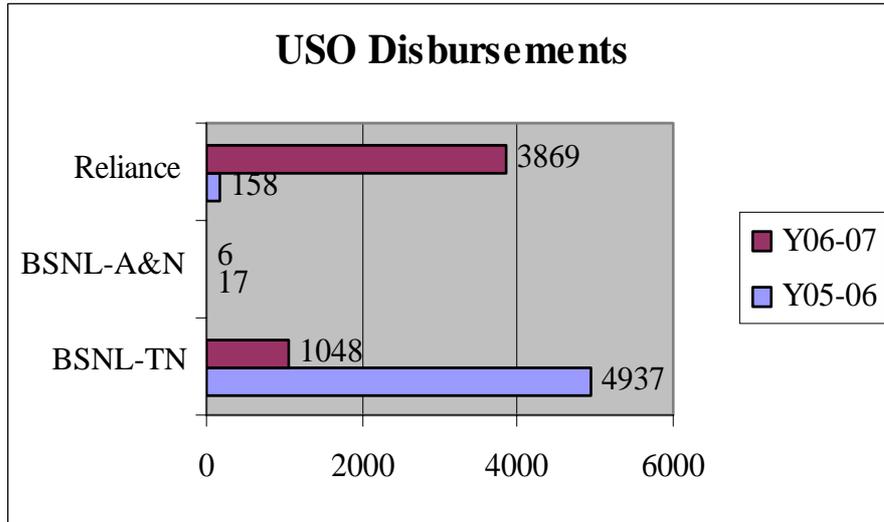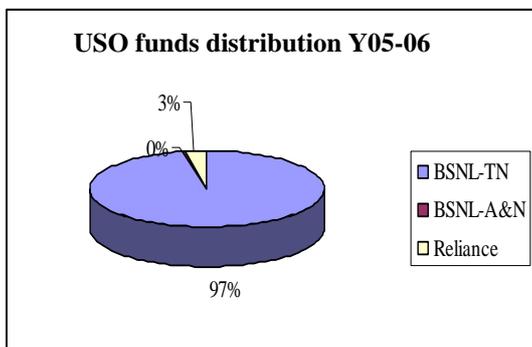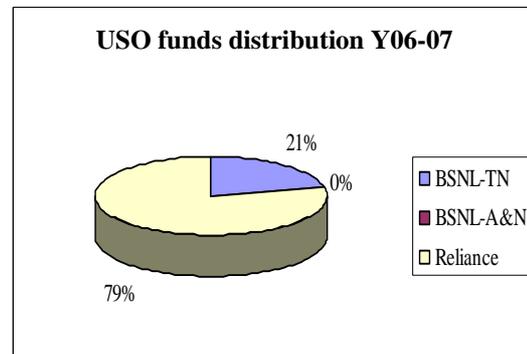*Figure 4(a)*

Figure4 (b)

- *USO Inspections*

    Table 7 shows the number of inspections conducted. A significant point is that reports in this regard have been submitted to the CCA and a summary of findings has been communicated to the USO Administrator at regular intervals.

Year	No. of Inspections
1. 2005-2006	15
2. 2006-2007	16

Table 7

- *USO claims withheld*

Circle	2003-04	2004-05	2005-06	2006-07
BSNL TN Circle(Rs)	158809	159011	13707987	45834997
A&N Circle(Rs)	5649	1025	50605	27735
Reliance	-	1427096	27724832	9642315
Total	164458	1587132	41483424	55505047

Table 8

The clearance of claims is pending due to:

- *Review for OPEX, MARR Replacement Claims were due with effect from 01.4.2006 and the amounts for those claims were not released from DOT HQ for BSNL, TN Circle and A&N Circles w.e.f. 01.7.2006.*

- *RCP claims were withheld as details about availability of second phone or otherwise at the time of installation of RCP w.e.f. 01.10.2004 were called for and to be regularized.*

- *Claims for RDELs installed between 01.04.2002 and 31.3.2005 withheld for want of village name/census code details for the claimed nos.*

- *RDEL subsidy claims in respect of Reliance settled during 2005-06 were recovered due to non-submission of Audit Report for 2005-06 in time*

Box 2

- *Outlays Vs Outcomes*

    The USO model relating to RDELS, followed so far, was individual DEL specific and the USO subsidy was being extended on per line basis to basic telephony only. [4]But as contended in the TRAI review study on the impact of

---

[4] *USOF HQ has now been working on the scheme for setting up and managing infrastructure sites and provision of mobile services in the specified rural and remote areas. Tender has been floated in this regard and the process of signing the agreement is under way. As far as Tamil Nadu is*

USO model of RDELs, too little had been achieved out of too much- i.e rural tele-density achieved was not commensurate with the USO subsidies incurred. The experience of this circle was no different. The *Table9* presents a comparative picture of USO claims and the rural DELs given.

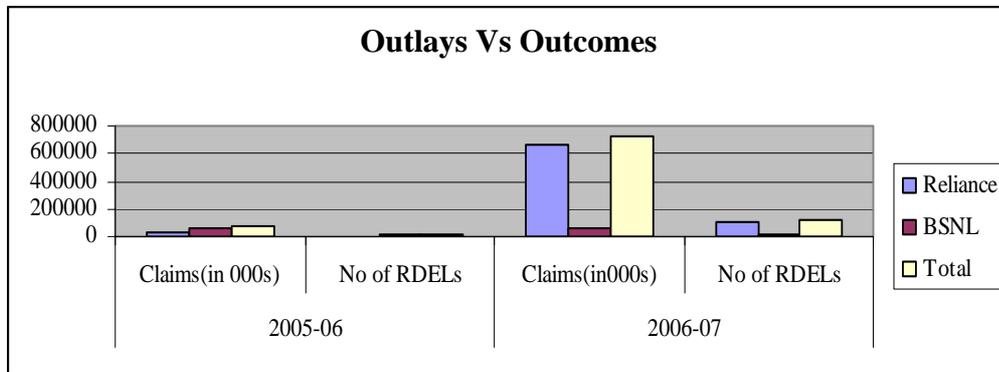| USP	2005-06		2006-07	
	Claims(in Cr)	No of RDELs	Claims(in Cr)	No of RDELs
Reliance[5]	2.76	4611	66.99	1,10,448
BSNL[6]	5.53	7624	5.81	7895
Total	8.29	12235	72.80	1,18,343

Table 9

Figure 5

concerned, BSNL is the infrastructure provider covering the clusters of Coimbatore, Kancheepuram, Madurai and Ariyalur. The representative rates quoted to these clusters are Rs70,499,Rs70,499, Rs71,627 and Rs 71,634 respectively. The successful USPs are:

Cluster	USPs	Representative Rate
Kancheepuram	Aircell ltd	-125
	BSNL	-125
	Hutchison Essar Cellular Ltd	-125
Coimbatore	Air Cell Ltd	-124
	BSNL	-124
	Reliance Communication Ltd	-124
Madurai	Air Cell Ltd	-122
	Hutchison Essar Cellular Ltd	-122
	Reliance Communication Ltd	-122
Ariyalur	BSNL	-125
	Hutchison Essar Cellular Ltd	-125
	Reliance Communication Ltd	-125

The number of towers to be covered under proposed USO scheme will be 371
*[5]Agreement with Reliance covers 7SSAs with 18 SDCAs*
[6] Agreement with BSNL covers 1SSA with 6 SDCAS. However, BSNL had installed 50334 RDELs under agreement for the period from 1-4-2002 to 31-03-2005. The FLS(Front Loaded Subsidy) and EAS(Equated Annual Subsidy) paid up to 31st March 2005 are Rs31.59 Cr. Subsequently, the lines are eligible for EAS only

Economics Of Universal Service Policy –A Short Theoretical Framework

The three fundamental attributes of USO policy are:

- *Accessibility*
- *Availability*
- *Affordability*

The revenue frontier curve of VPT moves up when all the above service attributes are delivered to the customers in the rural areas. This can be visualized as shown in the *Figure-5* below.
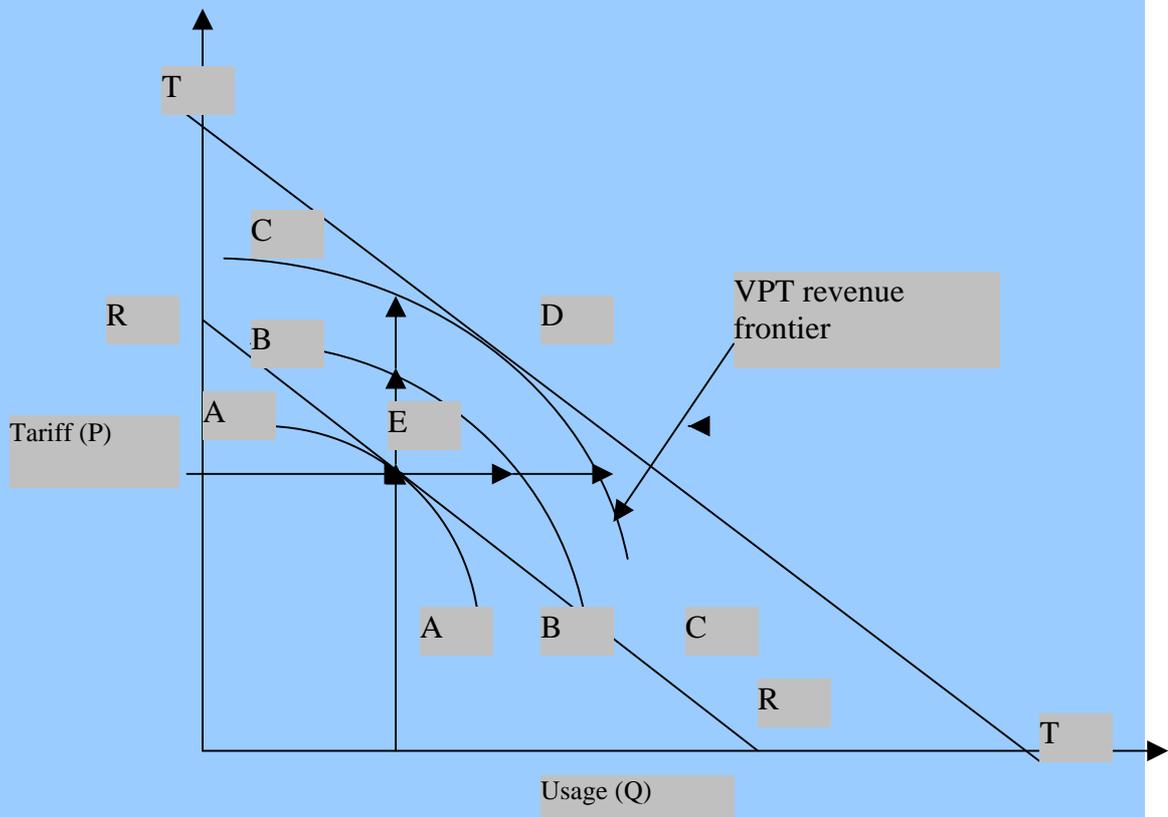
AA = Accessibility
BB = Accessibility+ Availability
C C = Accessibility + Availability + Affordability

Figure 6

As can be seen from the *Figure 5,* the VPT customer moves up on the revenue/value frontier curve at the given tariff and given consumption level, the usage being maximized by the combined delivery of all 3 A's. In fact, the VPT customer moves from equilibrium point E on AA to D on CC when 3A's are made available incentivising budget spend further from RR to TT. In fact, when all these three service attributes are delivered, his willingness to pay would be higher than the price being charged at the delivery level when any of these attributes are missing.

USO Checks at the Ground Level-Some Systemic Findings

- **VPT System**

o *PCOs/CCB phone market has become competitive. As such, PCOs/CCB phones seem to have overshadowed the role of VPTs. In fact the public access has become more convenient through them than through VPTs.*

o *The working of VPTs becomes increasingly unsustainable due to mounting outstandings. This sets in motion a kind of VPT vicious circle which only delivers sub optimal service.*

o *The rural people prefer VPT with 95 facility. But BSNL offers this only on demand. In such an event, the VPT custodian will not be entitled to 50% commission which disincentivises him to opt for 95 facility. The result is that the rural customers are not in a position to connect themselves with the nearest places of community interest-In fact they are more integrated globally than locally. Normal VPT/95 tariffs do not also seem to have concessional pulse rates to incentivise more usage by the marginal rural customers. Apparently there is no regulatory oversight on VPT tariffs.*

o *To be conveniently and strategically located - Here the VPTs at grocery shops and on the high ways score a point over the VPTs located else where*

o *To be optimally dispersed - Here, if the VPTs and RCPs / other STD PCOs are in close proximity in the same location, the usage and the utility of the VPT is undermined.*

Box3 (a)

USO Checks at the Ground Level-Some Systemic Findings

- **Rural Community Phones (RCPs)**

o *The pre-conditionality for the RCPs to be eligible for USO subsidy is that there should have been no phone/PCO in the identified village at the time the RCP is installed as second phone in the village. When applying this conditionality back in 2004, a good number of RCPs do not pass the test.*

o *Quick recharging of coupons- In respect of RCPs on prepaid model, this becomes critical for the uninterrupted availability of service - A historical data base on this point is not yet systematized.*

- **Rural DELs (RDELs)**

o *A quick scanning of the USPs data base shows that a good number of RDELs register either zero or just unit calls. The concern is whether they are actually working and kept for the incoming calls. The CDR data base is to be obtained from the USPs*

o *RDELs generate quite a lot of externalities and in that process generate substantial consumer surplus. Significantly they augment income-both direct and indirect*

o *A simple economics of the RDEL provisioning through WLL(F) mode shows that the producer surplus is quite substantial. The basic infrastructure has been installed in the rural areas and the regulatory conditionality does not allow limited mobility to be eligible for subsidy and as such commensurate with the producer surplus , consumer surplus is not augmented further.*

Box3 (b)

License Fee

The CCA is responsible for the collection of Licence Fee, as a percentage on revenue share, from all cellular, basic and unified access service licencees, together with the scrutiny of documents submitted by them viz. AGR[7] statements and affidavits. The CCA also maintains the FBGs (Financial Bank Guarantees) submitted by the licencees. The total value of the FBGs maintained in this circle aggregate to about Rs135 Cr. A periodical review of FBGs is made and the validity of the FBGs maintained is closely monitored. The status as at the close of 2006-07 is that all the FBGs under custody are current.

CCAtn is one among a few circles entrusted with the responsibility of cross checking or validating the pass thru charges paid by the different operators and claimed as deductions in the AGR statements submitted by them. On the basis of the data base made available by the operators, a review report was submitted to the DOT Head Quarters. This exercise could even be a forerunner to the possible decentralization of AGR check at the CCA level in due course.

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[7] *Adjusted Gross Revenue This is reckoned by deducting certain revenue and expenditure items from the Gross revenue for the purpose of levy of license fee.*

- ***License fee percentage***

    The details of percentage of licence fee collected from the different operators are shown in the *Table 10.*

S. No.	Operator	Category of license	Service area	Percentage of license fee
1.	Aircel Limited	Cellular	Tamilnadu	08%
2.	Aircel Cellular Limited	Cellular	Chennai Metro	10%
3.	Bharti Televentures Limited	UASL	Tamil Nadu	10%
4.	Bharti Televentures Limited	UASL	Chennai Metro	10%
5.	BPL Mobile Cellular Limited	Cellular	Tamil Nadu	08%
6.	Hutchisson Essar South Limited	Cellular	Chennai Metro	10%
7.	BSNL Tamilnadu Circle	Cellular	Tamil Nadu	10%
8.	BSNL Chennai Telephones	Cellular	Chennai Metro	10%
9.	BSNL Tamilnadu Circle	Basic	Tamil Nadu	10%
10.	BSNL Chennai Telephones	Basic	Chennai Metro	10%
11.	Reliance Infocomm Limited	[8]UASL	Tamil Nadu	10%
12.	Reliance Infocomm Limited	UASL	Chennai Metro	10%
13.	Tata Teleservices Limited	UASL	Tamil Nadu	10%
14.	Tata Teleservices Limited	UASL	Chennai Metro	10%

Table 10

- ***License fee collected***

    Licence fee collected from the basic and cellular services present the following picture *(Table 11)*

License Fee	Y2005-06 (in Cr)	Y2006-07 (in Cr)
Basic	405.10	448.90
Cellular	257.32	241.74
Total	662.42	690.64

Table 11

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[8] *UASL:Unified Access Service License which is a sort of integrated service license to which the basic and cellular operators can migrate.*
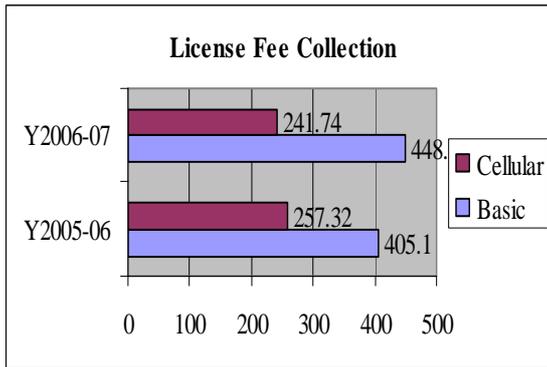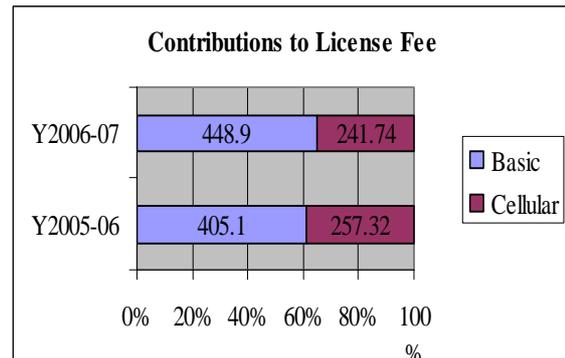
Figure 7(a)

Figure 7(b)

Spectrum Charges

The work relating to collection of spectrum charges in respect of cellular operators on revenue sharing basis has been delegated to CCA office since 1st April 2004 by the DOT HQrs. [9] The spectrum fee at the prescribed percentage on the revenue is collected in advance in each quarter.

Technology	Y2005-06 (in Cr)	Y2006-07 (in Cr)
CDMA	17.52	27.07
GSM	78.40	135.98
Total	95.92	163.05

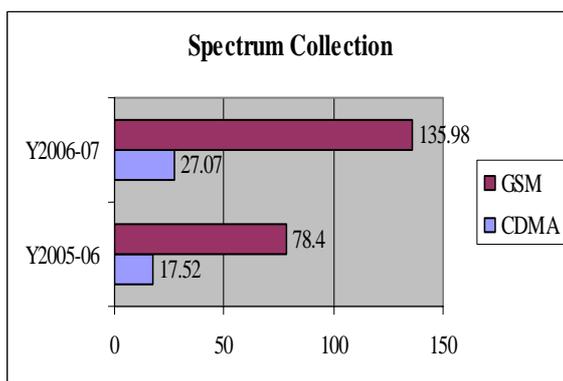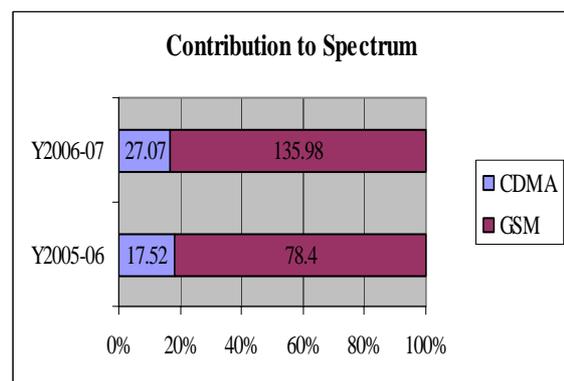Table 12

Figure 8(a)

Figure 8(b)

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9   *AGR: Adjusted Gross Revenue; The percentage of spectrum charges depends on the technology used-GSM or CDMA- and the quantum of spectrum allotted. As of now, to licencees in the Tamil Nadu Circle, it is 2% for CDMA operators and 3%-4% for GSM operators. In addition to this, a certain percentage is collected for back up microwave access charges.*

Pension Contribution

The CCA Circle collects Pension Contribution (PC) from the BSNL for the period of service that the employees render in the company. This will apply not only to those officers who are working on deemed deputation basis in the corporation but also to those who have opted to get absorbed in the corporation.

Item	2005-06	2006-07
PC & LSC (Rs in Cr)	75.25	72.55

Table 13
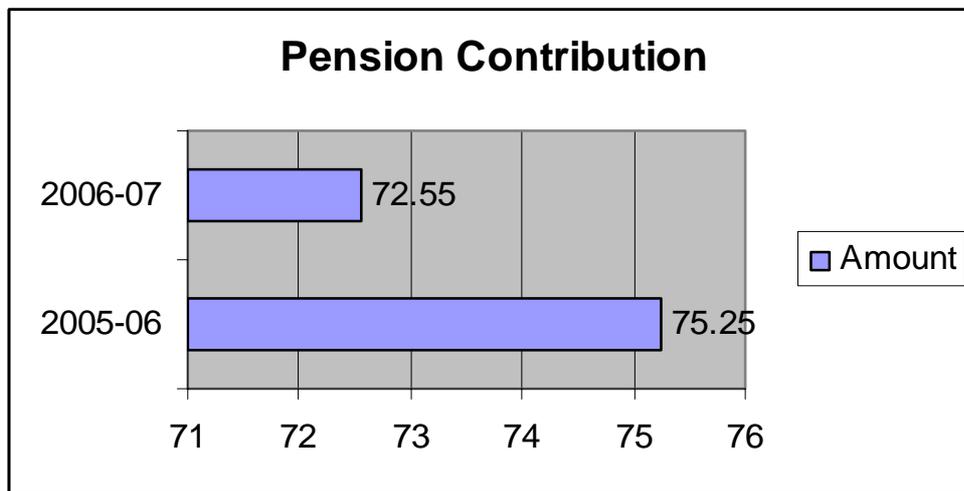
Figure 9

Pension Payments

The CCA Circle is responsible for budgeting of pension expenditure and authorization and issue of Pension Payment Orders for Telecom Pensioners including those retiring from BSNL. The office of the CCA also liaises with the Banks and Director Accounts Postal (DAP) to ensure proper application of rates and regulations and for smooth disbursement of pension. It also carries out post audit of pension payments disbursed through banks and post offices.

Item	Y2004-05	Y2005-06	Y2006-07
Pension cases-Numbers	1333	1307	1588
[10]Pensionary disbursements(Rs in Cr)	64.73	72.63	80.68

Table 14
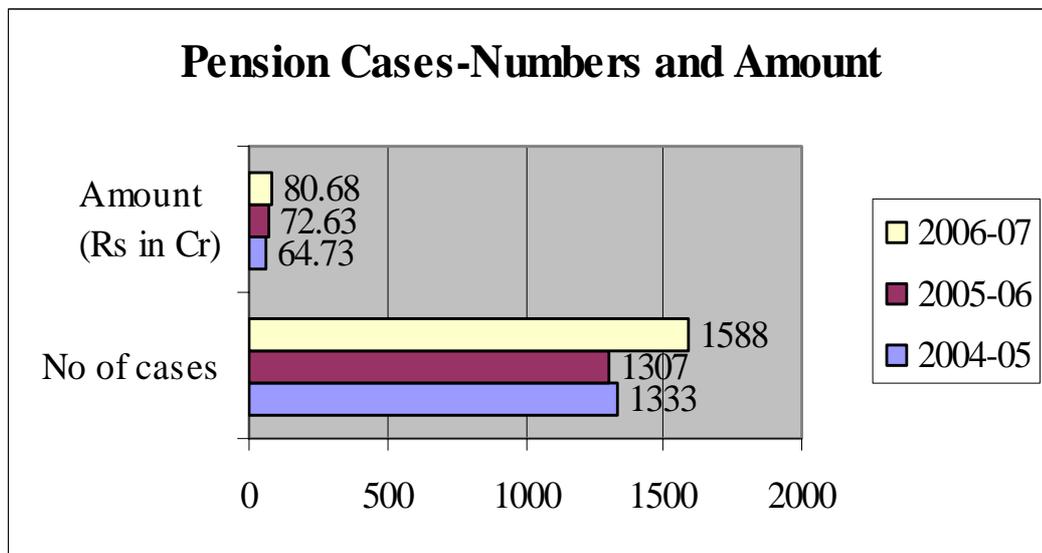
Figure 10

Monthly pension payments for Y2006-07 aggregate to Rs 8.1 Cr. Pension payment distribution between post offices and banks is shown in *Table 15*.

Item	Y2005-06 (Monthly Average)		Y2006-07 (Monthly Average)	
	Post offices	Banks	Post Offices	Banks
Numbers	12298	4529	13115	5942
[11]Amount(Rs in Cr)	5.25	2.25	5.53	2.57

Table 15

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[10]   *Here pensionary amounts includes commutation, DCRG, Pension disbursements through banks as booked in the accounts.*

[11]   *Here, amount includes monthly pension payments made through banks debited in CCA accounts and those through post offices, the account of which is not reflected in CCA accounts*

Monthly Pension Payments

12298	5.25	13115	5.53
4529	2.25	5942	2.57
No of Pensioners	Amount (Rs in Cr)	No of pensioners	Amount (Rs in Cr)
2005-06		2006-07	
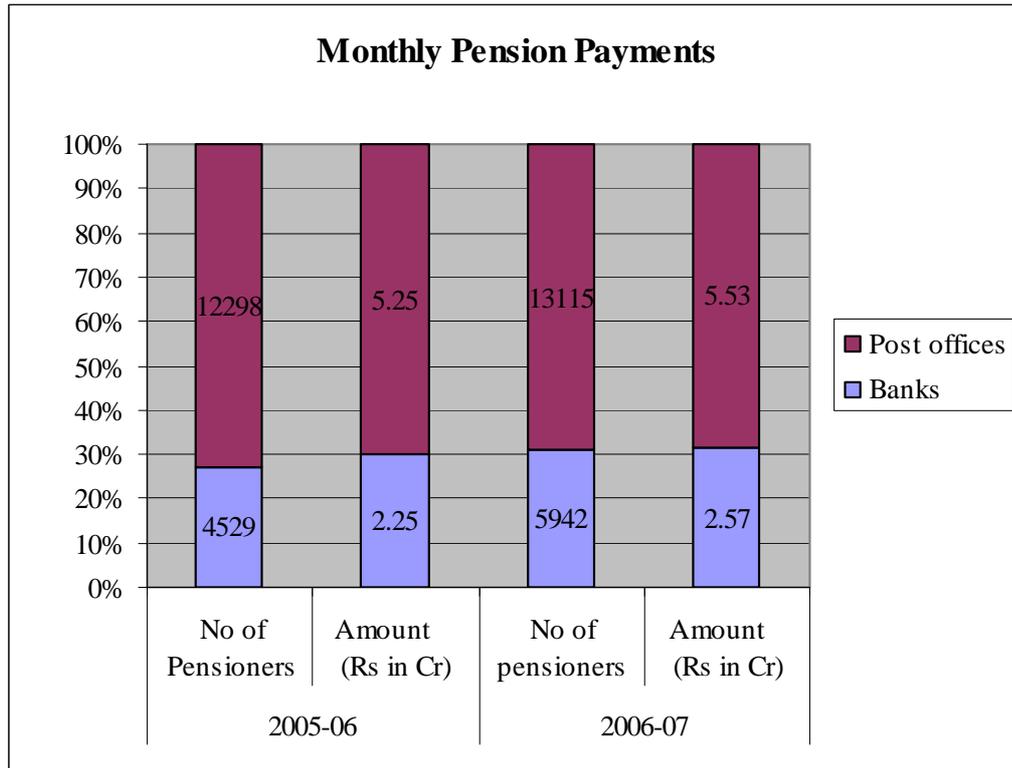
■ Post offices
■ Banks

Figure 11

Pension Vouching

The CCA Circle has been exercising post-audit on the disbursements made by the designated banks and the post offices on account of the pension and allied benefits to the pensioners of DOT and BSNL. The exercise involves a comprehensive check on the amount disbursed which yield realization of excess disbursements as depicted in *Table 16.*

Item	Y2005-06	Y2006-07
Pension Vouchers-No	230630	285855
Excess payment detected (Rs.in Lakhs)	14.22	33
Excess payment recovered (Rs.in Lakhs)	12.41	19.25

Table 16
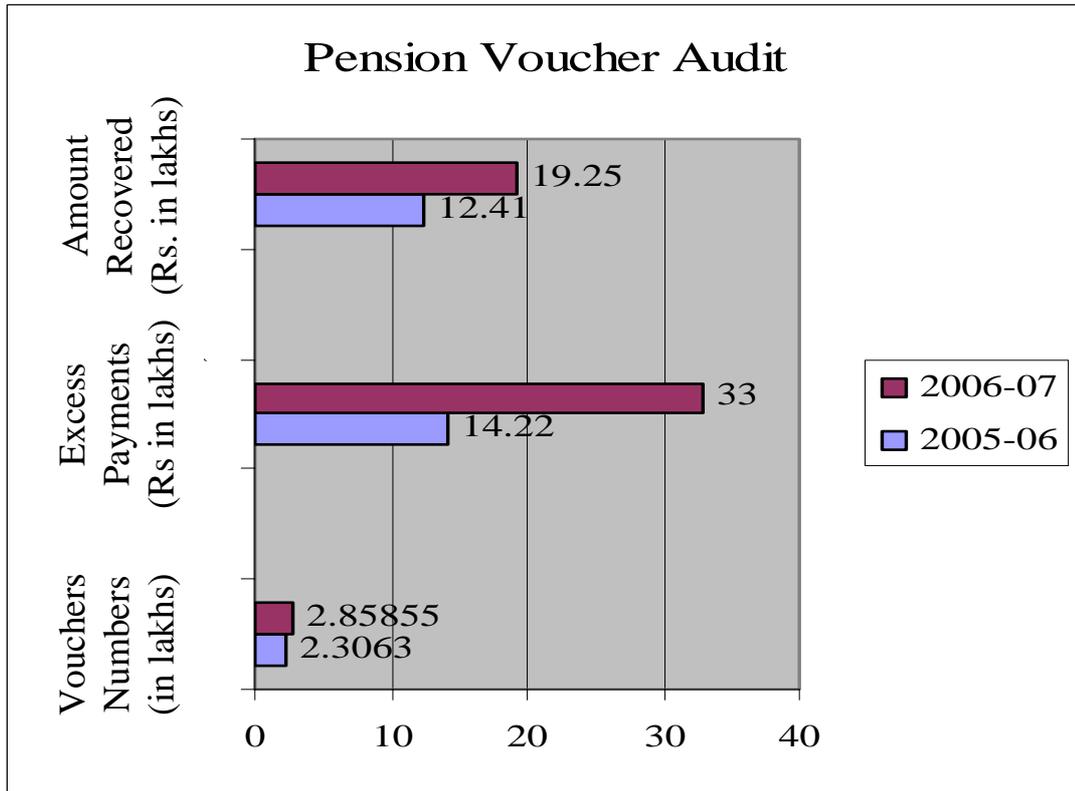
Figure 12

Broadsheet

The CCA office is responsible for the maintenance of GPF, Loans and Advances ledger and [12]broadsheets for telecom & BSNL staff, inter-circle settlement of GPF balances and loans and advances in case of transfers and final payment in retirement cases.

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[12] *This represents one core area of financial accounting of CCAtn. The broad sheet basically shows the details of opening balance, debits, credits and closing balance for the accounting heads such as GPF, loans and advances. The key accounting issue in the maintenance of broad sheet is to reconcile the accounting balances with subsidiary ledger balances.*

Legal

The CCA also takes up the legal cases where Secretary Telecommunications is one of the respondents, on behalf of the DoT Head quarters, with the Hon'ble CAT and Madras High Court on matters of administration and pensions, on the directions of Head Quarters. The numbers of legal cases handled are:

Subject	CAT		Court	
	Disposed	Pending	Disposed	Pending
Staff Matters	0	1	0	3
Pension Matters	0	2	0	2
Public (Subscribers on Tariff	0	0	0	3

Table 17

Draft Audit Paras

The status of Draft audit paras is shown in the *Table 18*.

	Opening Balance As On 01.04.06	Paras raised during the year	Paras Settled During the Year	Closing Balance As on 31.03.2007
Part-II A paras	2	Nil	Nil	2
Part-II B paras	8	6	3	11

Table 18

Cash flows

This circle has been generating significant net cash in-flows. Comparative picture for Years 2005-06 and 2006-07 is shown in *Table 19*. The increase in net cash inflows during 2006-07 is 8.37 % over 2005-06.

Items	Y2005-06 (in Cr)	Y2006-07 (in Cr)
Cash Inflows		
Dues from BSNL	136.28	106.50
License Fee	758.33	853.69
Total	894.61	960.19
Cash Outflows		
Retirement Benefits	[13]53.78	[14]59.25
OPEX of the office	5.92	2.49
USO subsidy	51.11	48.97
Total	110.81	110.71
Net Cash Inflows	**783.80**	**849.48**

Table 19
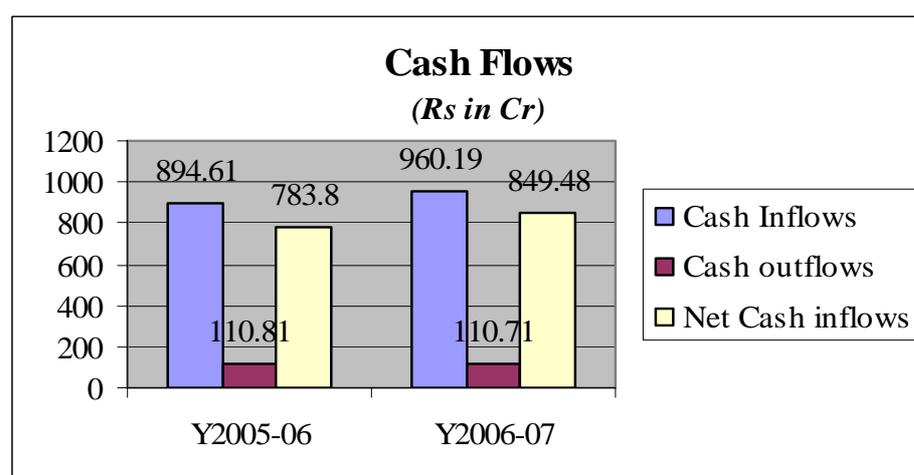
Figure 13

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[13]   *COF=Budget figure-Journal adjustments=Rs 81.78 Cr-Rs28 Cr=Rs 53.78Cr*
[14]   *COF=Budget Figure-Journal adjustments= Rs 94.78 Cr-Rs35.53 Cr=Rs 59.25 Cr*

- *Cash In-flows:*

  The cash inflows mainly comprise two components- dues from BSNL on account of pension contribution, GPF net credits and recoveries of loans and advances. Besides, the significant part of cash inflows stem from the collection of license fee and spectrum charges. The relative contributions are shown in *Figure 14*.
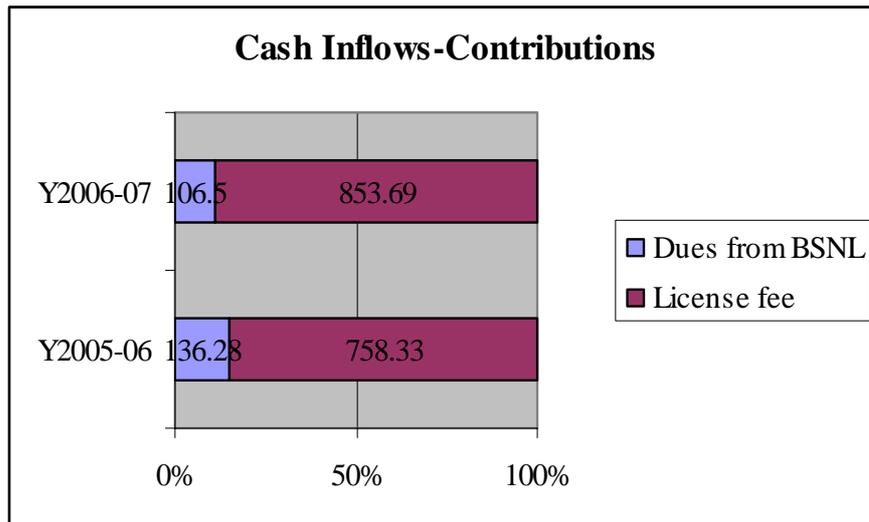
Figure 14

- *Cash Outflows*

  The cash outflows can be mainly accounted under three categories- USO subsidy, retirement benefits and opex of the CCA circle.
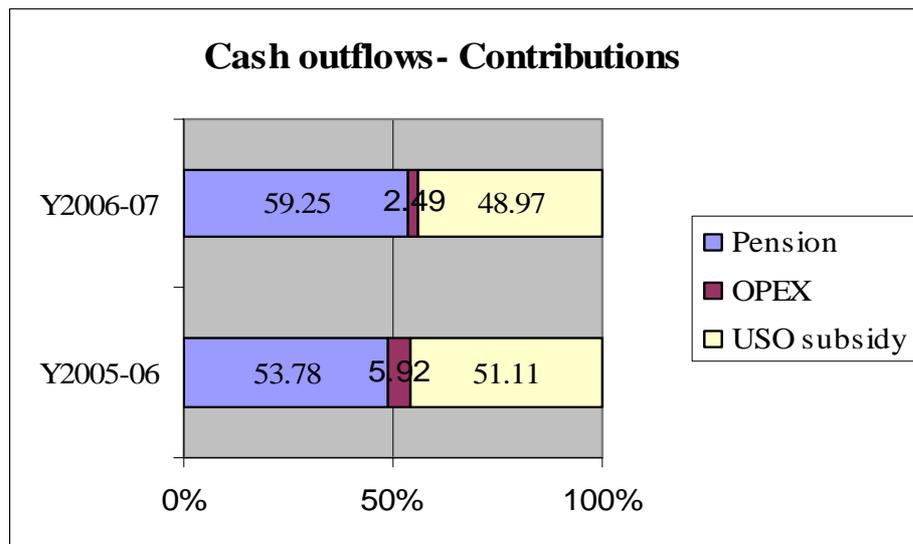
Figure 15

Cash Flows Management-A Framework

DOT		**USO Administrator**	

Spectrum and license fee → DOT

USO fund (from USO Administrator)

GPF advances &withdrawals → **BSNL**

BSNL

Pension Contribution GPF credits& Loans and advances recoveries

CCA

GPF advances & withdrawals → **DOT**

Pension Contribution GPF credits& Loans and advances recoveries → **DOT**

DOT

BSNL/DOT Pensioners ← Pension payments

CCA units ← OPEX

Budget allotment → (from DOT)

Spectrum and license fee ← Service Providers

USO fund → USO service providers

Service Providers

USO service providers

→ CIFs
→ COFs

Figure 16

Budget

The CCA is responsible for monitoring of budget and rendering of monthly accounts for onward submission to CCA, settlement of all residual accounts and claims with BSNL. The CCA is also responsible for budgeting and accounts functions of the [15]WMO and [16]IWMS at Chennai.

Head of Account	Y2005-06(in Cr)		Y2006-07(in Cr)	
	Allotment	Expenditure	Allotment	Expenditure
3451-OPEX	5.93	5.92	2.52	2.49
2071-Pension	83.48	81.78	95.17	94.78
Total	89.41	87.70	97.69	97.27

Table 20
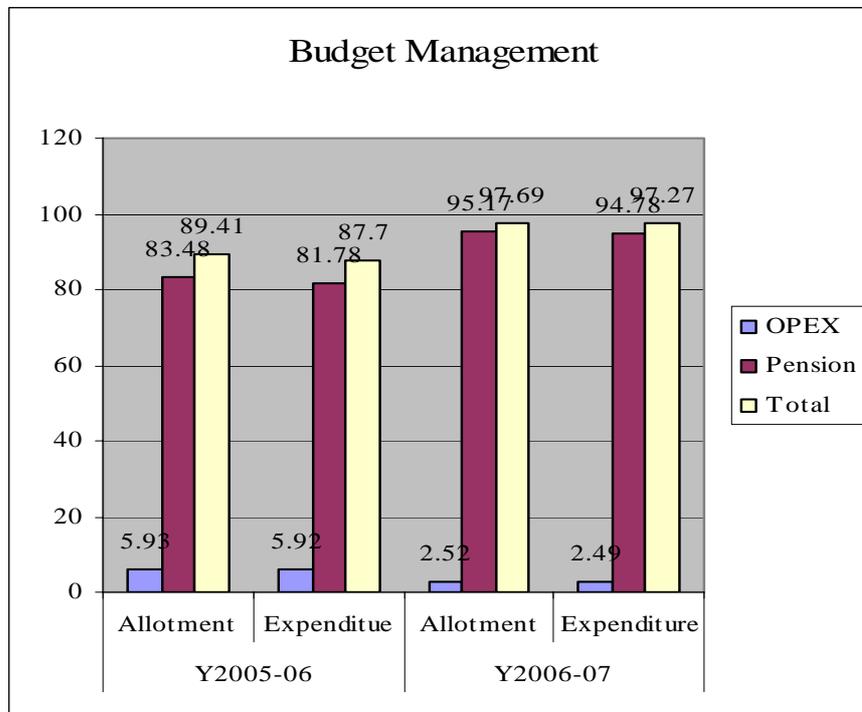
Figure 17

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[15] *WMO: Wireless Monitoring Organisation*
[16] *IWMS: International Wireless Monitoring Station*

Communication Accounts

The key points of this functional area are:

- *Bank reconciliation*
- *Reconciliation between the License fee and spectrum charges collected and the accounts figures*
- *Pursuit of unlinked items*
- *Compilation of accounts under various heads*
- *Confirmation of RBI balances*
- *Review of balances*
- *Pay bill accounting*
- *Accounting of dues collected from the BSNL and reconciliation thereof*
- *Maintenance of Various accounting registers*

Administrative Inspection Report for Y2006-07 gives the status of CCAtn under these items. The details can be had from our website *ccatn.gov.in*

A theoretical framework of remittance and drawings system existing in CCA circle is shown in the *Figures 18 and 19.*

Drawings

Drawings

- Issue of Cheque/Cash Drawal
- (Reflected in Cash Book)
- Salary Cheque drawal For office cash
- Pension/Retirement Benefits
- Purchases/Services.
- Transfer of GPF balance to other circles Acceptance of net Debit From other circles (in respect of transfer in officials)
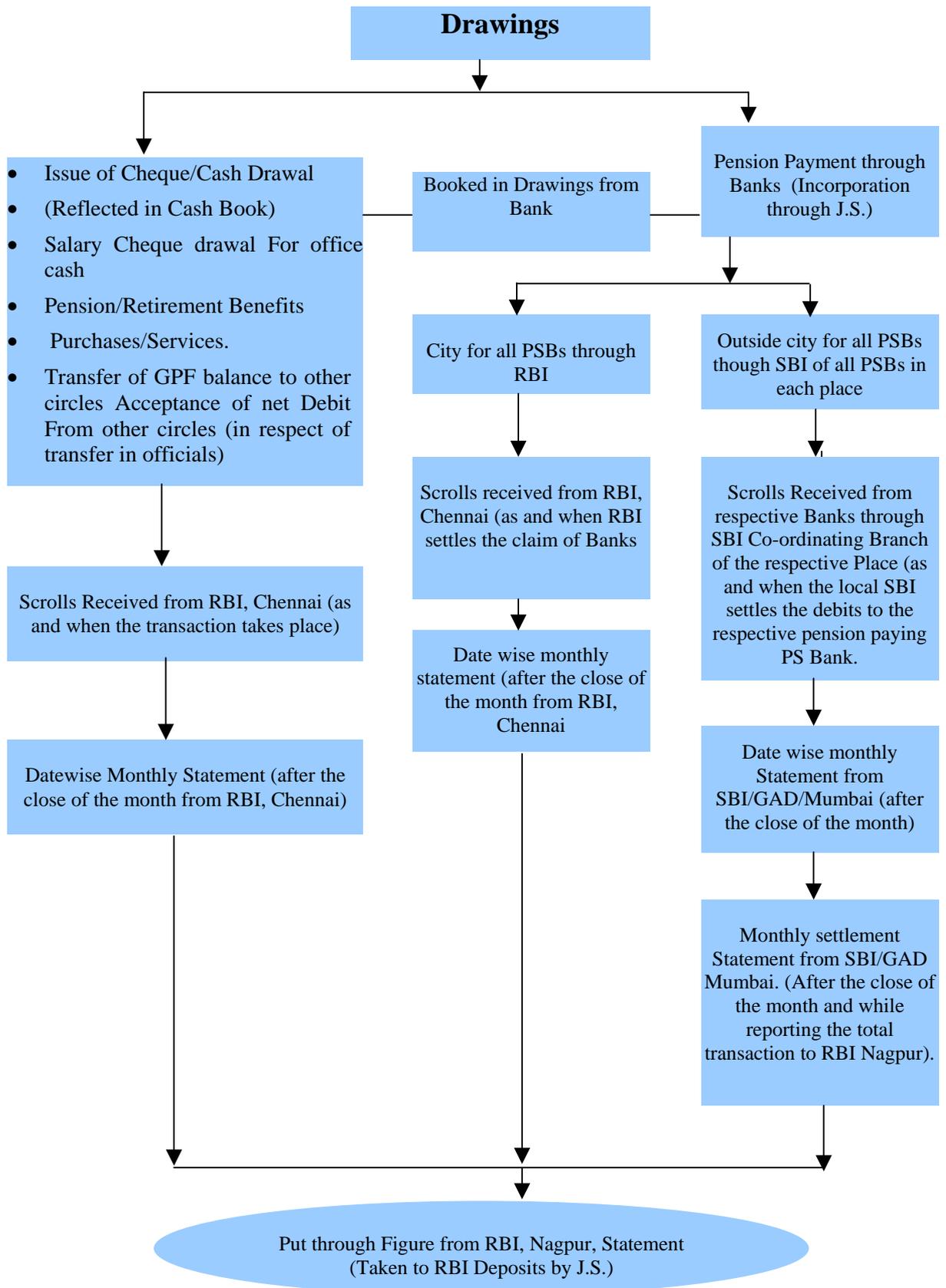
Booked in Drawings from Bank

Pension Payment through Banks (Incorporation through J.S.)

City for all PSBs through RBI

Outside city for all PSBs though SBI of all PSBs in each place

Scrolls Received from RBI, Chennai (as and when the transaction takes place)

Scrolls received from RBI, Chennai (as and when RBI settles the claim of Banks

Scrolls Received from respective Banks through SBI Co-ordinating Branch of the respective Place (as and when the local SBI settles the debits to the respective pension paying PS Bank.

Datewise Monthly Statement (after the close of the month from RBI, Chennai)

Date wise monthly statement (after the close of the month from RBI, Chennai

Date wise monthly Statement from SBI/GAD/Mumbai (after the close of the month)

Monthly settlement Statement from SBI/GAD Mumbai. (After the close of the month and while reporting the total transaction to RBI Nagpur).

Put through Figure from RBI, Nagpur, Statement (Taken to RBI Deposits by J.S.)

Figure 18

Remittances

- Deposit of DDs/Cheques (Reflected in Cash Book)
- Cash Credits/Refund from staff
- Cheque/DD from BSNL/Monthly Settlement
- Cheque/DD from Telecom Operators
- Towards LF/WPC/Royalty etc.
- Cheque/DD from Banks-Recovery of O/P Cheque/DD from Dedicated VSAT/OPT/ Radio Link Licencees Cash Credits for payment of Licence Fee/Royalty Cheque from other circles transfer of GPF Balance.
- Cheque from other circles in settlement of Debit balance of transfer out officials transferred by us.

Booked in Remittance to Bank

Pension recovery credit scrolls through Bank (incorporated through J.S.

City –for all PSBs through RBI

Outside city for all PSBS through SBI of respective place

Scrolls Received from RBI, Chennai (as and when the transaction takes place)

Scrolls Received From RBI (as and when RBI settles the claims of PS Banks in city)

Scrolls received from respective banks through SBI Co-coordinating Branch of the respective place (as and when the local SBI settles the debits to the respective pension paying PS Bank)

Date wise Monthly Statement (after the close of the month from RBI, Chennai)

Datewise monthly Statement (after the close of the month from RBI, Chennai

Date wise monthly Statement from SBI/GAD/Mumbai (after the close of the month)

Monthly settlement Statement from SBI/GAD Mumbai (After the close of the month and while reporting the total transaction to RBI/Nagpur

Put through figure from RBI, Nagpur, Statement (taken to RBI Deposits by J.S.)
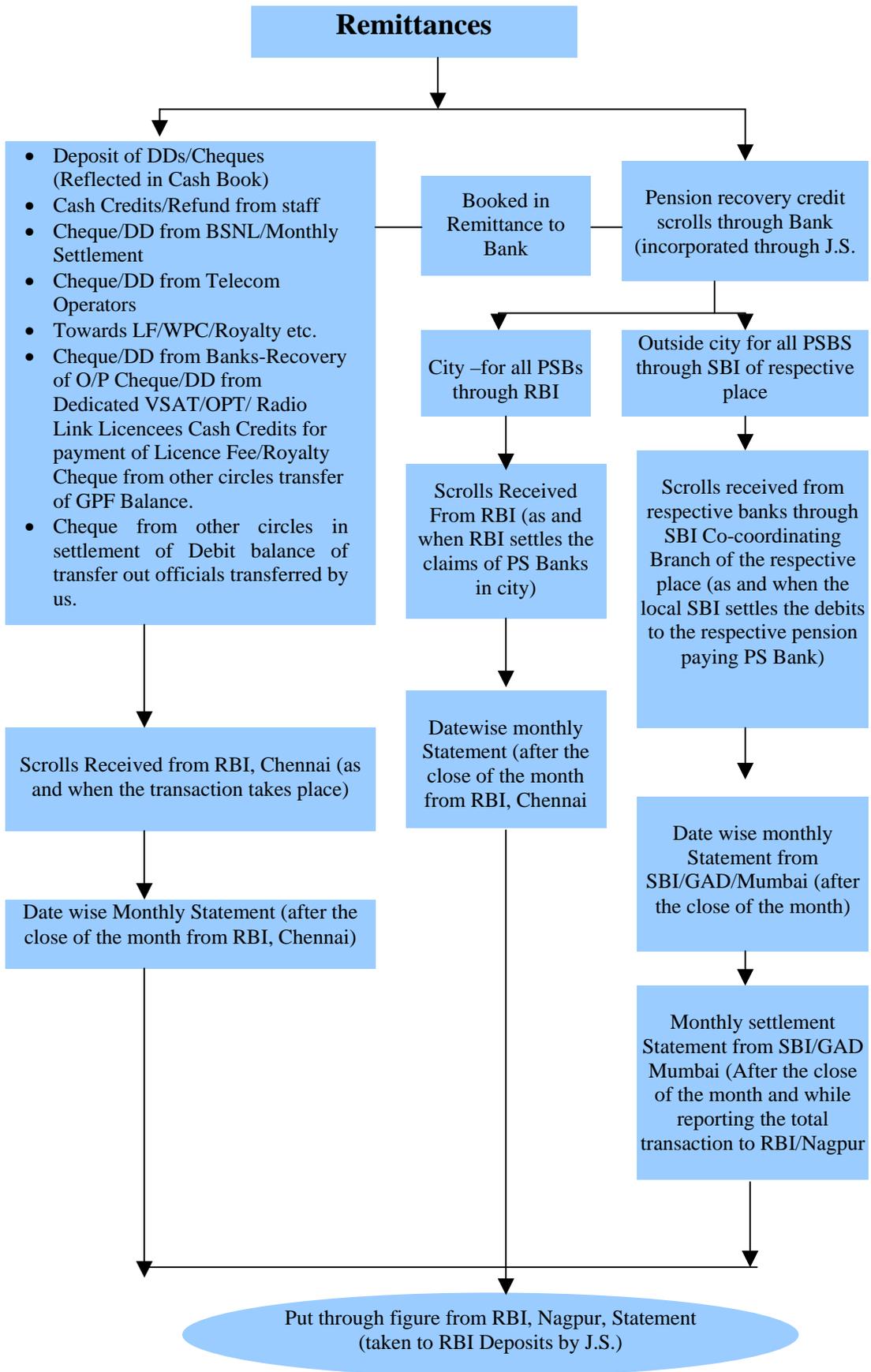
Figure 19

Website

- *Website - ccatn.gov.in*
- *Home page*

Website – *ccatn.gov.in*

With a view to ensuring a better information outreach on the functions/ activities of this office to those who are covered there under, viz. Telecom Service Providers, DOT/BSNL serving & retired staff etc, Tamil Nadu Circle has launched its website under the domain name *ccatn.gov.in*.

The contents of the website have been designed with a special focus on the specific information requirements of the clientele, while equally focusing on the role of the CCA Unit as the interface between DOT / Govt. of India and the different Stakeholders.

The contents on the Profile, Vision, Mission and the *Team CCAtn* throw light on the origin, the objectives, the coverage & scope, Vision, the Mission and the Team behind the website construction – *Team CCAtn*

.

In addition, the site briefly dwells on the USO Fund, various operators operating under the jurisdiction of the Circle, licence fee collections, tariff and a *knowledge base* showcasing articles, consultation papers, recommendations etc. on some of the important issues in the Telecommunications.

The site also displays synopsis on important events like visits by dignitaries, conduct & outcome of Pension Adalat, special appeal to any section of the clientele etc. Most importantly the site has been updated with the details of RTI act to introduce much needed transparency in the working of the system.

*For the convenience of pensioners and contact over phone, CCAtn have provided two help lines-044-2858710*1 and *044-28587102*

E-mail facility can be utilized in the website at contact us or by e-mail id ccatn@tn.nic.in

The contents and the design have been formulated by the o/o CCA, Tamil Nadu Circle while the codification has been done by RGMTTC, BSNL, Chennai. The GPF Module as also the hosting of the site is being done by NIC, Tamil Nadu.

Home Page

Administrative Inspection Y2006-07

Administrative inspection for Y 2005-06 was conducted and the report submitted to the DOT Head Quarters. Incidentally, this was the first administrative inspection conducted ever since its inception. To continue the tradition, administrative inspection has since been completed for Y 2006-07.A detailed report can be seen in the website of CCAtn - ccatn.gov.in. Generic conclusions of administrative inspection report Y2006-07 is summarized in Box 6.

Administrative Inspection Y2006-07

Conclusions

- *To conclude, we can say that many important functional areas such as collection of license fee and spectrum charges, USO, basic CCA accounting, BSNL schedule payments, Pension settlement and Pensioners' grievance redressal mechanism are well on the track. A full fledged computerization would further improve and consolidate the working in this regard. License Fee collection on E-payment mode is also necessary. Banks like ICCI offer immediate solutions for funds transfer on E-payment mode through their portals. But this is a policy issue to be decided at DOT level.*

- *The major problem areas are pension voucher audit and reconciliation of balances in respect various loans and advances. These problem areas are basically legacy issues. While the former can be possibly tackled through computerized pairing for which the cooperation of external stakeholders like banks and post offices is also a pre-requisite, the latter can be tackled if the balances transferred from the BSNL as on 1/10/2000 are ensured as reconciled balances and the schedules received thereafter are complete in all respects.*

- *The web site of CCA Tamil Nadu Circle has been evolving into a kind of resource centre to pensioners and other CCA related issues. Security auditing of the web site is also under process.*

- *This circle has four units under its control with different processes and a serious attempt has been undertaken to re-engineer the processes which is nothing but standardizing the processes in all the four units here. Pension sections have already been merged to ensure uniformity. The other processes will be activity oriented and accordingly it has been decided to reorient the CCA working when the units move to the new accommodation in RK Nagar.*

- *As many are from other departments on deputation, this circle has been facing quite a lot of employee turnover at CAO, JCAO level which hampers sustainable quality service delivery. Perhaps some stability with sufficient man power at the ground level would be helpful to improve the CCA working.*

Box 6

Pension Adalats

Pension Adalats

CCAtn has a distinctive tradition of conducting Pension Adalats right from its inception. The details of Pension Adalats conducted so far are:

- *First Pension Adalat held on 12th March 2002*
- *Second Pension Adalat held on 10th March 2003*
- *Third Pension Adalat held on 26th March 2004*
- *Fourth pension Adalat held on 23rd March 2005*
- *Fifth Pension Adalat held on 3rd March 2006*
- *Sixth Pension Adalat held on 3rd November 2006*
- *Seventh Pension Adalat held on 5th April 2007*

The general feed back from the pension adalats presents the following problem areas:

- *The delayed issue of IDA relief orders*
- *Delay in obtaining the IDA arrears from the banks*
- *Non-counting of extra increment for pension purpose*
- *Non-settlement of BSNL medical claims*
- *Delay in settlement of pension cases relating to death cases*
- *Cases pending on account of non-issue of presidential orders in cases of delayed options*

All the above issues are systemic requiring decisions /clarifications from DOT/BSNL. As far as the individual pension settlements of superannuation cases are concerned, *CCAtn* has the sustaining distinction of settling these claims on the date following the date of retirement itself. Proper monitoring mechanism exists to watch whether the claims are submitted in time and settled without delay thereafter. Review is being done at CCA level. The individual grievances aired at Pension Adalats were resolved to the satisfaction of the pensioners. It is significant to note that many pensioner associations have been taking active part in the deliberations in the Pension Adalats. BSNL representatives are also present in the meetings. In a way, Pension Adalats in *CCAtn* have emerged out as one stop centre for the airing and settlement of grievances, a single forum that was hitherto not available to them.

MIS - Information Flows

Information Flows-A Framework

MIS system in CCA circles operate at three levels.

- DOT Head Quarters
- CCA circle
- CCA units and other stakeholders like telecom service providers, ISPs, Pensioners.

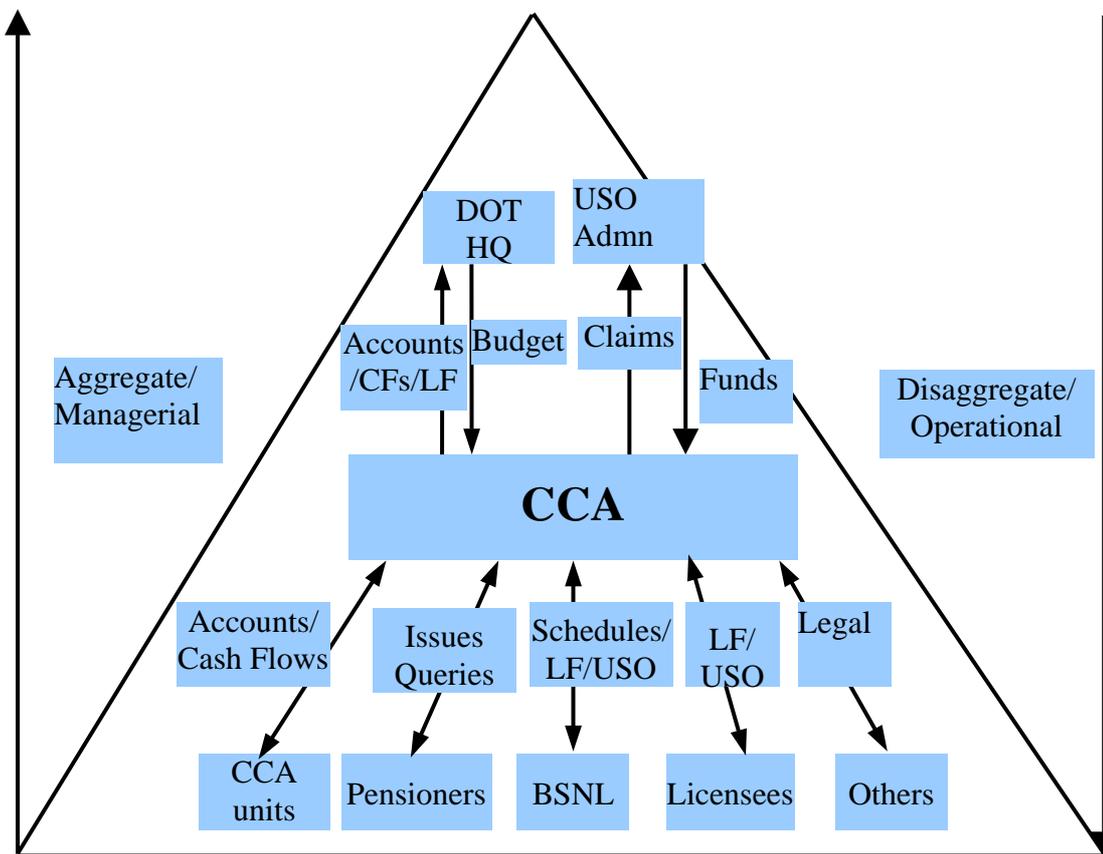A generic information flow system can be perceived as shown in *Figure 20.*

Figure 20

Events

- *Triple Celebrations*

- *Second Southern CCAs Workshop*

- *Pension Adalat*

Triple Celebrations

A high point of last year activities relate to triple celebrations conducted by *CCAtn* in the month of August 2006. The celebrations covered:

- *Launching of CCAtn website ccatn.gov.in*
- *Inauguration of two help lines to pensioners*
- *Release of Annual Report Y2005-06*

The dignitaries present in the celebrations were *Ms. Shaukat Ara Tirmizi, Member (F) - in-Charge Telecom Commission, Shri.K.Sridhara, Member (Technology), Telecom Commission*, *Ms. Annie Moraes, DDG (FEB), Shri.A.Mohan DDG (NIC), Shri.T.S.Kuppuswamy, CGM, Tamil Nadu Telecom Circle, Shri.R.Purushothaman, CGM, Chennai Telephones.* Besides, *Shri. T.S.Vasudevan, CGM (Retd), Tamil Nadu Telecom Circle, Shri K.Mahadevan Advisor(Retd), Telecom Commission*, senior officers from the BSNL and telecom pensioner associations graced the function.

Ms.Shaukat Ara Tirmizi Member(F)-in-charge, Telecom Commission launches CCAtn website: ccatn.gov.in

Mr.K.Sridhara, Member(T), Telecom Commission receives a call over toll free number, from Shri. *T.S. Vasudevan, CGM (Retd), Tamil Nadu Telecom C*ircle

Shri.R.Purushothaman, CGM, Chennai Telephones releases a copy of the Annual Report Y2005-06 and *Shri. T.S.Kuppuswamy, CGM, Tamil Nadu Telecom Circle* receives it.

Southern Zone CCAs Conference

Another significant occasion for *CCAtn* in Y2006-07 was holding the Southern Zone CCAs Conference at Chennai in Feb 2007. *Ms.Shaukat Ara Tirmizi, Member (F)-in-charge, Telecom Commission* inaugurated the seminar and delivered a key note address. A high level team comprising *Ms. Kalyani Negi, DDG (Accounts), Shri.A.S.Bhola, DDG (FEB), Shri.Satish Tandon, DDG (Est), Shri.A.S.Nikade, Advisor (Economics)* attended the seminar. CCAs from the southern circles viz *G.Alagarsamy, CCA, Tamil Nadu Circle, Ms. Geetha Paul, CCA, Karnataka Circle, Ms.C.Laksmi Narasamma, CCA, A.P.Circle and Sri. G.K.Padhy, CCA Kerala Circle* participated and presented *the CCA working* in their respective circles. The presentation made by the CCA Tamil Nadu Circle can be seen in the website *ccatn.gov.in*

Pension Adalats

A couple of pension adalats were held in Y2006-07-the first in November, 2006 and the second in April 2007 (relating to Y2006-07). All individual grievances were settled to the satisfaction of the pensioners. Some key issues which are basically systemic were also discussed. The details in this regard can be seen from the section-*Pension Adalats* of this *Annual Report*. A detailed report in this regard is posted in the *CCAtn* website *ccatn.gov.in*

Initiatives

Initiatives

- CCA Tamil Nadu Circle is, presently, housed in four different locations across the city. CCAtn, after sustained and concerted efforts, could get an accommodation of 5800 sq.ft. from Chennai Telephones. This new accommodation has improved infrastructure and better working ambience. It is provided with modular seating, LAN and wireless connectivity. The accommodation will be ready for occupation shortly.

- A slew of pensioner friendly measures have been undertaken to serve the pensioners better. Some of them are described in the Box-7.

Pensioner Friendly Measures-A Summary

- *Launching of CCA website ccatn.gov.in. The pensioner friendly features are stated in the website section of this report.*
- *Opening of two toll free numbers for the pensioners to contact*
- *Regular conduct of pension adalats. The frequency has now been increased to twice in a year instead of being only once as hitherto.*
- *Pensioners of BSNL Circles previously had to contact four different units of CCA for any of their issues/queries. These four units have now been unified and amalgamated as a single pension hub in one location that is convenient to the pensioners to contact.*
- *Participating in the pensioner association conferences and maintaining pensioner relationship management.*
- *To sensitize the pensioners, the proviso of RTI act have been published in our website cccatn.gov.in*
- *Proposal to hold pension adalats at different cities in the Circle to reach out to them*
- *Proposal to launch SMS based query service for the pensioners to know the latest DA relief rates*
- *Proposal to SMS the pensioners over mobile regarding the issue of PPOs*

Box 7

- A couple of rural studies were conducted.
  - *VPT Working In Andaman& Nicobar Telecom Circle- A Case Study in Public Policy Implementation*
  - *Telecom Interventions and Impact on Producer and consumer Surpluses-A Tale of Two Remote Villages*

The first study paper was selected for presentation by IIM (B) in its 1st All India Conference on Public Policy implementation. The report of the second paper is under preparation.

VPT Working In Andaman& Nicobar Telecom Circle- A Case Study in Public Policy Implementation

Abstract

In the Indian context, USO (Universal Service Obligation) policy aims at universal access as a bottom line requirement and proceeds ahead with the objectives of improving tele-density in net cost remote rural areas. This study focuses on the USO implementation in Andaman & Nicobar Telecom Circle from the perspective of universal access. The design of implementation has bearing on the delivery of the public policy-here USO. Regulatory incentivisation also fails when the delivery channels have their internal processes not in alignment with the regulatory objectives. This is further accentuated when there is no community level participation and the subsidies are wrongly targeted. This study uses the ground level data in the Andaman & Nicobar Telecom circle to support these propositions. The study concludes that a threatening issue is the impending large scale failure of VPT service in a small strategic island where universal access matters. This study also suggests some corrective steps to be taken to stem the failure- both in operational and policy terms.

The views expressed are personal

- Security audit of *CCAtn* website *ccatn.gov.in* has been organized in consultation with NIC Chennai and the work is in progress.

- Second administrative inspection for Y 2006-07of all the four units of *CCAtn* has been completed and report issued for toning up the functioning of the circle.

- The process re-engineering is being pursued as an on-going exercise.

- Implemented pay-bill computerization using NIC package.

- ECS mode of disbursement of salary to the staff of WMO and VTM has been implemented.

- In association with CCA Gujarat circle, the user spec for NIC pension package has been firmed up and the report submitted to the DOT Head Quarters

- Similarly, a prima-facie validation of the PAO2000 package has been done and a report submitted to the DOT Head Quarters.

- Importantly, Southern Zone CCAs conference was organized and all key issues were discussed and documented.

- Regular meetings are being held with the NIC Chennai for the launching of a new SMS based query service for BSNL serving employees to know their GPF balances. Similar service is planned for the BSNL/DOT pensioners to know the details of IDA/CDA relief rates.