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

No: BSNL/ERP/FICO/2013-14

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To

The CGMTs/IFAs
Punjab/AP/Gujarat/NATFM/BBNW/
Telecom Stores, Kolkata/WTR Circle
BSNL.

Sub : Reorganization of HR related payments and settlements.

Presently, the HRMS system developed in-house by ITPC circle is being used to draw the monthly salary at DDO unit (PAU) level. The payment and settlement of net salary to the employees, the statutory recoveries like IT, GPF etc. to the various Government departments and miscellaneous recoveries like MOU bank loans, LIC, PLI, Societies etc. to the various third parties is being carried out at DDO/PAU level based on the HRMS data processed. The existing financial accounting system is independent of HRMS and the necessary accounting entries are included manually from the HRMS.

With ERP in place, reorganisation of payments and settlements associated with HR will be helpful for utilisation of the existing resources (man & money) effectively, efficiently and accurately which in turn increase the quality and control in a big way. With continuous reduction in employee strength, increasing requirements and reduced time frame for completion of activities, the centralisation of the some of the activities is urgent need of the hour. The completion of the following important activities is go live critical and the essence of ERP system. If these activities have not carried out, work will increase many fold like manual issuing of cheques, filing of returns by SSAs & other statutory compliances and in short carrying forward the shortcomings of the existing legacy manual system.

1. Creation of Central Settlement Cell:

The detailed guidelines for creation of Central settlement Cell has already been issued vide letter No 14-25/2010 SEA BSNL dated 10.09.2010.

2. Centralization of GSLI :

At present, each DDOs units of BSNL have registered with concerned P & GS unit of LIC as specified in the GSLI scheme and LIC has allotted a Master Policy against each DDO unit. The monthly subscription has to be remitted to the concerned P & GS unit of LIC by the concerned DDO unit against such Master policy and the DDO also has to submit the monthly Form III return for addition and deletion (transfer in both inter and intra circle / retirement / new appointment) of employees. In ERP, pay bill is centralized, but the necessary remittance and filing of monthly form is still to be handled by SSAs if centralization is not done.

3. EPF Centralisation

In SAP-ERP, pay bill is centralized at circle level. Accordingly, the monthly remittance of EPF contribution (i.e. Employee & Employer), Filing of monthly and annual return have to carried out at circle level. Some of the circles (TN, MH etc) have already achieved the centralization of EPF at circle level in the existing HRMS itself. Migration to ERP will be simpler if the circle adopting DDO level registration switches over to a single registration at Circle. It is suggested that the EPF registration number used by the Circle Office may be made the primary account and the SSA level registration can be surrendered.

(EPFO has already introduced a new system to facilitate online submission of transfer claims by Members)

4. **Centralization of Income tax (TDS on salaries):** After roll out of SAP-ERP, only one TAN has to be maintained for the entire circle at Circle office level. The filing of e-TDS return, Issue of Form 16 to employees etc is the responsibilities of Circle office. The e-TDS return is being done at TAN level. Once the salary drawal starts in SAP-ERP, there should not be any transaction against the unit level TAN. If the salary in ERP is drawn from mid of the financial year /mid of the quarter, the e-TDS return has to be done for both the TAN (i.e. Unit level TAN and Circle office TAN) for the concerned quarter. Both the return should contain only the transaction pertaining to their TAN).
5. **Payment and settlement to third party:** Recoveries from the salary of employee are made towards loan taken from the banks with whom BSNL has entered into agreement and also towards union subscription, loan recovery of established cooperative societies. There are many other third recoveries like LIC, PLI, RDPRS etc also. Such recoveries need to be settled to the third parties on behalf of whom the recoveries are carried out. Efforts have to be made for centralization of all third party payments? It needs to be ensured that only one payment is made by the Circle for each third party payment. The settlement should be carried out through RTGS / NEFT to the possible extent.
6. **Reconciliation of HR sub ledger figures with Trial figures:** It has to be ensured the all HR Loans and advances as per sub ledger (HRMS balances) are duly tallied with financial records (Trial balance).

The Circle has to ensure that all these activities are completed before the roll out of ERP.

General Manager (RA/TP/ERP)

Copy for kind information to:

1. Director (CFA)/Director (HR), BSNL CO, New Delhi.
2. Executive Director (Finance)/Executive Director (CA), BSNL CO, New Delhi.
3. Sr. General Manager (CIT)/General Manager (CA)/General Manager (Estt)/General Manager (IA), BSNL CO, New Delhi.
4. DGM(ERP-HR), ERP Development Centre, Ghaziabad, for necessary action please.