No. 800-2/2011-VAS
Ministry of Communications and IT
Department of Telecommunications
Access Services Branch
Sanchar Bhawan, No. 20, Ashok Road, New Delhi – 110 001

Dated :12.12.2011

To

All DDsG TERM Cell

Subject: Recovery of penalty levied on subscriber non-verification

This has reference to this office letter dated 01.06.2010 and 04.11.2010 vide which the function related to imposition of penalty has been decentralized to TERM Cells. In this regard, following procedure is to be followed during the imposition of penalty and subsequent follow up with regard to recovery of the same:

1. **New cases of imposition of penalty:**

(a) TERM office shall issue a demand notice that would specify:

(i) the amount that is to be paid by demand draft drawn in favour of Sr. CAO(Cash)/ CAO(Cash) of the respective CCA office,

(ii) the stipulation that an interest of SBI PLR (as on 1st April of the concerned year) plus 2% would be levied for any period of delay beyond the pay by date,

(iii) the stipulation that the Financial Bank Guarantee may be encashed in case the demand remains unpaid beyond the pay by date without any further notice and any additional amount left over after adjustment of the amounts due against the demand notice will be adjusted in the future dues of the licensee,

(iv) the subject of the demand notice displayed prominently as a header.

(b) A copy of the demand notice will be sent to the concerned CCA office and the DDG(Security-TERM).

(c) In case the licensee makes a representation within the prescribed time and the TERM office revises the demand notice, the TERM office will issue a copy of the **revised demand notice** to the concerned offices as listed above.

(d) The TERM office will reconcile issue of demand notice/ revised demand notice and its payment. It will forward a copy of such reconciliation statement to the CCA office on a monthly basis.

(e) In all cases where there is a delay in payment, the TERM office will issue a demand notice to the licensee for the interest amount for the period of delay. Part of a month will be counted as full month for the purpose of interest calculation. All procedures in respect of such demand notices will be same as those for demand notices in respect of penalty.

(f) TERM offices will maintain a separate register for issue and reconciliation of such demand notices. The register will include the number of the demand notice, the date, the license type, the license number, the license date, the service area, the amount, the pay by date, the CCA to which forwarded, the date on which forwarded to the CCA, the date on which payment made in the CCA office, the date on which reconciled by the TERM office with the payment. Format of such a register is at Annex-I.

(g) Any court case arising from this would be dealt with be the respective TERM office.

2. For the cases for which notice for imposition of penalty has already been issued:

For demand notices pending payment that were issued prior to the issue of instructions, reminder notices claiming interest from the pay by date of the respective demand notices for the intervening period may be issued by respective TERM offices indicating that the payment may be made along with interest of SBI PLR (as on 1st April of the concerned year) plus 2% within 7 days failing which their FBG will be encashed without further notice. The copies of such notices should be endorsed to all offices listed as in case of regular demand notices as described above. All other actions will also remain the same.

3. <u>Recovery in case of BSNL</u>

For BSNL, as there is no provision of FBG in the License, separate instruction shall be issued. However, uniformity in issue of penalty notice with regard to imposition of interest on delayed payment may be maintained.

12.12.2011
(A.K.Tirkey)
ADG (AS-II)

Copy to:

1. DDG (Security-TERM), Dot
2. DDG (AC), DoT