

No. BSNLCO-CBB/15(15)/3/2026-CBB

Dated: 06.07.2026

To
The Chief General Manager/IFA,
All Territorial Circles.

Sub.: Incentive Scheme for high performing Territorial Circles-reg.

In order to incentivize high-performing Territorial Circles in terms of growth in Revenue from Services (RFS) for the FY 2025-26, the Competent Authority has approved an Incentive Scheme by providing additional budgetary allocation to eligible Circles for utilization towards Network Maintenance, Critical Spares, Vehicles, Field Operations, and Customer Services. The broad details of the proposed Incentive Scheme are as under:—

1. SCHEME OBJECTIVES

This incentive scheme rewards high-performing circles:

- Circles with positive growth in **all three verticals** including positive Revenue From Services (RFS) growth will be allotted an additional OPEX budget of 1.00% of FY26 RFS.

2. INCENTIVE ALLOCATION

- TN & UP East are eligible circles based on criteria at Para 1.
- TN : Rs 13.54 Cr
- UPE: Rs 7.62 Cr

3. GOVERNANCE SAFEGUARDS

3.1 Pre-Approved Utilization Categories :

Incentive funds may ONLY be utilized for the following categories:

- ✓ **Network maintenance:** BTS repairs, OFC fault restoration, equipment servicing/repair
- ✓ **Critical spares:** Emergency procurement of network spares (modems, batteries, cables)
- ✓ **Vehicles:** Maintenance and for field operations vehicles
- ✓ **Field operations:** Tools, safety equipment, testing instruments for maintenance teams

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- ✓ **Customer service:** Upgrading customer service centres, complaint handling systems

3.2 Expenditure Approval Authority and Limits

- **All incentive fund expenditures require THREE-TIER approval:**
 - Proposing officer (GM/DGM/AGM level): Submits proposal with technical justification
 - Circle/BA IFA : Verifies budget availability and category compliance
 - CGM: Final approval (cannot be delegated)
 - Upto 50% of the approved incentive amount can be distributed to BA Heads on Criteria as in para 1.
- **Single transaction limits:**
 - **Up to ₹5 lakhs:** CGM/ BA Head approval with Finance concurrence
 - **₹5-15 lakhs:** CGM/BA approval + BA to post-facto intimation to Circle IFA within 7 days
 - **Above ₹15 lakhs:** CGM approval + post-facto intimation to Director Finance within 7 days

3.3 Quarterly Utilization Certificate (Mandatory)

CGM shall submit Quarterly Utilization Certificate to Director Finance (and submitted to CMD) by 15th of month following quarter-end. BA Head shall submit Quarterly Utilization Certificate to Circle IFA (and submitted to CGM) by 15th of month following quarter-end.:

Certificate must include:

- Category-wise expenditure breakup (network maintenance, spares, vehicles, etc.)
- Item-wise details for all expenditures >₹2 lakh (vendor name, purpose)
- Balance unspent funds and commitment status
- Certificate signed by IFA of BA/Circle and countersigned by CGM/BA Head

3.4 Internal Audit and Random Verification

- Circle Internal Audit Wing will conduct random verification of 20% of all incentive expenditures

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• Verification includes:

- Physical verification of assets/work done.
- Cross-checking vendor invoices with market rates.
- Validating that expenditure genuinely improved network/customer service metrics.

The Incentive Scheme mentioned above is expected to motivate Circles to further improve service quality and enhance Revenue from Services (RFS), thereby contributing to the overall profitability and operational efficiency of BSNL.

This issues with the approval of CMD, BSNL.



PGM (CBB)

BSNL CO, New Delhi

Copy to:-

1. PPS to CMD, BSNL Board for kind information please.
2. PPS/PS to Director (Finance)/ CFA/CM/EB, BSNL Board for kind information please.