

LICENCE AGREEMENT
FOR
PROVISION OF
CELLULAR MOBILE TELEPHONE
SERVICE

IN _____ SERVICE AREA

NO. _____ DATED _____

TOTAL PAGES _____

GOVERNMENT OF INDIA

**MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS
TELECOM COMMISSION**

**20, ASHOKA ROAD, SANCHAR BHAWAN
NEW DELHI-110 001. INDIA.**

LICENSE AGREEMENT

FOR

CELLULAR MOBILE TELEPHONE SERVICE (CMTS)

This AGREEMENT is made on the _____ day of _____ (month) _____ (year) by and between the President of India acting through _____ (name), Director (VAS-I), Department Of Telecommunications (DOT), Sanchar Bhavan, 20, Ashoka Road, New Delhi – 110 001 (Hereinafter called the LICENSOR) of the FIRST PARTY.

AND

M/s _____, a company registered under the Companies Act 1956, having its registered office at _____ acting through Shri. _____, the authorised signatory (hereinafter called the LICENSEE which expression shall, unless repugnant to the context, include its successor in business, administrators, liquidators and assigns or legal representatives) of the SECOND PARTY.

WHEREAS by virtue of the provisions of Section 4 of the Indian Telegraph Act, 1885, the LICENSOR enjoys privilege to grant License and the LICENSEE has requested to grant license for **providing Cellular Mobile Telephone Service**. Whereupon and in pursuance to the said request, the LICENSOR has agreed to grant this License **to provide Cellular Mobile Telephone Service** in the licensed service area more specifically described in SCHEDULE-I appended hereto.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In consideration of the payment of license fee, and due performance of all the terms and conditions mentioned in this license agreement on the part of the LICENSEE, the LICENSOR does, hereby grant under Section.4 of the Indian Telegraph Act, 1885 on a non-exclusive basis, this license to **set up and operate the Cellular Mobile Telephone Service in the licensed service area** described in SCHEDULE-I appended hereto.
2. The LICENSE hereby granted will remain valid for 20 (Twenty) years from the Effective date unless revoked earlier for any reason whatsoever.
3. The LICENSEE hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in this License Agreement and without any deviation or reservations of any kind.
4. Unless otherwise mentioned or appearing from the context, the Tender Document and clarification to the Tender Document shall form part and parcel of this agreement. Provided that in case of conflict or inconsistency on any issue relating to this License Agreement, the terms set out in the body of this agreement with schedules annexed thereto shall prevail.
5. Effective Date of this LICENSE shall be

06. Additional Licenses in Licensee's service area may also be issued from time to time in future without any restriction of number of operators.

7. The License shall be governed by the provision of Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom Regulatory Authority of India Act, 1997 as modified or replaced from time to time.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed through their respective authorised representatives on the _____(day) _____(month), _____(year).

Signed for and on behalf of President of India.

(Name)

By Director (VAS-I), Department of Telecommunications.

Signed on behalf of M/s. _____ by Mr. _____

(Name and Designation), authorised signatory and holder of General Power of Attorney dated _____, executed in accordance with the Resolution No. _____, dated _____ passed by the Board of Directors.

In the presence of:

Witnesses:

1.

Signature

Name

Occupation.

Address

Place.

2.

Signature

Name

Occupation.

Address

Place.

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SCHEDULE OF SERVICE AREA.

The Service Area for which this licence is awarded is given below:

Note:

- (i) The Service Area for which this license is awarded shall be co-extensive and be the same for the named Service Area as that of existing licences of cellular service. Reorganization of Telecom Circles or change of Local Area, if any, during the interregnum after the grant of the said licences to existing Operators will not have any effect on the Service Area of cellular service Licence.**
- (ii) The above service area refer to Telecom Service Area Unit (Telecom Circle Service Area or Metro City Service Area) and not the State geographical areas.**
- (iii) The definition of local areas with regard to the above service area as applicable to existing licensees of cellular service is as per definition applicable as in the year 1994 & 1995, when these licences were granted to them. This is in accordance with respective Gazette Notification for such local areas wherever issued and as per the statutory definition under Rule 2 (w) Indian Telephones Rules, 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued.**

SCHEDULE-II : TERMS AND CONDITIONS

Part-I GENERAL CONDITIONS

1. Ownership of the Licensee Company.

1.1 The licensee shall ensure that the total foreign equity in the LICENSEE Company does not, at any time during the entire Licence period, exceed 49% of the total equity. The details of the Indian & Foreign promoters with their respective equity holdings in the LICENSEE Company as disclosed on the date of signing of the LICENSE AGREEMENT, are as follows:

Sl. No.	Name of Promoter.	Indian/ Foreign	Percent of Equity held
1.			
2.			
3.			

1.2 There shall be no change in the Indian and Foreign promoter(s) or their equity participation unless permitted by the LICENSOR in writing.

1.3 The licensee company may, with prior written consent of the Licensor replace a promoter(s) by another promoter(s) of equal or higher standing as stipulated below:

- (a) an existing foreign promoter may be substituted by another foreign promoter of similar standing;
- (b) the existing Indian Promoter(s) may also be allowed to acquire the foreign promoter's shareholding; and
- (c) transfer of equity inter-se between existing Indian promoters may be permitted, provided the majority Indian promoter continues to hold at least the present shareholding for a period of five years from the effective date of licence agreement. The merger of Indian companies may be permitted as long as competition is not compromised; TRAI will be consulted by the licensor in this matter.

1.4 The licensee shall also ensure that:

- (i) Any changes in share holding shall be subject to all necessary statutory requirements.
- (ii) No single company/legal person, either directly or through its associates, shall have substantial equity holding in more than one licensee company in the same service area for the same service. 'Substantial equity' herein will mean 'an equity of 10% or more'. A promoter company cannot have stakes in more than one licensee company for the same service area.
- (iii) Management control of the licensee company shall remain in Indian Hands.

2. Scope of the Licence

2.1 The licensee shall be permitted to provide, in its area of operation, all types of mobile services including voice and non-voice messages, data services and PCOs utilizing any type of network equipment (however, the technology must be digital), including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU)/Telecommunication Engineering Center (TEC) standards. Provided that a pilot project may also be approved and licensed for any period by the Licensor for inducting a new Technology.

Provided further that the LICENSOR, of its own or through a designated Authority, has a right to operate the service anywhere in India.

2.2 The LICENSEE shall clearly define the scope of **Service** to the subscriber(s) at the time of entering into contract with such subscriber(s). Any dispute with regard to the service provided to the subscriber shall be a matter between the subscriber and the licensee only.

2.3 Licensee shall make its own arrangements for all infrastructure involved in providing the service and shall be solely responsible for installation, networking and operation of necessary equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of revenue, attending to claims and damages arising out of his operations.

3. Duration of Licence

3.1 This LICENCE shall be valid for a period of 20 years from the effective date unless revoked earlier for reasons as specified elsewhere in the document.

4. Extension of Licence

4.1 The LICENSOR may extend, if deemed expedient, the period of LICENCE by 10 years at one time, upon request of the LICENSEE, if made during 19th year of the Licence period on terms mutually agreed. The decision of the LICENSOR shall be final in regard to the grant of extension.

5. Modifications in the Terms and Conditions of Licence

5.1 The LICENSOR reserves the right to modify at any time the terms and conditions of the LICENCE, if in the opinion of the LICENSOR it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the SERVICE. The decision of the LICENSOR shall be final in this regard.

6. Restrictions on 'Transfer of Licence'

6.1 The LICENCEE shall not, without the prior written consent as described below, of the LICENSOR, either directly or indirectly, assign or transfer this LICENCE in any manner whatsoever to a third party or enter into any agreement for sub-licence and/or partnership

relating to any subject matter of the LICENCE to any third party either in whole or in part i.e. no sub-leasing/partnership/third party interest shall be created. Provided that the LICENSEE can always employ or appoint agents and employees for provision of the service.

6.2 The written consent permitting transfer or assignment of the LICENCE may be granted by the LICENSOR in accordance with the terms and conditions, and procedures described in Tripartite Agreement if duly executed amongst LICENSOR, LICENSEE and LENDERS.

7. Provision of Service.

7.1 The LICENSEE shall be responsible for, and is authorised to own, install, test and commission all the equipment to commission the Applicable system for providing the Cellular Mobile Telephone Service under this Licence agreement.

7.2 The LICENSEE shall be permitted to carry its own long distance traffic within his service area without seeking an additional Licence.

8. Delivery of Service

8.1 The LICENSEE shall commission the Applicable Systems within one year from the effective date of the Licence. The date of Test Certificate issued by Telecom Engineering Centre of DOT will be reckoned as the date of commissioning the service for the purpose of calculating liquidated damage charges in terms of Condition 37 Part V. However, the licensee may start providing service to customers at any time without the need of specific approval of the Licensor.

9. Requirement to furnish information:

9.1 The Licensee shall furnish to the Licensor, on demand in the manner and as per the time frames such documents, accounts, estimates, returns, reports or other information in accordance with the rules/ orders as may be prescribed from time to time. The LICENSEE shall also submit information to TRAI as per any order or direction or regulation issued from time to time under the provisions of TRAI Act, 1997 or an amended or modified statute.

9.2 The LICENSEE shall disclose complete details of terms and conditions, and obligations under all contracts entered into with other CMSPs and other Licensed Telecom Service Providers on sharing of infrastructure / backbone for the provision of SERVICE, or any change thereof, within 15 Calendar days of entering into such contracts etc. and shall also provide the authenticated copies of all such contracts within such period.

9.3 The LICENSEE shall in no case permit digital transmission service to any Telecom Service Provider (including those Other Service Providers who do not require licence under Section 4 of Indian Telegraph Act, 1885) whose licence is either terminated or suspended or not in operation at any point of time. Where connectivity already exists, the LICENSEE shall be obliged to disconnect or sever connectivity immediately without loss of time upon receipt of any reference from the LICENSOR in this regard. Disconnection shall be made effective within one hour of receipt of such reference.

10. Suspension, revocation or Termination of Licence.

10.1 The LICENSOR reserves the right to suspend the operation of this LICENCE in whole or in part, at any time, if, in the opinion of the LICENSOR, it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the SERVICE. Licence Fee payable to the LICENSOR will not be required to be paid for the period for which the operation of this LICENCE remains suspended in whole.

Provided that the LICENSOR shall not be responsible for any damage or loss caused or arisen out of aforesaid action. Provided further that the suspension of the LICENCE will not be a cause or ground for extension of the period of the LICENCE and suspension period will be taken as period spent.

10.2 The LICENSOR may, without prejudice to any other remedy available for the breach of any conditions of LICENCE, by a written notice of 60 Calendar days issued to the LICENSEE at its registered office, terminate this LICENCE under any of the following circumstances :

If the LICENSEE:

- a) fails to perform any obligation(s) under the LICENCE including timely payments of fee and other charges due to the LICENSOR;
- b) fails to rectify, within the time prescribed, any defect as may be pointed out by the LICENSOR.
- c) goes into liquidation or ordered to be wound up.
- d) is recommended by TRAI for termination of LICENCE for non-compliance of the terms and conditions of the LICENCE.

10.3 LICENSEE may surrender the LICENCE, by giving notice of at least 60 Calendar days in advance. In that case it shall also notify all its customer of consequential withdrawal of SERVICE by sending a 30 Calendar days notice to each of them. The LICENSEE shall pay all fees payable by it till the date on which the surrender of the LICENCE becomes effective. The effective date of surrender of Licence will be 60 Calendar days counted from the date of receipt of such notice by the licensor.

10.4 It shall be the responsibility of the LICENSEE to maintain the Quality of Service even during the period when notice for surrender of LICENCE is pending and if the Quality of Service is not maintained during the said notice period, it shall be treated as material breach liable for termination at risk and consequent of the licensee.

10.5 The LICENSOR reserves the right to revoke the LICENCE at any time in the interest of public by giving a notice of 60 Calendar days from the date of issue of such notice.

10.6 The LICENSOR reserves the right to take over the entire services, equipments and networks of the LICENSEE or revoke/terminate/suspend the LICENCE in the interest of public or national security or in the event of national emergency/war or low intensity conflict or similar type of situations. Further the LICENSOR reserves the right to keep any area out of the operation zone of the SERVICE if implications of security so require.

10.7 Breach of non-fulfillment of Licence conditions may come to the notice of the LICENSOR through complaints or as a result of the regular monitoring. Wherever considered appropriate LICENSOR may conduct an inquiry either suo-moto or on complaint to determine whether there has been any breach in compliance of the terms and conditions of the LICENCE by the LICENSEE and upon such inquiry the LICENSEE shall extend all reasonable facilities and shall endeavor to remove the hinderance of every type.

10.8 It shall be the responsibility of the LICENSEE to maintain the Quality of Service, even during the period when the notice for surrender/termination of LICENCE is pending and if the Quality of Service is not maintained, during the said notice period, it shall be liable to pay damages. The quantum of damages and to whom payable shall be determined by the TRAI. The licensee shall also be liable to pay the Licence Fee till the end of the notice period and more specifically till the date on which the surrender/termination becomes effective.

11. Actions pursuant to Termination of Licence:

11.1 If under the Licence Agreement, material event occurs which entitle the LICENSOR to terminate the Licence Agreement, the LICENSOR shall proceed in accordance with the terms and conditions provided in the Tripartite Agreement read with the Licence agreement wherever such agreement is executed and signed. In cases where no such agreement is signed the action will be taken as per the clauses given below.

11.2 On termination or surrender or expiry of the LICENCE, the Bank Guarantee shall be released to the LICENSEE only after ensuring clearance of all dues which the LICENSEE is liable to pay to the licensor. In case of failure of the LICENSEE to pay the amounts due to the LICENSOR, the outstanding amounts shall be realised through encashment of the Bank Guarantee without prejudice to any other action(s) for recovery of the amounts due to the LICENSOR.

12. DISPUTES SETTLEMENT:

12.1 As per provisions of Telecom Regulatory Authority of India Act, 1997 as amended from time to time, dispute, if any, between:

- i) the LICENSEE and a Group of Consumers, and
- ii) the Licensee and LICENSOR,

shall be settled in Telecom Disputes Settlement and Appellate Tribunal, if such dispute arises out of or connected with the provisions of the license agreement.

13. Force- Majeure

13.1 If at any time, during the continuance of this LICENCE, the performance in whole or in part, by either party, of any obligation under this is prevented or delayed, by reason of war, or hostility, acts of the public enemy, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts (as are not limited to the establishments and facilities of the Licensee), fire, floods, natural calamities or any act of GOD (hereinafter referred to as EVENT), provided notice of happenings of any such EVENT is given by the affected party to the other, within 21 Calendar days from the date of occurrence thereof, neither party shall, by reason of such event, be entitled to terminate the LICENCE, nor shall either party have any such claims for damages against the other, in respect of such non-performance or delay in performance. Provided SERVICE under the LICENCE shall be resumed as soon as practicable, after such EVENT comes to an end or ceases to exist. The decision of the LICENSOR as to whether the service may be so resumed (and the time frame within which the service may be resumed) or not, shall be final and conclusive.

13.2 However, the Force Majeure events noted above will not in any way cause extension in the period of the LICENCE.

13.3 While it will normally not be a ground for non-payment of Licence Fee, the liability for payment of Licence fee for such inoperative period(s) due to force majeure clause may, however, be reduced/waived by the LICENSOR, at its discretion based on circumstances of the EVENT.

14. SET OFF CLUASE:

14.1 In the event any sum of money or claim becomes recoverable from or payable by LICENSEE to the LICENSOR either against this Licence Agreement or otherwise in any manner, such money or claim can be (without restricting any right of set off for counter claim given or employed by law) deducted or adjusted against any amount or sum of money then due or which at any time thereafter may become due to the LICENCE under this Licence Agreement or any other agreement or contract between the LICENSOR and the LICENSEE.

14.2 The aforesaid sum of money payable to the LICENSEE company shall include any security which can be converted into money.

14.3 After exercising the right of set off a notice shall always be given immediately by the licensor to the licensee.

15. WAY LEAVE:

15.1 The bidder company shall make its own arrangements for Right of Way (ROW). However, the Central Government may issue necessary notification conferring the requisite powers upon the licensee for the purposes of placing telegraph lines under Part III of the Indian Telegraph Act'1885. Provided that non-availability of the ROW or delay in getting permission / clearance from any agency shall not be construed or taken as a reason for non-fulfillment of the

Roll-out obligations and shall not be taken a valid a valid excuse for not carrying any obligations imposed by the terms of this Licence.

16. General:

16.1 The Licensee shall be bound by the terms and conditions of this Licence Agreement as well as by such orders/directions/regulations of TRAI as per provisions of the TRAI Act, 1997 as amended from time to time and instructions as are issued by the Licensor/TRAI.

16.2 All matters relating to this Licence will be subject to jurisdiction of Telecom Disputes Settlement and Appellate Tribunal (TDSAT) in terms of TRAI Act, 1997 including any amendment or modification thereof.

16.3 The Statutory provisions and the rules made under Indian Telegraph Act 1885 or Indian Wireless Telegraphy Act, 1933 shall govern this Licence agreement. Any order passed under these statutes shall be binding on the licensee.

PART-II COMMERCIAL CONDITIONS

17. Tariffs:

17.1 The LICENSEE will charge the tariffs for the SERVICE as per the TRAI Tariff orders / regulations / directions issued in this regard from time to time. The LICENSEE shall also fulfill requirements regarding publication of tariffs, notifications and provision of information as directed by TRAI through its orders / regulations / directions issued from time to time as per the provisions of TRAI Act, 1997 as amended from time to time.

18. Publication of the Telephone Service Directory.

18.1 Determination of TRAI with regard to publication of telephone service directory containing information of subscribers of Cellular Mobile Telephone Service shall be applicable and binding.

PART-III FINANCIAL CONDITIONS

19. FEES PAYABLE

19.1 Entry Fee:

One –Time **Entry Fee** of Rs. _____ Crore has been paid by the LICENSEE based on the bidding process prior to signing of this license agreement.

19.2 License Fees:

In addition to the Entry fee described above, the Licensee shall also pay Licence fee annually @ _____% of **Adjusted Gross Revenue (AGR)**, excluding spectrum charges. The Licence Fee as Revenue share includes contribution towards (i) USO, (ii) R&D, Administration and Regulation. The above license fee is applicable exclusive of the period during which existing or future Basic Service Operators may be prohibited to provide the use of hand-held set with Wireless Access System limited in the Local Area, i.e. Short Distance Charging Area (SDCA), commonly known as “Limited Mobility”. For the period during which existing or future Basic Service Operators are prohibited Limited Mobility the license fee will be @ _____ % of AGR.

19.3 Radio Spectrum Charges:

In addition, the cellular licensees shall pay spectrum charges on revenue share basis of 2% of AGR towards WPC Charges covering royalty payment for the use of cellular spectrum upto 4.4 MHz + 4.4 MHz and Licence fee for Cellular Mobile handsets & Cellular Mobile Base Stations and also for possession of wireless telegraphy equipment as per the details prescribed by Wireless Planning & Coordination Wing (WPC). Any additional band width, if allotted subject to availability and justification shall attract additional Licence fee as revenue share (typically 1% additional revenue share if Bandwidth allocated is upto 6.2 MHz + 6.2 MHz in place of 4.4 MHz + 4.4 MHz).

Further, royalty for the use of spectrum for point to point links and access links (other than Cellular Service Spectrum) shall be separately payable as per the details and prescription of Wireless Planning & Coordination Wing. The fee/royalty for the use of spectrum /possession of wireless telegraphy equipment depends upon various factors such as frequency, hop and link length, area of operation etc. Authorization of frequencies for setting up Microwave links by Cellular Operators and issue of Licences shall be separately dealt with WPC Wing as per existing rules.

The above spectrum charge is subject to review by WPC Wing from time to time.

20. Definition of ‘Adjusted Gross Revenue’:

20.1 Gross Revenue:

The Gross Revenue shall be inclusive of installation charges, late fees, sale proceeds of handsets (or any other terminal equipment etc.), revenue on account of interest, dividend, value added services, supplementary services, access or interconnection charges, roaming charges, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense, etc.

20.2 For the purpose of arriving at the “Adjusted Gross Revenue” the following will be excluded from the Gross Revenue to arrive at the adjusted gross revenue:

- (i) PSTN related Call charges (access charges) actually paid to Bharat Sanchar Nigam Ltd. (BSNL) / Mahanagar Telephone Nigam Ltd. (MTNL) or other telecom service providers within India.
- (ii) Roaming revenues actually passed on to other telecom service providers, and
- (iii) Service Tax on provision of service and Sales Tax actually paid to the Government; if gross revenue had included the component of Service Tax.

21. Schedule of payment of ANNUAL LICENCE FEE and other dues:

21.1 For the purposes of the Licence Fee, the 1st year shall end on 31st March following the date of commencement of the Licence Agreement and the licence fee for the First year shall be determined on a pro-rata basis for the actual duration of the “year”. From second year onwards, the year shall be of Twelve English calendar months from 1st of April to the 31st March for payment of Licence Fee.

EXPLANATION: The Licence fee for the last quarter of the first year and last quarter of the last year of the Licence will be computed with reference to the actual number of days after excluding the other quarters, each being of three months.

21.2 Licence Fee shall be payable in four quarterly installments during each financial year. Each Quarterly installment shall be paid in advance within 15 days of the commencement of that quarter. This Fee for each quarter shall be paid by the LICENSEE on the basis of own assessment of revenue (on accrual basis) for the current quarter subject to a minimum payment equal to the actual revenue share of the previous quarter, duly certified with an affidavit by a representative of the LICENSEE, authorized by the Board Resolution coupled with General Power of Attorney. However, for the first quarter of the first year, the licensee shall pay the Licence Fee on the basis of the expected revenue from the SERVICE in the first quarter.

21.3 The quarterly payment shall be made together with a STATEMENT in the prescribed form as **annexed**, showing the computation of revenue and licence fee payable for the previous quarter. The aforesaid STATEMENTS of each year shall be required to be audited by the

Auditors (hereinafter called LICENSEE'S Auditors) of the LICENSEE appointed under Section 224 of the Companies' Act, 1956. The report of the Auditor should be in prescribed form as **annexed**.

21.4 The LICENSEE shall adjust and pay the difference between the advance payment made and actual amount duly payable (on accrual basis) of the previous quarter, along with the advance payment for the current quarter.

21.5 Any delay in payment of Licence Fee, or any other dues payable under the LICENCE beyond the stipulated period will attract interest at a rate which will be 5% above the Prime Lending Rate (PLR) of State Bank of India prevalent on the day the payment became due. The interest shall be compounded monthly and a part of the month shall be reckoned as a full month for the purposes of calculation of interest.

21.6 Final adjustment of the licence fee for the year shall be made on or before 30th June of the following year based on the gross revenue figures duly certified by the AUDITORS of the LICENSEE in accordance with the provision of Companies' Act, 1956.

21.7 A reconciliation between the figures appearing in the quarterly statements with those appearing in annual accounts shall be submitted along with a copy of the published annual accounts and audit report, within 7 (seven) Calendar days of the date of signing of the audit report. The annual financial account and the statement as prescribed above shall be prepared following the norms as prescribed in **Annexure-III**.

21.8 In case, the total amount paid on the self assessment of the LICENSEE as quarterly Licence Fee for the 4 (four) quarters of the financial year, falls short by more than 10% of the payable Licence Fee, it shall attract a penalty of 150% of the entire amount of short payment. This amount of short payment along with the penalty shall be payable within 15 days of the date of signing the audit report on the annual accounts, failing which interest shall be further charged per terms of **Condition 21.5**. However, if such short payment is made good within 60 days from the last day of the financial year, no penalty shall be imposed.

21.9 The Fee/royalty payable towards WPC Charges shall be payable at such time(s) and in such manner as the WPC Wing of the Ministry of Communications may prescribe from time to time.

21.10 All sums becoming due and payable as mentioned in this Licence Agreement shall be paid by the LICENSEE through a demand draft or Pay Order payable at New Delhi, drawn on any Scheduled Bank, in favour of the Pay & Accounts Officer (HQ), DOT or any other Authority if so designated by LICENSOR.

21.11 The LICENSOR, to ensure proper and correct verification of revenue share paid, can, if deemed necessary, modify, alter, substitute and amend whatever stated in **Conditions 21.3, 21.7, 23.5 and 23.6** hereinbefore and hereinafter written.

21.12 The LICENSEE, shall separately pay the access charges for carriage of calls originating in his network but carried and terminated in the BSNL/MTNL/Other Service Providers' networks. The LICENSEE shall also separately pay charges for network resources obtained by the licensee from BSNL/MTNL/other licensed service providers. This will be governed by the determination of TRAI.

22. BANK GUARANTEES:

22.1 The licensee shall submit a Financial Bank Guarantee (FBG), valid for one year, from any Scheduled Bank or Public Financial Institution duly authorized to issue such Bank Guarantee, in the prescribed Performa **annexed**. Initially, the financial bank guarantee shall be for an amount of Rs. 50, 25 & 5 Crore for category 'A' 'B' & 'C' service areas respectively which shall be submitted before signing the Licence agreement. Subsequently, the amount of FBG shall be equivalent to the estimated sum payable annually towards the Licence fee and other dues not otherwise securitised. The amount of FBG shall be subject to periodic review by the Licensor. The bidder shall also submit Performance Bank Guarantee (PBG) of amount equal to Rs. 20, 10 and 2 Crores for category 'A' 'B' & 'C' service areas before signing the Licence. The licensee shall be permitted to reduce the value of the PBG by 50% after the coverage criteria prescribed in this Licence is fulfilled.

22.2 Initially, the Bank Guarantees shall be valid for a period of one year and shall be renewed from time to time. The LICENSEE, on its own, shall extend the validity period of the Bank Guarantees for similar terms at least one month prior to date of its expiry without any demand or notice from the LICENSOR on year to year basis. Any failure to do so, shall amount to violation of the terms of the LICENCE and entitle the LICENSOR to encash the Bank Guarantees and to convert into a cash security without any reference to the LICENSEE at his risk and cost. No interest or compensation whatsoever shall be payable by the LICENSOR on such encashment.

22.3 Without prejudice to its rights of any other remedy, LICENSOR may encash Bank Guarantee (FBG as well as PBG) in case of any breach in terms & conditions of the LICENCE by the LICENSEE.

23. Preparation of Accounts.

23.1 The LICENSEE will draw, keep and furnish independent accounts for the SERVICE and shall fully comply orders, directions or regulations as may be issued from time to time by the LICENSOR or TRAI as the case may be.

23.2 The LICENSEE shall be obliged to:

- a) Compile and maintain accounting records, sufficient to show and explain its transactions in respect of each completed quarter of the Licence period or of such lesser periods as the LICENSOR may specify, fairly presenting the costs (including capital costs), revenue and financial position of the LICENSEE's business under the LICENCE including a reasonable assessment of the assets employed in and the liabilities attributable

to the LICENSEE's business, as well as, for the quantification of Revenue or any other purpose.

(b) Procure in respect of each of those accounting statements prepared in respect of a completed financial year, a report by the LICENSEE's Auditor in the format prescribed by the LICENSOR, stating inter-alia whether in his opinion the statement is adequate for the purpose of this condition and thereafter deliver to the LICENSOR a copy of each of the accounting statements not later than three months at the end of the accounting period to which they relate.

c) Send to the LICENSOR a certified statement sworn on an affidavit, by authorized representative of the company, containing full account of Revenue earned from the SERVICE for each quarter separately along with the payment for the following quarter.

23.3 (a) The LICENSOR or the TRAI, as the case may be, shall have a right to call for and the LICENSEE shall be obliged to supply and provide for examination any books of accounts that the LICENSEE may maintain in respect of the business carried on to provide the service(s) under this Licence at any time without recording any reasons thereof.

(b) The LICENSEE shall invariably preserve all billing and all other accounting records (electronic as well as hard copy) for a period of THREE years from the date of publishing of duly audited & approved Accounts of the company and any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give a cause for cancellation of the LICENCE.

23.4 The records of the LICENSEE will be subject to such scrutiny as may be prescribed by the LICENSOR so as to facilitate independent verification of the amount due to the LICENSOR as its share of the revenue.

23.5 The LICENSOR may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order Audit of the accounts of the LICENSEE by appointing auditor at the cost of the LICENSEE and such auditor(s) shall have the same powers which the statutory auditors of the company enjoy under Section 227 of the Companies Act, 1956. The remuneration of the Auditors, as fixed by the LICENSOR, shall be borne by the LICENSEE.

23.6 The LICENSOR may also get conducted a 'Special Audit' of the LICENSEE company's accounts/records by "Special Auditors", the payment for which at a rate as fixed by the LICENSOR, shall be borne by the LICENSEE. This will be in the nature of auditing the audit described in **para 23.5** above. The Special Auditors shall also be provided the same facility and have the same powers as of the companies auditors as envisaged in the Companies Act, 1956.

23.7 The LICENSEE shall be liable to prepare and furnish the company's annual financial accounts according to the accounting principles prescribed and the directions given by the LICENSOR or the TRAI, as the case may be, from time to time.

Part-IV TECHNICAL CONDITIONS

24. TECHNICAL CONDITIONS:

24.1 The Bidders shall specify the details of the technology (which shall always be digital), quality of service and other performance parameters of the system proposed to be deployed for operation of the service. The technology should be based on standards issued by ITU/TEC or any other International Standards Organization/ bodies and the licensee shall seek the approval of the licensor before deployment of such technologies. Any digital technology having been used for a customer base of one lakh or more for a continuous period of one year anywhere in the world, shall be permissible for use regardless of its changed versions. A certificate from the manufacturers about satisfactory working for a customer base of one lakh or more over the period of one year, shall be treated as established technology.

24.2 Number Plan: The Numbering Plan at the PSTN Interface shall be as per ITU-T recommendations. The Numbering Plan for the Service will be as per existing numbering plan, which is as follows:

<u>Digits Dialed</u>	<u>Description</u>	<u>No. of digits</u>
98 +	Access Code	2
XYZ +	Mobile Switch Code	3
ABCDE	Subscriber numbers	5

24.3 Signalling Schemes:

The Signalling between the MSC of the Service Provider and Interconnected Network shall be CCS No.7 or as otherwise mutually agreed between the Operators of the two networks, subject to orders/regulations issued by the licensor/TRAI from time to time.

24.4 Minimum Facilities:

Calling Line Identification (CLI) shall be provided. The network should also support Malicious Call identification and CAMA.

24.5 Quality of Service:

The system should meet the Quality of Service standards/requirements as specified by TRAI from time to time.

24.6 In the first instance the system shall be capable of providing the following service:

- Tele-Services

<u>Information type</u>	<u>Services</u>
Speech	Telephone, Emergency calls
Data	Atleast 9.6 kbps
Short Message Service (SMS)	Communication of messages
Fascimile	Grp. 3 Facsimile

- Bearer Services

Data transmission in Asynchronous duplex circuit mode with PSTN

Upto atleast 9600 bps

Data transmission in Synchronous duplex circuit mode with PSTN

Upto atleast 9600 bps

Mobile access in the Asynchronous mode to the packet assembler/disassembler of packet switching network

Upto atleast 9600 bps

Mobile access in the synchronous mode to the packet switching network.

Upto atleast 9600 bps

The technology offered shall be capable of upgradation to / migration to provide 2G+ services.

- Supplementary Services

In the first instance the following supplementary services may be provided:-

- Calling Number Identification Presentation
- Calling Number Identification Restriction
- Connected Number Identification Presentation
- Connected Number Identification Restriction
- Malicious Call Identification
- Call Forwarding Unconditional
- Call Forwarding on Mobile Subscriber Busy
- Call Forwarding on No Reply
- Call Forwarding on Mobile Subscriber Not Reachable
- Call Transfer

- Mobile Access Hunting
- Call Waiting
- Call Hold
- Completion of Call to Busy Subscriber
- Three Party Service
- Conference Calling
- Closed User Group
- Advice of Charge
- Freephone Service
- Reverse Charging (Called or Calling MS)
- Barring of All Outgoing Calls
- Barring of Outgoing International Calls
- Barring of Outgoing International Call except those directed to the Home PLMN Country.
- Barring of All Incoming Calls
- Barring of All Incoming Calls when Roaming Outside the Home PLMN Country.

The supplementary services listed under this clause are not mandatory. Since no technology has been specified for operating the service, the supplementary services as supported by bidders' technology may be provided. The bidder may furnish a list of such services.

24.7 The frequencies shall be assigned by WPC from the designated bands prescribed in National Frequency Allocation Plan - 2000. (NFAP-2000). Appropriate frequency spots in frequency-band of _____ MHz paired with _____ MHz will be assigned. A cumulative maximum of upto 4.4 MHz + 4.4 MHz will be permitted. Based on usage, justification and availability, additional spectrum upto 1.8 MHz + 1.8 MHz making a total of 6.2 MHz +6.2 MHz, may be considered for assignment, on case by case basis, on payment of additional Licence fee. The bandwidth upto maximum as indicated i.e. 4.4 MHz & 6.2 MHz as the case may be, will be allocated based on the Technology requirements. (e.g. CDMA @ 1.25 MHz, GSM @ 200 KHz etc.). The frequencies assigned may not be contiguous and may not be same in all cases, while efforts would be made to make available larger chunks to the extent feasible.

24.8 The ultimate objective is to provide hand – held portable telecom service within building, inside car and outside within the whole service area.

24.9 The system shall conform to fundamental plans of DOT.

24.10 The licensee may provide additional facilities in case of any value addition/upgradation that the technology permits at later date, subject to approval of licensor.

25. THE APPLICABLE SYSTEM:

25.1 Licensee shall provide the 'Applicable System' using any type of network equipment, including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU)/ Telecommunication Engineering Centre (TEC) standards.

25.2 Any digital technology either already validated by TEC or having been used for a customer base of one lakh or more for a continuous period of one year anywhere in the world, shall be permissible for use with its latest version. A certificate from the manufacturer/ operator about satisfactory working for a customer base of one lakh or more over the period of one year, shall be treated as established technology.

25.3 In the process of operating the Services, the Licensee shall be responsible for:-

- (i) The installation of the sites excluding the installation of the equipment at the subscriber's premises which will be left at the option of the subscriber;
- (ii) the proper upkeep and maintenance of the equipment;
- (iii) maintaining the criteria of performance;
- (iv) maintaining the MTTR within the specified scope.

26. Engineering Details:

(a) The Licensee shall furnish to the Licensor or its authorised representative(s), in such manner and at such times as may be required, complete technical details with all calculations for engineering, planning and dimensioning of the system/network, concerned relevant literature, drawings, installation materials regarding the applicable system.

(b) List of performance tests shall be furnished by the Licensee to the licensor and/ or to TEC one month prior to the date of commissioning of service.

(c) Licensee shall supply all tools, test instruments and other accessories to the testing party of Licensor and /or TEC for conducting tests, if it so desires, prior to commissioning of the service or at any time during the currency of the Licence.

27. Network Interconnection.

27.1 Interconnection between the networks of different service providers shall be as per national standards of CCS No.7 issued from time to time by Telecom Engineering Centre (TEC), and also subject to technical feasibility and technical integrity of the Networks and shall be within the overall framework of interconnection regulations issued by the TRAI from time to time.

27.2 The Cellular Service Licensee may enter into suitable arrangements with other service providers to negotiate Interconnection Agreements whereby the interconnected networks will provide the following:

- (a) To meet all reasonable demand for the transmission and reception of messages between the interconnected systems.
- (b) To establish and maintain such one or more Points of Interconnect as are reasonably required and are of sufficient capacity and in sufficient numbers to enable transmission and reception of the messages by means of the Applicable Systems,
- (c) To connect, and keep connected, to their Applicable Systems,

27.3 The provision of any equipment and its installation for the purpose of Interconnection shall depend on the mutual agreement of the concerned parties.

27.4 The Interconnection Tests for each and every interface with any Service provider may be carried out by mutual arrangement between the Licensee and the other party involved. The Interconnection Tests schedule shall be mutually agreed.

27.5 It shall be mandatory for Cellular Service providers to provide interconnection to all eligible Telecom Service Provider as well as NLD service providers whereby the subscribers could have a free choice to make inter-circle/international long distance calls through NLD service provider. For international long distance call, the cellular service operator shall access international long distance operator through national long distance operator only.

27.6 Point of Inter-connection (POI) between the networks of cellular mobile Telephone service providers and fixed service providers shall be only with Level-I TAXs and Tandem exchanges in the Metros. In Telecom Circles the interconnection shall be with level I TAX/interconnection with level II TAXs may also be allowed, however, transiting of traffic to other LDCAs at POIs on level II TAX is not permitted.

28. Interface

28.1 The LICENSEE shall operate and maintain the licensed Network conforming to Quality of Service standards to be mutually agreed in respect of Network- Network Interface. For the purpose of providing the SERVICE, the LICENSEE shall install his own equipment so as to be compatible with other service providers' equipment to which the licensee's Applicable Systems are intended for interconnection. The Licensee shall be solely responsible for attending to claims and damages arising out of his operations.

28.2 The additional telecommunication resources for the provision of the service and networking the geographically dispersed equipment of the LICENSEE shall be leased/rented on mutually agreed terms from service providers including BSNL, MTNL or authorised Telecom Service Providers. The same will be governed by the orders/notifications of the TRAI issued from time to time on interconnection/access charges.

28.3 The charges for accessing other networks i.e. PSTN, PLMN etc. for inter-network calls shall be based on mutual agreements between the service providers conforming to the Orders/Regulations/Guidelines issued by the TRAI from time to time.

28.4 The network resources including the cost of upgrading/modifying interconnecting networks to meet the service requirements of the licensee will be mutually negotiated keeping in view the orders and regulations issued by the TRAI from time to time.

29. Quality of Performance:

29.1 The LICENSEE shall ensure the Quality of Service (QoS) as prescribed by the LICENSOR or TRAI. The LICENSEE shall adhere to such QoS standards and provide timely information as required therein.

29.2 The LICENSEE shall be responsible for: -

- i) Maintaining the performance and quality of service standards.
- ii) Maintaining the MTTR (Mean Time To Restore) within the specified limits of the quality of service as given below in respect of normal failures excluding catastrophes:
 - a) 90% of faults resulting due to subscriber's complaints should be rectified within 24 hours and 99% within 3 Calendar days.
 - b) The Licensee will keep a record of number of faults and rectification reports in respect of the service, which will be produced before the LICENSOR/TRAI as and when and in whatever form desired.

29.3 The Licensee shall be responsive to the complaints lodged by his subscribers. He shall rectify the anomalies within the MTTR specified and maintain the history sheets for each installation, statistics and analysis on the overall maintenance status.

29.4 The LICENSOR or TRAI shall carry out performance tests on Licensee's network and also evaluate Quality of Service parameters in licensee's network prior to grant of permission for commercial launch of the service after successful completion of interconnection tests and/or at any time during the currency of the Licence to ascertain that the network meets the specified standards on Quality Of Service (QOS). The licensee shall provide ingress and other support including instruments, equipment etc., for such tests.

30. Emergency and Public Utility Services:

30.1 Licensee shall independently provide all emergency and public utility services to its subscribers, including directory information services with names and address of subscribers.

PART-V OPERATING CONDITIONS

31. Customer Service.

31.1 The LICENSEE will be bound to register the demand/request for Mobile Telephone Connection and shall provide the service to any individual or legal person without any discrimination, unless directed by the LICENSOR in writing. The licensee shall be required to maintain a transparent, open to inspection, waiting list. The licensee shall be permitted to launch the commercial service only after commencement of registration in the manner prescribed.

Provided that nothing contained herein will affect or prejudice the rights of the Licensee to carry out check on credit worthiness of its prospective subscribers.

31.2 It shall be the responsibility of the Licensee to issue or cause to be issued bills to its subscribers for use of the service. The Licensee shall maintain such records so as to produce itemised billing information. The billing system of the licensee shall be able to generate the billing information, in adequate details, to ensure satisfaction to the customer about the genuineness of the bill. The directions of TRAI, from time to time, in this regard shall apply.

31.3 The LICENSEE's contractual obligations (to various Telecom Service Providers including Other Service Providers not requiring Licence under Section 4 of Indian Telegraph Act, 1885) will include terms and conditions under which the SERVICE may be obtained, utilised and terminated.

31.4 The LICENSEE shall notify in writing all the arrangements with respect to repair, fault rectification, compensation or refunds. All complaints in this regard will be addressed / handled as per the guidelines, order or regulation or direction issued by the LICENSOR or TRAI from time to time.

31.5 Any dispute, with regard to the provision of SERVICE shall be a matter only between the aggrieved party and the LICENSEE, who shall duly notify this to all before providing the SERVICE. And in no case the LICENSOR shall bear any liability or responsibility in the matter.

32. The User Terminals (Mobile Telephone or Handset).

32.1 The Licensee shall have the right to undertake the sale, hire purchase, lease or renting of the user/mobile terminals. Proper usage of terminal at subscriber's premises shall be responsibility of the subscriber.

32.2 The Licensee shall be responsible to ensure that the user /mobile terminal is operated in accordance with the terms of the Licence and the WPC Licence. The SIM Card in the user terminal is non-transferable.

32.3 The user/ mobile terminals employed in the network shall be of a type/model certified by an internationally accredited agency with respect to ITU/ETSI/TEC standards or any other international standard as may be approved by the Government. They should carry a marking specifying their compliance with such standards. Only such category of subscriber unit as has

been granted such a certificate shall be brought into and operated within India under this Agreement.

32.4 Subscriber will be free to obtain the Mobile Terminal at his option from any source, subject to interface approval by TEC/TRAI or any agency authorised by LICENSOR in this behalf.

33. Obligations imposed on the Licensee.

33.1 The provisions of the Indian Telegraph Act 1885, the Indian Wireless Telegraphy Act 1933, and the Telecom Regulatory Authority of India Act, 1997 as modified from time to time or any other statute on their replacement shall govern this LICENCE.

33.2 The LICENSEE shall furnish all necessary means and facilities as required for the application of provisions of Section 5(2) of the Indian Telegraph Act, 1885, whenever occasion so demands. Nothing provided and contained anywhere in this Licence Agreement shall be deemed to affect adversely anything provided or laid under the provisions of Indian Telegraph Act, 1885 or any other law in force.

34. Sharing of infrastructure between CMSPs and any other Telecom Service Provider in their area of operation:

The sharing of infrastructure by the licensee is permitted as below:

(i) Sharing of “passive” infrastructure viz., building, tower, dark fiber etc. is permitted.

(ii) Provision of point to point bandwidth from their own infrastructure within their Service Area to other licensed telecom service providers for their own use (resale not to be permitted) is also permitted.

35. Direct interconnectivity between licensed CMSPs and any other Telecom Service provider (including another CMSP) in the same Service Area:

Direct interconnectivity between licensed CMSPs and any other Telecom service provider (including another CMSP) in the same Service Area is permitted for the purpose of only terminating traffic of each other; intimation shall have to be given to the LICENSOR within 15 Calendar days of establishing such direct interconnectivity. Such interconnection shall be as per mutual agreement between the service providers. The interconnection shall have to be withdrawn in case of termination of the respective licensed networks of another CMSP or other Telecom service providers within one hour or within such time as directed by the LICENSOR in writing, after receiving intimation from the LICENSOR in this regard.

36. Coverage Criteria:

36.1 The LICENSEE shall endeavour to cover the entire Service Area at an early date and notify on quarterly basis the areas not covered by the licensee’s System. In Metros, 90% of the

service area shall be covered within one year of the effective date. In Telecom Circles, atleast 10% of the District Headquarters (DHQs) will be covered in the first year and 50% of the District Headquarters will be covered within three years of effective date of Licence. The licensee shall also be permitted to cover any other town in a District in lieu of the District Headquarters. Coverage of a DHQ/town would mean that at least 90% of the area bounded by the Municipal limits should get the required street as well as in-building coverage. The District Headquarters shall be taken as on the effective date of Licence. The choice of District Headquarters/towns to be covered and further expansion beyond 50% District Headquarters/towns shall lie with the Licensee depending on their business decision. There is no requirement of mandatory coverage of rural areas.

37. Liquidated damages:

37.1 The time period of delivery of the Service stipulated in this Licence shall be deemed as the essence of the contract and the service must be brought into commission not later than such specified time period. No extension in delivery date will be granted. If the Service is brought into commission after the expiry of the due date of commissioning, without prior written concurrence of the licensor and is accepted, such commissioning will entail recovery of Liquidated Damages (LD) under this Condition. Provided further that if the commissioning of service is effected within 15 calendar days of the expiry of the due commissioning date then the Licensor shall accept the services without levy of LD charges.

37.2 In case the Licensee fails to bring the Service or any part thereof into commission (i.e., fails to deliver the service or to meet the required coverage criteria) within the period prescribed for the commissioning, the Licensor shall be entitled to recover Rs. 5 Lakh (Rupees: Five Lakhs) for each week of the delay or part thereof, subject to maximum Rs. 100 Lakhs (Rupees: One Hundred Lakhs). For delay of more than 20 weeks the Licence shall be terminated under the terms and conditions of the Licence agreement. The week shall mean 7 Calendar days from (from midnight) Monday to Sunday; both days inclusive and any extra day shall be counted as full week for the purposes of recovery of liquidated damages.

38. Inspection and Testing of Installations.

38.1 The Licensor will also carry out all performance tests required for checking Quality of Service, if it so desires. The LICENSEE shall supply all necessary literature, drawings etc. regarding the equipment installed and shall also supply all the tools, test instruments and other accessories to the testing party of the LICENSOR for conducting the tests. The list of performance tests will be furnished by the LICENSEE one month prior to the date of commissioning to the Licensor. In case the Licensor chooses to conduct performance test and some deficiency is found therein by the licensor, the delay caused for rectification of the deficiencies, if any, will be entirely on account of the Licensee.

38.2 The Acceptance Testing for each and every interface with the BSNL/ MTNL/ or Other Service provider may be carried out by mutual arrangements between the licensee and the other party involved. The Acceptance Testing schedule shall be mutually agreed.

39. Roaming:

39.1 The Licensee may enter into agreement with other licensed Cellular Mobile Telephone Service Providers or providers of any other type of Mobile services, such as, Global Mobile Personal Communication by Satellite (GMPCS) service etc., for providing national and international automatic roaming facility to subscribers in each other's networks through dual-mode user terminals, if required, **on** following technical and commercial conditions:

- (i) Roaming will be provided by using signalling transfer capability of the BSNL's/MTNL's /other licensed Telecom Service Provider's exchanges and SCCP functionality of VSNL's International Gateway(s).
- (ii) The Licensee shall abide order/regulation or direction issued by Government of India with respect to International Roaming.

Part-VI SECURITY CONDITIONS

40. Right to inspect.

40.1 The LICENSOR or its authorised representative shall have right to inspect the sites used for extending the Service and in particular but not limited to, have the right to have access to leased lines, junctions, terminating interfaces, hardware/software, memories of semiconductor, magnetic and optical varieties, wired or wireless options, distribution frames, and conduct the performance test including to enter into dialogue with the system through Input/output devices or terminals. The LICENSEE will provide the necessary facilities for continuous monitoring of the system, as required by the LICENSOR or its authorised representative(s). The Inspection will ordinarily be carried out after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

40.2 Wherever considered appropriate LICENSOR may conduct any inquiry either suo- moto or on complaint to determine whether there has been any breach in compliance of terms & conditions of the LICENCE by the LICENSEE and upon such inquiry the LICENSEE shall extend all reasonable facilities without any hinderance.

41. Location of Switches:

41.1 The LICENSEE shall provide to the LICENSOR location details of switching centres, transmission centres, including routing details etc., and location of these centres shall not be changed without prior approval of the LICENSOR.

42. Confidentiality of information:

42.1 The licensee shall not employ bulk encryption equipment in its network. Any encryption equipment connected to the LICENSEE's network for specific requirements has to have prior evaluation and approval of the LICENSOR or officer specially designated for the purpose.

42.2 Subject to conditions contained in these terms and conditions, the LICENSEE shall take all necessary steps to safeguard the privacy and confidentiality of any information about a third party and its business to whom it provides the SERVICE and from whom it has acquired such information by virtue of the SERVICE provided and shall use its best endeavors to secure that :

- a) No person acting on behalf of the LICENSEE or the LICENSEE divulges or uses any such information except as may be necessary in the course of providing such SERVICE to the Third Party; and

- b) No such person seeks such information other than is necessary for the purpose of providing SERVICE to the Third Party.

Provided the above para shall not apply where:

- a) The information relates to a specific party and that party has consented in writing to such information being divulged or used, and such information is divulged or used in accordance with the terms of that consent; or
- b) The information is already open to the public and otherwise known.

42.3 The LICENSEE shall take necessary steps to ensure that the LICENSEE and any person(s) acting on its behalf observe confidentiality of customer information.

42.4 The LICENSEE shall, prior to commencement of SERVICE, confirm in writing to the LICENSOR that the LICENSEE has taken all necessary steps to ensure that it and its employees shall observe confidentiality of customer information.

43. Prohibition of certain Activities by the Licensee.

43.1 The LICENSEE shall not engage on the strength of this LICENCE in the provision of any other Service other than the SERVICE as defined in this Licence Agreement.

43.2 To remove any doubt, it is, hereby, clarified that nothing contained in condition in Para above shall preclude the LICENSEE from engaging in advertising and promotional activities relating to any of the Applicable Systems.

43.3 The LICENSEE shall take necessary measures to prevent objectionable, obscene, unauthorised or any other content, messages or communications infringing copyright, intellectual property etc., in any form, from being carried on his network, consistent with the established laws of the country. Once specific instances of such infringement are reported to the LICENSEE by the enforcement agencies, the LICENSEE shall ensure that the carriage of such material on his network is prevented immediately.

43.4 The LICENSEE is obliged to provide, without any delay, tracing facility to trace nuisance obnoxious or malicious calls, messages or communications transported through his equipment and network. Any damages arising out of default on the part of LICENSEE in this regard shall be borne by the LICENSEE.

43.5 In case any confidential information is divulged to the LICENSEE for proper implementation of the Agreement, it shall be binding on the LICENSEE and its employees and servants to maintain its secrecy and confidentiality.

44. Security Conditions:

44.1 The LICENSEE shall provide necessary facilities depending upon the specific situation at the relevant time to the Government to counteract espionage, subversive act, sabotage or any other unlawful activity.

44.2 The LICENSEE shall make available on demand to the person authorized by the LICENSOR, full access to the switching centers, transmission centers, routes etc. for technical scrutiny and for inspection, which can be visual inspection or an operational inspection.

44.3 All foreign personnel likely to be deployed by the LICENSEE for installation, operation and maintenance of the LICENSEE's network shall be security cleared by the Government of India prior to their deployment. The security clearance will be obtained from the Ministry of Home Affairs, Government of India, who will follow standard drill in the matter.

44.4 The LICENSEE shall ensure protection of privacy of communication and ensure that unauthorized interception of messages does not take place.

44.5 LICENSOR reserves the right to modify these conditions or incorporate new conditions considered necessary in the interest of national security and public interest.

44.6 LICENSEE will ensure that the Telecommunication installation carried out by it should not become a safety hazard and is not in contravention of any statute, rule or regulation and public policy.

44.7 The precise delineation of geographical borders taken by the licensee for the purpose of defining service area across International borders, if any, shall have prior approval of the Government of India. The terrestrial boundaries of India shall be as depicted in the maps issued by Survey of India.

44.8 The LICENSEE shall create a buffer zone of 10 KM width along the Indian international border, if any, where no service would be permitted. Width of this buffer zone along the borders within the Indian Territory shall be as decided by the Govt. of India from time to time. As and when there is any change in the structure of defined buffer zone created by the Licensee, for whatsoever reason, it should be reported to the Licensor immediately. The Government and its authorised representative may carry out physical verification of the accuracy of buffer zone so created.

44.9 The designated person of the Central/State Government as conveyed to the Licensor from time to time in addition to the Licensor or its nominee shall have the right to monitor the telecommunication traffic in every MSC or any other technically feasible point in the network set up by the licensee. The Licensee should make arrangement for monitoring simultaneous calls by Government security agencies. The hardware at licensee's end and software required for monitoring of calls shall be engineered, provided/installed and maintained by the Licensee at licensee's cost. However, the respective Government instrumentality shall bear the cost of user end hardware and leased line circuits from the MSC to the monitoring centres to be located as per their choice in their premises or in the premises of the licensee. In case the security agencies intend to locate the equipment at licensee's premises for facilitating monitoring, the licensee should extend all support in this regard including Space and Entry of the authorised security personnel. The Interface requirements as well as features and facilities as defined by the Licensor should be implemented by the licensee for both data and speech. The Licensee should

ensure suitable redundancy in the complete chain of Monitoring equipment for trouble free operations of monitoring of at least 210 simultaneous calls.”

Along with the monitored call following records should be made available:

- (i) Called/calling party mobile/PSTN numbers.
- (ii) Time/date and duration of interception.
- (iii) Location of target subscribers. For the present, Cell ID should be provided for location of the target subscriber. However, Licensor may issue directions from time to time on the precision of location, based on technological developments and integration of Global Positioning System (GPS) with Cellular Network, which shall be binding on the licensee.
- (iv) PSTN/PLMN numbers if any call-forwarding feature has been invoked by target subscriber.
- (v) Data records for even failed call attempts.
- (vi) CDR (Call Data Record) of Roaming Subscriber.

The licensee shall be required to provide the call data records of all the specified calls handled by the system at specified periodicity, as and when required by the security agencies..

44.10 The Government through appropriate notification may debar usage of mobile terminals in certain areas in the country. The licensee shall deny service in areas specified by designated authority immediately and in any case within six hours on request. The licensee shall also provide the facility to carry out surveillance of Mobile Terminal activity within a specified area.

44.11 The LICENSEE shall not employ bulk encryption equipment in its network. Any encryption equipment connected to the Licensee’s network for specific requirements has to have prior evaluation and approval of the LICENSOR or officer specially designated for the purpose. Standard GSM encryption techniques will however, be allowed. The LICENSEE shall be responsible for ensuring privacy of communication on its network and also to ensure that unauthorised interception of message does not take place.

44.12 LICENSOR shall have the right to take over the SERVICE, equipment and networks of the LICENSEE (either in part or in whole of the service area) in case any directions are issued in the public interest by the Government of India in the event of a national emergency / war or low intensity conflict or any other eventuality. Any specific orders or directions from the Government of India issued under such conditions shall be applicable to the LICENSEE and shall be strictly complied with.

44.13 The complete list of subscribers shall be made available by the licensees on their website (having password controlled access), so that authorised Intelligence Agencies are able to obtain the subscriber list at any time, as per their convenience with the help of the password. The list should be updated on regular basis. Hard copy as and when required by security agencies shall also be furnished. The licensee shall ensure adequate verification of each and every customer before enrolling him as a subscriber; instructions issued by the licensor in this regard from time to time shall be scrupulously followed. The SIM Card used in the User terminal shall be

registered against each subscriber for his bonafide use. The licensee shall make it clear to the subscriber that the SIM card used in the user terminal registered against him is non-transferable and that he alone will be responsible for proper and bonafide personal use of the service.

44.14 A format would be prescribed by the LICENSOR to delineate the details of information required before enrolling a customer as a subscriber. A photo identification of subscribers shall be pre-requisite before providing the service.

44.15 The Licensor or its representative(s) will have an access to the Database relating to the subscribers of the Licensee. The Licensee shall also update the list of his subscribers and make available the same to the Licensor at such intervals as may be prescribed. The Licensee shall make available, at any prescribed instant, to the Licensor or its authorised representative details of the subscribers using the service.

44.16 The Licensee shall maintain all commercial records with regard to the communications exchanged on the network. Such records shall be archived for at least one year for scrutiny by the Licensor for security reasons and may be destroyed thereafter unless directed otherwise by the licensor.

45. Application of Indian Telegraph Act.

45.1 The LICENSEE shall adopt all means and facilitate in every manner the application of the Indian Telegraph Act, 1885 and Indian Wireless Telegraphy Act, 1933 as modified or replaced from time to time. The Service shall be provided in accordance with the provisions of Indian Telegraph Rules as modified and amended from time to time.

45.2 As per the provision of Section 5 of Indian Telegraph Act, the licensee will provide necessary facilities to the designated authorities of Central/State Government as conveyed by the Licensor from time to time for interception of the messages passing through its network.

Section 5 (2) of the Indian Telegraph Act 1885 reads as under:

“On the occurrence of any public emergency or in the interest of public safety, the Central Government or a State Government or any officer specially authorised in their behalf by the Central Government or a State Government may, if satisfied that it is necessary or expedient to do so in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign states or public order or for preventing incitement to the commission of an offense for class or messages to or from any person or class of persons or relating to any particular subject, brought for transmission by or transmitted or received by any telegraph, shall not be transmitted or shall be intercepted or detained or shall be disclosed to the Government making the order or an officer thereof mentioned on the order:

Provided that press messages intended to be published in India of correspondents accredited to the Central Government or a State Government shall not be intercepted or detained, unless their transmission has been prohibited under this subsection.”

PART-VII WPC WING'S LICENSE

46. WPC WING'S LICENCE

46.1 A separate specific authorisation shall be required from the WPC wing of the Department of Telecommunications, Ministry of Communications which will permit utilization of appropriate frequencies / band for the establishment and possession and operation of Wireless element of the Telecom Service under specified terms and conditions including payment for said authorisation . Such grant of authorisation will be governed by normal rules, procedures and guidelines and will be subject to completion of necessary the prescribed formalities.

46.2 For this purpose, a separate application shall be made to the “Wireless Advisor to the Government of India, WPC Wing, Department of Telecommunications, Ministry of Communications, Dak Bhavan, Sansad Marg, New Delhi-110 001” in a prescribed application form available from WPC Wing.

46.3 Site clearance in respect of fixed stations and its antenna mast shall be obtained from the WPC Wing for which the applicant shall separately apply to the Secretary, Standing Advisory Committee on Frequency Allocations (SACFA) WPC Wing in a prescribed application form, to the following address:

The Secretary (SACFA), WPC Wing,
Ministry of Communications,
Dak Bhavan, Sansad Marg,
New Delhi-110 001.

EXPLANATION: SACFA is the apex body in the Ministry of Communications for considering matters regarding coordination for frequency allocations and other related issues / matters. (Siting clearance refers to the agreement of major wireless users for location of proposed fixed antenna from the point of view of compatibility with other radio systems and aviation hazard. It requires inter departmental coordination and is an involved process). Normally the siting clearance procedure may take two to six months depending on the nature of the installations and the height of the antenna /masts.

46.4 For establishing various point to point radio links the frequency bands earmarked for various agencies has been indicated in the National Frequency Allocation Plan (hereinafter called NFAP) –2000. Mere indication of the band does not guarantee availability of the frequency spectrum which has to be coordinated on case to case basis.

46.5 The LICENSEE shall not cause or allow to cause harmful interference to other authorized users of radio spectrum. For elimination of harmful interference, LICENSEE shall abide by all instructions and orders issued by the Government.

Definition of Terms and expressions

Unless the context otherwise requires, the different terms and expression used shall have the meaning assigned to them in the following paragraphs:

1. **APPLICABLE SYSTEMS:** The "applicable system" means all the necessary equipment/ sub-systems engineered to provide CELLULAR MOBILE TELEPHONE SERVICE in accordance with operational/technical and quality requirements and other terms and conditions of the Licence agreement.
2. **Auditor** means the Licensee's auditor for the time being appointed for the purpose and in accordance with the provisions of the Companies Act, 1956.
3. **Base Station** means a fixed radio transmitter/receiver station which provides a link between the mobile telephone station and Mobile Switching Centre (MSC).
4. **Base Station Controller or BSC** means a network element to control a set of base stations and connected to such Base Stations through certain transmission media.
5. **BSNL** means Bharat Sanchar Nigam Limited and/ or its successors.
6. **Cell** means a geographical area served by Station for Wireless Telegraphy which is dedicated to transmitting or receiving Messages which have been or are to be conveyed by Telecommunication systems designed or adapted to, and capable of being used while in motion situated for the time being in that area.
7. **Cellular Mobile Telephone Service (CMTS)** means telecommunication service provided by means of a telecommunication system for the conveyance of messages through the agency of wireless telegraphy where every Message that is conveyed thereby has been, or is to be, conveyed by means of a telecommunication system which is designed or adapted to be capable of being used while in motion. The Cellular Mobile Telephone Service refers to transmission of voice or non-voice messages over LICENSEE's Network in real time only. SERVICE does not cover broadcasting of any messages voice or non-voice, however, Cell Broadcast is permitted only to the subscribers of the service. The subscriber (all types, pre-paid as well as post-paid) has to be registered and authenticated at the network point of registration and approved numbering plan shall be applicable.
8. **Cellular Mobile Telephone Service Provider (CMSP)** means a licensee authorised to provide Cellular Mobile Telephone Service under a Licence, to provide the service in a specified service area.
9. **Cellular Telecommunication System** means a telecommunication system in which:
 - (i) the area in which services are provided is divided into a number of Cells;

- (ii) stations for Wireless Telegraphy comprised in the system are automatically controlled by a central processor;
- (iii) the radio frequencies used to connect the Stations for Wireless Telegraphy comprised in the system to telecommunication systems which are designed or adapted to be capable of being use while in motion are assigned automatically;
- (iv) conveyance of message which is in progress as the telecommunication system designed or adapted to be capable of being used while in motion transmitting or receiving the Messages which are being conveyed moves from Cell to Cell is Handed-off automatically; and
- (v) the strength of the emissions of the Stations for Wireless Telegraphy is automatically controlled so as to secure as far as is technically possible that each Station for Wireless Telegraphy can effectively provide services only in the Cell in which it is located;

10. **Connectable System** means a telecommunication system which is authorised to be run under a Licence to provide public telecommunications service and is authorised to be connected to the Applicable system.

11. **DIRECT EXCHANGE LINE (DEL):** A telephone connection between the subscriber's terminal equipment and the terminal exchange.

12. **DOT** means Department of Telecommunications, Government of India who is also the **Licensor**. DoT & Licensor, wherever used in the Licence agreement are inter-changeable.

13. **EFFECTIVE DATE:** The effective date is the date which is so specified in this license agreement.

14. **Emergency** means an emergency of any kind, including any circumstances whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials.

15. **Emergency Services** in respect of any locality means the relevant public, police, fire, ambulance and coast guard services for that locality.

16. **ENGINEERING:** The technical application of the dimensioning rules and results thereof in order to provide network resources to meet specified Grade of Service (GOS).

17. **LENDER:** means the parties referred to in the Schedule of the Tripartite Agreement and includes any Syndicate member or participant lender in any syndicate/participation financing.

18. **LICENCE:** Licence means a Licence granted or having effect as if granted under section 4 of the Indian Telegraph Act 1885 and Indian Wireless Act 1933.

19. **LICENSEE:** A registered Indian Company that has been awarded Licence to provide the service, within the geographical boundaries of the specified Service Area.
20. **Message** means anything falling within sub-section (3) of section 3 of the Indian Telegraph Act 1885.
21. **“Mobile Station”** means a station in the mobile service intended to be used while in motion or during halts at unspecified points. Mobile station or mobile handset or user terminal wherever used in the Licence agreement, are inter-changeable.
22. **“Mobile Switching Centre, also known as MSC”** means the switching equipment installed as a part of the network which performs all switching functions of calls for providing various services under the scope of this Licence. All the commercial information and data bases reside in the MSC.
23. **MTNL** means Mahanagar Telephone Nigam Limited.
24. **“Operator”** means any person who is Licensed to run a Relevant Connectable System;
25. **OR/QR Specifications** means technical and quality requirements contained in the OR/QR Specifications of Telecom Engineering Centre, Department of Telecommunications unless otherwise specified.
26. **Public Switched Telephone Network (PSTN)** means a fixed specified switched public telephone network. A two-way switched telecommunications service to the general public.
27. **Public Land Mobile Network (PLMN)** means land based mobile network e.g. Cellular Mobile Telephone Service being operated within the country under Licence from Telecom Authority on non-exclusive basis.
28. **QUALITY OF SERVICE:** "Quality of Service" is evaluated on the basis of observable measure on the grade of service, Calls lost due to wrong processing, the bit error rate or the response time and also includes acceptable grade of number of faults per unit population of the subscriber served, the mean time to restore (MTTR), faults carried over beyond the MTTR and the satisfactory disposal thereof.
29. **SIM CARD:** Subscriber Identity Module (SIM) Card, which is fitted into a mobile station, after which the mobile station can be activated to make or receive telephone calls.
30. **Subscriber:** Subscriber means any person or legal entity, which avails of the Cellular Mobile Telecom Service from the Licensee.
31. **TELECOM AUTHORITY:** The Director General, Telecommunications, Government of India and includes any officer empowered by him to perform all or any of the functions of the Telegraph Authority under the Indian Telegraph Act, 1885 or such authority as may be established by law.

32. **Telephone** means an item of telecommunication apparatus capable when connected to the Applicable System, of transmitting and receiving uninterrupted simultaneous two way speech conveyed, or to be conveyed, as the case may be, by means of that System.
33. **TARIFF:** Tariff means rates and related conditions at which telecommunication services within India and outside India may be provided including rates and related conditions at which messages shall be transmitted to any country outside India, deposits, installation fees, rentals, free calls, usage charges and any other related fees or service charge. The term tariff will have the same meaning as may be defined in the Telecommunication Tariff Orders to be issued by the TRAI from time to time.
34. **TRAI** means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.
35. **User Terminal (UT) or Mobile Terminal (MT), also known as Hand Set or Mobile Station:** means the equipment used by the subscribers to avail the Cellular Mobile Telephone service provided by the licensee.
36. **VSNL** means Videsh Sanchar Nigam Ltd.
37. **WPC** means Wireless Planning and Co-ordination Wing of the Ministry of Communications, Department of Telecommunications, Government of India.

ANNEXURE-II

(Performa for Affidavit regarding details of calculation of “Revenue” and “Licence Fee”)

AFFIDAVIT

I, aged about years son of Shri, resident of, do solemnly affirm and state as under:

2. That I amof (Name of the Company), licensee of Service inService Area and I am duly authorised by the resolutions dated passed by Board of Directors of the Company to furnish affidavit on behalf of(Name of the Company).
3. That in compliance of **Condition** No.. Of Schedule.....Part and **Annexure**.....of the License Agreement No. signed between the Company and the Department Of Telecommunications, for payment of license fee, a payment of Rs. (Rupees is being made for the period to The details of calculation of ‘revenue’ and license fee is as per **Annexure** (attached).
4. That the contents in para 2 & 3 and Statement made in **Annexure** ___ are true and correct to the best of my knowledge, based on the records of the company.

Deponent.

VERIFICATION:

Verified at _____ on _____ that the contents of paragraphs 1 to 3 of this Affidavit and attached ‘Statement of Revenue and License Fee’ as Annexure are true and correct to the best of my knowledge, no part of it is false and nothing has been concealed therefrom.

Deponent.

APPENDIX –I TO ANNEXURE-II

Format Of Auditor’s Report On Statement Of Revenue And License Fee

To
The Board of Directors
.....
.....

We have examined the attached Statement of Revenue and License Fee of(the name of the operators) for the quarter(s) ending _____ . We have also examined the reconciliation of the cumulative figures for the quarter(s) ending _____ appearing in the Statement of Revenue and License Fee of the company with the figures appearing in the profit and loss account of the company for the year ended _____ which was audited by us. We understand that the aforesaid statement(s) (and the reconciliation) is /are to be furnished to the Central Government for assessment of the license fee payable by the company to the Government, in terms of the license agreement No..... signed between the company and the Department of Telecommunications.

We report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our view, the company has an adequate internal control system in relation to revenues which is commensurate with its size and the nature of its business. The system, in our opinion, provides reasonable assurance that there is no unrecorded revenue and that all revenue is recorded in the proper amount and in the proper period.
3. No amounts payable in respect of sales tax, service tax or PSTN/toll/roaming charges were outstanding at the last day of the quarter(s) for a period of more than two months from the date they became payable, except for the following:.....
4. In our opinion and to the best of our knowledge and belief and according to the explanations given to us, the Statement has been prepared in accordance with the norms/guidelines contained in the said license agreement in this behalf and gives a true and fair view of the revenue and license fee payable for the period computed on the basis of the aforesaid guidelines except for the following:

* Strike off wherever not applicable.

(SIGNATURE)

APPENDIX-II TO ANNEXURE-II

Format of Statement of Revenue and License Fee
_____ (Name and address of operator)
Cellular Mobile Telephone Service in _____ (Service Area)
Statement of Revenue and License Fee for the Quarter
of the financial year.....

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS OF THE PREVIOUS QUARTER	FIGURES FOR THE CURRENT QUARTER	CUMULATIVE FIGURES UP TO THE PREVIOUS QUARTER
1.	Revenue from Services:			
A.	Post paid options:			
i.	Rentals			
ii	Activation Charges			
iii.	Airtime Revenue			
iv.	Pass through charges			
v.	Service Tax			
vi.	Roaming charges			
vii	Service charges			
viii.	Charges on account of any other value added services. Supplementary Services etc.			
ix.	Any other income/ miscellaneous receipt from post paid options.			
B.	Pre-paid options:			
i.	Sale of pre-paid simcards including full value of all components charged therein.			
ii.	Any other income/ miscellaneous receipt from pre-paid options.			
C.	Revenue from Mobile			
i.	Community phone service including full value of all components charged therein.			
ii.	Any other income/ miscellaneous receipt from Mobile Community phone			

	service.			
2.	Income from Trading activity: (all inclusive of sales tax)			
i.	Sale of handsets			
ii.	Sale of accessories, including simcards etc.			
iii.	Any other income/miscellaneous receipt from trading activity.			
3.	Revenue from roaming.			
i.	Roaming facility revenue from own subscribers.			
ii.	Roaming revenue from own subscriber visiting other networks including STD/ISD/pass thru charges for transmission of incoming call during roaming.			
iii.	Roaming Commission earned.			
iv.	Roaming revenue on account of visiting subscribers from other networks.			
v.	Service Tax if not included above.			
vi.	Any other income/miscellaneous receipt from roaming.			
4.	Income from investments.			
i.	Interest income			
ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			
5.	Non-refundable deposits from subscribers.			
6.	Revenue from franchisees / resellers, excluding			

	revenues already included in 1A&1B			
7.	Revenue from sharing/leasing of infrastructure			
8.	Revenue from other operators from sale of bandwidth			
9.	Revenue from other operators on account of pass thru call charges.			
10	Revenue from other operators on account of provisioning of interconnection.			
11.	Miscellaneous revenue.			
AA	GROSS REVENUE OF THE LICENSEE COMPANY: (Add 1-11)			
B	DEDUCT:			
1.	PSTN related Call charges passed on to basic, cellular and long distance service provider(s) (operator-wise)			
2.	Roaming revenues actually passed on to other CMSPs And GMPCS service providers. (operator-wise)			
3.	Service Tax paid to the Government.			
4.	Sales Tax paid to the Government.			
BB	TOTAL DEDUCTION (1-4B)			
CC	Adjusted Gross Revenue (AA-BB)			
	REVENUE SHARE @.....OF ADJUSTED GROSS REVENUE:			

NORMS FOR PREPARATION OF ANNUAL FINANCIAL STATEMENTS

- Accounts shall be maintained separately for each telecom service operated by the licensee company.
- Any category of accrued revenue, the amount of which exceeds 5% of the total accrued revenue, shall be shown separately and not combined with any other item/category.
- Accrued Revenue shall indicate:
 - (a) All amounts billable for the period.
 - (b) Any billings for previous years that had been omitted from the previous years' P&L Accounts.
 - (c) Any non-refundable deposits collected from the customers/franchisees to the extent these are credited to P&L Account for the year.
- Subsidiary registers/ledgers shall be maintained for each item given above so as to enable easy verification.
- Service revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately.
- Security or any other Deposits taken from the subscriber shall be shown separately, for each category, and the amount that has fallen due for refund but not yet paid also disclosed under two categories, namely:
 - Up to 45 days
 - More than 45 days.
- Service Tax billed, collected and remitted to the Government shall be shown separately.
- Sales Tax billed, collected and remitted to the Government shall be shown separately.
- Details of Income from sales of goods shall be furnished indicating the income and number of items sold under each category. Method of inventory valuation used shall also be disclosed along with computation of cost of goods sold.
- Sales shall be shown gross and details of discount/rebate allowed and of sales returns shall be shown separately.
- Income from interest and dividend shall be shown separately, without any related expenses being set-off against them on the income side of the P&L Account.
- Increase/decrease of stock shall be shown separately.
- Details of reversal of previous years' debits, if any, shall be shown component-wise, under the miscellaneous head (eg. Bad debts recovered etc.)
- Item-wise details of income that has been set off against corresponding expenditure.
- Roaming Charges shall be shown under the following heads separately;
 - (a) Roaming airtime charges collected for each external network from own (home) subscribers.
 - (b) Roaming airtime charges actually remitted to each external network.
 - (c) Roaming commission retained (Network-wise)
 - (d) Roaming commission paid (Network-wise)
 - (e) Any other variable charges collected and retained/passed on to other operators, with details.
- Total Airtime Units (Metered Units) for home and visiting subscribers and unbilled numbers (e.g. service connections) to be furnished separately.

PROFORMA FOR FINANCIAL BANK GUARANTEE

To

The President of India

In consideration of the President of India (hereinafter called 'the Authority') having agreed to grant a Licence to M/s _____ of _____ (hereinafter called 'the LICENSEE') to establish, maintain and operate Cellular Mobile Telephone Service (CMTS) (hereinafter called 'the SERVICE') in _____ circle (Name of Circle) in accordance with the Letter of Intent/Licence No. _____ dated _____ (hereinafter called 'the Licence') on the terms and conditions contained in the said Licence, which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____) under the said Licence by way of security for payment of the said Licence fee as well as such other fees or charges required to be paid by the LICENSEE under the Licence. We _____ (indicate the name and address and other particulars of the Bank) (hereinafter referred to as 'the Bank') at the request of the LICENSEE hereby irrevocably and unconditionally guarantee to the Authority that the LICENSEE shall pay all the dues, including but not limited to, the Licence fee etc. to the Authority.

2. We, the Bank, hereby undertake to pay the Authority an amount not exceeding Rs.....(Rupees.....only) against any loss or damage caused to or suffered or would be caused to or suffered by the Authority by reason of any failure of the LICENSEE to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the Licence Agreement, pay all the above mentioned fees, dues and charges or any part thereof within the periods stipulated in the Licence.

3. We, the Bank, hereby further undertake to pay as primary obligor and not merely as surety to pay such sum not exceeding Rs. _____ (Rupees _____ Only) to the Authority immediately on demand and without demur stating that the amount claimed is due by way of failure of the LICENSEE to pay any fees or charges or any part thereof in terms of the said Licence.

4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether LICENSEE has failed to pay the said Licence fees or any other fees or charge or any part thereof payable under the said Licence and as to the amount payable to the Authority by the Bank hereunder shall be final and binding on us.

5. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the

(a) Guarantee herein contained shall remain in full force and effect for a period of Two Years from the date hereof and that it shall continue to be enforceable till all the dues of the

Authority and by virtue of the said Licence have been fully paid and its claims satisfied or discharged or till Authority satisfies that the terms and conditions of the said Licence have been fully and properly carried out by the said LICENSEE and accordingly discharged this guarantee.

(b) The Authority shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Licence or to extend time of performance of any obligations by the said LICENSEE from time to time or to postpone for any time or from time to time any of the powers exercisable by the Authority against the said LICENSEE and to forbear or to enforce any of the terms and conditions relating to the said Licence and we shall not be relieved from our liability by reason of any variation or extension being granted to the said LICENSEE or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said LICENSEE or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.

(c) Any claim which we have against the LICENSEE shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the Authority exercise any legal right or remedy of any kind in respect of any such payment or performance so long as the obligations of us hereunder remains owing and outstanding.

(d) This Guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the LICENSEE.

6. We, the BANK, undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

7. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs..... and our Guarantee shall remain in force until....year from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated _____ day _____ for _____
(Name of the Bank)

Witness:

1.....
.....
.....
.....

2.....
.....
.....
.....

PERFORMA FOR PERFORMANCE BANK GUARANTEE

To

The President of India

In consideration of the President of India (hereinafter referred to as 'the Authority') having agreed to grant a Licence to M/s _____ of _____ (hereinafter called 'the LICENSEE') to establish, maintain and operate Cellular Mobile Telephone Service (CMTS Service) (hereinafter called 'the SERVICE') as per Letter of Intent Licence No. _____ dated _____ (hereinafter called 'the said Licence') on the terms and conditions contained in the said Licence, which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____) for the service by way of security for the due observance and performance of the terms and conditions of the said Licence. We _____ (indicate the name and address and other particulars of the Bank) (hereinafter referred to as 'the Bank') at the request of the LICENSEE hereby irrevocably and unconditionally guarantee to the Authority that the LICENSEE shall render all necessary and efficient services which may be required to be rendered by the LICENSEE in connection with and/or for the performance of the said LICENSEE and further guarantees that the service which shall be provided by the LICENSEE under the said Licence, shall be actually performed in accordance with terms & conditions of the LICENSEE to the satisfaction of the Authority.

2. We, the Bank, hereby undertake to pay the Authority an amount not exceeding Rs.....(Rupees.....only) against any loss or damage caused to or suffered or would be caused to or suffered by the Authority by reason of any breach by the said LICENSEE of any of the terms and conditions contained in the said Licence including failure to extend the validity of this guarantee or to give a fresh guarantee in lieu of the existing one.

3. We, the Bank hereby, in pursuance of the terms of the said Licence, absolutely, irrevocably and unconditionally guarantee as primary obligor and not merely as surety the payment of an amount of Rs. _____ (Rupees _____ Only) to the Authority to secure due and faithful performance by the LICENSEE of all his/their obligations under the said Licence.

4. We, the Bank hereby also undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Authority stating that the amount claimed is due by way of loss or damage caused or would be caused to or suffered by the Authority by reason of breach by the said LICENSEE of any of the terms or conditions contained in the said Licence or by reason of the licensee's failure to perform any of it's obligations under the said Licence."

5. We, the Bank, hereby agree that the decision of the Authority as to whether the LICENSEE has failed to or neglected to perform or discharge his duties and obligations as aforesaid and/or whether the service is free from deficiencies and defects and is in accordance with or not of the terms & conditions of the said Licence and as to the amount payable to the Authority by the Bank hereunder shall be final and binding on the Bank.

6. WE, THE BANK, DO HEREBY DECLARE AND AGREE that:

- (a) the Guarantee herein contained shall remain in full force and effect for a period of Three Years from the date hereof and that it shall continue to be enforceable till all the dues of the Authority and by virtue of the said Licence have been fully paid and its claims satisfied or discharged or till Authority satisfies that the terms and conditions of the said Licence have been fully and properly carried out by the said LICENSEE and accordingly discharged this guarantee.
- (b) the Authority shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Licence or to extend time of performance of any obligations by the said LICENSEE from time to time or to postpone for any time or from time to time any of the powers exercisable by the Authority against the said LICENSEE and to forbear or to enforce any of the terms and conditions relating to the said Licence and we shall not be relieved from our liability by reason of any variation or extension being granted to the said LICENSEE or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said LICENSEE or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.
- (c) any claim which we have against the LICENSEE shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the Authority exercise any legal right or remedy of any kind in respect of any such payment or performance so long as the obligations of us hereunder remains owing and outstanding.
- (d) This Guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the LICENSEE.

7. We the BANK undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

8. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs..... and our Guarantee shall remain in force until...year from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated _____ day _____ for _____
(Name of the Bank)

Witness:

- 1.....
-
-
-
-
- 2.....
-
-
-