

(COPY OF THE BASIC SERVICE LICENCE
AGREEMENT AS GRANTED UNDER NTP 1999)

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS

LICENCE AGREEMENT
FOR PROVISION OF
BASIC TELEPHONE SERVICE
IN
----- SERVICE AREA

No: ----- Dated -----2001

TOTAL PAGES ----- (-----)

(Each page duly initialed)

LICENCE AGREEMENT

THIS AGREEMENT is made on the ----- (**Date**) by and between the President of India acting through **Shri ARVIND CHAWLA, Director (BS)**, Department of Telecommunications (DOT), Government of India, Sanchar Bhavan, 20 Ashok Road, New Delhi-110 001 (hereinafter called the LICENSOR which expression shall unless repugnant to the context, include its successors and assigns) of the FIRST PARTY
and

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

WHEREAS by virtue of the provisions of Section 4 of the Indian Telegraph Act 1885, the LICENSOR has privilege to grant LICENCE and the LICENSEE has requested to have LICENCE to establish, install, operate and maintain BASIC TELEPHONE SERVICE on non-exclusive basis in the SERVICE AREA of “----- Telecom Circle”.

AND WHEREAS in pursuance of the said request of the LICENSEE, the LICENSOR has agreed to grant the LICENCE to the LICENSEE to establish, install, operate and maintain BASIC TELEPHONE SERVICE (hereinafter called the “SERVICE”) on non-exclusive basis in the SERVICE AREA of “----- Telecom Circle”.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS :

1. In consideration of the payment of Entry Fee along with other payments mutually agreed including LICENCE Fee and due performance of all the terms and conditions mentioned in SCHEDULE on the part of the LICENSEE, the LICENSOR does, hereby grant, under Section 4 of Indian Telegraph Act 1885, on a non-exclusive basis, this LICENCE to establish, install, operate and maintain the Basic Telephone Service (SERVICE) in the licensed SERVICE AREA (----- Telecom Circle) on the terms and conditions contained in the SCHEDULE appended to this LICENCE AGREEMENT.
2. Subject to Clause (1) herein above, the LICENCE hereby granted will remain valid for a period of 20 years from the EFFECTIVE DATE, unless revoked earlier.
3. The LICENSEE hereby agrees and unequivocally undertakes to fully comply with all terms & conditions stipulated in this LICENCE AGREEMENT and without any deviations or reservations.

4. Unless otherwise mentioned or appearing from context, the Guidelines for provision of Basic Telephone Service including the application and the Letter of Intent for LICENCE to operate Basic Telephone Service, shall form part and parcel of this AGREEMENT and all of them shall be read as a single document. Provided, however, that in case of conflict or inconsistency on any issue relating to this LICENCE AGREEMENT, the terms set out in the main body of this AGREEMENT read with schedules and ANNEXURES hereto shall prevail.
5. The grant of this LICENCE is subject to the outcome/ result of the Petition No.1 of 2001 with M.P.Nos. 1,2,3,4 of 2001 pending before Telecom Disputes Settlement and Appellate Tribunal (TDSAT);
6. EFFECTIVE DATE of the LICENCE is -----**2001** as the date of signing of this LICENCE AGREEMENT.

IN WITNESS WHEREOF the parties hereto have caused this AGREEMENT to be executed through their respective authorized representatives on the -----, **2001**.

Signed for and on behalf of the President of India

Signed on behalf of **M/s**

by Shri **ARVIND CHAWLA**, Director (Basic Services),
Department of Telecom (DOT), Government of India

by **Mr.** -----,
Authorised Signatory and
holder of General Power of
Attorney dated -----
2001, executed in accordance
with the Resolution dated
----- **2001** passed by
the Board of Directors.

IN PRESENCE OF :

1

Signature

Name

Occupation.

Address

Place

2.

Signature

Name

Occupation.

Address

Place

SCHEDULE

TERMS AND 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 paid up equity. The details of the Indian & Foreign promoters with their respective equity holdings in the LICENSEE company as disclosed by the LICENSEE company on the date of signing of the LICENCE AGREEMENT, are as follows:

SI No	NAME OF THE PROMOTER	Percentage of Paid up Equity	Net-worth Rupees

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

1.3 The LICENSEE shall also ensure that:

- (i) Any change 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,' here, will mean 'an equity of 10% or more'.
- (iii) Management control of the LICENSEE company shall at all times remain in Indian hands.

1.4 Change in the name of the LICENSEE company shall be permitted in accordance with the provisions under the Indian Companies Act, 1956.

1.5 The LICENSEE shall have a minimum paid up equity capital of Rupees --- **crores (Rupees ----- crores only)**.

1.6 The promoters of LICENSEE shall have a combined net-worth of Rs --- **crores (Rupees ----- crores only)** and the net-worth of only those promoters shall be counted who have directly in their name at least 10% equity stake in the total equity of the company.

2 SCOPE OF THE LICENCE

2.1 This LICENCE is granted to provide SERVICE as defined in Para 2.2 of this LICENCE AGREEMENT, on a non-exclusive basis in ----- SERVICE AREA and others can also be granted LICENCE for the said SERVICE in the same Service Area.

Provided further that the LICENSOR, of its own or through a DESIGNATED AUTHORITY, shall always have a right to operate the SERVICE anywhere in India.

2.2 (a) The SERVICE covers collection, carriage, transmission and delivery of voice or non-voice MESSAGES over LICENSEE's PSTN in ----- SERVICE AREA and includes provision of all types of services except those which require a separate LICENCE.

2.2 (b)(i) The LICENSEE can also provide Voice Mail, Audiotex services as Value Added Services over its network to the subscribers falling within its SERVICE AREA on non-discriminatory basis. However, an intimation before providing any such VALUE ADDED SERVICE has to be sent to the LICENSOR.

(ii) No separate Entry Fee shall be charged for Voice Mail / Audiotex service to be provided by the LICENSEE. However, the revenue earned by the LICENSEE through this service shall be counted towards the revenue for the purpose of paying LICENCE Fee under the LICENCE AGREEMENT.

2.2. (c)(i) The LICENSEE is allowed to provide mobility to its subscribers with Wireless Access Systems but limited to the local area i.e. Short Distance Charging Area (SDCA) in which the subscriber is registered. While deploying such systems, the LICENSEE has to follow the numbering plan of the respective Short Distance Charging Area (SDCA) within which the service is provided and it should not be possible to authenticate and work with the subscriber terminal equipment in SDCAs other than the one in which it is registered. The system shall also be so engineered to ensure that hand over of subscriber does not take place from one SDCA to another SDCA while communicating.

(ii) Further, the LICENSEE shall ensure that the Radio Transmitters are located and established at a distance of 10 KMs from the international border of India, and such radio transmitters will work in such a fashion that any signal or signals, emanating therefrom,

fade out when nearing or about to cross international border and also become unusable within a reasonable distance across such border.

(iii) Further such system shall be engineered to be connected to Telephone Exchange of Short Distance Charging Area (SDCA) on Access Network protocol based on National Standards for V5.2 as prescribed by Telecom Engineering Centre or an approved improved version with latest technology.

2.2 (d) It is obligatory upon the LICENSEE to provide the above stated services of good standard by establishing a state-of-the-art digital network.

2.3 LICENSEE shall be free to carry intra-circle long distance traffic. However, subject to technical feasibility, the subscriber of the intra-circle long distance calls, shall be given the choice to use the network of another Basic Service Provider in the same service area. The LICENSEE can also make mutual agreements with National Long Distance Operators for carrying intra Circle Long Distance traffic

2.4 It shall be mandatory for the LICENSEE to provide interconnection with National Long Distance (NLD) Service Providers, through suitable mutual arrangements / agreements, whereby the subscribers could have a free choice to make Inter-Circle / International Long Distance Calls through any NLD Service Provider. For international Long Distance Calls, the LICENSEE shall access International Long Distance OPERATOR through National Long Distance Operator only. Similarly, inter-circle leased lines are to be provided by suitable mutual agreements / arrangements with NLD Service Providers.

2.5 Direct interconnectivity among all Telecom Service Providers in the licensed SERVICE AREA is permitted. LICENSEE shall interconnect with Cellular Mobile Telephone SERVICE PROVIDER at the station of Gateway Mobile Switching Centre (GMSC) or Mobile Switching Centre (MSC), unless mutually agreed otherwise, subject to compliance of prevailing regulations, directions or determinations issued by TRAI under TRAI Act, 1997.

2.6 LICENSEE can appoint any franchisee not limited to Cable Service Provider for provision of last mile linkages including suitable rural exchanges to provide service. However, all responsibilities for ensuring compliance of terms & conditions of the LICENCE shall vest with the LICENSEE. The terms of franchise agreement between LICENSEE and his franchisee shall be settled mutually by negotiation between the two parties involved. Resale of the local loop facilities to third party is not permitted.

2.7 The list of Telecom Circles and the areas covered by them for the purposes of the LICENCE to BASIC SERVICE PROVIDERS, is annexed as **ANNEXURE-I**. Re-organisation of Telecom Circles or change of local area, if any, after the grant of the LICENCE will not have any effect on the SERVICE AREA of this LICENCE.

3. DURATION OF LICENCE

3.1 This LICENCE comes into force on -----**.2001** (hereinafter called the EFFECTIVE DATE of the LICENCE) and is on non-exclusive basis, and shall be valid for a period of 20 years unless revoked earlier for reasons as stated in the LICENCE AGREEMENT.

4. EXTENSION OF LICENSE

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

5. FEES PAYABLE

5.1 LICENSEE shall pay one time **Entry Fee of Rs --- crores** (Rupees ----- **crores only** for ----- Service Area), which shall be non-refundable and shall be payable before signing of LICENCE. There is no separate entry Fee payable for allocation and usage of spectrum in a service area for deploying Wireless Access Systems.

5.2 **LICENCE FEE:** In addition to the Entry Fee described above, Annual LICENCE FEE in the form of revenue share @ -----% (----- per cent) of ADJUSTED GROSS REVENUE (AGR) shall be payable. The AGR is defined in definitions.

5.3 An additional revenue share of 2% (Two per cent) of ADJUSTED GROSS REVENUE earned from Wireless Local Loop (WLL) subscribers shall be payable as spectrum charge for allocation of up to 5 plus 5 MHz in 824-844 MHz band paired with 869-889 MHz band for wireless subscriber access system. This will include royalty for spectrum of 5+5 MHz as well as the LICENCE Fee for the base station and SUBSCRIBER terminal (handheld or fixed). The same principle shall be followed for spectrum charges in 1880-1900 MHz band for micro cellular technology based system.

5.4 **Payments for Point to Point Radio links :** Further the Fee /royalty for the use of spectrum and also for possession of wireless telegraphy equipment for point to point radio link, shall be separately payable as per the details and prescription of Planning & Coordination Wing. The Fee / royalty for the use of spectrum / possession of wireless telegraphy equipment for point to point radio link, depends upon various factors such as frequency, hop and link length, area of operation and other related aspects.

6. SCHEDULE OF PAYMENT OF ANNUAL LICENCE FEE AND OTHER DUES

6.1 For the purposes of the LICENCE Fee at 5.2 and 5.3 above, the Ist 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 31st of March for payment of LICENCE Fee.

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

6.2 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 of the actual revenue share of the previous quarter, duly certified with an affidavit by a representative of the LICENSEE authorized by the Board Resolution. However, the LICENSEE shall pay the license Fee for the first quarter of the first year of payment on the basis of the expected revenue from the SERVICE in the first quarter.

6.3. The quarterly payment shall be made together with a statement in the prescribed form given in **ANNEXURE-III**, showing the computation of ADJUSTED GROSS REVENUE and LICENCE FEE payable for the previous quarter. The aforesaid statements of each year shall be required to be audited by the AUDITOR (hereinafter called LICENSEE’S AUDITOR) of the LICENSEE appointed under Section 224 of the Companies’ Act, 1956. The report of the AUDITOR should be in prescribed form given in **ANNEXURE-IV**.

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

6.5 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.

6.6 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.

6.7 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) days of the date of signing of the audit report. The annual financial account and the statement as prescribed in condition No.6.3 shall be prepared following the norms as prescribed in **ANNEXURE – V**.

6.8 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 as per terms of Condition 6.5. However, if such short payment is made good within 60 days from the last day of the financial year, no penalty shall be imposed.

6.9 The Fee/royalty described at 5.4 above shall be payable at such time(s) and in such manner as the WPC Wing of the Department of Telecommunications, Ministry of Communications may prescribe from time to time.

6.10 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.

6.11 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 No.6.3, 6.7, 8.5 and 8.6 of this Schedule hereinbefore and hereinafter written.

7. BANK GUARANTEES

(a) Performance Bank Guarantees for Roll Out obligations:

Three Performance Bank Guarantees (PBGs) in prescribed format (**ANNEXURE-VI**) shall be submitted before signing of LICENCE AGREEMENT on -----**2001** for amounts equivalent to Rs -- **crores**, Rs --- **crores** and Rs ---- **crores** being 20%, 30% and 50% respectively of the stipulated Performance Bank Guarantee of Rs. ---- crores and shall remain valid for a period of 3 years, 5 years and 7 years respectively. These PBGs shall be released in phases after fulfilling the network Roll out obligations by establishing Point of Presence in SDCAs as specified in Condition 9.3 of this LICENCE AGREEMENT.

Each phase shall be taken as an independent obligation unconnected with another. Any shortfall below the percentage of network coverage - Phase II, III & IV will result in encashment & forfeiture of the particular PBG relating to that phase. There will be no carry forward of the unfulfilled network obligation from one phase to another. The decision of the LICENSOR on performance of roll out obligations shall be final and binding.

(b) Financial Bank Guarantees :

7.1 The LICENSEE shall submit a Financial Bank Guarantee (FBG), valid for one year, from any Scheduled Bank in India or from any Indian Public Financial Institution (IPFI) duly authorized to issue such Bank Guarantee, in the prescribed proforma annexed (ANNEXURE-VII). 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. Initially, the FBG, valid for a period of six months, shall be for an amount of Rs. 20 crores (Rupees Twenty Crores), which shall be submitted within one year from the EFFECTIVE DATE of the LICENCE AGREEMENT but prior to the commencement of service. The service shall not be commenced unless the FBG is submitted.

7.2 The Fees, charges and royalties for the use of spectrum and also for possession of Wireless Telegraphy equipment shall be separately securitised by furnishing FBG of an amount equivalent to the estimated sum payable annually in the proforma annexed, to WPC, valid for a period of one year, renewable from time to time till final clearance of all such dues.

7.3 The LICENSEE, on its own, shall extend the validity period of the Financial Bank Guarantee(s) for similar terms at least one month prior to date(s) 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 Financial Bank Guarantee and to convert it 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.

7.4 Without prejudice to its rights of any other remedy, the LICENSOR may encash the Financial Bank Guarantee(s) in case of any breach, in the terms and conditions of the LICENCE by the LICENSEE.

8. PREPARATION OF ACCOUNTS

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

8.2 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 that statement is adequate for the purpose of this condition and thereafter deliver to the LICENSOR a copy of each of the accounting statements along with the said report not later than three months after the end of the 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.

8.3 (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.

(b) The LICENSEE shall invariably preserve all billing and all other accounting records (electronic as well as hard copy) for a period of one year 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.

8.4 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.

8.5 The LICENSOR may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order an 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 such AUDITOR, as fixed by the LICENSOR, shall be borne by the LICENSEE.

8.6 The LICENSOR may also get conducted a 'Special Audit' of the LICENSEE company's accounts/records by "SPECIAL AUDITORS", the payment for which at rates as fixed by the LICENSOR, shall be borne by the LICENSEE company. The SPECIAL AUDITORS shall also be provided the same facility and have the same powers as that of the companies' AUDITORS as envisaged in the Companies Act, 1956.

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

9. DELIVERY OF SERVICE

9.1 LICENSEE shall be solely responsible for installation, networking and operation of necessary equipment and systems for provision of SERVICE, treatment of SUBSCRIBER complaints, issue of bills to its subscribers, collection of its component of revenue, attending to claims and damages arising out of his operations.

9.2 The LICENSEE shall intimate the LICENSOR one month prior to his intention of commencement of service by establishing a POINT OF PRESENCE (POP). However, the exact date of commencement of the service shall be required to be intimated to the LICENSOR within one week from the date of such commencement along with the proof of completion of INTERCONNECTION tests as stipulated in Clause 25 of this AGREEMENT.

9.3 (a) The LICENSEE undertakes to fulfill the following minimum network roll out obligations:

Phase	Time period for completion from EFFECTIVE DATE of LICENCE AGREEMENT	Cumulative % of coverage in terms of Point of Presence to be achieved at SDCA level at the end of each phase	% of performance guarantee that can be released on fulfillment of obligations shown under column 3
1	2	3	4
I	2 Years	15%	--
II	3 Years	40%	20%
III	5 Years	80%	30%
IV	7 Years	100%	50%

9.3 (b) Each phase specified above shall be taken as an independent obligation unconnected with another. Any shortfall below the percentage of network coverage in Phase II, III & IV will result in encashment & forfeiture of the PBG relating to that phase. There will be no carry forward of the unfulfilled network obligation from one phase to another. However, coverage beyond 80% SDCAs in a SERVICE AREA may be done jointly with an other LICENSEE excluding BSNL/MTNL.

Provided always, it will be the obligation of all LICENSEES to ensure coverage of 100% SDCAs and bank guarantees after 4th phase will be released only after ensuring fulfillment of this condition. The decision of the LICENSOR on roll out obligation shall be final and binding. The category-wise names of SHORT DISTANCE CHARGING AREA s (SDCAs) to be covered in each of the 4 phases, as network rollout obligations of the LICENSEE, are given in ANNEXURE- II (as provided by the LICENSEE).

9.3 (c) The roll out obligations specify the list of SDCAs category-wise in terms of (a) rural; (b) semi urban; & (c) urban, and LICENSEE has to fully ensure that each of the

named categories is covered in equal proportion during each phase of the roll out obligations.

Provided always that LICENSOR may modify the list of SDCAs and their category on the basis of reorganization/bifurcations of States/SDCAs/ Districts etc.

9.4 POINT OF PRESENCE (hereinafter called POP) is switching and transmission systems of adequate capacity to be provided by the LICENSEE at SDCA level, so as to provide services of prescribed quality and grade as stipulated in QUALITY OF SERVICE regulation of TRAI, in a non-discriminatory manner.

9.5 LICENSEE shall provide telephone connection to every person on request at any and every place in the licensed Service Area, without any discrimination, unless directed by the LICENSOR in writing. The LICENSEE shall be required to maintain a transparent, open to public inspection, waiting list. LICENSOR shall have right to impose suitable penalty, not limited to a financial penalty, apart from any other punitive actions for breach of this condition. Before commencement of service in an area, the LICENSEE shall notify and publicize the address where any SUBSCRIBER can register demand /request for telephone connection. Any change of this address shall be duly notified by the LICENSEE.

9.6. LICENSEE shall independently provide all emergency and public utility services viz., 100, 101, 102 etc for its subscribers including directory information services with names and addresses of subscribers. It is mandatory that these emergency services should be in place at the time of commencement of SERVICE itself.

10. INFORMATION TO THE LICENSOR AND TRAI

10.1 The LICENSEE shall be obliged to furnish any information to the LICENSOR as called upon from time to time. The LICENSEE shall also submit information to TRAI as per any order, direction and regulation issued from time to time under the provisions of TRAI Act, 1997 or any amended or modified statute.

10.2 The LICENSEE shall, in no case, permit connectivity or similar type of service to any other Telecom SERVICE PROVIDER (including those OTHER SERVICE PROVIDERS who do not require LICENCE under Section 4 of the ITA, 1885) whose LICENCE/ permission is either terminated or suspended or not in operation at a given point of time. Where connectivity already exists, the LICENSEE shall be obliged to disconnect or serve 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. On the question of disconnectivity the decision of the LICENSOR shall be final and binding.

10.3 Wherever considered appropriate LICENSOR may conduct an inquiry either suo-moto or on a complaint to determine whether there has been any breach in compliance of

the terms and conditions of the LICENCE by the LICENSEE, and for facilitating such inquiry the LICENSEE shall extend all reasonable facilities without any hindrance.

11. RESTRICTIONS ON TRANSFER OF LICENCE.

11.1 The LICENSEE 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.

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

12. MODIFICATIONS IN THE TERMS AND CONDITIONS OF LICENCE

12.1 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 telegraphs. The decision of the LICENSOR shall be final and binding.

13. SUSPENSION, REVOCATION OR TERMINATION OF LICENCE

13.1. 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 telegraphs. Revenue share as LICENCE Fee, payable to the LICENSOR, will not be required to be paid for the period for which the operation of LICENCE is suspended in the entire Service Area but claim of refund of any charge or fee shall not be maintainable.

Provided that the LICENSOR shall not be responsible for any damage or loss caused or arising out of the 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 the suspension period will be taken as period already spent.

13.2 Without prejudice to any other remedy available for the breach of any conditions of LICENCE, the LICENSOR may, by a written notice of 60 days issued to LICENSEE at its registered office, terminate this license in whole or parts under any of the following circumstances:

If the LICENSEE :

- (a) fails to commission or deliver any or all of the services within the time period(s) specified in the LICENCE.
- (b) fails to perform any obligation(s) under the LICENCE including timely payments of Fee and other charges due to the LICENSOR;
- (c) does not rectify the failure, within the notice period, as may be pointed out to the LICENSEE by the LICENSOR
- (d) becomes bankrupt/ goes in liquidation or is declared insolvent or is ordered to be wound up.
- (e) is recommended by TRAI for termination of LICENCE for non compliance by the LICENSEE, of the terms and conditions of the LICENCE.

13.3 LICENSEE may surrender the LICENCE, by giving an advance notice, of at least 60 days to the LICENSOR to this effect. The LICENSEE shall also notify all its subscribers of consequential withdrawal of SERVICE by sending a 30 days notice to them. The LICENSEE shall pay all dues 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.

13.4 During the period when a notice for termination or surrender of LICENCE is pending, the QUALITY OF SERVICE to the subscribers as per prescribed standards, shall have to be maintained by the LICENSEE, failing which, it shall be treated as material breach without prejudice to any other remedy available to the LICENSOR.

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

13.6 The LICENSOR reserves the right to take over the entire services, equipments and networks of the LICENSEE or revoke/terminate/suspend the LICENCE in public interest 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. The decision of the LICENSOR shall be final.

14. ACTIONS PURSUANT TO TERMINATION OF LICENCE

14.1 If under the LICENCE AGREEMENT, an event occurs which entitles the LICENSOR to terminate the LICENCE AGREEMENT, the LICENSOR shall proceed in accordance with the terms and conditions provided in the TRIPARTITE AGREEMENT wherever such AGREEMENT is executed and signed. In cases where no Tripartite AGREEMENT is signed, the action will be taken as per the clauses given below.

14.2 On termination or surrender or expiry of the LICENCE, the Bank Guarantees shall be released to the LICENSEE only after ensuring clearance of all dues and fulfillment of roll out obligation, otherwise the Bank Guarantees shall be encashed

without prejudice to any other action(s) for recovery of the amounts due to the LICENSOR.

15. OBLIGATIONS IMPOSED ON THE LICENSEE

15.1 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 the replacement of either or all shall govern this LICENCE.

15.2 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 Telegraphs Act, 1885 or any other law on the subject in force.

16. NETWORK STANDARDS

16.1 The LICENSEE shall ensure adherence to the National FUNDAMENTAL PLAN (describing numbering and routing plan as well as transmission plan) issued by Department of Telecom and technical standards as prescribed by LICENSOR or TRAI, from time to time. In case of providing choice of Long Distance Operator, the equipment shall support the selection facilities such as dynamic selection or pre-selection as per prevailing regulation, direction, order or determination issued by LICENSOR or TRAI on the subject.

16.2 LICENSEE shall use any type of network equipment, including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU)/ Telecommunication Engineering Centre (TEC) standards/ Industry standards.

16.3 In case of new technologies, where no standards have been determined, the LICENSEE will seek the approval of the LICENSOR before deploying them and such technologies which are successfully in use internationally for at least one year continuously for a SUBSCRIBER base of one lakh, shall be preferred for adoption.

16.4 Requisite monitoring facilities /equipment for each type of system used, shall be provided by the LICENSEE at own cost for monitoring as and when required by the LICENSOR.

17. NETWORK INTERCONNECTION

17.1 Direct interconnectivity among all Telecom SERVICE PROVIDERs in a SERVICE AREA is permitted. Interconnect 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). However, if situation so arises,

INTERCONNECTION with R2MF signaling may be permitted by LICENSOR upon mutual agreement of LICENSEES.

17.2 The number of points of INTERCONNECTION (POIs) of Cellular Mobile Service Providers with Basic Service Providers shall be as per mutual agreement subject to compliance of prevailing determination, regulation or direction issued by TRAI under the TRAI Act 1997.

17.3 LICENSEE shall interconnect with National Long Distance (NLD) SERVICE PROVIDERS through suitable arrangements/ Agreements whereby the subscribers could have a free choice to make inter-circle/international long distance calls through any NLD SERVICE PROVIDER. For international long distance call, the LICENSEE shall access International Long Distance Operator through National Long Distance Operator only. Similarly, inter circle leased lines are to be provided by suitable mutual agreements / arrangements with NLD SERVICE PROVIDERS. LICENSEE can enter into mutual agreement/ arrangement with NLD SERVICE PROVIDERS for carriage and delivery of inter-circle traffic for the leg between LDCC and SDCC.

17.4 LICENSEE shall be free to carry intra circle Long Distance traffic. However, subject to technical feasibility, for these intra circle long distance calls, subscriber shall also have the choice to use the network of other Basic Service Providers in the same service area. The LICENSEE can enter into mutual agreement with NLDO for carriage of intra-circle long distance calls.

17.5 The LICENSEE may enter into suitable arrangements with other service providers to negotiate Interconnection Agreements whereby the interconnected networks will provide the following:

- a) To connect, and keep connected, to their applicable 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 meet all reasonable demand for the transmission and reception of messages between the interconnected systems.

17.6 The terms and conditions of Interconnection including standard interfaces, points of Interconnection and technical aspects will be as mutually agreed between the service providers subject to compliance of prevailing regulations, directions and determinations issued by TRAI under TRAI Act 1997.

17.7 The LICENSEE shall, for the purpose of providing the SERVICE, install own equipment so as to be compatible with other service/ access providers' equipment to which the LICENSEE 's applicable systems are intended for interconnection.

17.8 The LICENSEE shall comply with any order, direction, determination or regulation issued by TRAI under TRAI Act, 1997 as amended from time to time.

17.9 The LICENSEE shall operate and maintain the licensed Network conforming to QUALITY OF SERVICE standards to be mutually agreed between the service providers in respect of Network-Network Interface subject to such other directions as LICENSOR or TRAI may give from time to time. Failure on part of LICENSEE or his franchisee to adhere to the QUALITY OF SERVICE stipulations by TRAI and network to network interface standards of TEC, shall adversely affect the LICENCE of the LICENSEE.

17.10 The charges for access or interconnection with other networks shall be based on mutual Agreements between the service providers subject to compliance of any determination, orders, directions, restrictions and regulations issued from time to time by TRAI under TRAI Act, 1997.

17.11 The network resources including the cost of upgrading / modifying interconnecting networks to meet the service requirements of service will be provided by service provider seeking interconnection. However mutually negotiated sharing arrangements for cost of upgrading/modifying interconnecting networks between the service providers shall be permitted.

18. TARIFFS

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

19. CUSTOMER SERVICE

19.1 The LICENSEE shall register demand/request for telephone connection without any discrimination from any applicant, at any place in the licensed Circle/service area and provide the SERVICE, unless otherwise directed by the LICENSOR. The LICENSEE shall not in any manner discriminate between subscribers and provide service on the same commercial principle and shall be required to maintain a transparent, open to inspection, waiting list. LICENSOR shall have right to impose suitable penalty, not limited to a financial penalty, apart from any other actions for breach of this condition. The LICENSEE shall launch the SERVICE on commercial basis only after commencement of registration in the manner prescribed. Before commencement of SERVICE in an area, the LICENSEE shall notify and publicize the address where any subscriber can register demand /request for telephone connection. Any change of this address shall be duly notified by the LICENSEE.

19.2 The LICENSEE shall ensure continuity of services to its customers.

19.3 LICENSEE shall widely publicize provision of service and shall not refuse registration of demand in the licensed service area. In case the provision of telephone connection to an applicant is not feasible for technical or other reasons beyond the control

of LICENSEE, then the LICENSEE shall endeavour to make arrangement for providing connections in such cases within a reasonable time.

19.4 The LICENSEE's contractual obligations towards the CUSTOMER will include terms and conditions under which the SERVICES shall be provided or terminated. The LICENSEE shall notify to CUSTOMERS all the arrangements or everything with respect to billing, repair, fault rectification, compensation or refunds etc. All complaints in this regard will be addressed/ handled as per the guidelines, orders or regulations or directives issued by the LICENSOR.

19.5 The mode of ownership of subscribers' terminal equipment will be at the option of the subscriber.

19.6 Any dispute, with regard to 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, hence, licensee shall keep the Licensor indemnified from all claims, cost, charges or damages in the matter.

20. BILLING

20.1 The LICENSEE shall offer a regular itemised billing service (for long distance calls) to its customers without demanding any extra charge. In every case the LICENSEE shall be responsible to its customers and shall ensure fulfilment of the obligations in this regard. The LICENSEE shall also maintain necessary records for the billing cycles as specified by the LICENSOR or TRAI from time to time.

20.2. LICENSEE will work out suitable regular interconnect billing arrangements with other licensed service providers in the respective Interconnect Agreements with them.

20.3 All complaints of CUSTOMERS in this regard will be addressed / handled as per the guidelines, orders or regulations or directives issued by the LICENSOR or TRAI from time to time.

20.4 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 have any liability or responsibility in the matter towards the aggrieved party and shall be kept indemnified from all costs, charges, claims or damages.

21. CONFIDENTIALITY OF INFORMATION

21.1 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. However, the LICENSEE shall have the responsibility to ensure protection of privacy of communication and to ensure that unauthorised interception of MESSAGE does not take place.

21.2 Subject to conditions contained in these terms & 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 and shall use its best endeavours to secure that :

a) No person acting on behalf of the LICENSEE or any member of the LICENSEE's group (associates) 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.

21.3 The LICENSEE shall take necessary steps to ensure that the LICENSEE and any person(s) acting on its behalf and members of the LICENSEE 's group (associates) and any persons acting on their behalf observe confidentiality of customer information.

21.4 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 are observing confidentiality of customer information.

22. QUALITY OF SERVICE

22.1 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.

22.2 The LICENSOR or TRAI may carry out performance tests and also evaluate the QoS parameters in LICENSEE's network at any time during the tenure of the LICENCE period. The LICENSEE shall provide ingress and other support including instruments, equipment etc. for carrying out such performance tests and evaluation of QUALITY OF SERVICE parameters.

22.3 The LICENSEE shall enforce and ensure QoS, as prescribed by the LICENSOR, from the INFRASTRUCTURE PROVIDER (s) with whom it may enter into agreement / contract for leasing / hiring / buying or any such instrument for provision of infrastructure or provision of bandwidth.

23. SECURITY CONDITIONS

23.1 LICENSEE shall not normally employ bulk encryption equipment in its network. However, if any encryption equipment is used and connected to the LICENSEE's network, then it should have prior evaluation and written approval of the LICENSOR.

23.2 In areas which are sensitive from security point of view, as may be notified from time to time by the LICENSOR, implementation of any installation of the equipment and execution of project shall be taken up only after the LICENSOR's approval.

23.3. The LICENSEE shall provide necessary facilities including any specific facility as may be required depending upon the specific situation at the relevant time to the Government of India to counteract espionage, subversive act, sabotage or any other unlawful activity.

23.4 The LICENSEE shall make available on demand to the agencies 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.

23.5 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 procedure in the matter.

23.6 The LICENSEE shall ensure protection of privacy of communication and ensure that unauthorized interception of MESSAGES do not take place.

23.7 LICENSOR shall have the right to take over the SERVICE, alongwith equipment and network of the LICENSEE or revoke/terminate/suspend the LICENCE either in part or in whole of the SERVICE AREA as per directions if any, issued in the public interest by the Government of India in case of emergency or interest of national security or war or low intensity conflict or any other eventuality. Provided any specific orders or direction from the Government issued under such conditions shall be applicable to the LICENSEE and shall be strictly complied with. Further, the LICENSOR reserves the right to keep any area out of the operation zone of the SERVICE if implications of security so require.

23.8 LICENSOR reserves the right to modify these conditions or incorporate new conditions considered necessary in the interest of national security, or public interest or for proper conduct of telegraphs.

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

23.10 In the interests of security, suitable monitoring equipment as may be prescribed for each type of system used will be provided by the LICENSEE for monitoring as and

when required by LICENSOR. The specific orders or directions from the Government, issued under such conditions, shall be applicable.

23.11 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.

23.12 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 Indian Territory shall be as decided by the Government of India from time to time. As and when there is any change in the structure of defined, for whatsoever reason, buffer zone created by the LICENSEE, it should be reported to the LICENSOR immediately. The Government and its authorized representative may carry out physical verification of the accuracy of buffer zone so created.

23.13 The LICENSEE shall provide a list updated at quarterly intervals, of his subscribers directly to authorized security agencies and also to the LICENSOR. Additions and deletions in this list should be reported on monthly basis. 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 LICENSEE shall make it clear to the SUBSCRIBER that the hand-held SUBSCRIBER terminal registered against him is non-transferable and that he alone will be responsible for proper and bonafide personal use of the SERVICE.

23.14 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 switch and any other point in the network set up by the LICENSEE. The LICENSEE should make arrangement for monitoring simultaneous call by Government security agencies at the location particularly desired by the Central Government / the State Government/ Union Territory. The Hardware/software required for monitoring of calls shall be engineered, provided / installed and maintained by the LICENSEE as also in the premises of security agencies at LICENSEE's cost. However, the respective Government instrumentality shall bear the cost of leased line circuits from the switch to the monitoring centers to be located as per their choice or in the premises of the LICENSEE. In case the security agencies intend to locate the equipment for facilitating monitoring, the LICENSEE should extend all support in this regard including Space and Entry of the authorized 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 numbers.

- (ii) Time/ date and duration of interception.
- (iii) Precise location of target subscribers.
- (iv) SUBSCRIBER numbers if any call-forwarding feature has been invoked by target subscriber
- (v) Date records for even failed call attempts.

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

23.15 The Government through appropriate notification, may debar usage of WLL terminals not limited to hand-held subscriber 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 such terminal activity within a specified area.

23.16 A format would be prescribed by the LICENSOR to delineate the details of information required before enrolling a CUSTOMER as a hand-held WLL subscriber. A photo identification of such subscribers shall be pre-requisite before providing the service.

23.17 The LICENSOR or its representative(s) will have an access to the data base 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 authorized representative, details of the subscribers using the service.

23.18 The LICENSEE shall maintain all commercial records with regard to the communications exchanged on the network till the LICENSOR clears the same for destruction. Such records shall be archived for at least one year for scrutiny by the LICENSOR for security reasons.

24. PROHIBITION OF CERTAIN ACTIVITIES BY THE LICENSEE

24.1 The LICENSEE shall not hereunder engage, on the strength of this LICENCE, in the provision of services other than the SERVICE as defined in this LICENCE AGREEMENT.

24.2 To remove any doubt, it is, hereby, clarified that nothing contained in condition 24.1 above shall preclude the LICENSEE from engaging in advertising and promotional activities relating to any of the applicable systems.

24.3 The LICENSEE shall ensure that objectionable, obscene, unauthorised content, messages or communications infringing copyright, intellectual property etc., in any form, are not 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 authorised

agencies, the LICENSEE shall ensure that the carriage of such material on his network is prevented immediately.

24.4 The LICENSEE is obliged to provide, without any delay, all the tracing facilities to trace nuisance, obnoxious or malicious calls, messages or communications transported through his equipment and network, to authorized officers of Government of India including Police, Customs, Excise, Intelligence Department officers etc. when such information is required for investigations or detection of crimes and in the interest of national security. Any damages arising on account of LICENSEE's failure in this regard shall be payable by the LICENSEE.

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

25. INTERCONNECTION TESTS

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. Adequate time, not less than 30 days, will be given by the LICENSEE for these tests. On successful completion of interconnection tests or on mutual agreement between service providers for rectification of deficiencies / deviations, if any, the LICENSEE can commence the SERVICE. In case of disagreement for rectification of deficiencies / deviations in conducted interconnection tests, prior approval of LICENSOR shall be required.

26. RIGHT TO INSPECT

The LICENSOR or its authorized representative shall have the right to inspect the sites used for extending the SERVICE. The LICENSOR or its authorized representative shall, 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 LICENSOR will ordinarily carry out inspection after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

27. LOCATION OF SWITCHES, TRANSMISSION CENTRE

The LICENSEE shall provide to the LICENSOR location details of switching centres, transmission centres, including routing details etc., and any change in location of these centres shall be intimated to the LICENSOR.

28. REQUIREMENT TO FURNISH INFORMATION

28.1 The LICENSEE shall furnish such documents, accounts, estimates, returns, reports or other information to the LICENSOR as well as to the TRAI in such manner and at such frequency/time frames as either of them may demand, in accordance with the rules/orders as may be specified from time to time.

28.2 ENGINEERING DETAILS:

(a) The LICENSEE shall furnish to the LICENSOR, in such manner and at such times as the LICENSOR may require, complete technical details with all calculations for engineering, planning and dimensioning of the system/ network/ routes, concerned relevant literature, drawings, installation materials regarding the APPLICABLE SYSTEMS for the SERVICE.

(b) List of performance tests conducted shall be furnished by the LICENSEE one month prior to the date of commissioning of SERVICE. The report shall indicate clearly the parameters, if any, not meeting the performance standards and their effect thereof.

(c) LICENSEE shall supply all tools, test instruments and other accessories to the testing party of LICENSOR for conducting tests.

29. DISPUTES SETTLEMENT:

As per provisions of Telecom Regulatory Authority of India Act, 1997, the dispute between LICENSEE and the LICENSOR shall be settled in the Telecom Disputes Settlement and Appellate Tribunal, if such dispute arises out of or connected with the provisions of this AGREEMENT. In the event of any amendment or modification or replacement of TRAI Act, 1997 such modified provisions shall apply for adjudication of the said dispute.

30. FORCE-MAJEURE.

30.1 If at any time, during the continuance of this LICENCE, the performance in whole or in part, by either party, of any obligation under it is prevented or delayed, by reason of war, or hostility, acts of the public enemy, civil commotion, sabotage, fire, flood, natural calamities, 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), or 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. However, the Force Majeure events noted above will not in any way cause

extension in the period of the LICENCE and will also not be a ground for non-payment of LICENCE Fee.

30.2 SET OFF CLAUSE

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 LICENSEE under this LICENCE AGREEMENT or any other AGREEMENT or contract between the LICENSOR and the LICENSEE.

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

30.4 After exercising the right of set off, the LICENSOR shall expressly notify such action to the LICENSEE company immediately in writing.

31. WAY LEAVE

The LICENSEE shall make its own arrangements for Right of Way (ROW). However, the Central Government has issued 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 good reason for non-fulfillment of the Rollout obligations.

32. FREQUENCY AUTHORISATION

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

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

32.3 Siting clearance in respect of fixed stations and its antenna mast shall be obtained from the WPC Wing for which the applicant shall apply to the Secretary, SACFA

(Standing Advisory Committee on Frequency Allocations) in a prescribed application form, at the following address:

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

Note : 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 involves inter departmental coordination and is an involved process). Siting clearance procedure may take two to six months depending on the nature of the installations and the height of the antenna /masts.

32.4 For establishing the 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.

32.5 For wireless operations in SUBSCRIBER access network, the frequencies shall be allocated by WPC from the designated bands prescribed in National Frequency Allocation Plan – 2000 (NFAP 2000) in coordination with various users. However, the frequency in GSM band of 890-915 MHz paired with 935-960 MHz and 1710-1785 MHz paired with 1805-1880 MHz will not be allocated under any circumstances to the LICENSEE. For Wireless Access Systems in local area, not more than 5+5 MHz in 824 - 844 MHz paired with 869 - 889 MHz band shall be allocated to any Basic Service OPERATOR including the existing ones on first come first served basis.. The same principle shall be followed for allocation of frequency in 1880 - 1900 MHz band for Micro cellular architect based system. The detailed procedure for Wireless Access System frequency allocation linked with roll out obligations, is enclosed as **ANNEXURE-IX**.

32.6 The LICENSEE shall not cause harmful interference to other authorized users of radio spectrum. LICENSEE shall abide by any instructions of the Government for elimination of harmful interference to other authorized users.

32.7 The Wireless Planning and Coordination Wing shall have the right to inspect from time to time the installations from technical angles to check conformity with WPC Wing's licence.

32.8 In case of provision of band width by the LICENSEE through the Satellite media, the LICENSEE shall abide by the prevalent Government orders, regulation or direction on the subject like Satellite communication policy, V SAT policy etc.

32.9 For use of space segment and setting up and operationalisation of Earth Station etc., LICENSEE shall directly coordinate with and obtain clearance from Network Operations and Control Centre (NOCC), apart from obtaining SACFA clearance and clearance from other authorities.

33. DIRECTORY PRINTING AND DIRECTORY ENQUIRY : It shall be mandatory for the LICENSEE to provide a computerized Directory Enquiry/ Information/ Assistance service with integrated data base of its own subscribers in the same service area. Printed directories, if required, can be published by the LICENSEE on its own discretion and cost. If any SUBSCRIBER does not wish his name, address and access number etc. to be included in the directory, the SERVICE PROVIDER can do so only after obtaining concurrence of the SUBSCRIBER in writing.

DEFINITIONS AND INTERPRETATIONS

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

1. "ACCESS PROVIDERS" means the Basic, Cellular and Cable Service Providers who have a direct access with the subscribers.
2. "APPLICABLE SYSTEMS" means all the necessary equipment, systems / sub-systems and components of the network engineered to meet relevant ITU standards, ITU-T, ITU-R recommendations, TEC specifications and Industry Standards for provision of SERVICE in accordance with operational, technical and quality requirements and other terms and conditions of the Licence Agreement.
3. "AUDITOR" means the Licensee's Auditor for the time being appointed in accordance with the provisions of the Companies Act, 1956.
4. "BSNL" means Bharat Sanchar Nigam Limited.
5. "COMMISSIONING OF SERVICE" means complete installation of all necessary equipment and offer of service to the subscribers so as to meet the stipulated performance roll out obligations.
6. "CONNECTABLE SYSTEM" means a telecommunication system which is authorized to be run under a licence, which authorizes connection of that system to the Applicable system.
7. "CUSTOMER" includes any subscriber or any person or legal entity, which subscribes to / avails of the service from the licensee.
8. "DESIGNATED AUTHORITY" is the entity who is authorised or empowered by the LICENSOR to issue instructions and to seek adherence to them.

9. "DIRECT EXCHANGE LINE (DEL)" means a telephone connection between the subscriber's terminal equipment and the terminal exchange.

10. "DOT" means Department of Telecommunications, Government of India who is also the LICENSOR.

11. "EFFECTIVE DATE" The date on which this LICENCE AGREEMENT is signed by the parties and if the parties have signed on different dates, the later of two dates.

12. "ENTRY FEE" The prescribed non-refundable amount of fee to be paid before signing of LICENCE AGREEMENT to provide Basic Telephone Service in a Service Area.

13. "FUNDAMENTAL PLAN" include Numbering Plan, Traffic Routing and Switching Plan and Transmission Plan issued by Department of Telecom as amended from time to time.

14. "INFRASTRUCTURE PROVIDER (S)" mean a person or persons providing inactive elements of the telecom network including dark fibers, right of way, duct space, towers etc. as well as those who provide end-to-end bandwidth to other service providers.

15. "INSTALLED CAPACITY" means the total number of lines for which switching equipment is available in the exchange for connection of subscribers.

16. "INTERCONNECTION" is as defined by the TRAI vide its regulations issued in this respect.

17. "INTERNATIONAL SERVICES" mean telecom services originating in the country and terminating outside the country.

18. "INTER-CIRCLE TRAFFIC" means the Long Distance traffic originating in one telecom circle and terminating in another telecom circle.

19. "INTRA-CIRCLE TRAFFIC" means the Long Distance traffic originating and terminating within boundaries of the licensed service area. .

20. "LICENCE FEE" means a fee payable in advance by LICENSEE at prescribed intervals and rates for the period of the LICENCE.

21. "LICENSEE" is the registered Indian Company that has been awarded LICENCE to set up, operate and provide the SERVICE.

22. "LICENSOR'S AUDITOR" means an Auditor appointed for the purpose of auditing who shall have same powers as enjoyed by Auditors appointed under Section 227 of the Companies Act, 1956.

23. "LOCAL AREA" is the geographical area served by an exchange or an exchange system and which is co-terminus with Short Distance Charging Area (SDCA) or where the telegraph authority has declared any area served by an exchange system to be the local area for the purpose of telephone connections. All exchanges within the local area will be treated as multi exchange system.

24. LOCAL CALLS mean calls originating and terminating with in the same local area, which are charged at local call rates and Remote Subscribers' Unit (RSU)/ Remote Line Unit (RLU) and Concentrators having switching functions are to be treated as an exchange for the purposes of this definition.

25. "LONG DISTANCE NETWORK" is a network of transmission and switching elements connected in a predetermined fashion to provide switched bearer interconnection between different SDCAs. Physically the network elements may be co-located or be a part of bigger elements.

26. "LONG DISTANCE CALL" is defined as a call terminating in a local area other than in which it is originated.

27. LONG DISTANCE CHARGING AREA (LDCA) means one of the several areas into which the country is divided and declared as such for the purpose of charging for trunk calls which generally is co-terminus with Secondary Switching Area.

28. LONG DISTANCE CHARGING CENTRE(LDCC): A particular Trunk Exchange in a Long Distance Charging Area declared as such for the purpose of charging long distance calls. Head quarters of SSAs are generally LDCCs.

29. "MESSAGE" means anything covered within sub-section (3) of section 3 of the Indian Telegraph Act 1885.

30. "MTNL" means Mahanagar Telephone Nigam Limited.

31. "NATIONAL LONG DISTANCE (NLD) SERVICE" refers to the carriage of switched bearer telecommunication service over long distance.

32. "NATIONAL LONG DISTANCE SERVICE PROVIDER" (NLDO) is the telecom operator providing the required digital capacity to carry long distance telecommunication service within the scope of LICENCE for National Long Distance Service, which may include various types of tele-services defined by the ITU, such as voice, data, fax, text, video and multi-media etc.

33. "NETWORTH" shall mean the sum total, in Indian rupees, of paid up equity capital and free reserves converted at the prevalent conversion rate indicated by the Reserve Bank of India on the date of the application.

34. "OPERATOR" means any person who is licensed by LICENSOR to run a relevant connectable system.

35. "OTHER SERVICE PROVIDERS" mean the operators who offer services for applications like tele-banking, tele-medicine, tele-education, tele-trading, E-commerce etc. by using infrastructure provided by various access providers. These other service providers (OSPs) do not infringe on the jurisdiction of access providers and do not provide switched telephony.

36. "POINT OF PRESENCE (POP)" means setting up of switching center and transmission center of appropriate capacity by Basic Telephone Service Provider at the SDCA level to provide, on demand, service of prescribed quality and grade of service in a non-discriminatory manner.

37. "QUALITY OF SERVICE" is evaluated on the basis of observable measures 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 subscribers served, the mean time to restore (MTTR), faults carried over beyond the MTTR and the satisfactory disposal thereof.

38. "RADIO TRANSMITTER" means the Radio Transmitter and Receiver at base stations.

39. "ADJUSTED GROSS REVENUE" for the purpose of levying LICENCE Fee as a percentage of revenue shall mean the Gross Revenue as reduced by :

- i) PSTN related call charges (access charges) actually paid to other telecom service providers for carriage of calls;
- ii) service tax for provision of service and sales tax actually paid to the Government, if gross revenue had included the component of service tax.

"GROSS REVENUE"

The Gross Revenue shall include all revenues accruing to the LICENSEE on account of goods supplied, services provided, leasing of infrastructure, use of its resources by others, application Fee, installation charges, call charges, late Fees, sale proceeds of instruments (or any terminal equipment including accessories), hand sets, band width, income from Value Added Services, supplementary services, access or interconnection charges, roaming charges, any lease or rent charges for hiring of infrastructure etc. and any other miscellaneous items including interest, dividend etc. without any set off of related items of expense, etc.

40. "SATCOM" means Satellite Telecom.

41. "SERVICE" covers collection, carriage, transmission and delivery of voice or non-voice messages over LICENSEE's PSTN in licensed service area and includes provision of all types of services except for those requiring a separate licence.

42. “SERVICE AREA” The specified territorial telecom circle bounded by the geographical limits within which the LICENSEE is licensed to operate and offer the SERVICE.

43. “SERVICE PROVIDERS” means Telecom service provider licensed under Section 4 of the Indian Telegraph Act 1885 for provision of service

44. “SHORT DISTANCE CHARGING AREA ” (SDCA) means one of the several areas into which a Long Distance Charging Area is divided and declared as such for the purpose of charging for trunk calls and within which the local call charges and local numbering scheme is applicable. SDCAs, with a few exceptions, coincide with revenue tehsil / taluk.

45. SHORT DISTANCE CHARGING CENTRE (SDCC) means a particular exchange in Short Distance Charging Area declared as such for the purpose of charging trunk calls. Head quarters of SDCAs are generally SDCCs.

46. “SPECIAL AUDITOR” means Auditors listed in the panel of Auditors having same powers as of the company’s AUDITOR as envisaged in the Companies Act, 1956.

47. “SUBSCRIBER” includes any subscriber or any person or legal entity, which subscribes to / avails of the service from the licensee.

48. “TARIFF” means rates, charges payable by a subscriber for service provided and related conditions at which telecommunication services may be provided including rates and related conditions at which messages shall be transmitted, deposits, installation Fees, rentals, free calls, usage charges and any other related Fees or service charge and also the term tariff shall have the same meaning as contained in the Telecommunication TARIFF Orders issued by the TRAI.

49. “TDSAT” means Telecom Disputes Settlement and Appellate Tribunal.

50. “TRAI” means Telecom Regulatory Authority of India.

51. “TEC” means Telecom Engineering Centre.

52. “USO” means Universal Service Obligation as enunciated in NTP-99 and amended from time to time by the LICENSOR after considering the recommendations of TRAI.

53. “USF” means “Universal Service Fund” set up to meet expenditure on USO.

54. “VALUE ADDED SERVICE” Value Added Services are enhanced services which add value to the basic teleservices and bearer services for which separate licences are issued. At present, Government is issuing licences for following Value Added Services:-

- (i) Cellular Mobile Telephone Service (Public Land Mobile Network)
- (ii) Radio Paging Service
- (iii) Public Mobile Trunking Service

- (iv) Electronic Mail
- (v) Voice Mail Service.
- (vi) Closed Users Group Domestic 64 kbps data network via INSAT satellite system.
- (vii) Videotex Service.
- (viii) Video-conferencing
- (ix) GMPCS
- (x) Internet

54. "V-SAT" means Very Small Aperture Terminal.

55. "VSNL" means Videsh Sanchar Nigam Ltd.

56. "WPC" means Wireless Planning & Coordination Wing of the Ministry of Communications.

57. "YEAR" for the purpose of the Licence Fee shall be the financial year ending 31st March and the four quarters shall respectively end on 30th June, 30th September, 31st December and 31st March.