

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS & IT
DEPARTMENT OF TELECOMMUNICATIONS
SANCHAR BHAWAN, 20, ASHOKA ROAD,
NEW DELHI – 110001. INDIA.

LICENCE AGREEMENT

FOR

PROVISION OF

UNIFIED ACCESS SERVICES

IN ORISSA SERVICE AREA

NO. 20-214/2004-DISHNET/BS-III DATED 12/05/2004

TOTAL PAGES 83

LICENCE AGREEMENT

FOR

UNIFIED ACCESS SERVICES (UAS)

This AGREEMENT is made on the **12th day of May (month) 2004(year)** by and between the president of India acting through **GOVIND SINGHAL (name), Director (BS_III), Department Of Telecommunications (DOT)**, Sanchar Bhavan, 20 Ashoka Road , New Delhi – 110001 (Hereinafter called the LICENSOR) of the FIRST PARTY.

AND

M/s DISHNET DSL LIMITED, company registered under the Companies Act 1956, having its registered office at Sterling Tower, 327, Anna salai. Teynampet, Chnnai- 600006 acting through Shri DVS RAJAN, the authorized signatory (hereinafter called the LICENSEE which expression shall unless repugnant to the context, include its successor in business, administrators, liquidators and assigns of legal representatives) of the SECOND PARTY.

WHEREAS by virtue of the provisions of Section 4 of the Indian te;egraph Act, 1885, the LICENSOR enjoys privilege to grant Licence and the LICENSEE has requested to grant Licence for **providing Unified Access Services, the ORISSA Service Area**. Whereupon and in pursuance to the said request, the LICENSOR has agreed to grant this Licence to provide Unified Access Services in ORISSA service area as per terms and comditions described in SCHEDULE appended hereto.

NOW THIS AGREEMENT WITHNESSETH AS FOLLOWS:

1. In consideration of the payment of Licence fee, and due performance of all the terms and conditions mentioned in this Licence agreement of 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 Licence to set up and operate the Unified Access Services in the licensed service area described in SCHEDULE appended hereto.
2. The LICENCE hereby granted will remain valid for 20 (Twenty) years from the effective date unless revoked earlier for any reason whatsoever.
3. The LICENCE hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in this Licence Agreement and without and deviation of reservations of any kind.

4. Effective Date of this LINCENCE shall be 21th April, 2004.

5. Additional Licences in LICENSEE's service area may also be issued from time to time in future without any restriction of number of operators with same entry conditions or different entry conditions.

6. The licence 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 hereton heve caused this Agreement to be executed through their respective authorized representatives on the 12th (day) May (month), 2004 (year).

Signed for and on behalf of
President of India

By

Mr. GOVIND SINGHAL
(Name and Designation)
director, DOT, New Delhi

Signed of 12/05/2004, on
Behalf of

M/s. Dishnet DSL Limited

By

Mr. DVS RAJAN

Asst. General Manager

(Name of Designation)

(authorised signatory and holder
of General Power of Attorney
dated 10th April, 2004, executed
in accordance with the Resolution
No. NIL, dated 10th April, 2004
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
TERNS 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 paid up capital of 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/shareholders with their respective equity holdings in the LICENSEE Company and their respective net-worth as disclosed on the date of signing of the LICENCE AGREEMENT, are as follows:

SL. No.	Nam of Promoters/ shareholders	Indian/ Foreign	Percent of Equity held	Net worth (Crores of Rupees)
1.	M/s Sterling Infotech ltd.	Indian	79.11	220
2.	M/s Siva Limited, Bermuda	Foreign	9.71	-
3.	M/s Westgrove International Holding Limited, Mauritius	Foreign	6.71	-
4.	M/s IQ Investments Limited, Mauritius	Foreign	4.22	-
5.	Individuals	Indian	0.25	-

1.2 Except prior permission in writing by Licensor there shall be no change in the Foreign promoter(s) or their equality participation. Normally there will be no objection in substituting an existing foreign promoter by another foreign promoter of similar standing subject to the total foreign equity being below the prescribed limit.

1.3 The LICENSEE Company may, under intimation to Licensor relace a promoter(s) by another promoter(s) as stipulated below:

- (a) the Indian Promoter(s) or person(s) acquiring the foreign promotr's shareholding and
- (b) transfer of equity between Indian promoters or person(s) including Indian employees of the company.

1.3.1 The merger of Indian companies may be permitted as long as competition is not compromised as defined in condition 1.4 (ii).

Explanation: In case of company listed at a stock exchange(s), shares bought and sold by way of any transaction through the stock listed will not be treated as change of equity for the purpose of this clause subject to total prescribed foreign equity ceiling unless otherwise it leads to the change in management control within the definition of SEBI Act.

1.4 The LICENSEE shall also ensure that:

- (i) Any changes in share holding shall be subject to all applicable statutory permissions.
- (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 that Access Service namely; Basic, Cellular and Unified Access Service. 'Substantial equity' herein will mean 'an equity of 10% or more'. A promoter company/ Legal person cannot have stakes in more than one LICENSEE Company for the same service area.

Note: Clause 1.4(ii) shall not be applicable to Basic and Cellular Licensees existing as on 11.11.2003, and in case one of them migrates to UASL it shall not be necessary to surrender the other Licence. Further, Basic and Cellular Licensees existing as on 11.11.2003, shall not be eligible for a new UASL in the same service area either directly or through its associates. Further, any legal entity having substantial equity in existing Basic / Cellular licensees shall not be eligible for new UASL.

- (iii) Management control of LICENSEE Company shall remain in Indian Hands.

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

1.6 The LICENSEE shall have a minimum paid up equity capital of Rupees 3 crores (Rupees Three crores) only.

1.7 The promoters of LICENSEE shall have a combined net-worth of Rs 480 crores (Rupees Four Hundred Eighty 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. In case of acquiring any other UASL licence, the licensee shall maintain additional net-worth as prescribed for new UASL for that service area also.

2. Scope of the Licence

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

Provided further that the LICENSOR, of its own or through a DESIGNATED OPERATOR, shall always have a right to operate that SERVICE anywhere in India including the service area for which this licence is granted.

Details of various service areas are enclosed as Annexure-VI.

2.2 (a) The SERVICES cover collection, carriage, transmission and delivery of voice and/or non-voice MEESSAGES over LICENSEE's network in the designated SERVICE AREA and includes provision of all types of access serves. In addition to this, except those services listed in para 2.2 (b)(i) licensee cannot provide any service /services which require a separate license. The access service includes but not limited to wireline and / or wireless service including full mobility, limited mobility as defined in clause 2.2 (c)(i) and fixed wireless access. However, the licensee shall be free to inter an agreement with other service provider(s) in India or abroad for providing roaming facility to its subscriber under full mobility service unless advised / directed by Licensor otherwise. The LICENSEE may offer "Home Zone Tarriff Scheme (s)" as a subset of full mobile service in well defined geographical Areas through a tariff of its choice within the scope or orders of TRAI on the subject. Numbering and interconnection for this service shall be same as that of Full mobile subscribers.

2.2 (b)(i) Further , the LICENSEE can also provide Vioce Mail, Audiotex services, Video Conferencing, Videotex, E-Mail, Closed Used Group (CUG) as Value Added Services over its network to the subscribers falling within its SERVICE AREA on non-discriminatory basis. The Licensee cannot provide any service except as mentioned above, which required a separate licence. However, An intiamation before providing any other VALUE ADDED SERVICE has to be sent to the LICENSOR and TRAI.

(ii) No separate Entry Fee shall be charged for Voice Mail / Audiotex, video conferencing, videotext, E-Mail service provided by the LICENSEE. However, all the revenue earned by the LICENSEE through these service shall be counted towards the revenue for the purpose of paying LICENCE Fee under the LICENCE AGREEMENT.

2.2(c)(i) In respect of subscriber availing limited mobility facility, the mobility shall be restricted 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 SDCA based linked numbering plan in accordance

with the National Numbering Plan of the respective 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 its is registred. Terminal or such subscriber in wireless access system can be registered in only one SDCA. Multiple registration or Temporary subscriber/ Subscription facilities in more than one SDCA using the same Subscriber terminal in wireless access systems is not permitted and the same Subscriber Terminal can not be used to avail Limited Mobile facility in more than one SDCA. The system shall also be so engineered to ensure that hand over of subscriber does not take place from one SDCA to another SDCA under any circumstances, including handover of the calls through call forwarding beyond SDCA. The Licensee must ensure that the mobility in case of such limited mobile service/ facility remains restricted to SDCA.

2.2 (d)(i) The LICENSEE is permitted to provide, SERVICE by utilizing any type of network equipment, including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU)/Telecommunication Engineering Center (TEC) / International standardization bodies such as 3GPP-2/ETF/ANSI/EIA/TIA/IS.

(ii) The LICENSEE shall ensure that the Radio Transmitters used while deploying wireless system(s) 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.

2.2 (e) 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-service Area long distance traffic without seeking an additional licence. However, subject to technical feasibility, the subscriber of the intra-Service Area long distance calls, shall be given the choice to use the network of another Service Provider in the same service area, wherever possible. The LICENSEE can also enter into mutual agreements with National Long Distance Operators for carrying intra Circle Long Distance traffic.

2.4 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.

2.5(i) The mode of ownership of subscribers terminal equipment will be at the option of the subscriber.

(ii) 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 cost, charges or damages in the matter.

2.6 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 10th 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 telegraphs. The decision of the LICENSOR shall be final and binding in this regard.

6. **Restrictions on 'Transfer of Licence'**

6.1 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-licensing/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 Intra service area mergers and acquisitions as well as transfer of licences may be allowed subject to there being not less than three operators providing Access Services in a Service Area to ensure healthy competition as per the guidelines issued on the subject from time to time.

6.3 Further, the Licensee may transfer or assign the License Agreement with prior written approval of the Licensor to be granted on fulfillment of the following conditions and if otherwise, no compromise in competition occurs in the provisions of Telecom Services.

- (i) When transfer or assignment is requested in accordance with the terms and conditions on fulfillment of procedures of Tripartite Agreement if already executed amongst the Licensor, Licensee and Lenders; or
- (ii) Whenever amalgamation or restructuring i.e. merger or demerger is sanctioned and approved by the High Court or Tribunal as per the law in force; in accordance with the provisions; more particularly Sections 391 to 394 of Companies Act, 1956; and
- (iii) The transferee/assignee is fully eligible in accordance with eligibility criteria contained in tender conditions or in any other document for grant of fresh licence in that area and show its willingness in writing to comply with the terms and conditions of the license agreement including past and future roll out obligations; and
- (iv) All the past dues are fully paid till the date of transfer/assignment by the transferor company and its associates(s) / sister concern(s) / promoters(s) and thereafter the transferee company undertakes to pay all future dues inclusive of anything remained unpaid of the past period by the outgoing company.

7. **Provision of Service.**

7.1 The LICENSEE shall be responsible for, and is authorized to own, install, test and commission all the Applicable system for providing the Unified Access Services under this Licence agreement.

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 35 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 of furnish information:**

9.1 The LICENSEE shall furnish to the Licensor/TRAI, 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 in no case permit 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 TELEGRAPH. 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. If situation so warrant ,it shall not be necessary for Licensor to issue a notice for seeking comments of the LICENSEE for this purpose and the decision of the Licensor shall be final and binding.

Providing 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(i) 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 from the date of issue of such notice to the LICENCEE 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/deficiency/correction in service/equipment 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.

10.2(ii) The Licensor may also impose a financial penalty not exceeding Rs.50 crores for violation of terms and conditions of licence agreement. This penalty is exclusive of Liquidated Damages as prescribed under clause 35 of this Licence Agreement.

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/terminates/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 hindrance 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 clause given below.

11.2 On termination or surrender or expiry of the LICENCE, the Bank Guarantee shall be released to 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 realized through encashment of the Bank Guarantee without prejudice to any other actions(s) for recovery of the amounts due to the LICENSOR without any further communication to the Licensee.

12. Force- Majeure

12.1 If 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.

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

12.3 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.

13. SET OFF CLAUSE:

13.1 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 LICENSOR under this Licence Agreement or any other agreement or contract between the LICENSOR and the LICENSEE.

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

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

14. Way Leave:

14.1 The LICENSEE 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 excuse for not carrying any obligations imposed by the terms of this Licence.

15. Publication of the Telephone Service Directory:

15.1 Determination of TRAI with regard to publication of telephone service directory containing information of subscribers of Telecom Service shall be applicable and binding.

16. General:

16.1 The LICENSEE shall be bound by the term 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 disputes relating to this Licence will be subject to jurisdiction of telecom Disputes Settlement and Appellate Tribunal (TDSAT) as per provisions 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 statues shall be binding on the LICENSEE.

PART-II COMMERCIAL CONDITIONS

17. Tariffs:

17.1 The LICENSEE will charge the tariffs from the Service as per the Tariff orders / regulations / directions issued by TRAI 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.

PART-III FINANCIAL CONDITIONS

18. FEES PAYABLE

18.1 Entry Fee:

One Time non-refundable Entry Fee of Rs. 5 (FIVE) Crore has been paid by the LICENSEE prior to signing of this Licence agreement.

18.2 Licence Fees:

In addition to the Entry fee described above, the Licensee shall also pay Licence fee annually @ 8 (EIGHT) % of Adjusted Gross Revenue (AGR), excluding spectrum charges.

Annual Licence fee w.e.f. 1.4.2004 shall be @ 6(SIX) % of AGR. The Licensor reserves the right to modify the above mentioned Licence Fee any time during the currency of this Agreement.

18.3 Radio Spectrum Charges:

18.3.1 The LICENSEE shall pay spectrum charges in addition to the Licence Fees on revenue share basis as notified separately from time to time by the WPC Wing. However, while calculating 'AGR' for limited purpose of levying spectrum charges based on revenue share, revenue from wire line subscribers shall not be taken into account.

18.3.2 Further royalty for the use of spectrum for point links and other access links 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 and other related aspects etc. Authorization of frequencies for setting up Microwave links by Licensed operators and issue of Licences shall be separately dealt with WPS Wing as per existing rules.

19. Definition of 'Adjusted Gross Revenue':

19.1 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.

19.2 For the purpose of arriving at the "Adjusted Gross Revenue (AGR)" the following shall be excluded from the Gross Revenue to arrive at the AGR.

- I. PSTN related call charges (Access Charges) actually paid to other eligible /entitled telecommunication service providers within India:
- II. Roaming revenues actually passed on to other eligible/entitled telecommunication service providers and;
- III. Service Tax on provision of service and Sales Tax actually paid to the Government if gross revenue had included as component of sales Tax and Service Tax.

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

20.1 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 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.

20.2 Licence Fee shall be payable in four quarterly installments during each financial year (FY). Quarterly installment of licence fee for the first three quarters of a financial year shall be paid within 15 days of the completion of the relevant quarter. This fee shall be paid by the LICENSEE on the basis of actual revenue (on accrual-basis) for the 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 last quarter of the financial year, the LICENSEE shall pay the Licence Fee by 25th March on the basis of expected revenue for the quarter, subject to a minimum payment equal to the actual revenue share paid of the previous quarter.

20.3 The LICENSEE shall adjust and pay the difference between the payment made and actual amount duly payable (on accrual basis) for the last quarter of financial year within 15 days of the end of the quarter.

20.4 The quarterly payment shall be made together with a STATEMENT in the prescribed form as **annexure-II**, showing the computation of revenue and Licence fee payable. The aforesaid quarterly STATEMENTS of each year shall be required to be audited by the Auditors (hereinafter called LICENSEE'SAHOO Auditors) of the LICENSEE appointed under Section 224 of the Companies' Act, 1956. The report of the Auditor should be in prescribed form as **annexure-II**.

20.5 Any delay in payment of Licence fee payable, 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. A month shall be reckoned as an English calendar month.

20.6 Final adjustment of the Licence fee the year shall be made based on the gross revenue figures duly certified by the AUDITORS of the LICENSEE in accordance with the provision of Companies Act, 1956.

20.7 A reconciliation the figures appearing in the quarterly statements submitted in terms of the clauses 20.4 of the agreement with those appearing in annual accounts shall be submitted along with a copy of the published annual accounts audit report and duly audited quarterly statements, 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**.

20.8 In case, the total amount paid 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. However, if such short payment is made good within 60 days from the last day of the financial year, no penalty shall be imposed. This amount of penalty shall be payable within 15 days of the date of the date of signing the audit report on the annual accounts, failing which interest shall be further charged per terms of **Condition 20.5**.

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

20.10 All sums becoming due and payable as mentioned in 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.

20.11 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 **20.4, 20.7.22.5.and 22.6** hereinbefore and hereinafter written.

20.12 The LICENSEE shall separately pay the access charges for carriage of calls originating in its network but carried and terminated in the Other Service

Providers' networks. The LICENSEE shall also separately pay charges for network resources obtained by the LICENSEE from other licensed service providers. This will be governed by the determination of TRAI if any.

21. **BANK GUARANTEES:**

21.1 **Performance Bank Guarantee:**

Performance Bank Guarantee (PBG) in prescribed format as per annexure-V shall be submitted before signing of LICENCE AGREEMENT for amount equal to **Rs. 2 (TWO) crores for (category 'C' service areas)** before signing the Licence Agreement.

21.2 **Financial Bank Guarantee:**

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 Proforma **annexed**. Initially, the financial bank guarantee shall be for an amount of **Rs. 5 (FIVE) Crore (for category 'C' service areas)** which shall be submitted before signing the Licence agreement. Subsequently, the amount of FBG shall be equivalent to the estimated sum payable equivalent to license fee for two quarters and other dues not otherwise securitized and any additional amount as deemed fit by the Licensor. The amount of FBG shall be subject to periodic review by the Licensor and shall be renewed from time to time till final clearance of all dues.

21.3 The Fees, charges and royalties for the use of spectrum and also for possession of Wireless Telegraphy equipment shall be separately securitized 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.

21.4 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.

21.5 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.

22. Preparation of Accounts.

22.1 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.

22.2 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 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 as defined in condition 19 for each quarter separately along with the payment for the quarter.

22.3 (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 provided 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.

22.3 (b) 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.

22.4 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.

22.5 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 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.

22.6 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 22.5 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.

22.7 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

23. TECHNICAL CONDITIONS:

- 23.1 The Licensee shall provide the details of the technology 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/Industry. 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.
- 23.2 Requisite monitoring facilities/equipments for each type of system used shall be provided by the LICENSEE at its own cost for monitoring as and when required by the LICENSOR.
- 23.3 The LICENSEE shall ensure adherence to the National FUNDAMENTAL PLAN (Which includes National Numbering, routing and Transmission plan issued by Department of Telecommunications 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 call-by-call selection and pre-selection as per prevailing regulation, direction, order or selection issued by LICENSOR or TRAI on the subject.
- 23.4 The Numbering Plan for the Unified Access Services will be as per applicable National Numbering plan. The Licensor reserves the right to modify the National Fundamental plan or its part thereof such as Numbering Plan, Routing Plan, Transmission Plan etc.
- 23.5. The Frequencies shall be assigned by WPC from the designated bands prescribed in National Frequency Allocation Plan – 2002. (NFAP- 2002) as amended from time to time. Based on usage, justification and availability, spectrum may be considered for assignment, on case by case basis. The frequencies assigned may not be contiguous and not be same in all cases, while efforts would be made to make available larger chunks to the extent feasible. The detailed guidelines for allocation of frequency spectrum and charges thereof etc. would be separately issued from time to time.
- 23.6 The LICENSEE may provide additional facilities in case of any value addition/ up gradation that the technology permits at later date with prior intimation to Licensor and TRAI.

24. THE APPLICABLE SYSTEM:

24.1 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 QOS as per clause 28.

25. Engineering Details:

- (a) The LICENSEE shall furnish to the Licensor or its authorized 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) 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.
- (c) Any delay on part of the LICENSEE in offering the system for conducting performance tests to TEC/ Licensor will not be considered as the valid reason for non-fulfillment of the Roll-out obligations imposed by the terms of this Licence.

26. Network Interconnection.

26.1 Interconnection between the networks of different SERVICE PROVIDERS shall be as per National Standards of CCSNo. 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. However, if situation so arises, INTERCONNECTION with R2MF signaling may be permitted by LICENSOR.

26.2 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 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.

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

26.4 The Interconnection Tests for each and every interface with any Service provider shall 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.

26.5 It shall be mandatory for the LICENSEE to provide interconnection to all eligible Telecom Service Providers as well as NLD Operators whereby the subscribers could have a free choice to make inter-circle/ international long distance calls through NLD/ILD Operator, For international long distance call, the LICENSEE shall normally access International Long Distance Operator's network through National Long Distance Operator's network subject to fulfillment of any Guidelines/ Orders/ Directions/ Regulation issued from time to time by Licensor/TRAI. The LICENSEE shall not refuse to interconnect with the International Long Distance Licensee directly in situations where ILD Gateway Switches/ Point of Presence (POP), and that of Access Provider's (GMSC/Transit Switch) are located at the same station of Level – I TAX.

26.6 Direct interconnectivity among all Telecom Service providers in the licensed SERVICE AREA is permitted. LICENSEE shall interconnect with other Service Providers, subject to compliance of prevailing regulations, directions or determinations issued by TRAI. The interconnection shall have to be withdrawn in case of termination of the respective licensed networks of another Telecom service provider within one hour or within such time as directed by the LICENSOR in writing, after receiving intimation from the LICENSOR in this regard.

26.7 Point of Inter-connection (POI) between the networks shall be governed by Guidelines/ Orders/ Directions/ Regulation issued from time to time by Licensor/ TRAI.

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

27. Interface

27.1 The LICENSEE shall operate and maintain the licensed Network conforming to Quality of Service standards to be mutually agreed in respected 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 may be treated as breach of Licence terms. 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.

27.2 The charges for accessing other networks 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.

27.3 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.

28 Quality of Performance:

28.1 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.

28.2 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.
- iii) 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.

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

28.4 The LICENSOR or TRAI may 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.

28.5 The LICENSEE shall enforce and ensure QOS, as prescribed by the LICENSOR/TRAI. From the INFRASTRUCTURE PROVIDER (s) with whom it may enter into agreement / contract for leasing / hiring / buying or any such responsibility of ensuring QOS shall be that of LICENSEE.

29. Emergency and Public Utility Services:

29.1 The licensee shall provide independently or through mutually agreed commercial arrangements with other Service Providers all public utility services including TOLL FREE services such as police, fire ambulance, railways/road/ air accident enquiry, police control, disaster management etc. While providing emergency services such as police, fire ambulance etc. it shall be ensured that such calls originated shall be delivered to the control room of the concerned authority for the area from where call is originated.

PART-V OPERATING CONDITIONS

30. Customer Service.

30.1 The LICENSEE shall register demand/request for telephone connection without any discrimination from any applicant, at any place in the licensed 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. The LICENSEE shall clearly define the scope of Service to the Subscriber(s) at the time of entering into contract with such Subscriber(s). LICENSEE 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.

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.

30.2 The 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.

30.3 The LICENSEE shall ensure continuity of services to its customers unless License is Terminated or Suspended by the Licensor for any reason whatsoever.

30.4 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 itemized 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.

30.5 The LICENSEE shall offer a regular itemized billing service (for long distance calls) to its customers wherever applicable. In every case the LICENSEE shall be responsible to its customers and shall ensure fulfillment 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.

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

30.7 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, utilized and terminated.

30.8 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.

30.9 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. The LICENSEE shall keep the Licensor indemnified for all claims, cost charges or damages in the matter.

31. The Subscriber Terminals (Fixed Mobile Telephone or Handset).

31.1 The LICENSEE shall have the right to undertake the sale, hire purchase lease or renting of the subscriber/ mobile terminals. Proper usage of terminal at subscriber's premises shall be as per agreement between the licensee and subscriber.

31.2 The LICENSEE shall be responsible to ensure that the subscriber terminal is operated in accordance with terms of the Licence and the WPS Licence. The SIM Card in the user terminal is non-transferable.

31.3 The subscriber terminals employed in the network shall be of a type / model certified by an internationally accredited agency with respect to ITU/ETS / TEC/ International standardization bodies such as 3GPP/3GPP-2/ETSI/IETF/AMSI/EIA/TIA/IS or any other international standard as may be approved by the Government. Only such category of subscriber unit as has been granted such a certificate shall be brought into and operate within India under this Agreement.

31.4 Subscriber will be free to obtain the Subscriber Terminal at his option from any source subject to clause 31.3 above.

32. Obligations imposed on the LICENSEE.

32.1 The provisions of the Indian Telegraphy 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.

32.2 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 on the subject in force.

33. Sharing of infrastructure between UASPs 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.
- (iii) Sharing of switch by the LICENSEE for providing other licensed services is permitted.

34. Roll-out Obligations:

34.1 LICENSEE shall be solely responsible for installation, networking and operation of necessary equipment and system 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.

34.2 LICENSEE shall ensure that

- (i) Atleast 10% of the District Headquarters (DHQAs) will be covered in the first year and 50 % of the District Headquarters will be covered within three years of effective date of Licence.

- (ii) The licensee shall also be permitted to cover any other town in a District in lieu of the District Headquarters.
- (iii) Coverage of a DHA/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.
- (iv) The District Headquarters shall be taken as on the effective date of Licence.
- (v) The choice of District Headquarters/towns to be covered and further expansion beyond 50% District Headquarters/town shall lie with the Licensee depending on their business decision.
- (vi) There is no requirement of mandatory coverage of rural areas.

35. Liquidated damages:

35.1 The time period for provision 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 prescribed due 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.

35.2 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/ network roll out obligations) within the period prescribed for the commissioning. The Licensor shall be entitled to recover LD charges @ Rs. 5 Lakh (Rupees: Five Lakhs) per week for first 13 weeks; @ Rs 10 Lakhs for the next 13 weeks and thereafter @ Rs lakhs for 26 weeks subject to a maximum of Rs.7.00 crores. Part of the week is to be considered as a full week for the purpose of calculating the LD charges. For delay of more than 52 weeks the Licence may 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 nay extra day shall be counted as full week for the purposes of recovery of liquidated damages.

36. Inspection and Testing of Installations.

- 36.1 The Licensor / TRAI may 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 / TRAI 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.
- 36.2 The Acceptance testing for each and every interface with BSNL / MTNL / or Other Service provider may be carried out by mutual arrangements between the LICENSEE and the other party involved. The Interconnection Test schedule shall be mutually agreed.

PART-VI SECURITY CONDITIONS

37. Right to inspect.

37.1 The LICENSOR or its authorized representative shall have right to inspect the sites used or 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 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 authorized representative(s). The Inspection will ordinarily be carried out after reasonable notice will defeat the very purpose of the inspection.

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

38. Location of Switches:

38.1 The LICENSEE on request, shall provide to the LICENSOR location details pf switching centers, transmission centers, including routing details etc.

38.2 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.

39. Confidentiality of information:

39.1 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. However, 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 unauthorized interception of MESSAGE does not take place.

39.2 Subject to conditions contained in these terms and condntions, 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.

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

39.4 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.

40. Prohibition of certain Activities by the LICENSEE.

40.1 The LICENSEE shall not engage on the strength of this LICENCE in the provision of any other Service requiring separate licence as defined in this Licence Agreement.

40.2 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.

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

40.4 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 or 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.

40.5 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.

41. Security Conditions:

41.1 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.

41.2 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.

41.3 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.

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

41.5 LICENSOR reserves the right to modify these conditions or incorporate new conditions considered necessary in the interest of national security and public interest or for proper provision of TELEGRAPH.

41.6 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.

41.7 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.

41.8 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.

41.9 The LICENSEE shall ensure that the Radio Transmitters used while deploying wireless systems(s) 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 there from, fade out when nearing or about to cross international border and also become unusable within a reasonable distance across such border.

41.10 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/Exchange 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 /Exchange 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 authorized security personnel. The Interface requirements as well as features and facilities as defined by the Licensor should be implanted by the LICENSEE for both data and speech. Presently, 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 for seven security agencies.”

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) which shall be binding on the LICENSEE.
- (iv) Telephone 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.

41.11 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.

41.12 The LICENSEE shall not employ bulk encryption in its network. Any encryption equipment connected to the LICENSEE's network for specific requirements has to have prior evaluation and approval of the LICENSEE shall be responsible for ensuring privacy of communication on its network and also to ensure that unauthorized interception on message does not take place.

41.13 LICENSOR shall have the right to take over the SERVICE, equipment and networks of the LICENSEE (either in part or in whole of the whole of the service area) in case any directions are issued in the public interest by the Government of India in the event of 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 applicable to LICENSEE and shall be strictly complied with.

41.14 The complete list of subscribers shall be made available by the LICENSEE on their website (having password controlled access, so that authorized 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 or hand-held subscriber terminal (where SIM card is not used) 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.

41.15 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.

41.16 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 authorized representative details of the subscribers using the service.

41.17 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.

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

41.19 The LICENSEE shall ensure / implement the following:-

41.19(i) Utmost vigilance should be exercised in providing bulk telephone connections for a single user as well as for a single location. Provision of 10 or more connections may be taken as bulk connections for this purpose. Special verification of bonafide should be carried out for providing such bulk connections. Information about bulk connections will be forwarded to Sr. DDG (Vigilance), DoT as well as all Security Agencies on monthly basis.

41.19(ii) The call detail records for outgoing calls made by customers should be analyzed for the subscribers making large or out going calls day and night and to the various telephone numbers. Normally, no incoming call is observed in such cases. This can be done by running special program for this purpose. The service provider should devise appropriate fraud management and prevention programme and fix threshold levels of average per day usage in minutes of the telephone connection; all telephone connections crossing the threshold of usage should be checked for bonafide use. A record of check must be maintained which may be verified by Licensor any time. The list/details of suspected subscribers should be informed to the Sr. DDG(Vigilance), DoT, West Block, Wing-2, R.K. Puram, New Delhi-66, immediately.

41.19(iii) Active support must be extended by the service providers to the vigilance units of DoT for detection of such clandestine / illegal telecommunications facilities. For this purpose, names of the Nodal officers & alternate Nodal Officers in respect of each licensed service area as communicated to the Intelligence Agencies for monitoring of telecommunications should also be forwarded to Sr. DDG (Vig.). The Vigilance Unit of DoT will contact the Nodal Officer / alternate Nodal officer, and till the time such nomination is received or in case of non-availability of such officer, the DoT vigilance units will contact the Chief Executive Officer of the licensee, for such support / coordination.

41.19(iv) Calling Line Identification (CLI) shall never be tampered as the same is also required for security purposes and any violation of this amounts to breach of security. CLI Restriction should not be normally provided to the customers. Due, verification for the reason of demanding the CLIR must be done before provision of the facility. It shall be the responsibility of the service provider to work out appropriate guidelines to be followed by their staff members to prevent misuse of this facility. The subscribers having CLIR should be listed in a password protected website with their complete address and details so that authorized Government agencies can view or download for detection and investigation of misuse. However, CLIR must not be provided in case of bulk connections, call centre, telemarketing services.

41.19(v) Bulk users' premises should be inspected by the service providers at regular intervals for satisfying themselves about bonafide use of such facilities. A record of such inspection should be maintained and preserved for minimum one year, for inspection / verification by the licensing authority or a designated officer of the authority.

41.19(vi) Leased circuits should also be checked for their bonafide use and to detect any misuse.

42. Application of Indian Telegraph Act.

42.1 The LICENSEE shall adopt all means and facilities 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.

42.2 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 office specially authorized 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 or 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 FREQUENCY AUTHORISATION

43. FREQUENCY AUTHORISATION

43.1 A separate specific authorization and licence (hereinafter called WPC licence) shall be required from the WPC wing of the Department of Telecommunications, Ministry of Communications permitting utilization of appropriate frequencies / band for the establishment and possession and operation of Wireless element of the Telecom Service under the Licence Agreement of Unified Access Service under specified terms and conditions including payment for said authorization & WPC licence. Such grant of authorization & WPC licence will be governed by normal rules, procedures and guidelines and will be subject to completion of necessary formalities therein.

43.2 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, Sanchar Bhawan, New Delhi- 110001” in a prescribed application form available from WPC Wing.

43.3 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,
Department of Telecommunications,
Sanchar Bhawan,
New Delhi-110001.

EXPLANATION: SACFA is the apex body in the Ministry of Communications for considering matters regarding coordination for frequency allocations and other related issues / matters. (Sitting 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 system and aviation hazard. It requires inter departmental coordination and is an involved process). Normally the sitting clearance procedure may take two to six months depending on the nature of the installations and the height of the antenna/masts.

43.4 For establishing various point to point links the frequency bands earmarked for various has been indicated in the National Frequency Allocation Plan (hereinafter called NFAP – 2002) as amended from time to time. Mere indication of the band does not guarantee availability of the frequency spectrum, which has to be coordinated on case to case basis.

43.5 Subject to availability and as per Guidelines issued from time to time the spectrum allocation and frequency bands will be as follows:

43.5.(i) For wireless operations in SUBSCRIBER access network, the frequencies shall be assigned by WPC wing of the Department of Telecom from the frequency bands earmarked in the applicable National Frequency Allocation Plan and in coordination with various users. Initially a cumulative maximum of up to 4.4 MHz + 4.4 MHz shall be allocated in the case of TDMA based systems @ 200 KHz per carrier or 30 KHz per carrier or a maximum of 2.5 KHz + 2.5 MHz shall be allocated in the case of CDMA based systems @ 1.25 MHz per carrier, on case basis subject to availability. While efforts would be made available larger chunks to the extent feasible, the frequencies assigned may not be contiguous and may not be same in all cases or within the whole Service Area. For making available appropriate frequency spectrum for roll out of services under the licence, the type(s) of Systems to be deployed are to be indicated.

43.5(ii) Additional spectrum beyond the above stipulation may also be considered for allocation after ensuring optimal and efficient utilization of the already allocated spectrum taking into account all types of traffic and guidelines / criteria prescribed from time to time. However, spectrum not more than 5 + 5 MHz in respect of CDMA system or 6.2 + 6.2 MHz in respect of TDMA based system shall be allocated to any new Unified Access Services Licensee. The spectrum shall be allocated in 824-844 MHz paired with 869 – 889 MHz, 890 – 915 MHz paired with 935 – 960 MHz, 1710 – 1785 MHz paired with 1805 – 1880 MHz.

43.5(iii) In the event, a dedicated carrier for micro-cellular architecture based system is assigned in 1880 – 1900 MHz band the spectrum not more than 3.75 + 3.3.75 MHz in respect of CDMA system or 4.4 +4.4 MHz in respect of TDMA system shall be assigned to any new Unified Access Services Licensee.

43.5(iv) The Licensor has right to modify and / or amend the procedure of allocation of spectrum including quantum of spectrum at any point of time without assigning any reason.

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

43.7 The LICENSOR /Wireless Planning and Coordination Wing (WPC) /TRAI shall have the right to inspect from time to time the installations from technical angles to check conformity with Licence Authorising Spectrum Uses.

- 43.8 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, VSAT policy etc.
- 43.9 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 form other authorities.

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 SUSTEMS:** “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 International standardization bodies such as 3GPP/3GPP-2/ETSI/ETSI/ETF/ANSI/EIA/TIA/IS, for provision of SERVICE in accordance with operational, technical and quality requirements and other terms and conditions of 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 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.

8. **“CONNECTABLE SYSTEM”** means a telecommunication system which is authorized to be run under a Licence to provide public telecommunications service and is authorized to be connected to the applicable system.

9. **“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.

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

11. **“DESIGNATED AUTHORITY”** is the entity who is authorized or empowered by the LICENSOR to issue instructions and to seek adherence to them.

12. **DIRECT EXCHANGE LINE (DEL):**A telephone connection between the subscribers terminal equipment and the terminal exchange.

13. **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.

14. **DOT** means Department of Telecommunications, Government of India who is also the **Licensor**. DoT & Licensor, wherever used in the Licence agreement are interchangeable.

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

16. **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.

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

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

19. **“ENTRY FEE”** The prescribed non-refundable amount of fee to be paid before signing of LICENCE AGREEMENT to provide Unified Access Services in a Service Area.

20. **“FUNDAMENTAL PLAN”** include Numbering Plan, Traffic Routing and Switching Plan and Transmission Plan issued by Department of Telecom as amended from time to time.

21. **“GATEWAY MOBILE SWITCHING CENTRE”** means a Mobile Switching Centre with an additional functionality that allows a network to interface with other network.

22. **“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.

For the purpose of arriving at the “Adjusted Gross revenue (AGR)” the following shall be excluded from the Gross Revenue to arrive at the AGR:

- I.* PSTN related call charges (Access Charges) actually paid to other eligible /entitled telecommunication service providers with in India;
- II.* Roaming revenues actually passed on to other eligible/entitled telecommunication service providers and;
- III.* Service Tax on provision of service and Sales Tax actually paid to the Government if gross revenue had included as component of Sales Tax and Service Tax.

23. **“INFRASTRUCTURE PROVIDER (S)”** mean a 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.

24. **“INSTALLED CAPACITY”** means the total number of lines for which switching equipment is available in the exchange for connection of subscribers.
25. **“INTERCONNECTION”** is as defined by the TRAI vide its regulations issued in this respect.
26. **“INTERNATIONAL SERVICES”** mean telecom services originating in the country and terminating outside the country.
27. **“INTER-SERVICE AREA TRAFFIC”** means the Long Distance traffic originating in one telecom service area and terminating in another telecom service area.
28. **“INTRA-SERVICE AREA TRAFFIC”** means the Long Distance traffic originating and terminating within boundaries of the licensed service area.
29. **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.
30. **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.
31. **“LICENCE FEE”** means a fee payable by LICENSEE at prescribed intervals and rates for the period of the LICENCE.
32. **LICENSEE:** A registered Indian Company that has been awarded Licence to provide the service, within the geographical boundaries of the specified Service area.
33. **LOCAL CALLS** mean calls originating and terminating with in the same local area, which area 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 purpose of this definition.
34. **“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.
35. **“LONG DISTANCE CALL”** is defined as a call terminating in a local area other than in which it is originated.
36. **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.

37. **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.
38. **MESSAGE** means anything falling within sub-section (3) of section 3 of the Indian Telegraph Act 1885.
39. **“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 interchangeable.
40. **“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.
41. **MTNL** means Mahanagar Telephone Nigam Limited.
42. **“NATIONAL LONG DISTANCE (NLD) SERVICE”** refers to the carriage of switched bearer telecommunication service over long distance.
43. **“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.
44. **“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 of the date of the application.
45. **“OPERATOR”** means any person who is Licensed to run a Relevant Connectable System.
46. **“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.

47. **“POINT OF PRESENCE (POP)”** means setting up of applicable systems of appropriate capacity by the Service Provider to provide, on demand, service of prescribed quality and grade of service in a non-discriminatory manner.
48. **OR/QR SPECIFICATIONS** means technical and quality requirement contained in the OR/QR Specifications of Telecom Engineering Centre, Department of Telecommunications unless otherwise specified.
49. **PUBLIC SWITCHED TELEPHONE NETWORK (PSTN)** means a specified switched public telephone network. A two-way switched telecommunications services to the general public.
50. **PUBLIC LAND MOBILE NETWORK (PLMN)** means land based mobile network.
51. **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.
52. **“RADIO TRANSMITTER”** means the Radio Transmitter and Receiver at base stations.
53. **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 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 authorized 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.
54. **“SATCOM”** means satellite Telecommunication.
55. **“SERVICE”** covers collection, carriage transmission and delivery of voice or non-voice messages over LICENSEE’s network in licensed service area and includes provision of all types of services except for those requiring a separate Licence.

56. **“SERVICE AREA”** means the specified territorial telecom circle bounded by the geographical limits within which the LICENSEE is licensed to operate and offer the SERVICE.
57. **“SERVICE PROVIDERS”** means Telecom service licensed under Section 4 of the Indian Telegraph Act 1885 for provision of service.
58. **“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
59. **“SHORT DISTANCE CHARGING CENTRE (SDCC)”** means a particular change in short Distance Charging Area declared as such for the purpose of charging trunk calls. Head quarters of SDCAs are generally SDCCs.
60. **“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.
61. **“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.
62. **“SUBSCRIBER”** Subscriber means any person or legal entity, which subscribe to Service from the LICENSEE.
63. **“SUBSCRIBER TERMINAL (UT) (FIXED AND MOBILE TERMINAL OR HAND SET OR MOBILE STATION)”** means the equipment used by the subscribers to avail the Telephone service provided by the LICENSEE.
64. **“TDSAT”** means Telecom Disputes Settlement and Appellate Tribunal.
65. **“TEC”** means Telecom Engineering Centre.
66. **“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.
67. **“TELEPHONE”** means an item of telecommunication apparatus capable when connected to the Applicable System, of transmitting and receiving uninterrupted simultaneous two ways speech conveyed, or to be conveyed, as the case may be, by means of that System.

68. **“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, fee 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.

69. **“TRAI”** means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.

70. **Unified Access Services (UAS)** means telecommunication service provided by means of a telecommunication system for the conveyance of messages through the agency of wired or wireless telegraphy. The Unified Access Services refer 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.

71. **Unified Access Services Provider (UASP)** means a LICENSEE authorized to provide Unified Access Services under a Licence in a specified service area.

72. **“USOF”** means “Universal Service Obligation Fund “ set up to meet expenditure on USO.

73. **“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.

74. **“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) Radio Paging Service
- (ii) Public Mobile Trunking Service
- (iii) Voice Mail Service.
- (iv) Closed Users Group Domestic 64 kbps data network via INSAT satellite system.
- (v) Videotex Service.

(vi) GMPCS

(vii) Internet.

75. **“V-SAT”** means Very Small Aperture Terminal

76. **VSNL** means Videsh Sanchar Nigam Ltd.

77. **WPC** means Wireless Planning and Co-ordination Wing of the Ministry of Communications, Department of Telecommunications.

78. **“YEAR”** for the purpose of the Licence Fee shall be the financial year ending 31st March December and 31st March.

ANNEXURE-II

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

AFFIDAVIT

I.....aged aboutyears son of Shriresident ofdo solemnly affirm and state as under:

2. That I amof(Name of the Company), LICENSEE of Service inService Area and I am duly authorized by the resolutions datedpassed 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 SchedulePart and **Annexure**of the Licence agreement No..... Signed between the Company and the Department Of Telecommunications, for payment of Licence fee, a payment of Rs. (Rupees) is being made for the periodto The details of calculation ‘revenue’ and Licence fee is as per **Appendix-II** (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 Licence Fee’ as annexure are true and correct to the best of my knowledge, no part of it is false and nothing has been concealed there from

Deponent.

APPENDIX –I TO ANNEXURE- II

Format of Auditor’s Report on Statement of Revenue and Licence Fee

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

We have examined the attached Statement of Revenue and Licence 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 Licence 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 Licence fee payable by the company to the Government, in terms of the Licence agreement Nosigned 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 become 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 Licence agreement in this behalf and gives a true and fair view of the revenue and Licence 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 Licence Fee
_____ (Name and address of operator)
Unified Access Services in _____ (Service Area)
Statement of Revenue and Licence Fee for the Quarter
.....
of the financial year

(AMOUNT IN RUPEES)

S.N	PARTICULARS	ACTUALS FOR THE PREVIOUS QUARTER	ACTUALS FOR THE CURRENT QUARTER	CUMULATIVE UPTO THE CURRENT QUARTER
1	Revenue form services			
A	Revenue form wire line subscribers:			
(i)	Rentals			
(ii)	Call revenue within service area			
(iii)	National LONG DISTANCE CALL revenue			
(iv)	International LONG DISTANCE CALL revenue			
(v)	Pass thru revenue for usage of other networks (give OPERATOR- wise details)			
(vi)	Service tax			
(vii)	Service charges			
(viii)	Charges on account of any other value added services, Supplementary Services etc.			
(ix)	Any other income / miscellaneous receipt from wireline subscribers.			
B	Revenue from WLL subscribers : (Fixed)			
(i)	Rentals			
(ii)	Call revenue within service area			
(iii)	National LONG DISTANCE CALL revenue			
(iv)	International LONG DISTANCE CALL revenue			
(v)	Pass thru revenue for usage			

	Of other networks (give OPERATOR – wise details			
(vi)	Service tax			
(vii)	Service charges			
(viii)	Charges on account of any other value added services, Supplementary Services etc.			
(ix)	Any other income / miscellaneous receipt from WLL subscribers.			
C	Revenue from WLL subscribers : (handheld)			
(i)	Rentals			
(ii)	Call revenue within service area			
(iii)	National LONG DISTANCE CALL revenue			
(iv)	International LONG DISTANCE CALL revenue			
(v)	Pass thru revenue for usage of other networks (give OPERATOR-wise details)			
(vi)	Service tax			
(vii)	Service charges			
(viii)	Charges on account of any other value added services, Supplementary Services etc.			
(ix)	Any other income / miscellaneous receipt from WLL subscribers.			
D	Revenue from Mobile Services :			
D1.	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.			
D2.	Pre-paid options:			
i.	Sale of pre-paid SIM cards including full value of all components charged therein.			
ii.	Any other income / miscellaneous receipt from pre-paid options.			
D3	Revenue from Mobile			
1.	Community phone service including full value of all components charged therein.			
ii.	Any other income/ miscellaneous receipt from Mobile Community phone service.			
E	Revenue from Voice Mail / any other value added service			
2	Income form trading activity (all including of sales tax)			
(i)	Sale of handsets			
(ii)	Sale of accessories 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)	Divided income			
(iii)	Any other miscellaneous receipt from investments.			
5.	Non-refundable deposits from subscribers			
6	Revenue from franchisees/ resellers including all commissions and discounts etc. excluding the revenues already included in IA&IB			
7	Revenue from sharing / leasing of infrastructure			
8	Revenue from sale/lease of bandwidth, links, R&G cases, turnkey projects etc.			
9	Revenue from other OPERATORS on account of pass through 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.	Charges actually paid to other SERVICE PROVIDER(s) (OPERATOR-wise)			
2.	Roaming revenues actually paid 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 DEDUCTIBLE REVENUE (1+2+3+4)			
CC	ADJUSTED GROSS REVENUE (AA-BB)			
	REVENUE SHARE @ ----- -----OF ADJUSTED GROSS REVENUE			

ANNEXURE-III

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 (e.g. 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.

ANNEXURE-IV

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 to a Licence to M/s
_____ of

_____ (hereinafter called 'the
LICENSEE') to establish, maintain and operate Unified Access Services (UAS)
(hereinafter called 'the SERVICE') in _____ Service Area (Name of
Service Area) 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 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 Unified Access Service (UAS) (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 dues observance and performance of clause 34 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 LICENCE 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 clause 34 of the said LICENCE and further guarantees that the services which shall be provided by the LICENSEE under the said Licence, shall be actually performed in accordance with clause 34 of terms & conditions of the LICENCE 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 clause 34 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 clause 34 of 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 terms any of it's obligations under clause 34 of 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 under clause 34 as aforesaid and/or whether the service is free from deficiencies and defects and is in accordance with or not of the clause 34 of 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 condinted shall remain in full force and effect for a period of Three Years form the date here of 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 34 of 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 o the Authority exercise any legal right or remedy of any kind in respect o 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 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 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 there under.

Dated _____ day _____ for

(Name of the Bank)

Witness:

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

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

ANNEXURE-VI**SERVICE AREA (TELECOM CIRCLES/ METROS) AND THE AREAS COVERED BY THEM FOR THE PURPOSE OF THIS LICENCE**

SL. NO.	Name of Telecom Circle / Metro Service Area	Areas covered	Category
01.	West Bengal	Entire area falling within the union Territory of Andaman & Nicobar Islands and area falling within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area.	B
02.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh.	A
03.	Assam	Entire area falling within the State of Assam	C
04.	Bihar	Entire area falling within the re-organised State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganisation Act, 2000 (No.30 of 2000) dated 25 th August, 2000.	C
05.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).	A
06.	Haryana	Entire area falling within the State of Haryana except the local areas served by Faridabad and Gurgaon Telephone exchanges.	B
07.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh.	C
08.	Jammu & Kashmir	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.	C
09.	Karnataka	Entire area falling within the State of Karnataka	A
10.	Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.	B
11.	Madhya Pradesh	Entire area falling within the re-organised State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated 25 th August, 2000.	B
12.	Maharashtra	Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area.	A
13.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.	C

14.	Orissa	Entire area falling within the State of Orissa.	C
15.	Punjab.	Entire area falling within the State of Punjab and Union territory of Chandigarh.	B
16.	Rajasthan	Entire area falling within the State of Rajasthan.	B
17.	Tamilnadu	Entire area falling within the State of Tamilnadu and Union Territory of Pondichery excluding the areas covered by Chennai Metro Service Area.	A
18.	Uttar Pradesh-West	Entire area covered by Western Uttar Pradesh with the following as its boundry districts towards Eastern Uttar Pradesh: Piliphit, Bareilly, Badaun, Etah, Mainpuri and Etawah. I will exclude the local telephone area of Ghaziabad and Noida. However, it will also include the newly created State of Uttaranchal pursuant to the Uttar Pradesh Re-organisation Act,2000 (No.29 of 2000) dated 25 th August,2000,	B
19.	Utter Pradesh East	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards western Uttar Pradesh: Shahjanpur, Farrukhabad, Kanpur and Jalaun.	B
20.	Chennai	Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ),Minzur and Mahabalipuram Exchanges.	Metro
21.	Delhi	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges	Metro
22.	Kolkata	Local Areas served by Calcutta Telephones.	Metro
23.	Mumbai	Local Areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.	Metro

NOTE:

1. Yenum, an area of Union Territory of Pondicherry is served under Andhra Pradesh Telecom Circle in East Godavari LDCA.
2. The definition of Local areas of exchanges will be as applicable to the existing cellular operators, i.e. at the time of grant of cellular Licences in Metro cities.
3. The definition of local areas with regard to the above service area as applicable to this Licence is as per definition applicable to Cellular Mobile Service Licences as in the year 1994 & 1995, when those Licence 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.

ANNEXURE-VII

TRIPARTITE AGREEMENT

THIS TRIPARTITE AGREEMENT made at _____ on this the _____ day of 2000 amongst;

THE PRESIDENT OF INDIA, acting through Shri _____. The Deputy Director General (Basic Services), Department of Telecommunications, Sanchar Bhavan, New Delhi – 110001 (hereinafter called “the LICENSOR”);

AND

_____, a company incorporated under the Companies Act, 1956 having its Registered Office at _____ acting through Shri _____ duly constituted attorney/authorized person pursuant to the General Power of Attorney dated _____ executed as per terms of the Board resolution dated _____ (hereinafter called the LICENSEE).

AND

_____, acting for itself as Lender, and as Agent for the Lenders listed in Schedule (hereinafter referred to as “the Agent”) through Shri _____ duly constituted attorney / authorized officer pursuant to the General Power of Attorney dated _____ executed per terms of the Board Resolution dated _____ .

WHEREAS:

(I) By the LICENCE AGREEMENT dated _____ entered into between the LICENSOR and the LICENSEE, the LICENSOR has granted the LICENCE to the LICENSEE for a telecom project envisaging establishment, maintenance and working of Basic / Cellular Circle / SERVICE AREA on the terms, conditions and covenants agreed to between them and incorporated therein.

- (ii) With a view to help and facilitate the financing of the project to be set up[by the LICENSEE pursuant to the LICENCE referred to above, the parties hereto are desirous of recording the terms and conditions to provide transfer/assignment of LICENCE as hereinafter provided in this AGREEMENT to project and secure the Lender's interest arising out of grant of financial assistance to the LICENSEE.

- (iii) The Lenders have agreed to grant Financial Assistance to the LICENSEE to the extent mutually agreed between them on the terms conditions and covenants set out in the respective Loan Agreements entered into by the LICENSEE with the respective Lenders.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE -1- DEFINITIONS

For the purpose of this AGREEMENT, the following terms shall have the following Meaning:

- 1.1 "Agent " means(give name of the Agent) an Indian scheduled bank/ an Indian Public Financial Institution / an Indian majority controlled, non-banking finance company engaged in financing of infrastructural projects in India acting for itself and as Agent for other members of a consortium of Lenders who have consented to provide Financial Assistance to the LICENSEE for the project.

{Explanation: Only Indian Financial Institution or a Scheduled Bank participating in the financial assistance to the LICENSEE will act as the Agent }

- 1.2. "Event of Default" means occurrence of any of the following events:-

- (i) A default by the LICENSEE in payment of the LICENCE Fee of other dues duly payable to the LICENSOR, under the LICENCE AGREEMENT.
- (ii) A material default of the terms and conditions of Loan AGREEMENTs.

{Explanation: 'Material Default ' shall mean a continuous default by the LICENSEE for a minimum period of one month in payment of any two quarterly installment or one half yearly installment either of principal or interest of both under the Loan AGREEMENT or any breach by the LICENSEE of the terms &

conditions of the Loan AGREEMENT or any other document duly executed by the LICENSEE in favour of the Lenders which in the considered opinion of the Agent is likely to affect adversely and substantially the ability of the LICENSEE to work or operate the project}.

- 1.3 “Financial Assistance “ means the financial assistance granted or agreed to be granted by or any money due to the Lenders under the Loan AGREEMENTs and /or any other respective AGREEMENTs in respect of the project referred to in Schedule hereto.
- 1.4 “LICENCE” means the LICENCE under the LICENCE AGREEMENT dated _____ entered into between the LICENSOR and the amendments made thereto from time to time, for operation of _____ service by the LICENSEE.
- 1.5 “Lenders” means the parties referred to in the Schedule hereto and includes any syndicate members or participant lender in any / participation financing.
- 1.6 “Lender’s Dues” means all monies owed by the LICENCE to the Lenders in respect of the project whether fallen due or not under the Loan AGREEMENT or other respective AGREEMENTs related to the project.
- 1.7 “Loan AGREEMENTs” means the AGREEMENTs entered / to be entered into between the LICENSEE and the Lender or Lenders in respect of the Financial Assistance and referred to in Schedule hereto.
- 1.8 “Project” means the LICENSEE’s Basic Telephone Service/Cellular Mobile Telephone Service (CMTS) / Radio Paging Service project for establishment, maintenance and operation of basic Telephone Service /CMTS/ Radio Paging Service in the _____ Circle/ Service Area.
- 1.9 “Selectee” means an Indian company within the meaning of Companies Act, 1956, selected by the Lenders and proposed to the LICENSOR for the purpose of assignment/transfer of the LICENCE as provided in this AGREEMENT.

ARTICLE 2

TRANSFER OR ASSIGNMENT OF LICENCE AS SECURITY FOR FINANCIAL ASSISTANCE

- 2.1 The LICENSOR hereby agrees to transfer or assign the LICENCE by endorsement thereon in favour of the selectee selected by the Lenders in accordance with the Articles 2 and 3 hereunder provided that nothing contained herein shall entitle the Lenders to operate the Service under LICENCE themselves as a LICENSEE either individually or collectively.
- 2.2 (a) The Agent shall notify the LICENSEE and simultaneously intimate the LICENSOR about the occurrence of any event of material default and require the LICENSEE to remedy and cure the same within 30 days from the date of such notice.
- (b) The Notice of event of Default, shall be the conclusive of such Event of Default under the Loan AGREEMENT and it shall be final and binding upon the LICNSEE for the purpose of this AGREEMENT.
- (c) The LICENSOR and the LICENSEE hereby agree that upon the expiry of the period of 30 days from the date of Notice of Event of Default where the LICENSEE has failed or been unable to remedy or cure the default, the Lenders may invite, negotiate and procure offers or tenders for the tame over the transfer of the project together with all the assets pertaining to the Project of the LICENSEE including the LICENCE to the Selectee upon such selectee's assumption of the liabilities and obligations of the LICENSEE towards the LICENSOR under the LICENCE AGREEMENT and toward the Lenders under their respective Loan AGREEMENTs.
- 2.3 The Selectee shall meet the following eligibility criterion for transfer of the assets of the Project to it.
- (a) The Selectee shall be capable of properly discharging the duties, obligations and liabilities under the LICENCE AGREEMENT.
- (b) The selectee shall be capable and shall provide adequate security to the satisfaction of the Lenders for the Financial Assistance.
- (c) The Selectee shall have the capability and shall give necessary consent to assume the liability of the LICENCE Fee including the other dues of the LICENSOR and the Lenders' Dues;

(d) The Selectee shall satisfy at the time of formulation of transfer proposal the net worth and experience criteria as well as technical and equity parameters as were adopted for the selection of LICENSEE.

(e) The selection should not be of such a company or its sister concern who was / has been granted any LICENCE and became /has become defaulter.

(f) Any other appropriate criteria, as may be prescribed by the LICENSOR from time to time, to ensure continuity in the service.

- 2.4 The Agent shall notify the LICENSOR of the accrual of right to seek transfer / assignment of the LICENCE pursuant to Article 2.2 which the LICENSOR shall take on record.
- 2.5 Before transferring or assigning the LICENCE to the Selectee pursuant to this AGREEMENT the LICENSOR shall satisfy itself as to the eligibility criteria under Article 2.3 and the decision of the LICENSOR in this regard shall be final.

ARTICLE – 3

MODALITY OF TRANSFER / ASSIGNMENT AND ENDORSEMENT OF LICENCE

- 3.1 The modality for the Agent seeking the transfer / assignment / endorsement of the LICENCE shall be as provided below:
- (i) The Agent after expiry of 30 days from the date of notice as per Article 2.2 may, invite, procure and negotiate offers under a transparent procedure either by private negotiations or public auction or tenders for transfer or takeover of the assets including the LICENCE of the LICENSEE pertaining to the project by the Selectee together with the Lenders' Dues and the dues of the LICENSOR.
- (ii) The Agent on behalf of the Lenders shall recommend to the LICENSOR, the name of the Selectee for its acceptance and shall request the LICENSOR to:

- a) Accede to transfer to the Selectee the right to operate the network of the project in accordance with the terms agreed to between the Lenders and the Selectee.
 - b) Endorse and transfer the LICENCE to the Selectee on the same terms and conditions, for the residual period of the original LICENCE.
 - c) Enter into Tripartite AGREEMENT with the lenders and the Selectee on the same terms and conditions as are contained in this AGREEMENT.
 - d) Facilitate granting of WPC, SACFA and other approvals, clearance, permissions necessary for operating the service upon the appropriate applications made by the Selectee.
- (iii) The LICENSOR subject to satisfaction of criterion as to the network, experience, technical and equity parameters set out and determined in accordance with Article 2.3 & 2.5 and upon assumption of the liabilities by the Selectee as provided in Article 2.2 (c), shall proceed to transfer / assign by endorsement the existing LICENCE to the Selectee on the same terms and conditions as are contained in the LICENCE AGREEMENT for the residual period in favour of the Selectee.
- (iv) If the LICENSOR has any objection to the transfer of LICENCE in favour of the Selectee in terms of this AGREEMENT, it shall within 90 days from either the date of LICENSOR's receipt of the proposal made by the Agent, or the last date of any clarification called for by LICENSOR from the Agent, whichever date is later, give a reasoned order after hearing the Agent, for its refusal. If no objection is raised within the above mentioned time limit, by the LICENSOR for the selection of the Selectee, the Selectee shall be deemed to have been accepted except in cases of accidental or willful omission or suppression of material facts in this connection. The LICENSOR thereupon shall transfer / assign / endorse the LICENCE within 15 days of its acceptance /deemed acceptance of the Selectee.
- Provided, however, that in the event of a refusal as stated above, the Agent may propose another Selectee whereupon the process outlined in this AGREEMENT for such acceptance shall once again be repeated and followed.
- (v) Decision of LICENSOR in selection of the Selectee shall be final and binding on the LICENSEE and Lender/Agent.

- (vi) All actions of the Agent pursuant to this AGREEMENT shall be for the benefit of the Lenders, and be binding upon Lenders. The Agent is authorized to receive payments on account of compensation or consideration for transfer of the Project in accordance with this AGREEMENT and give valid discharge for and on behalf of all Lenders. All monies so received by the Agent shall be held by it in trust for and made over to the Lenders to be distributed by any interse arrangement among the Lenders.
- 3.2 Unless otherwise agreed to by the LICENSOR, all actions as set out in Article 3.1 for the selection of a Selectee whether on first or subsequent occasions and the Submission of the final proposal to the LICENCE for the transfer of the LICENCE in favour of the Selectee shall be completed by the Agent within a period of six months or such other period as may be mutually agreed by the LICENSOR and the Agent, form the date of the Notice of Event of Default.
- 3.3 The LICENSEE irrevocably agrees and waives any right to challenge the actions of the Agent or the Lenders or the LICENSOR taken pursuant to this AGREEMENT including the assignment/transfer of the LICENCE in favour of the Selectee. The LICENSEE agrees and confirms that it shall not have any right to seek re-valuation of assets of the Project or the LICENSEE's Shares. It is confirmed by the LICENSEE that the right of the Lenders is irrevocable and shall not be contested in any proceedings before any Court or Authority and the LICENSEE shall have no right or remedy to prevent, obstruct, injunct or restrain the LICENSOR or the Lenders form effecting or causing the transfer/assignment / endorsement of the LICENCE as requested by the Lenders through the Agent. Notwithstanding anything contained herein, the provisions or Article 7.11 shall continue to prevail.
- 3.4 If the LICENSOR decides to transfer the LICENCE to any person other than the Selectee, it shall take into account the Lenders' dues as well as the LICENSOR's dues while inviting bids from the prospective transferees or assignees and shall include a suitable condition as agreed to by the Lenders for payment of take over of Lender's dues by such transferee or assignee. Such Transferee or the assignee shall have the option of repaying the Lenders' debt in full or to execute a Tripartite AGREEMENT similar to this AGREEMENT if lenders' dues remain outstanding and undischarged.
- 3.5 If a Selectee (new/alternate LICENSEE as provided in Article 3.4 above) is not found, then the LICENCE AGREEMENT shall stand terminated and the assets/infrastructure of defaulting LICENSEE shall have to be

disposed off with LICENSOR having the first charge/right/ precedence for recovery of its dues form proceeds of such disposal. Remainder of the proceeds of such disposal, if any, shall go to offset the dues of Lender(s) to the extent possible and balance left, if any will go to the defaulting LICENSEE. The defaulting LICENSEE shall be liable to the LICENSOR for costs of all corrective efforts as per prevailing market forces and the decision of LICENSOR shall be final in all respects.

- 3.6 Provided always that nothing in this AGREEMENT shall be interpreted to mean that the LICENSOR has provided any guarantee or surety and it is expressly agreed that the LICENSOR has not provided any surely, guarantee or counter guarantee whether directly or indirectly for the recovery of Financial Assistance advanced or to be advanced by the Lenders to the LICENSEE.

ARTICLE 4

INTERIM PROTECTION OF SERVICE AND PRESERVATION OF SECURITY

4. On the Agent issuing the Notice of Event of Default (and the LICENSEE has not cured the default for a period of 30 days) as hereinabove provided or in other circumstances which in the considered opinion of the Agent is likely to affect adversely and substantially the Lenders' security, the Lenders shall be entitled to institute protective legal proceedings for a receivership to preserve and protect their security. In the first instance, the Agent shall notify the LICENSOR, to assume such receivership and operate the service , pending the transfer/assignment / endorsement of the LICENCE as provided herein but in the event LICENSOR declines to assume receivership, the Lenders shall be entitled to the appointment of a Receiver, with or without the intervention of the Court, of the Project and the receivables pending the transfer/ assignment / endorsement of the LICENCE in accordance with this AGREEMENT by the LICENSOR. The receivership shall be co-terminus with the transfer/assignment/endorsement of the LICENCE to a Selectee. The Receiver shall be responsible for protecting the assents in receivership and rendering a true and proper account of the receivership to the Agent in accordance with the terms of its appointment. The Receiver shall make best efforts to protect the subscriber base of the Network and continue the Service, in accordance with LICENCE obligations. Such a Receiver cab be appointed by consent of the L;ICENSOR and the Lenders as herein contained, or in a legal proceeding for appointment of a Receiver, notwithstanding that no recovery or mortgage suit or any suit or proceeding for enforcement of the Lenders' Security is instituted by the Lenders.

Such an action for appointment of the Receiver or Court Receiver as above shall be without prejudice to the other rights and remedies of the Lenders under the Loan Agreements.

ARTICLE 5

TERMINATION OF THE LICENCE BY THE LICENSOR

- 5.1 If under the LICENCE AGREEMENT, an event occurs which shall entitle the LICENSOR to terminate the LICENCE AGREEMENT, the LICENSOR shall intimate the Agent prior to exercising of its decision to terminate the LICENCE, and on such intimation the Lenders if so decide may cure such events within a period of 30 days from the date of the notice received from the LICENSOR failing which the LICENSOR without any further notice to either the LICENSEE or the Agent be entitled to terminate the LICENCE AGREEMENT, subject to Lenders' right to receive compensation (after setting off LICENSOR's dues if any).
- 5.2 Upon receipt of the Notice as referred to in Article 5.1, intimating occurrence of an event which can entail termination of LICENCE, the Agent shall take immediate steps to consider such a notice as an Event of Default and may initiate steps to invite, negotiate and procure offers for the take over and transfer of the Project of the LICENSEE by a prospective Selectee in accordance with the procedure as provided in Articles 2 and 3 hereinabove.

ARTICLE 6

LENDERS' RIGHT TO COMPENSATION

- 6.1 The LICENSEE hereby expressly authorizes payment of such compensation to the Lenders, notwithstanding the pendency of any dispute or objection of claim that the LICENSEE may have against the Lenders/LICENSOR. The payment of compensation to the Lenders directly in accordance with this Article, made or caused to be made by the LICENSOR shall constitute a valid discharge of the LICENSEE to the extent of such payment received by the Lenders.

All such payments shall be in favour of and shall be receivable by the Lenders to the exclusion of any receiver or Liquidator appointed for the assets of the LICENSEE.

- 6.2 The LICENSEE shall be entitled to receive any balance amount of the compensation after the dues of the LICENSOR, and the Lenders and other direct Fees or charges connected with the transfer of network of the LICENSEE to the Selectee, having been paid therefrom.

ARTICLE 7

GENERAL

- 7.1 The parties hereto expressly represent and warrant that they are duly empowered to sign and execute this Tripartite AGREEMENT and the agent is fully authorized by Members of the Lender's Consortium to enter into this Tripartite AGREEMENT for and on their behalf.
- 7.2 Notices under this AGREEMENT shall be sent to the Addresses first hereinabove mentioned. Any change in the address of any Party shall be duly notified by a Registered post acknowledgement due and delivered to the other parties.
- 7.3 The expressions "the LICENSOR" and "The LICENSEE" and "The Lenders" and "The Agent" herein before used shall unless there be anything repugnant to the subject or context include their respective replacements, successors, legal representatives, administrators and permitted assigns.
- 7.4 This AGREEMENT shall not be affected by reorganization of any Lender or Agent and the successor – in – interest of such Lender or Agent shall have the benefit of this AGREEMENT.
- 7.5 Any variation or modification to this AGREEMENT shall take effect when such variation or modification is made in writing under the signatures of the concerned parties.

- 7.6 The Licensee shall be bound to pay all Stamp Duty or other imposts, costs charges and expenses as are applicable on this AGREEMENT or on any deed of assignment or transfer of the project and in the event of the Lenders making such payment for the time being, such payment shall be deemed to be a part of the Lenders' Dues.
- 7.7 The parties hereby expressly agree that for the purpose of giving full and proper effect to this AGREEMENT, the LICENCE AGREEMENT and this AGREEMENT shall be read together and construed harmoniously.
- 7.8 The consultation, recommendation or approval of the Agent under this AGREEMENT shall always be taken as a consultation, recommendation or approval of every concerned Lender.
- 7.9 Notwithstanding anything contained in this AGREEMENT, the rights and remedies available to the LICENSOR under LICENCE AGREEMENT and Interconnect AGREEMENT respectively, shall remain protected and unaffected.
- 7.10 It shall not be necessary for the Lenders to enforce or exhaust any other remedy available to them before invoking the provisions of this AGREEMENT.
- 7.11 (i) Any dispute, difference or claim arising out of or in connection with or in relation to this AGREEMENT shall be decided by arbitration and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 (of India), or any modification or re-enactment thereof and be governed by the laws of India. The venue for arbitration shall be New Delhi and the Courts in New Delhi shall alone have jurisdiction in matters arising out of such arbitration AGREEMENT or award or protection of property of assets of the project.
- (ii) Before resorting to arbitration, the parties shall attempt to settle in good faith any dispute, difference or claim referred to above by negotiation between them and in the event of failure of such negotiation, the arbitration shall be resorted to.
- (iii) Each party to the dispute, difference or claim shall appoint one arbitrator and the arbitral tribunal thus appointed shall make the award within 30 days after appointment of the last arbitrator. In case the arbitrators thus appointed are of even number then such appointed arbitrators shall choose another arbitrator with mutual consent who will act as the presiding arbitrator of the arbitral tribunal.

SCHEDULE

LIST OF LENDERS AND PARTICULARS OF LOANS

A. List of Lenders and Loan Amounts/Financial Assistance.

Name of Lenders	Amount of Loan	Date of Loan AGREEMENT

B. Particulars of Syndication/Participation in the Loans.

C.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS
AND SEAL ON THE DATE, MONTH AND YEAR HEREINABOVE
Mentioned

SIGNED, SEALED AND DELIVERED FOR AND ON BEHALF OF THE
PRESIDENT OF INDIA BY

DY.DIRECTOR GENERAL (BASIC SERVICES/VAS)
IN PRESENCE OF
AND

SIGNED AND DELIVERED BY SHRI

....., CONSTITUTED ATTORNEY
DULY AUTHORISED OFFICER OF

FOR AND ON BEHALF OF

ACTING FOR HIMSELF & AS AGENT FOR OTHER LENDERS

IN PRESENCE OF
AND

(.....)

THE COMMON SEAL OF

.....

LIMITED HAS PURSUANT TO THE

RESOLUTION OF ITS BOARD OF

DIRECTORS PASSED IN THAT

BEHALF ON THE DAY
OF 2000, HEREUNTO BEEN
AFFIXED IN THE PRESENCE OF
SHRI.....

AND SHRI WHO HAS/HAVE
SIGNED/COUNTERSIGNED THESE
PRESENTS IN TOKEN THEREOF.

