

No. 20-271/2010-AS-I (Vol.-II)
Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Division)
Sanchar Bhawan, Ashok Road, New Delhi-110001

24th October, 2018

To

All UL (VNO) licensees.

Subject: Amendment in UL (VNO) Licences agreement to allow Lease line/ Bandwidth charges and the charges paid by the VNO Licensees to the TSP/ NSOs as deductions treating it as pass through charges-reg.

As per condition 5.1 of UL(VNO) License Agreement, 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. In pursuance of this condition the LICENSOR hereby amends the following in UL (VNO) agreement:

Part II

Chapter VIII (Access Service):

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Gross Revenue to arrive at the AGR:</p> <p>(i) Charges paid to its parent NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax on provision of service and Sales Tax actually paid to the Government if gross revenue had included the component of Sales Tax and Service Tax.</p>	<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Gross Revenue to arrive at the AGR:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax (GST) on provision of service and sales actually paid to the Government if gross revenue had included the component of Goods and Service Tax.</p>



Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
BB	Deduct	BB	Deduct
1.	I. Charges actually paid to parent NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.	1.	I. Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
		2.	Charges actually paid to NSO towards Bulk/ wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs.
2.	Service Tax paid to the Government.	3.	Goods and Service Tax paid to the Government.
3.	Sales Tax paid to the Government.		

Part II

Chapter IX (Internet Service):

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue (AGR) 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:</p> <p>(i) Charges actually paid to the NSOs. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax on provision of service and Sales Tax actually paid to the Government if gross revenue had included the component of Sales Tax and Service Tax.</p>	<p>3.2 Adjusted Gross Revenue (AGR) For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Gross Revenue to arrive at the AGR:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/ Wholesale bandwidth, leased line and bandwidth charges. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax (GST) on provision of service and sales actually paid to the Government if gross revenue had included the component of Goods and Service Tax.</p>

Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
B	Deduct	B	Deduct
1.	Service Tax paid/ payable to the Government	1.	Goods and Service Tax paid/ payable to the Government
2.	Sales Tax paid to the Government.		
3.	Charges actually paid to the NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.	2.	Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges
		3.	Charges actually paid to NSO towards Bulk/ wholesale bandwidth, leased line and bandwidth charges.

Part II

Chapter X (NLD Service):

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue</p> <p>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:</p> <p>(i) Charges actually paid to the NSOs. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax on provision of service and Sales Tax actually paid to the Government, if gross revenue had included the component of Sales Tax and Service Tax.</p>	<p>3.2 Adjusted Gross Revenue</p> <p>For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Gross Revenue to arrive at the AGR:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax (GST) on provision of service and sales actually paid to the Government, if gross revenue had included the component of Goods and Service Tax.</p>

Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
	Deduct		Deduct
1.	Charges actually paid to parent NSO(s) (NLD). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.	1.	Charges actually paid to parent NSO(s) (NLD) towards applicable access charges such as carriage charges, termination charges and roaming charges.
		2.	Charges actually paid to NSO towards Bulk/ wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs.
2.	Service Tax paid/ payable to the Government.	3.	Good and Service Tax paid to the Government.

Part-II

Chapter XI (ILD Service):

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue</p> <p>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:</p> <p>(i) Charges actually paid to the NSOs. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax on provision of service and Sales Tax actually paid/ payable to the Government, if gross revenue had included as component of Sales Tax and Service Tax.</p>	<p>3.2 Adjusted Gross Revenue</p> <p>For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Gross Revenue to arrive at the AGR:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax on provision of service and sales actually paid to the Government, if gross revenue had included as component of Goods and Service Tax.</p>

Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
B	Deduct	B	Deduct
1.	Charges paid to parent NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.	1.	Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
		2.	Chares actually paid to NSO towards Bulk/ wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs.
2.	Service Tax paid to the Government	3.	Goods and Service Tax paid to the Government
3.	Sales Tax paid to the Government		

Part-II

Chapter XII (GMPCS Service):

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>For the purpose of arriving at the “Adjusted Gross Revenue (AGR)” the following shall be excluded from the Gross Revenue to arrive at the adjusted gross revenue:</p> <p>(i) Charges actually paid to the parent NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax on provision of service and Sales Tax actually paid to the Government, if gross revenue had included the component of Service Tax and Sales Tax.</p>	<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Gross Revenue to arrive at the adjusted gross revenue:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards minutes and SMSs. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax on provision of service and sales actually paid to the Government, if gross revenue had included the component of Goods and Service Tax.</p>

Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
B.	Deduct	B	Deduct
1.	Charges actually paid to the NSO. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.	1.	Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
		2.	Charges actually paid to NSO towards Minutes and SMSs.
2.	Service Tax paid to the Government.	3.	Goods and Service Tax paid to the Government.
3.	Sales Tax paid to the Government.		

Part-II

Chapter XIII (PMRTS Service):

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>“ADJUSTED GROSS REVENUE” for the purpose of levying License Fee as a percentage of revenue shall mean the Gross Revenue as reduced by:</p> <p>(i) Charges paid to its NSO(s) shall be limited to the applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax for provision of service and Sales Tax actually paid to the Government, if gross revenue had included the component of service Tax and sales Tax.</p>	<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>“ADJUSTED GROSS REVENUE” for the purpose of levying License Fee as a percentage of revenue shall mean the Gross Revenue as reduced by:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/ Wholesale bandwidth, leased line and bandwidth charges and minutes. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax for provision of service and sales actually paid to the Government, if gross revenue had included the component of Goods and Service.</p>



Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
B	Deduct	B	Deduct
1.	Charges paid to NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.	1.	Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
		2.	Charges actually paid to NSO towards Bulk/ wholesale bandwidth, leased line and bandwidth charges and minutes.
2.	Service Tax paid to the Government.	3.	Goods and Service Tax paid to the Government.
3.	Sales Tax paid to the Government.		

Part-II

Chapter XIV (Commercial VSAT CUG Service):

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>“ADJUSTED GROSS REVENUE” for the purpose of levying License Fee as a percentage of revenue shall mean the Gross Revenue as reduced by:</p> <p>(i) Charges actually paid to parent NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax for provision of service and sales tax actually paid to the Government, if gross revenue had included the component of service tax and sales tax.</p>	<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>“ADJUSTED GROSS REVENUE” for the purpose of levying License Fee as a percentage of revenue shall mean the Gross Revenue as reduced by:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax on provision of service and sales actually paid to the Government if gross revenue had included the component of Goods and Service Tax.</p>

Format of Statement of Revenue and License Fee

Existing Format		Amended Format	
	Deduct		Deduct
1.	Revenue paid to NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.	1.	Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
		2.	Charges actually paid to Bulk/wholesale bandwidth, leased line and bandwidth charges.
2.	Service Tax paid to the Government.	3.	Goods and Service Tax paid to the Government
3.	Sales Tax paid to the Government.		

Part-II

Chapter XV (INSAT MSS-R Service):

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>“ADJUSTED GROSS REVENUE” for the purpose of levying License Fee as a percentage of revenue shall mean the Gross Revenue as reduced by:</p> <p>(i) Charges actually paid to parent NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service tax for provision of service and sales tax actually paid to the Government, if gross revenue had included the component of service tax and sales tax.</p>	<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>“ADJUSTED GROSS REVENUE” for the purpose of levying License Fee as a percentage of revenue shall mean the Gross Revenue as reduced by:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax on provision of service and sales actually paid to the Government, if gross revenue had included the component of Goods and Service Tax.</p>

Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
	Deduct		Deduct
1.	Revenue paid to parent NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.	1.	Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
		2.	Charges actually paid to NSO towards Bulk/ wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs.
2.	Service Tax paid to the Government.	3.	Goods and Service Tax paid to the Government
3.	Sales Tax paid to the Government.		

Part-II

Chapter XVI Resale of IPLC Service:

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>“ADJUSTED GROSS REVENUE” for the purpose of levying License Fee as a percentage of revenue shall mean the Gross Revenue as reduced by:</p> <p>(i) Charges actually paid to the parent NSO(s). Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax for provision of service and sales tax actually paid to the Government, if gross revenue had included as component of service tax and sales tax.</p>	<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>“ADJUSTED GROSS REVENUE” for the purpose of levying License Fee as a percentage of revenue shall mean the Gross Revenue as reduced by:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(iii) Goods and Service Tax for provision of service and sales actually paid to the Government, if gross revenue had included as component of Goods and Service.</p>

Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
B	Deduct	B	Deduct
1.	Charges actually paid to other telecom service providers for procurement of bandwidth, last mile connectivity used for provision of end to end IPLC; (note: Any charges paid for multiplexing, demultiplexing, billing system and related customer management are not to be deducted.) (Operatorwise) (Copy of agreement to be provided in the first year).	1.	Charges actually paid to other telecom service providers for procurement of bandwidth, last mile connectivity used for provision of end to end IPLC; (note: Any charges paid for multiplexing, demultiplexing, billing system and related customer management are not to be deducted.) (Operatorwise) (Copy of agreement to be provided in the first year).
		2.	Charges actually paid to NSO towards Bulk/ wholesale bandwidth, leased line and bandwidth charges.
2.	Service Tax paid to the Government.	3.	Goods and Service Tax paid to the Government.
3.	Sales Tax paid to the Government.		

Part-II

Chapter XVII Access Service Category 'B' Service:

Existing condition	Amended condition
<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Gross Revenue to arrive at the AGR:</p> <p>(i) Charges paid to its parent TSP/NSO(s) for procurement of services. Charges paid to NSO(s) shall also include applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Service Tax on provision of service and Sales Tax actually paid to the Government if gross revenue had included the</p>	<p>3.2 Adjusted Gross Revenue (AGR)</p> <p>For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Gross Revenue to arrive at the AGR:</p> <p>(i) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.</p> <p>(ii) Charges paid to NSOs towards Bulk/Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs. However, these charges should be governed by a written agreement, a copy of which must be provided along with the proof of actual payment for the deduction to be allowed.</p> <p>(ii) Goods and Service Tax (GST) on provision of service and Sales actually paid to the Government if gross</p>

component of Sales Tax and Service Tax.	revenue had included the component of Goods and Service Tax.
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Format of Statement of Revenue and License Fee:

Existing Format		Amended Format	
B	Deduct	B	Deduct
1.	I. Charges actually paid to parent NSO(s) for procurement of services. Charges paid to NSO(s) shall also include applicable access charges such as carriage charges, termination charges and roaming charges.	1.	I. Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
		2.	Charges actually paid to NSOs towards Bulk/ Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs
2	Service Tax paid to the Government	3.	Goods and Service Tax paid to the Government
3	Sales Tax paid to the Government		

2. These amendments shall be part and parcel of UL(VNO) license agreement and other terms and conditions shall remain unchanged.
3. This comes into effect from current financial year 2018-19
4. Please acknowledge receipt.

[Signature]
24/10/18
Director (AS)

**For and on behalf of the President of India
Ph. No. 2303 6284**

Copy To:

1. Secretary (TRAI).
2. Sr. DDG (TEC)/ Wireless Advisor/ Sr. DDG (TERM)/ Sr. DDG (LFP) / DDG (LFA)/ DDG (Security) and DDG (WPF).
3. Advisor (Economics)/ DDG (CS)/ DDG (DS)/ DDG (A/C) for kind information please.
4. CMD, BSNL/ CMD, MTNL/ CVO.
5. AUSPI/ COAI.
6. Director (IT) may kindly arrange to upload this letter on the website of DoT. -
7. All Directors of AS Division.