

GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS  
DEPARTMENT OF TELECOMMUNICATIONS  
SANCHAR BHAWAN, 20, ASHOKA ROAD,  
NEW DELHI-110 001, INDIA.

LICENSE AGREEMENT

FOR

UNIFIED LICENSE FOR VNO

NO. \_\_\_\_\_ DATED \_\_\_\_\_

TOTAL PAGES \_\_\_\_\_

**LICENSE AGREEMENT**  
**FOR**  
**UNIFIED LICENSE (VNO)**

This Agreement is made on the \_\_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_\_ (year) between the President of India acting through \_\_\_\_\_ (Name & Designation of the Officer), Department of Telecommunications (DoT), Sanchar Bhawan, 20, Ashoka Road, New Delhi – 110 001 (hereinafter called the Licensor) of the FIRST PARTY.

AND

M/s \_\_\_\_\_, a company registered under the Companies Act 1956/2013, having its registered office at \_\_\_\_\_ acting through Shri. \_\_\_\_\_, the authorized signatory (hereinafter called the Licensee which expression shall, unless repugnant to the context, include its successor in business, administrators, liquidators and assigns or legal representatives) of the SECOND PARTY.

WHEREAS by virtue of the provisions of Section 4 of the Indian Telegraph Act, 1885, the Licensor enjoys exclusive privilege to grant License for telecom services and the Licensee has requested the Licensor for grant of Unified License (VNO) {UL (VNO)} with authorization for providing services under the Schedule of the UL (VNO) in the service areas as mentioned in the Table below. Whereupon and in pursuance to the said request, the Licensor has agreed to grant Unified License (VNO) with authorization for provision of services as per terms and conditions described in the Schedule to the Unified License (VNO) Agreement, Part-I and Chapters of Part-II for services and service areas as detailed below:

Sl. No.	Service	Service Area	Chapter of the PART-II of Schedule

Whereas, Table shown here in above is subject to amendment for addition/ deletion of services and service areas in the event of grant of any further service authorization or revocation/ surrender/ termination of any of the service authorized under the license, in accordance with the terms and conditions contained in the schedule to the License.

**NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:**

1. In consideration of the payment of Entry Fee, License Fee and due performance of all the terms and conditions mentioned in the above stated Parts and Chapters of this Unified License (VNO) on the part of the Licensee, the Licensor does, hereby grant under Section 4 of the Indian Telegraph Act, 1885 on a non-exclusive basis, this License to set up and operate the Service(s) in the service areas detailed and described above.

2. This License shall be valid for a period of 10 years from the effective date of this License unless revoked earlier for reasons as specified elsewhere in the document. Validity period for service(s) authorized under any Chapter of Part-II of this Unified

License (VNO), at a later date, shall be co-terminus with the validity period of this UL (VNO).

3. The Licensee hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in this License Agreement and without any deviation or reservations of any kind.

4. Effective Date of this License shall be .....

5. This Unified License (VNO) has been granted on non-exclusive basis and additional Licenses may be issued in any Service Area from time to time in future without any restriction on number of Licensees with same or different entry conditions.

6. The License shall be governed by the provision of Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom Regulatory Authority of India Act, 1997 and Information Technology Act, 2000, as modified or replaced from time to time or any other relevant Act.

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

Signed for and on behalf of  
President of India

Signed on  
Behalf of

M/s. \_\_\_\_\_

By

By

\_\_\_\_\_  
(Name and Designation),  
DOT, New Delhi

\_\_\_\_\_  
(Name and Designation),  
authorized signatory and holder of  
General Power of Attorney dated  
\_\_\_\_\_, executed in  
accordance with the Resolution No.  
\_\_\_\_\_, dated \_\_\_\_\_  
passed by the Board of Directors.  
(Company Seal) if applicable

In the presence of:

Witnesses:

1. Signature

Name

Occupation

Address

Place.

2. Signature

Name

Occupation

Address

Place.

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**SCHEDULE  
TO  
THE UL (VNO) AGREEMENT**

**TERMS AND CONDITIONS**

**PART- I**

[Terms and conditions contained in PART- I shall be applicable for all services provided under this License, unless specified otherwise in the service specific Chapters in PART- II.]



## CHAPTER-I

### GENERAL CONDITIONS

**<sup>1</sup>1.1 FDI upto 100% under automatic route** subject to observance of licensing and security conditions by licensee as well as investors as notified by the DoT from time to time.

**Notwithstanding with the above provision, foreign investment shall be subject to following conditions:**

**(i) An entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.**

**(ii) In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/ purview of the clause no. (i) above, such subsequent change in beneficial ownership will also require Government approval.**

(iii) Both direct and indirect foreign investment in the Licensee Company shall be counted for the purpose of calculating total FDI.

(iv) The licensee Company/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government. While approving the investment proposals, the Government may take into accounts security concerns.

(v) FDI shall be subject to laws of India and not the laws of the foreign country/countries. The Licensee shall comply with the relevant provisions of FDI policy of the Government and such modifications to the policy as may be issued from time to time.

(vi) The words, mentioned hereinabove in Para 1.1, such as FDI, foreign equity, investment companies, FIPB, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.

1.2 The Licensee shall declare the Indian & Foreign equity structure (both direct and in-direct) in the Licensee company and submit a compliance report regarding compliance of FDI norms and security conditions on 1<sup>st</sup> day of January and 1<sup>st</sup> day of July of every year to the Licensor in Proforma as may be prescribed from time to time. This is to be certified by Company Secretary or Statutory Auditor, countersigned by duly authorized Director of the Licensee Company.

1.3 The Licensee shall also ensure that:

(i) Any changes in shareholding shall be subject to all applicable statutory permissions under the Laws of India.

<sup>2</sup>(ii) There would not be any restriction on the number of VNO licensees per service area. VNOs are allowed to have agreements with more than one NSO for all services other than Access service and such services which need numbering and unique identity of the customer. For wire line access services through EPABX, the connectivity of

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<sup>1</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-IV) dated 03.11.2021

<sup>2</sup> Amended vide letter no 20-562/2017 AS-I dated 02.03.2020

different NSOs shall be governed by the Terms & Conditions of respective service authorization as mentioned in PART-II of the Schedule to the License Agreement or as per the directions/ instructions issued by the Licensor from time to time. In UL (VNO) the provision for restriction of equity cross holding will be applicable between (i) a VNO or its promoter(s) and another NSO (other than VNO's parent NSO) or its promoter(s) and (ii) between a VNO or its promoter(s) & another VNO or its promoter(s), authorised to provide access service using the access spectrum of NSO(s) in the same service area. This restriction will not be applicable in case of VNOs parented to the same NSO. It would not be mandatory for an NSO to provide time bound access to its VNO, rather, it would be left to the mutual agreement between an NSO and a VNO. However, TRAI/DoT shall have right to intervene in the matter as and when required to protect the interest of consumers telecom sector.

1.4 Change in the name of the Licensee Company, as per the provisions of the Indian Companies Act, 2013, shall have to be intimated to the Licensor in writing along with certified copy of the name change certificate within 30 days from the date of issue of such certificate by the Registrar of Companies.

1.5 The Licensee shall have a minimum paid up equity capital equal to the sum of the Paid up Equity Capital required for each Service opted by the Licensee as per **Annexure-II**. The minimum paid up equity capital requirement under this license to acquire authorization for all the services is Rs. 10 Crore (Rupees Ten Crore only).

<sup>3</sup>1.6 (i) The Licensee shall have a minimum Networth equal to the sum of the Networth required for each Service opted by the Licensee as per **Annexure-II**. The combined minimum Networth under this license for acquiring the authorization for all the services is Rs. 10 Crore (Rupees Ten Crore only). Networth shall be as defined in the Companies Act 2013 and as amended from time to time and certified by Company Secretary. In case of UL(VNO) Category B authorisation, if applicant is a legal entity not covered under Companies Act, the networth shall be as certified by the Chartered Accountant/ Cost Accountant. The networth of promoters/ equity holders shall not be counted for determining the networth of the company. While counting the networth, the foreign currency shall be converted into Indian Rupees at the prevalent rate indicated by the Reserve Bank of India as on the date of application received.

1.6 (ii) The Licensee shall declare paid up Capital and submit a compliance report on 1<sup>st</sup> day of January and 1<sup>st</sup> day of July of every year to the Licensor in Proforma as may be prescribed from time to time. This is to be certified by Company Secretary or Statutory Auditor, countersigned by duly authorized Director of the Licensee Company.

1.7 The Licensee shall maintain the required minimum paid up equity as per **Annexure-II** during the currency of license.

1.8 The Licensee shall provide only those services for which authorization has been granted in the License Agreement even if total amount of Entry Fee paid/ payable equals the maximum limit and combined minimum requirement of Networth and Paid up Equity Capital for all services are met.

1.9 At the time of obtaining any additional service authorization during the currency of the License, all the eligibility requirements will have to be met by the Licensee.

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<sup>3</sup> Amended vide letter 20-562/2017 AS-I (Pt) dated 31.08.2018

## 2. Scope of License:

<sup>4</sup>2.1 This License is granted to provide Service(s) as authorized in the License Agreement and as per the scope defined in relevant chapter(s) of this License Agreement, on a non-exclusive basis in the Service Area as applicable. Services can be provided by Licensee on National Level, Telecom Circle/ Metro Area Level and District Level in case of VNO Cat 'B'. 22 Service Areas (Telecom Circle/Metro Areas) are defined in **Annexure-IV**. Administration of authorized services shall be at the respective service area level for all purposes.

Provided further that the Licensor, of its own or through a Designated Entity shall always have the right to operate the Service anywhere in India including the licensed area for which this License is granted. The Licensor reserves the right to add additional chapters to introduce new services.

Names of various service areas and the geographical areas covered under them are enclosed as **Annexure-IV**.

2.2 (i) The Licensee may establish, operate and maintain Telecommunication Networks parented to NSO(s) Network and telecommunication services using any technology as per prescribed standards in the service area as per scope of services authorized under this License.

(ii) For providing the Service the Licensee shall utilize, if required, any type of equipment and product that meet TEC & ITU standards, wherever made mandatory by the Licensor from time to time. In the absence of mandatory TEC standard, the Licensee may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ETSI, IEEE, ISO, IEC etc.; or set by International Fora, such as 3GPP, 3GPP-2, IETF, MEF, WiMAX, Wi-Fi, IPTV, IPv6, etc. as recognized by TEC and subject to modifications/ adaptations, if any, as may be prescribed by TEC/ Licensor from time to time.

(iii) The Licensee shall not provide any service/ services which require a separate authorization/ license unless specifically provided for in the chapters for services authorized in this License Agreement.

(iv) It is obligatory upon the Licensee to provide the services by establishing a state-of-the-art digital network.

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

2.4 Licensee shall make its own arrangements for all infrastructure involved, if required, in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary infrastructure, equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of revenue, attending to claims and damages arising out of its operations etc. However, the Licensee may share the infrastructure as permitted under the scope of respective service authorization in PART-II of the Schedule to the License Agreement or as per the directions/ instructions issued by the Licensor from time to time.

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<sup>4</sup> Amended vide letter 20-562/2017 AS-I (Pt) dated 31.08.2018

### **3. Duration of License:**

3.1 This License shall be valid for a period of 10 years from the effective date of this License. The duration of the License of a VNO shall be fixed as 10 years extendable further for 10 years at a time by the licensor unless revoked earlier for reasons as specified elsewhere in the document. However, depending on technological developments and experience gathered, this duration of license can be reviewed after 3-4 years. The agreement of a VNO with a NSO will terminate with the expiry of the license of either party.

### **4. Renewal of License:**

4.1 The Licensor may renew, if deemed expedient, the period of License by 10 years at one time, upon request of the Licensee, if made during the 09<sup>th</sup> year of the license period, on the terms specified by the Licensor, subject to extant policy. The decision of the Licensor shall be final and binding in this regard.

4.2 On renewal, the Licensee may be required to pay a renewal fee as may be notified by the Licensor.

### **5. Modifications in the Terms and Conditions of License:**

5.1 The Licensor reserves the right to modify at any time the terms and conditions of the License, 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 proper conduct of the Telegraphs. The decision of the Licensor shall be final and binding in this regard.

### **6. Restrictions on 'Transfer of License':**

6.1 The Licensee shall not, without the prior written consent of the Licensor as described below, either directly or indirectly, assign or transfer this License in any manner whatsoever to a third party or enter into any agreement for sub-License and/or partnership relating to any subject matter of the License to any third party either in whole or in part i.e. no sub-leasing/ partnership/ third party interest shall be created. For provision of the service by the Licensee, the Licensee may appoint or employ franchisee, agents, distributors and employees.

6.2 The Licensor shall have the right to direct the Licensee to warn, penalize or terminate the services of the franchisee or agent or distributor or employee (servant), after considering any report of conduct or antecedents detrimental to the security of the nation. The decision of the Licensor in this regard shall be final and binding and in any case the Licensee shall bear all liabilities in the matter and keep the Licensor indemnified for all claims, cost, charges or damages in this respect.

6.3 Mergers and acquisitions as well as transfer of licenses shall be subject to the guidelines issued on the subject from time to time by the Licensor.

6.4 Further, the Licensee may transfer or assign the License Agreement with prior written approval of the Licensor, in the following circumstances, and if otherwise, no compromise in competition occurs in the provisions of Telecom Services:-

(i) 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;

(ii) Prior written consent/ No Objection of the Licensor has been obtained for transfer or merger of Licenses as per applicable guidelines issued from time to time. Further, the transferee/ assignee is fully eligible in accordance with eligibility criteria as applicable for grant of fresh License in that area and shows its willingness in writing to comply with the terms and conditions of the License agreement including past and future roll out obligations as well as to comply with guidelines for transfer/ merger of Licenses including for charges as applicable; and

(iii) All the past dues are fully paid till the date of transfer/ assignment by the transferor company/entity and transferee company/entity; and thereafter the transferee company/entity undertakes to pay all future dues inclusive of anything remained unpaid of the past period by the outgoing company/entity.

## **7. Provision of Service:**

7.1 The Licensee shall be responsible for, and is authorized to own & install, test and commission all the Applicable systems parented to NSO(s) for providing the Service authorized under this License agreement if required. The Licensee shall intimate the Licensor well in advance before the proposed date of commencement of any service in any Service Area containing the details of network and required facilities for monitoring of the service installed by the Licensee. Any service, permitted under the scope of this License Agreement, shall be commenced by the Licensee only after prior intimation to the Licensor. The licensee's Applicable System/ Service has to be broadly compliant to the scope of the License and requisite monitoring facilities are successfully demonstrated by the Licensee, if equipment capable of monitoring is available with the Licensee otherwise it shall be the responsibility of parent NSO(s).

## **8. Delivery of Service (Service to subscriber):**

8.1 The Licensee shall intimate the Licensor and TRAI of Commencement of Service within 15 days of such commencement. The VNOs are allowed to create their own service delivery platforms in respect of customer service, billing and VAS.

## **9. Requirement to furnish information:**

9.1 The Licensee shall furnish to the Licensor/ TRAI, on demand in the manner and as per specified timelines such documents, accounts, estimates, returns, reports or other information in accordance with the rules/ orders as may be prescribed or as directed 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 as amended from time to time.

## **10. Penalty, Suspension, Surrender, Termination/ Revocation of License:**

10.1 (i) The Licensor may impose a financial penalty not exceeding the amount shown in **Annexure-V** for each service as per applicable service area per occasion for violation of terms and conditions of license agreement.

10.1 (ii) The Licensor reserves the right to suspend the operation of this License/ Service Authorization 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. License Fee payable to the Licensor will not be required to be paid for the period for which the operation of this License remains suspended in whole. Provided that if situation so warrants, the Licensor may dispense with the issue of notice prior to such suspension. The decision of the Licensor shall be final and binding in this regard.

Provided further that the Licensor shall not be responsible for any damage or loss caused or arisen out of aforesaid action. Provided also that the suspension of the License shall not be a cause or ground for extension of the period of the License 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 License, by a written notice to the Licensee at its registered office, terminate/ revoke this License in whole or in part or any of the authorized service(s) under any of the following circumstances :

If the Licensee:

- a) fails to perform any obligation(s) under the License including timely payments of fee and other charges due to the Licensor, including securitization of dues;
- b) fails to rectify, within the time prescribed, any defect/ deficiency/ correction in service/ equipment as may be pointed out by the Licensor/ TRAI.
- c) goes into liquidation or ordered to be wound up.
- d) is recommended by TRAI for revocation of License for non-compliance of the terms and conditions of the License.
- e) fails to comply with FDI norms.
- f) has furnished information/ certificates for obtaining the license which is found false at any stage.

For this purpose, the Licensor shall issue a show cause notice of 21 days to the Licensee. If the Licensor decides to revoke the license, the same will be effective from the 61<sup>st</sup> calendar day from the date of issue of such termination/ revocation order. The Licensee shall be required to give a notice of at least 30 Calendar days to its customers within this period of revocation order.

10.2 (ii) In case of suspension or termination/ revocation of the License/ authorized service, the Licensor may also impose a financial penalty not exceeding the amount shown in **Annexure-V** for each service per service area for violation of terms and conditions of license agreement.

### 10.3 Exit from Service Delivery (Business by a VNO)

10.3 (i) In case a VNO wants to exit/ surrender its License/ Authorisation(s), it shall notify 60 calendar days in advance to the licensor, TRAI and NSO. VNO shall notify 30 calendar days in advance to its customers.

10.3 (ii) For the services other than mobile, all customers of VNO will be migrated to any of the tariff plan of the parent NSO without any extra charges e.g. upfront/

activation charges. The mobile services customers of the VNO can port their mobile numbers, using MNP facility, to the service providers of their choice. These provisions shall be built-in as mandatory provisions in the commercial agreement between the NSO and the VNO.

10.4 The Licensor reserves the right to terminate/ revoke/ suspend the License or any authorized service under this License, in whole or in part, at any time in the interest of public by giving a notice of 60 Calendar days from the date of issue of such notice. Provided that, in the interest of national security or in the event of national emergency/ war or low intensity conflict or similar type of situations, the Licensor has the right to revoke/ suspend the License or any authorized service under this License, in whole or in part, without any notice period.

10.5 The Licensor reserves the right to take over the services, equipment and networks of the Licensee in the interest of national security or in the event of national emergency/ war or low intensity conflict or similar type of situations in full or in part in the Service area. Further the Licensor reserves the right to keep any area out of the operation zone of the Service if implications of security so require.

10.6 Breach or non-fulfillment of License 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-motu or on complaint to determine whether there has been any breach in compliance of the terms and conditions of the License by the Licensee. The Licensee shall extend all reasonable facilities to conduct inquiry.

10.7 It shall be the responsibility of the Licensee to maintain the Quality of Service even during the period when the notice for surrender/ revocation of License 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. Further, it shall also be treated as material breach liable for action under Clause 10.1 and 10.2 of the License. The Licensee shall also be liable to pay the License Fee till the end of the notice period and more specifically till the date on which the surrender/ revocation becomes effective. TRAI will put in place comprehensive regulations on QoS parameters to be complied with separately by NSOs and VNOs.

## **11. Actions pursuant to Revocation of License:**

11.1 If under the License Agreement, material event occurs which entitle the Licensor to revoke the License Agreement, the Licensor shall proceed in accordance with the terms and conditions provided in the Tripartite Agreement read with the License agreement wherever such agreement is executed and signed. In cases where no such Tripartite agreement is signed the action will be taken as per the Condition 11.2 below.

11.2 On revocation or surrender or cancellation of License/ Service Authorization(s) due to reasons whatsoever or expiry of the License, the relevant Bank Guarantee(s) shall be released to the Licensee only after ensuring clearance of all dues, which the Licensee is liable to pay to the Licensor. In case of failure of the Licensee to pay the amounts due to the Licensor, the outstanding amounts shall be realized through encashment of the Bank Guarantees without prejudice to any other action(s) for recovery of the amounts due to the Licensor without any further communication to the Licensee.

## **12. Force- Majeure:**

12.1 If at any time, during the continuance of this License, 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 revoke this Agreement, 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 License 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 binding.

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

12.3 While it will normally not be a ground for non-payment of License Fee, the liability for payment of License 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:**

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

13.2 The aforesaid sum of money payable to the Licensee shall include any security/ bank guarantee which can be converted into money.

13.3 After exercising the right of set off, the Licensor shall inform the Licensee of the action taken.

## **14. Way Leave:**

14.1 The Licensee shall make, if required, its own arrangements for Right of Way (ROW). In exercise of the provisions of the Section 19 B of the Indian Telegraph Act, 1885, the Central Government, vide Notification dated 24.5.1999, has conferred the powers upon the duly authorized Licensee(s), licensed under Section 4 of the said Act, to seek way-leave from any person including public authority, in connection with providing the services, as per details mentioned in the said Notification. However, 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, if



any and shall not be taken as a valid excuse for not carrying any obligations imposed by the terms of this License or conditions of spectrum allotment.

**15. Dispute Settlement:**

15.1 All disputes relating to this License will be subject to jurisdiction of Telecom Disputes Settlement and Appellate Tribunal (TDSAT) as per provisions of TRAI Act, 1997 as amended from time to time. Dispute in any matter outside the domain of TDSAT will lie in the jurisdiction of competent Courts in NCT of Delhi only.

**16. Other Conditions:**

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

16.2 The Licensee shall also be bound by the prevailing instructions/ directions/ orders issued in respect of a service by the Licensor/ TRAI, if the same service is also being provided by the Licensee to its subscribers.

16.3 The statutory provisions and the rules made under Indian Telegraph Act, 1885 or Indian Wireless Telegraphy Act, 1933 or Information Technology Act, 2000 or TRAI Act, 1997 and the rules and regulations there under shall govern the provision of service under this license agreement. Any order passed under these statutes shall be binding on the licensee.

## CHAPTER-II

### COMMERCIAL CONDITIONS

#### 17. Tariffs:

17.1 The Licensee will charge the tariffs for the Service as per the Tariff orders/ regulations/ directions/ decisions 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.

## CHAPTER-III

### FINANCIAL CONDITIONS

#### 18. FEES PAID/ PAYABLE:

##### 18.1 Entry Fee:

18.1.1 A one-time non-refundable **Entry Fee** for each authorized Service shall be paid as per **Annexure-II**. The total amount of Entry fee shall be the cumulative Entry Fee of each authorization subject to a maximum of Rs. **7.5 Crore** (Rupees Seven crores and fifty lakh only).

##### 18.2 License Fee:

18.2.1 In addition to the Entry Fee, an annual License fee & Spectrum Usage charges (SUC) as a percentage of Adjusted Gross Revenue (AGR) shall be paid by the Licensee service-area wise, for each authorized service separately as per the procedure prescribed in applicable chapter of UL (VNO) from the effective date of the respective authorization. The License Fee is at present 8% of AGR, inclusive of USO levy, which is presently 5% of AGR. SUC shall be applicable as per rates applicable for NSO and can be amended from time to time.

Provided that from Second Year of the effective date of respective authorization, the License fee shall be subject to a minimum of 10% of the Entry Fee of the respective authorized service and service area as in **Annexure-II**. Further, if the licensee has been granted UL (VNO-All services), minimum license fee shall be calculated separately on the entry fee of each authorized service and service area separately in the concerned offices of the controllers of communication accounts (CCAs). Moreover, from the second year of the effective date of respective authorization, the license fee shall be either the license fee based on the actual AGR or the license fee of minimum of 10% of the Entry Fee of the respective authorized service and service area as in **Annexure-II**, whichever is higher.

#### <sup>5</sup>19. **Definition of Gross Revenue, Applicable Gross Revenue (ApGR) and Adjusted Gross Revenue (AGR):**

19.1 *The Gross Revenue, **Applicable Gross Revenue (ApGR)** and Adjusted Gross Revenue (AGR) for the purpose of calculation of License fee for different services authorized under this license are defined in the respective chapters of the Service in PART-II of this License Agreement.*

#### 20. **Schedule of payment of ANNUAL LICENSE FEE, SPECTRUM USAGE CHARGES and other dues:**

20.1 License Fee shall be payable in four quarterly installments during each financial year (FY) commencing 1<sup>st</sup> of April.

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<sup>5</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-V) Dated: 25.10.2021

20.2 The quarter in which the effective date of license/ authorization falls, shall end on the usual end date of that quarter for the purpose of license fee. The quarters where the minimum license fee becomes applicable and the last quarter of the license period, may not be of full three months, but of part period only.

[Explanation:

- (i) For license/ authorization with effective date on 13<sup>th</sup> July, the quarter will end on 30<sup>th</sup> September.
- (ii) In such case the minimum license fee would become applicable w.e.f. 13<sup>th</sup> of July next year and the quarter shall end in the following 30<sup>th</sup> September.

20.3 License Fee shall be payable in four quarterly installments during each financial year (FY). Quarterly installment of license fee for the first three quarters of a financial year shall be paid within 15 days of the completion of the relevant quarter. The AGR based license Fee shall be paid by the Licensee on the basis of revenue on accrual basis for the quarter, duly certified with an affidavit by a representative of the Licensee who is 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 License Fee by 25<sup>th</sup> March on the basis of expected revenue for the quarter, subject to a minimum payment equal to the revenue share paid for the previous quarter.

20.4 The Licensee shall adjust and pay the difference between the advance payment made and actual amount duly payable for the last quarter of financial year within 15 days of the end of the quarter. However, in case of over-payment recorded on account of the licensee, the same may be adjusted in the 1<sup>st</sup> quarter of next financial year.

20.5 The quarterly payment shall be made with an affidavit as at **Annexure-A** of the respective Chapter of service authorization together with a STATEMENT OF REVENUE SHARE AND LICENSE FEE separately for each service and service area in the Proforma prescribed at **Appendix-II to Annexure-A** of the respective chapter of the service, showing the computation of revenue and License fee payable. The aforesaid quarterly STATEMENTS of each year shall be required to be audited by the Auditors (hereinafter called Licensee's Auditors) appointed by the Licensee under the Companies' Act, 2013. The report of the Auditor should be in the prescribed form as per **Appendix-I to Annexure-A** of the respective Chapter of service authorization.

***<sup>6</sup>20.6 Any delay in payment of License Fee or any other dues payable under the License, beyond the stipulated period will attract interest at a rate which will be 2% above the one year Marginal Cost of Lending Rate (MCLR) of State Bank of India existing as on the beginning of the Financial Year (namely 1st April) in respect of the license fees or any other dues pertaining to the said Financial Year. The interest shall be compounded annually. A part of the month shall be reckoned as a full month for the purpose of calculation of interest. A month shall be reckoned as an English calendar month.***

20.7 For the first three quarters, the cutoff date for the delay would be the due date of the payment, i.e., after the 15 days of completion of relevant quarter. However, for the

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<sup>6</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-IV) dated 01.10.2021

purpose of difference between advance payment made and actual amount due for the last quarter of the financial year, the due date would be 16<sup>th</sup> April.

<sup>7</sup>20.8 ***Final adjustment of the License fee for the year shall be made on or before 30<sup>th</sup> June of the following year. Based on the gross revenue figures, the minimum License Fee shall be submitted by the Licensee, duly certified by the AUDITORS of the Licensee in accordance with the provision of the Companies' Act, 2013.***

20.9 A reconciliation between the figures appearing in the quarterly statements submitted in terms of the Condition 20.5 of the License 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-B** of the respective Chapter of service authorizations. The statements and accounts submitted shall be assessed and verified by the Licensor and through its units namely Offices of Controller of Communication Accounts in respective service areas.

20.10 All sums becoming due and payable as mentioned in this License Agreement shall be paid by the Licensee, service and service area wise, through e-transfers.

## **21. BANK GUARANTEES:**

### **21.1 Performance Bank Guarantee:**

As Licensees would not be forced to create infrastructure therefore no roll out obligations may be casted upon Licensees. Therefore, no PBG is prescribed for VNOs.

### <sup>8</sup>21.2 **Financial Bank Guarantee:**

*The Licensee shall submit Financial Bank Guarantee (FBG) separately for each service and service area as per Annexure-II, initially before signing the License Agreement or subsequent authorization of service(s), as the case may be, valid for one year, from any Scheduled Bank or Public Financial Institution duly authorized to issue such Bank Guarantee, in the prescribed Proforma at Annexure-III of this license agreement. Subsequently, the amount of FBG shall be equivalent to **20%** of the estimated sum payable (of License fee for two quarters and other dues not otherwise securitized). The amount of FBG shall be subject to periodic review on six monthly basis by the Licensor, i.e. CCAs/ DoT and shall be renewed from time to time. Initially, the Bank Guarantee (FBG) 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 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 License 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 paid/ payable by the Licensor on such encashment.*

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<sup>7</sup> Amended vide letter no20.271/2010 AS-I (Vol.-IV) dated 01.10.2021

<sup>8</sup> Amended vide letter no20.271/2010 AS-I (Vol.-IV) dated 06.10.2021

21.3 Where the Bank Guarantees have been encashed partially, the licensee on such occasions, shall restore the encashed guarantees to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the license.

21.4 Without prejudice to its rights of any other remedy, Licensor may encash Bank Guarantee (FBG) in case of any breach in terms & conditions of the License by the Licensee.

## **22. Preparation of Accounts:**

22.1 The Licensee will draw, keep and furnish independent accounts for each service and service area and shall fully comply with any order, direction or regulation as may be issued by TRAI and rules/ instructions/ directions as are issued by the Licensor from time to time.

22.2 The Licensee shall be obliged, in respect of each authorized service and service area separately, to:

a) Compile and maintain accounting records, sufficient to show and explain its transactions in respect of each completed quarter of the License 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 License including a reasonable assessment of the assets employed in and the liabilities attributable to the Licensee's business, as well as, for the quantification of Revenue or any other purpose.

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

c) Send to the CCAs/ DoT certified statement sworn on an affidavit, by authorized representative of the licensee, containing full account of Revenue as defined in condition 19 for each quarter separately along with the payment for the quarter.

d) Furnish to the Licensor full detail of inter-operator settlement of accounts e.g. pass through charges, usage of network and facilities, domestic and international roaming including details of the settlement regime through accounting rate or any other mechanism, etc. All bilateral settlements including those between the ILD service provider and other foreign partners (carriers) shall be through normal banking channel in a transparent manner.

22.3 (a) The Licensor, i.e., CCAs/ DoT or the TRAI, as the case may be, shall have a right to call for and the Licensee shall be obliged to supply and provide for examination any books of accounts that the Licensee may maintain in respect of the business carried on to provide the service(s) under this License 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/entity 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 License.

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 CCAs/ DoT may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order Audit of the accounts of the Licensee by appointing Auditor at the cost of the Licensee and such auditor(s) shall have the same powers which the statutory auditors of the company/entity 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 CCAs/ DoT may also get conducted a 'Special Audit' of the Licensee'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/entity's annual financial accounts according to the accounting norms and principles prescribed and the directions given by the Licensor or the TRAI, as the case may be, from time to time.

22.8 The CCAs/ DoT to ensure proper and correct assessment, verification and settlement of revenue share paid, can, if deemed necessary, add, modify, alter, substitute and amend whatever stated in this Chapter, namely Chapter-III of this license. The licensee shall comply with the instructions/ directions issued in this regard from time to time.

## CHAPTER-IV

### TECHNICAL CONDITIONS

#### 23. TECHNICAL CONDITIONS:

<sup>9</sup>23.1 The Licensee is permitted to set up their own network equipment viz. BTS, BSC, MSC, RSU, DSLAMs, LAN switches, if required, where there is no requirement of interconnection with other NSO(s). The VNO shall not be allowed to own/ install equipment viz. GMSCs, Soft-switches and TAX. Equipment permitted to be owned /installed by VNOs shall conform to the technical standards prescribed by standardization bodies like TEC and ITU. However in case of Access Services Category B only wireline equipments are allowed to be installed.

23.2 The LICENSEE shall provide the details of the technology, if required, proposed to be deployed for operation of the service, to the Licensor. In the absence of mandatory TEC & ITU standard, the Licensee may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ETSI, IEEE, ISO, IEC etc.; or set by International Fora, such as 3GPP, 3GPP-2, IETF, MEF, WiMAX, Wi-Fi, IPTV, IPv6, etc. as recognized by TEC and subject to modifications/ adaptation, if any, as may be prescribed by TEC from time to time. Network equipment comprising of wireless equipment viz. BTS, BSC, E-Node etc. if set up by VNO shall be under Wireless Operating License (WOL) issued to Network Service Operator (NSO) as VNO is not holding any spectrum and no separate WOL is to be issued.

23.3 Requisite monitoring/ interception facilities/ equipment for each type of service, shall be provided by the Licensee at its own cost for monitoring as per the requirement specified by the Licensor from time to time if it owns the equipment capable of Interception/ monitoring.

<sup>10</sup>23.4 The LICENSEE shall adhere to the National Fundamental Plans like National Numbering Plan, Signaling Plan, Routing Plan, National Frequency Allocation Plan and any other plan, as applicable to the respective service authorization, issued by Department of Telecommunications and technical standards as prescribed by Licensor from time to time. An NSO shall allocate a numbering range to their VNO(s) from the numbering range allocated to it by the licensor. ***VNOs shall utilise the network codes of the parent NSO, however LRNs can be issued to the VNOs by DoT for the purpose of routing of calls.***

23.5 The Licensor reserves the right to modify any of the National Fundamental Plans.

#### 24. Compliance to Directions/ Instructions:

24.1 Norms on Electromagnetic Field exposure by BTS (Base Stations)

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<sup>9</sup> Amended vide letter 20-562/2017 AS-I (Pt) dated 31.08.2018

<sup>10</sup> Amended vide letter no. 20-271/2010 AS-I (Vol-III) dated 20.11.2019



In case the Licensee installs BTS for providing the service, if permitted under the scope of the service authorization, the Licensee shall conduct audit and provide self certificate, at prescribed interval and as per procedure prescribed by Telecommunication Engineering Centre (TEC)/ or any other agency authorized by Licensor from time to time for conforming to limits/ levels for antenna (Base Station Radiation Emissions) for general public exposure as prescribed by Licensor from time to time. The present limits/ levels are reproduced below:

Frequency Range	E-field strength (volt/meter (V/m))	H-field strength (Amp/meter (A/m))	Power density (Watt/Sq. meter (W/Sqm))
400MHZ to 2000 MHZ	$0.434 f^{1/2}$	$0.0011 f^{1/2}$	$f/2000$
2GHZ to 300 GHZ	19.29	0.05	1

(f is frequency in MHz)

Self Certification shall be submitted to respective Telecom Enforcement, Resource & Monitoring (TERM) Cells of Licensor. The LICENSEE shall comply with the instructions/ directions/ guidelines issued by Licensor on EMF exposure norms from time to time.

24.2 The Licensee shall adopt Renewable Energy Technologies (RETs) for powering the Telecom Network, deploy energy efficient equipment and reduce the carbon footprint as per prevailing directions/ instructions and shall abide by further directions/ instructions as may be issued in this regard by Licensor/ TRAI from time to time.

24.3 The licensee shall adhere to the prevailing directions/ instructions and shall also abide by further directions/ instructions as may be issued by LICENSOR from time to time in respect of

- (a) Preferential Market Access for procurement of indigenous manufactured products,
- (b) Mandatory testing of equipment and
- (c) Requirements on IPv6 implementation.

## 25. The Applicable System:

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

- (i) The installation of the systems 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 Quality of Service as per clause 28.

## **26. 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 if equipment is installed by Licensee, concerned relevant literature, drawings and 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 at any time during the currency of the License.

## **27. Interface:**

27.1 The Licensee shall operate and maintain the licensed Network conforming to Quality of Service standards to be mutually agreed with NSO in respect of Network-Network Interface subject to such other directions as Licensor or TRAI may give from time to time. Failure on the part of Licensee to adhere to the network to network interface standards of TEC is liable to be treated as breach of LICENSE terms and conditions. For the purpose of providing the Service, the Licensee shall install his own equipment, if required, so as to be compatible with NSO's equipment to which the Licensee's Applicable Systems are to be connected. The Licensee shall be solely responsible for attending to any claims and damages arising out of his operations.

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

<sup>11</sup>27.3 The technical parameters mentioned in the relevant Interface Requirement for VSAT Network(s) issued by TEC, as modified from time to time, are to be complied with.

## **28. Quality of Service:**

28.1 Since QoS is in the exclusive domain of TRAI, therefore, TRAI will put in place comprehensive regulations on QoS parameters to be complied with separately by NSOs and Licensees.

### **28.2 Disaster/ Emergency/ Public Utility Services:**

The Licensee shall follow the guidelines/ directions/ standard operating procedures as may be prescribed for the disaster management/ emergency response services or any other instruction issued by Licensor in this regard from time to time.

The Licensee shall also facilitate the priority routing of emergency/ public utility or any other type of user calls as per guidelines/ directions as may be prescribed by Licensor if network infrastructure equipment is installed by Licensee.

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<sup>11</sup> Amended vide letter no.20-271/2010 AS-I (Vol.-III) dated 23.09.2021

## CHAPTER-V

### OPERATING CONDITIONS

#### **29. Subscriber Registration and Provision of Service:**

29.1 The LICENSEE shall register demand/ request for telephone connection and or any other Telecom Service without any discrimination from any applicant, at any place in the service area for the service(s) authorized 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). Licensor shall have right to impose suitable penalty, not limited to a financial penalty, apart from any other actions for breach of this condition. The LICENSEE shall commence the Service on commercial basis only after starting subscriber 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 Telecom Service. 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 applicants for its services.

29.2 VNOs shall also be allowed to create their own service delivery platforms in respect of customer service, billing and VAS. The LICENSEE shall widely publicize provision of service and shall not refuse registration of demand in the service areas in which the Licensee has commenced services. In case the provision of telephone connection or the requested telecom service to an applicant is not feasible for technical or other reasons beyond the control of Licensee, then the LICENSEE shall endeavor to make arrangement for providing connections/ Service in such cases within a reasonable time. By suitable man/ machine command to be given by the operation and maintenance personnel, it should be possible to deny service to subscribers in certain specified areas immediately on receipt of request.

29.3 (a) The LICENSEE shall ensure continuity of services to its customers unless LICENSEE is Revoked or Suspended by the Licensor for any reason whatsoever.

<sup>12</sup>29.3 (b) Licensee may discontinue any of the service, under a Service Authorization to its subscribers, by giving notice to Licensor and TRAI of at least 60 Calendar days in advance with reasons. In that case it shall also notify all its subscriber by sending a 30 Calendar days notice to each of them, clearly stating the options available to subscribers including that of MNP also. The effective date of discontinuity of Service will be 61<sup>st</sup> Calendar days counted from the date of receipt of such notice by the Licensor. The Licensor reserves the right to reject such request only when warranted in the interest of public or national security or in the event of national emergency/war.

The discontinuation of service may be due to change of technology. In that case the above condition shall also apply.

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<sup>12</sup> Amended vide letter no. 20-559/2017 AS-I (Pt) dated 24.01.2019

29.4 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 of the subscribers about the genuineness of the bill. The directions of TRAI, from time to time, in this regard shall apply.

29.5 The LICENSEE shall offer a regular itemised billing to its subscribers wherever applicable. In every case the LICENSEE shall be responsible to its subscribers 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.

29.6 All complaints of subscribers in this regard will be addressed/ handled as per the orders or regulations or directions issued by the Licensor or TRAI from time to time.

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

29.8 The Licensee's contractual obligations to various Licensees and Other Service Providers (OSPs) not requiring License under Section 4 of Indian Telegraph Act, 1885 will include terms and conditions under which the Service may be obtained, utilized and terminated. However, the Licensee while providing the resources to other Licensees/ OSPs shall satisfy itself that such Licensees/ OSPs are eligible to obtain that resource.

29.9 The LICENSEE shall notify in writing all the policy and 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.

29.10 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.

29.11 In case of provision of services by the LICENSEE through the Satellite media or use of satellite media through owned/ leased satellite connectivity: -

(i) The Licensee shall abide by the prevalent Government guidelines, policies, orders, regulations or directions on the subject like Satellite communication policy, VSAT policy, etc.

(ii) Before putting in operation the network, if required, for Satellite based services, necessary clearances from INSAT Network Operations Control Center (NOCC) on payment of prescribed charges will be taken by the Licensee. NOCC instructions with regard to space segment access and other relevant operational matters will have to be complied with by the Licensee.

(iii) For use of space segment and setting up and to start operating the Earth Station etc., if owned by the Licensee, Licensee shall directly coordinate with and obtain clearance from Network Operations Control Centre (NOCC), apart from obtaining SACFA clearance and clearance from other authorities.

(iv) Mandatory performance verification of HUB Station will be carried out by NOCC or any other agency authorized by the Authority for this purpose on payment of necessary testing charges by Licensee.

(v) For VSATs supplied or leased by the Licensee, a certificate from the LICENSEE duly supported by the manufacturer certificate meeting the mandatory performance requirements shall be submitted by the LICENSEE to NOCC. Mandatory performance verification of VSATs will be carried out by NOCC on selective basis on payment of necessary testing charges by Licensee.

(vi) The Licensee shall submit a monthly operational report to NOCC/ Satellite cell in DoT in both soft copy and hard copy.

### **30. The Subscriber Terminals:**

30.1 The Licensee shall have the right to undertake the sale, hire purchase, lease or renting of the subscriber fixed/ mobile terminals/ Customer Premises Equipment (CPE). Proper usage of terminal at subscriber's premises shall be as per agreement between the Licensee and subscriber.

30.2 The Licensee shall be responsible to ensure that the subscriber terminal, if required by the licensee, is operated in accordance with the terms and conditions of the License, the Wireless Operating License where applicable and relevant instructions/ rules issued by Licensor/ TRAI. The Subscriber Identification Module (SIM) or equivalent device for the purpose used in the subscriber terminal is non-transferable to other subscriber.

30.3 The subscriber terminals/ CPE, if deployed by Licensee, in the network shall meet TEC standards, wherever specified as mandatory by the Licensor from time to time and in the absence of mandatory TEC standard, the Licensee may deploy subscriber terminals that is certified to meet the relevant standards set by International standardization bodies, such as, ITU, ETSI, IEEE, ISO, IEC, etc. or International Fora, viz., 3GPP, 3GPP-2, IETF, MEF, WiMAX, Wi-Fi, IPTV, IPv6, etc. as recognized by TEC and subject to modifications/ adaptations, if any, as may be prescribed by TEC from time to time. Only such category of subscriber unit as has been granted such a certificate shall be brought into and operated within India under this Agreement.

30.4 Subscriber shall be given option to obtain the Subscriber Terminal from any source subject to clause 30.3 above.

### **31. Obligations imposed on the Licensee:**

31.1 The provisions of the Indian Telegraph Act 1885, the Indian Wireless Telegraphy Act 1933, and the Telecom Regulatory Authority of India Act, 1997, Information Technology Act, 2000 as amended from time to time or any other relevant Act shall govern this License.

31.2 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 License 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.

## **32. Sharing of infrastructure:**

32.1 The terms and conditions of sharing of infrastructure between the NSO(s) and VNO shall be left to the market i.e. on the basis of mutually accepted terms and conditions between the NSO(s) and the VNO.

32.2 Sharing of Active infrastructure amongst Service Providers based on the mutual agreements entered amongst them is permitted. Active infrastructure sharing will be limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system only.

<sup>13</sup>32.3 **The Licensee may share its own active and passive infrastructure for providing other services authorized to it under any other telecom license issued by Licensor.**

32.4 **An authorized Gateway hub operated by the satellite provider itself is permitted to be shared with the satellite bandwidth seeker.**

## **33. Inspection and Testing of Installations:**

33.1 The Licensor/ TRAI may carry out performance tests as 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, which may be amended by the Licensor.

33.2 The Acceptance Testing for each and every interface with any NSO may be carried out by mutual arrangements between the LICENSEE and the NSO involved. The Interconnection Test schedule shall be mutually agreed.

33.3 Whenever any element of the network/ system of the Licensee, if permitted to be installed outside the Service Area as per the terms of the respective service authorization and has been so installed, the Licensee shall ensure availability of facilities for access to such elements from within the Service Area without any limitation or restriction and at any time as required by the Licensor. However, it shall not preclude the Licensor from accessing such elements at its physical location for the purposes of data/ information in respect of any Service Area served by such element.

## **34. Right to inspect:**

34.1 The Licensor or its authorized representative or Ministry of Information & Broadcasting in respect of IPTV Service, or its authorized representative shall have right to access and inspect sites used for extending the Service and in particular but not limited to, have the right to have access to leased lines, junction, terminating interfaces, hardware/ software, memories of semiconductor, magnetic and optical varieties, wired or wireless equipment, distribution frames. The Licensor or its authorized representative may also conduct the performance test including to enter into dialogue with the system through input/ output devices or terminals. The Licensee will provide the necessary facilities for continuous monitoring of the system in the Licensed Service Area, as required by the Licensor or its authorized representative(s). The inspection will

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<sup>13</sup> Appended vide letter no 20-271/2010 AS-I (Vol.-III) dated 23.09.2021

ordinarily be carried out after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

34.2 Wherever considered appropriate, Licensor or the Ministry of Information & Broadcasting in respect of IPTV Service, may conduct any inquiry either suo-motu or on the complaint to determine whether there has been any breach in compliance of terms & conditions of the LICENSE by the Licensee and upon such inquiry, the Licensee shall extend all reasonable facilities without any hindrance to the Licensor/ Ministry of Information & Broadcasting as the case may be.

### **35. Location of Network Elements:**

35.1 The Licensee on request shall provide to the Licensor location details of all network elements including switching centres, transmission centres, along with routing details, network operation & control/ management Centre, equipment details, network topology, Base Stations, end to end connectivity, Cable routes and capacity along with GIS mapping and any other detail as may be required by Licensor from time to time if the network elements are installed/ owned by VNO. Any network resource including the bandwidth/ leased line/ VPN either owned or taken on lease/ hire shall be treated as part of the Licensee Network.

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

35.3 The Licensor may prescribe restrictions for provision of services in areas falling near International Border/ Line of Control/ Line of Actual Control of India or any other areas as may be prescribed by the Licensor.

### **36. Confidentiality of information:**

36.1 The Licensee shall not employ bulk encryption equipment in its network. Licensor or officers specially designated for the purpose may evaluate any encryption equipment, if owned by Licensee and connected to the Licensee's network. 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 in case network equipment is owned/ installed/ operated by the licensee

36.2 Subject to terms and conditions of the license, 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.

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

36.4 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.

36.5 The use of encryption by the subscriber shall be governed by the Government Policy/ rules made under the Information Technology Act, 2000.

### **37. Prohibition of certain activities by the Licensee:**

37.1 Carriage of objectionable, obscene, unauthorized or any other content, messages or communications, if equipment owned by the licensee, infringing copyright and intellectual property right, etc., in any form, in the network is not permitted as per established laws of the country. Once specific instances of such infringement are reported to the Licensee by the enforcement agencies/ Licensor, the Licensee shall take necessary measures to prevent carriage of such messages in its network immediately.

37.2 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, if the equipment capable of tracing is with licensee, to the agencies of Government of India as authorized from time to time, when such information is required for investigations or detection of crimes and in the interest of national security. Any damages arising on account of Licensee's failure in this regard shall be payable by the Licensee.

37.3 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.

37.4 The LICENSEE shall ensure that the Telecommunication infrastructure or installation thereof, carried out by it, should not become a safety or health hazard and is not in contravention of any statute, rule, regulation or public policy.

37.5 The Licensee shall in no case permit service to any Telecom Service Provider (including those Other Service Providers who do not require License under Section 4 of Indian Telegraph Act, 1885) whose License is either revoked 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 or within such time as directed by the Licensor in writing, after receiving reference from the Licensor in this regard.



## CHAPTER-VI

### SECURITY CONDITIONS

**38.** The LICENSEE shall meet the instructions/ directions of the Licensor issued from time to time in the interest of national security apart from the following conditions:

38.1 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, if facility to counteract/ do so is available with the Licensee.

38.2 The LICENSEE shall make available on demand to the person authorized by the Licensor, full access to the switching centers, transmission centers, routers and other network elements including equipment installed in subscriber premises etc., if owned by the Licensee for technical scrutiny and for inspection, which can be visual inspection or an operational inspection if such equipment are installed by Licensee.

38.3 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.

38.4 The LICENSEE shall ensure protection of privacy of communication and ensure that unauthorized interception of messages does not take place if equipment for interception of message is with Licensee.

38.5 The LICENSEE shall be completely and totally responsible for security of their networks if network equipment pertain to Licensee. The LICENSEE shall have organizational policy on security and security management of their networks including Network forensics, Network Hardening, Network penetration test, Risk assessment. Actions to fix problems and to prevent such problems from recurring should be part of the policy. The LICENSEE shall submit its policy to Licensor within 90 calendar days from the date of issue of the License/ each service authorization.

38.6 In furtherance of organizational security policy, the LICENSEE shall audit its network or get the network, if owned, audited from security point of view once in a financial year from a network audit and certification agency. The first audit may be carried out in the financial year succeeding the financial year of the signing of the LICENSE/ Service authorization. The LICENSEE is free to engage the service of any agency for this purpose, which is certified to carry out the audit as per relevant ISO standards. Presently ISO 15408 and ISO 27001 standards are applicable.

38.7 The LICENSEE shall induct, if required, only those network elements into its telecom network, which have been got tested as per relevant contemporary Indian or International Security Standards e.g. IT and IT related elements against ISO/IEC 15408 standards, for Information Security Management System against ISO 27000 series Standards, Telecom and Telecom related elements against 3GPP security standards, 3GPP2 security standards, etc. The certification shall be got done only from authorized and certified agencies/ labs in India or as may be specified by the Licensor. The copies

of test results and test certificates shall be kept by the LICENSEE for a period of 10 years from the date of procurement of equipment.

<sup>14</sup>38.7.1 The Government through the Designated Authority will have the right to impose conditions for procurement of Telecommunication Equipment on grounds of Defence of India, or matters directly or indirectly related thereto, for national security. Designated Authority for this purpose shall be National Cyber Security Coordinator. In this regard, the licensee shall provide any information as and when sought by the Designated Authority.

Designated Authority shall notify the categories of equipment for which the security requirement related to Trusted Sources are applicable. For the said categories of equipment, Designated Authority shall notify the Trusted Sources along with the associated Telecommunication Equipment (Trusted Products). The Designated Authority may also notify a list of Designated Sources from whom no procurement can be done. Procedure for inclusion of Telecommunication Equipment in the list of Trusted Sources will be issued by the Designated Authority.

With effect from 15<sup>th</sup> June 2021, the licensee, shall only connect Trusted Products in its network and also seek permission from Designated Authority for upgradation of existing Network utilizing the Telecommunication Equipment not designated as Trusted Products. However, these directions will not affect ongoing Annual Maintenance Contracts (AMC) or updates to existing equipment already inducted in the network as on date of effect.

The licensees shall comply with the Guidance for Enhanced Supervision and Effective Control of Telecommunication Networks, as per guidelines to be issued by the licensor.

38.8 The LICENSEE shall include all contemporary security related features and features related to communication security as prescribed under relevant security standards while procuring the equipment if required and implement all such contemporary features into the network. A list of features, equipment, software, etc. procured and implemented shall be kept by the LICENSEE till they are in use, which may be subjected to inspection and testing by the Licensor at any time, in the network or otherwise, at the option of the Licensor.

38.9 The LICENSEE, if owns network equipment, shall

- (i) Ensure that all the documentation, including software details are obtained from manufacturer/ vendor/ supplier in English language.
- (ii) Keep a record of operation and maintenance procedure in the form of a manual.
- (iii) Keep a record of all the operation and maintenance command logs, if equipment is owned and operated by Licensee, for a period of 12 months, which shall include the actual command given, who gave the command, when was it given with date and time and from where. For next 24 months the same information shall be stored/ retained in a non-online mode. For this purpose, LICENSEE shall keep a list of User ID linked with name and other details of the user duly certified by the system administrator. The user list

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<sup>14</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 10.03.2021

shall be provided to Licensor or agencies designated by the Licensor as and when required.

- (iv) Keep a record of all the software updatings and changes. The major updatings and changes should also be informed to Licensor within 15 days of completion of such updatings and changes.
- (v) Keep a record of supply chain of the products (hardware/ software). This should be taken from the manufacturer/ vendor/ supplier at the time of procurement of the products.

38.10 (i) The LICENSEE shall create facilities for the monitoring of all intrusions, attacks and frauds on his technical facilities, in case the equipment to do so is available with VNO and provide reports on the same to the Licensor. Such facilities shall be created by the Licensee within 12 months of effective date of this LICENSE/ authorization and be reported to Licensor as and when created during this period.

38.10 (ii) The Licensee through suitable agreement clauses with vendor shall ensure that the Vendor/ Supplier allow the Licensee, Licensor and/or its designated agencies to inspect the hardware, software, design, development, manufacturing facility and supply chain and subject all software to a security/ threat check any time during the supplies of equipment. The number of such visits will be limited to two in a Purchase Order (PO). The expenditure for such visits, limited upto 40 man-days per visit, for each purchase order of value above Rs 50 crore, shall be borne by the LICENSEE directly or through vendor.

38.11 (i) A penalty upto Rs 50 crore per occasion will be levied for any security breach, in case network equipment in which such breach has happened belongs to VNO, which has been caused due to inadvertent inadequacy/ inadequacies in precaution on the part of Licensee prescribed under this License. Licensor shall constitute a five members committee, which shall include two cyber security experts, to determine whether the breach is due to inadvertent inadequacy/ inadequacies or otherwise. The committee shall also decide the amount of penalty depending upon loss, gravity of breach, etc.

38.11 (ii) In case of inadequate compliance to the measures prescribed under this License, act of intentional omissions, deliberate vulnerability left into the equipment, if owned by VNO, or in case of deliberate attempt for a security breach, penalty amount will be Rs. 50 crores per breach. The same breach in the same equipment purchased through same PO or in the same lot or the same negligence at the same time at multiple locations in an operator's network will be considered as a single breach for the purpose of levying penalty under this clause. The LICENSEE shall deposit the penalty amount with the Licensor within 30 days of the issue of Notice.

38.11 (iii) Besides the penalty, liability and criminal proceedings under the relevant provisions of various Acts such as Indian Telegraph Act, Information Technology Act, Indian Penal Code (IPC), Criminal Procedure Code (CrPC), etc. can be initiated. In such cases, LICENSE of the LICENSEE can also be terminated, vendor or supplier who supplied the hardware/ software, that caused the security breach, could be blacklisted for doing business in the country or both. The LICENSEE must include the clause of discretion of blacklisting of vendor or supplier in such cases in the agreement signed with vendors/ suppliers.

38.11 (iv) Licensor may make any of the following suggestions, which help in increasing the security of the telecom network, mandatory whenever deemed necessary to do so.

a) May sign a suitable agreement with hardware/ software manufacturer/ vendors and/or suppliers of services to ensure that the equipment/ services/ software they supply are 'Safe to Connect' in the network, have been checked thoroughly for risks and vulnerabilities, all addressable vulnerabilities have been addressed, non-addressable vulnerabilities have been listed with remedial measures and precautions provided. The agreement should cover aspects related to security measures like access control, Password control and management, etc. Clauses addressing the service continuity and service up-gradation should also be suitably included in the agreement, with consequences defined for each party in case of breach, particularly the security breaches. As an information dissemination and facilitating measure, suggested clauses for such an agreement in the form of a template will be available on the website of DoT. The service providers may take all or selected provisions from this template, depending upon the type of services they avail from a vendor/ supplier. They are free to add, modify, delete any of the clauses from this template, because security of their network is their responsibility and they will be liable for any security breach.

b) The Licensees should endeavor to create a forum, say, Telecom Security Council of India (TSCI), on a voluntary basis to increase the security assurance levels and share common issues.

c) The Licensee shall build their own capability and capacity to maintain and operate the network if required, preferably through local maintenance personnel, because the telecom network is a security sensitive infrastructure.

38.12 In the interests of security, suitable monitoring equipment as per requirement of the Licensor or designated Security Agencies for each type of system used shall be provided by the Licensee for monitoring, in case the equipment to do so is available with VNO otherwise with parent NSO(s), as and when required by Licensor. The specific orders or directions from the Government, issued under such conditions, shall also be applicable.

38.13 The precise delineation of geographical borders taken by the Licensee for the purpose of defining service area along 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.

38.14 The use of the network for anti-national activities would be construed as an offence punishable under the Indian Penal Code or other applicable law. The networks cannot be used in such a manner as to endanger or make vulnerable a networked infrastructure. Acts such as break-ins or attempted break-ins of Indian networks shall be regarded as an anti-national act and shall be dealt with in accordance with the Indian Penal Code. Licensee must ensure that their services are not used for such purposes, if network is owned by VNO. Besides penal action as stated above, such an activity/ activities could be sufficient reason for the Licensor to revoke this license.

38.15 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, if equipment to do so is with VNO 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.

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

38.17 (i) The Licensee shall ensure adequate verification of each and every customer before enrolling him as a subscriber; instructions issued by the Licensor in this regard from time to time shall be scrupulously followed. The Licensee shall make it clear to the subscriber that the subscriber will be responsible for proper and bona-fide use of the service.

38.17 (ii) Format prescribed by the Licensor delineating the details of information required before enrolling a customer as a subscriber shall be followed by the Licensee. A photo identification of subscribers shall be pre-requisite before providing the service. The Licensor may prescribe service-wise detailed instructions for enrolment of subscriber and activation of service from time to time.

38.17 (iii) The Licensee shall activate the Leased Line, Internet Leased Line and IPLC service only after checking the bona-fide of the customer, verifying details as per Customer Acquisition Form (CAF) prescribed from time to time and physical inspection of the site. Further, in the case of Leased Line, the reasons for taking the link by the customer shall be recorded.

38.17 (iv) CAF verification and number activation shall be the responsibility of licensee. Licensee shall bear the penalty on account of failure of subscriber verification norms (for its own customers). Other penalties which are beyond the scope of the VNO viz. roll out obligations, core network issues, etc. shall be borne by the NSO as per existing norms defined for them. Customer acquisition will be done by VNO, the CAF penalty would be borne by VNO and other penalties beyond the scope of VNO will be borne by NSO.

38.18 The complete list of subscribers shall be made available by the Licensee on their website (having password controlled access), so that designated Security 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.

38.19 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.

<sup>15</sup>38.20 The Licensee shall, if equipment is owned by Licensee, maintain all commercial records/ Call Detail Record (CDR)/ Exchange Detail Record (EDR)/ IP

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<sup>15</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 21.12.2021

Detail Record (IPDR) with regard to the communications exchanged on the network. Such records shall be archived for at least **two** year for scrutiny by the Licensor for security reasons and may be destroyed thereafter unless directed otherwise by the Licensor. Licensor may issue directions/ instructions from time to time with respect to CDR/ IPDR/ EDR.

38.21 (i) Calling Line Identification (CLI), if equipment is owned by VNO, shall be provided. The network should also support Malicious Call identification and Centralized Automatic Message Accounting (CAMA).

38.21 (ii) 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.

38.22 (i) Utmost vigilance should be exercised in providing bulk 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 bona-fide should be carried out for providing such bulk connections. Information about bulk connections shall be forwarded to respective Telecom Enforcement, Resource & Monitoring (TERM) Cell and any other officer authorized by Licensor from time to time as well as all Security Agencies on monthly basis.

38.22 (ii) The call detail records for outgoing calls made by customers should be analyzed, if equipment to do so is with VNO, for the subscribers making large number of outgoing 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 bona-fide 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 respective TERM Cell of DoT and any other officer authorized by Licensor from time to time.

38.22 (iii) Active support must be extended by the service providers to the respective TERM cells of DoT for detection of 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 respective TERM cell of DoT, and any other officer authorized by Licensor from time to time. The TERM Cell 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 TERM Cell will contact the Chief Executive Officer of the Licensee, for such support/ coordination.

38.22 (iv) Bulk users' premises should be inspected by the service providers at regular intervals for satisfying themselves about bona-fide 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.

38.22 (v) Leased circuits should also be checked/ inspected at regular intervals for their bona-fide use and to detect any misuse.

38.23 The Licensee shall also ensure compliance of the following conditions:

- (i) All the conditions requiring network equipment deployment would be applicable if the VNO has installed its network. In case VNO does not have network and relies only on the network of NSO, these conditions requiring the Chief Officer in charge of technical network operations and the Chief Security Officer/ Chief Information Security Officer, and in-charge of, MSC, Central Database, PMRTS Central/ Base Station, Switches and System Administrators be resident Indian citizen & other security conditions may not be required.
- (ii) Licensee may, on need basis, provide details of its infrastructure/ network diagram (technical details of the network), if operated by VNO, only to telecom equipment suppliers/ manufacturers and the affiliate/ parents of the Licensee Company. Clearance from the Licensor would be required if such information is to be provided to anybody else.
- (iii) The Licensee Company shall take adequate and timely measures to ensure that the information transacted through a network, if owned by Licensee, by the subscribers is secure and protected.
- (iv) The officers/ officials/ Nodal Executives of the Licensee companies dealing with the lawful interception of messages will be resident Indian citizens in case equipment capable of interception is under the licensee.
- (v) The majority Directors on the Board of the Licensee company shall be Indian citizens.
- (vi) The positions of the Chairman, Managing Director, Chief Executive Officer (CEO) and/or Chief Financial Officer (CFO), if held by foreign nationals, would require to be security vetted by Ministry of Home Affairs (MHA). Security vetting shall be required periodically on yearly basis. In case something adverse is found during the security vetting, the direction of MHA shall be binding on the Licensee.
- (vii) On request of the Licensor or any other agency authorized by the Licensor, the Licensee shall be able to provide the geographical location of any subscriber (BTS location and Location details including latitude & longitude details) at a given point of time, if equipment to do so is with VNO.
- (viii) The Remote Access (RA) to network, if owned by VNO, would be provided only to approved locations abroad through approved location(s) in India. The approval for location(s) would be given by the Licensor (DoT) after satisfying itself about the appropriateness.
- (ix) Under no circumstances, should any RA to the suppliers/ manufacturers and affiliate(s) be enabled to access Lawful Interception System (LIS), Lawful Interception Monitoring (LIM), Call contents of the traffic and any such sensitive sector/ data, which the Licensor may notify from time to time.
- (x) The Licensee is not allowed to use remote access facility for monitoring of content.
- (xi) Suitable technical device should be made available at Indian end to the designated security agency/ Licensor in which a mirror image of the remote access information is available on line for monitoring purposes as per direction of the Licensor from time to time.

- (xii) Complete audit trail of the remote access activities pertaining to the network operated in India should be maintained for a period of six months and provided on request to the Licensor or any other agency authorized by the Licensor.
- (xiii) The Licensee shall familiarize/ train TERM Cell/ security agency officers/ officials in respect of relevant operations/ features of their systems.
- (xiv) It shall be open to the Licensor to restrict the Licensee Company from operating in any sensitive area from the National Security angle.
- (xv) In order to maintain the privacy of voice and data, monitoring shall be in accordance with rules in this regard under Indian Telegraph Act, 1885.
- (xvi) For monitoring traffic, the Licensee Company shall provide access of their network and other facilities as well as to books of accounts to the security agencies.

38.24 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 conduct of TELEGRAPH.

### **39. Application of Indian Telegraph Act, 1885:**

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

39.2 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 in case equipment to do so is with the licensee.

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

“On the occurrence of any public emergency or in the interest of public safety, the Central Government or a State Government or any officer specially 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 of persons or relating to any particular subject, brought for transmission by or transmitted or received by any telegraph, shall not be transmitted or shall be intercepted or detained or shall be disclosed to the Government making the order or an officer thereof mentioned on the order:

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



## CHAPTER-VII

### SPECTRUM ALLOTMENT AND USE

40.1.1 VNO would take backhaul Spectrum & Access Spectrum from parent NSO(s).

## **PART - II**

[PART-II consisting of Chapter – VIII to XVII contains the terms and conditions specific to the respective Service Authorization, which are in addition to the terms and conditions contained in PART-I]

## CHAPTER-VIII

### ACCESS SERVICE

1. **Service Area:** The Service Area of Access Service shall be the Telecom Circle/ Metro area as defined in Annexure-IV. License/ Authorization for Access Service, if granted for more than one Service Area (Telecom Circle/ Metro), shall be administered separately for each Service Area as per terms and conditions contained in Part-I and in this chapter.

2. **Scope of Access Service:** Scope of this authorization covers the following:

2.1(a)(i) The Access Service under this authorization covers collection, carriage, transmission and delivery of voice and/or non-voice MESSAGES over Licensee's & or NSO's network in the designated Service Area. The Licensee can also provide Internet Telephony, Internet Services including IPTV, Broadband Services and triple play, i.e. voice, video and data. While providing Internet Telephony service, the Licensee's parent NSO may interconnect Internet Telephony network with PSTN/ PLMN/ GMPCS network. The Licensee may provide access service, which could be on wireline and/or wireless media with full mobility, limited mobility and fixed wireless access.

(ii) The Licensee can acquire customer for delivery of services offered in its network and/or NSO's network using only the spectrum band held & technology deployed by the NSO(s). While roaming on other Licensees' network, the services availed by the subscriber shall be limited to only those services which have been subscribed in its parent NSO's home network.

(iii) The NSO(s) to which the licensee is connected/ parented may also enter into agreements with telecom service providers abroad for providing roaming facility to subscriber's of licensee unless directed by Licensor otherwise.

(iv) The Licensee may provide leased circuits within its respective service area. Interconnection of leased circuits, whether point to point or in CUG network, with PSTN/ PLMN/ GMPCS/ Internet Telephony Network is not permitted.

(v) The Licensee may also provide Voice Mail/ Audiotex/ Unified Messaging services, Video Conferencing over its network to the subscribers falling within its SERVICE AREA on non-discriminatory basis. All the revenue earned by the Licensee through these services shall be counted towards the revenue for the purpose of paying License Fee under the LICENSE AGREEMENT.

(vi) For provision of mobile services in areas falling near International Border of India, the condition specified in clause 7.1(i) and 7.1(ii) of this authorization, shall be applicable.

(vii) Except those services permitted under the scope of this authorization, the Licensee shall not provide any service/ services which require a separate service authorization/ license.

(viii) The Licensee may offer "Home Zone Tariff Scheme (s)" as a subset of full mobile service in well-defined geographical Areas through a tariff of its choice within the scope of orders of TRAI on the subject. Numbering and interconnection for this service shall be same as that of fully mobile subscribers.

2.1 (b) 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 it is registered. Terminal of 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 cannot 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 Licensee may carry intra-circle long distance traffic on its network.

2.3 For providing service, the Licensee may setup and operate rural telephone exchange and last mile linkages thereof. Cable Operators registered under The Cable Television Networks (Regulation) Act, 1995 and the amendments thereto may act as VNO to provide Internet and Voice services, to use the last mile linkages in rural area.

2.4 Stands deleted

2.5 For provision of Internet Telephony, Internet Services, Broadband Services and triple play, i.e. voice, video and data, the Conditions No. 2.1(i), 2.1(vii), 2.2, 5, 6, and 7 of Chapter IX (Internet Service) shall also be applicable.

<sup>16</sup>2.5 (ii) Internet Telephony calls originated by International out roamers from international locations shall be handed over at the International gateway of licensed ILDOs and International termination charges shall be paid to the terminating access service provider. In case the Licensee is not able to ensure that Internet Telephony call originated outside of the country is coming through ILDO gateway, International out roaming to Internet Telephony subscribers of the access provider shall not be allowed. Further, the calls originated outside the country using internet telephony shall be routed through ILD (International Long Distance) Gateway like any other international call.

2.5 (iii) The mobile numbering series should be used for providing Internet Telephony by a Licensee. TSPs are allowed to allocate same number to the subscriber both for Cellular Mobile service and Internet Telephony service. The access service licensee should use private ENUM in its network for Telephone number mapping from E.164 to SIP/H.323 addresses and vice-versa.

2.5 (iv) The licensees should comply with all the interception and monitoring related requirements as specified in the license as amended from time to time for providing Internet Telephony.

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<sup>16</sup> Appended vide letter no.20-573/2017 AS-I dated 19.06.2018

The Public IP address used for originating/terminating Internet Telephony calls should be made a mandatory part of CDR in case of Internet Telephony. The location details in form of latitude and longitude should also be provided wherever it is feasible

CLI Restriction (CLIR) facility should not be provided for Internet Telephony Subscribers.

2.5 (v) IP Address assigned to a subscriber for Internet Telephony shall conform to IP addressing Scheme of Internet Assigned Numbers Authority (IANA) only.

2.5 (vi) The Licensees providing Internet Telephony service may facilitate access to emergency number calls using location services; however it is not mandated to provide such services at present. The subscribers may be informed about the limitation of providing access to emergency services to Internet Telephony subscribers in unambiguous terms.

2.5 (vii) The Licensees must inform QoS parameter supported by them for Internet Telephony so that the subscribers can take an informed decision.

2.5 (viii) In case of provision of Internet Telephony by Licensee, the numbering resource allocation should be done by the parent NSO.

### **3. FINANCIAL CONDITIONS**

#### **3.1 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, revenue earned from parent NSO(s), revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense, etc.

##### **3.1A Applicable Gross Revenue (ApGR):**

ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (iii) Receipts from the USO Fund.
- (iv) List of other income\* to be excluded from GR to arrive at ApGR
  - a. Income from Dividend
  - b. Income from Interest
  - c. Capital Gains on account of profit of Sale of fixed assets and securities
  - d. Gains from Foreign Exchange rates fluctuations
  - e. Income from property rent
  - f. Insurance claims
  - g. Bad Debts recovered
  - h. Excess Provisions written back

\*Subject to conditions given in Annexure VII.

### 3.2 Adjusted Gross Revenue (AGR)

*For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Applicable Gross Revenue (ApGR):*

- a. Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges;*
- b. 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; and*
- c. Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included as component of GST.*

### 4. Technical & Operating Conditions

4.1 MNP process shall be facilitated for Licensees subscribers through the network (MNP Gateway) of the parent NSO. All regulations, orders and directions issued by TRAI in connection with MNP will be applicable to Licensees & NSOs.

4.2 The sharing of infrastructure, owned, established and operated by the Licensee under the scope of this Authorization, is permitted as below:

(i) Sharing of “passive” infrastructure viz., building, tower, dark fiber, duct space, Right of Way, etc. with other Licensees TSPs.

(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. However, the Licensee hiring the bandwidth shall not resell such bandwidth.

4.3 Further, the Licensee may share its own active and passive infrastructure for providing other services authorized to it under the license.

4.4 Moreover, sharing of active infrastructure with other licensees shall be governed by the license conditions/amendments issued by the Licensor from time to time.

4.5 Location of switches and other network elements: The licensee shall install applicable system within its service area if required.

### 5. Network Interconnection:

5.1 Network interconnection will be provided by NSO and not the licensee. The licensee will connect to its parent NSO (s).

<sup>17</sup>**5.2 For wire line access services through EPABX, the connectivity of different NSOs at different EPABX is allowed, however, the connectivity with more than one NSO at a particular EPABX shall not be permitted.**

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<sup>17</sup> Amended vide letter no 20-562/2017 AS-I dated 02.03.2020

## **6. Emergency and Public Utility Service:**

6.1 The LICENSEE shall provide all public utility services as well as emergency services including toll free services like police, fire, ambulance through parent NSO.

## **7. Security Conditions (Applicable if Network is owned by Licensee):**

7.1 (i) Licensee shall ensure if owned that the Base Stations, Cell Sites or Radio Transmitters, as the case may be, to provide mobile telephone services near International Border of India, wherever located and established shall be as far away from such border as feasible and such Base Stations, Cell Sites or Radio Transmitters shall work in such a fashion that radio signal(s), emanating there from, fade out when nearing or about to cross international border and become unusable within a reasonable distance across such border. For this purpose, suitable technical infrastructure shall be installed by the Licensee.

7.1 (ii) Notwithstanding anything in condition 7.1(i) above, in the areas falling within 10 Kms of Line of Control (LOC), Line of Actual Control (LAC) and International Border between Akhnoor in J&K and Pathankot and other areas as may be notified from time to time by the Licensor, installation of Base Stations, Cell Sites or Radio transmitters or any concerned equipment and execution of the concerned project by the Licensee shall be taken up only after prior approval from local Army authorities about specific location of BTS with prior intimation to the Licensor and concerned TERM Cell in addition to requisite clearances.

7.1(iii) The Licensor, its authorized representative(s) as well as Army authorities may inspect such BTS(s) and the Licensee shall facilitate inspection of the BTS as per requisition from such authorities. During emergency, if so desired by the Licensor and / or Army, the Licensee shall shut down such BTS(s) under intimation to the Licensor/concerned TERM Cell. The order for shutting down such BTS(s) by Army must be signed by at least Commanding Officer of local Army Unit.

7.1 (iv) Periodic surprise checks may be carried out by the Licensor or its authorized representative(s) /Army and / or security agencies in order to ensure compliance of the above conditions by Licensee(s). In case, any violation is detected, stern action shall be taken according to the terms and conditions of the License Agreement, including imposition of financial penalty.

7.2 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/ Routers 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 in case equipment for monitoring is available with licensee. For establishing connectivity to Centralized Monitoring System, the Licensee at its own cost shall provide appropriately dimensioned hardware and bandwidth/dark fiber up to a designated point as required by Licensor from time to time. However, the respective Government agency shall bear the cost of hardware at its end and leased line circuits from the MSC/ Exchange/Router or from the designated point as the case may be, to its monitoring centre to be located as per its choice in its 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 implemented by the Licensee for both data and speech. The Licensee should ensure suitable redundancy in the complete chain of Lawful Interception and Monitoring equipment for trouble free operations of monitoring of at least 480 simultaneous calls as per requirement with at least 30 simultaneous calls for each of the designated security/ law enforcement agencies, in case equipment is with Licensee. Each MSC of the Licensee in the service area shall have the capacity for provisioning of at least 3000 numbers for monitoring. Presently there are ten (10) designated security/ law enforcement agencies. The above capacity provisions and no. of designated security/ law enforcement agencies may be amended by the Licensor separately by issuing instructions at any time.

7.3 Along with the monitored call, Call Related Information (CRI) shall be supplied in the format prescribed from time to time, which shall at least have the following records:

- (i) Called/calling party mobile/ PSTN numbers.
- (ii) Time/date and duration of call.
- (iii) Location of target subscribers/coordinates and name of BTS site.
- (iv) Telephone numbers if any call-forwarding feature has been invoked by target subscriber.
- (v) Data records for failed call attempts.
- (vi) CDR (Call Data Record) of Roaming Subscriber.

The Licensor reserves the right to modify the requirement of records in respect of CRI any time.

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 in the format prescribed from time to time.

7.4 The call detail records for outgoing calls made by those subscribers making large number of outgoing calls day and night to the various telephone numbers with normally no incoming calls, should be analyzed. The service provider should run special programme, 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 respective TERM Cell of DoT and any other officer authorized by Licensor from time to time.

7.5 Location Details:

(i) The Licensee shall provide, in case equipment to do so is with Licensee, location details of mobile customers in the Service Area as per below mentioned accuracy and time frame (from the effective date of this license). It shall be a part of CDR in the form of longitude and latitude, besides the co-ordinates of the BTS, which is already one of the mandated fields of CDR.



Accuracy in Percentage							
Distance in Meters	Urban (More than 1 million mobiles in a municipal limit)		Sub – Urban & Rural			Remote	
	1 year	2 years	1 year*	2 years	3 years	2 years	3 years
50	30	50					
100	60	75		50	60		-
300	80	95	50	60	70	50	60
500			60	70	80	60	70

\*Applicable for the state of J&K, Assam and NE region.

(ii) To start with, these details will be provided for specified mobile numbers. However, within a period of 3 years from effective date of license, location details shall be part of CDR for all mobile calls.

(iii) Depending upon the technological feasibility and development, the limits of accuracy requirement with respect to location as part of CDR can be modified by the Licensor any time in future.

7.6 CLI Restriction (CLIR) should not be normally provided, if equipment is with licensee, 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. While providing CLIR facility to subscriber, it shall be ensured that the CLI is carried from end to end on the network. However, CLIR must not be provided in case of bulk connections, call centers, telemarketing services.

(Proforma for Affidavit regarding details of calculation of “Revenue” and “License Fee”)

**AFFIDAVIT**

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

1. That I am .....of ..... (Name of the Company), LICENSEE of ..... Service in .....Service Area and I am duly authorized by the resolutions dated ..... Passed by Board of Directors of the Company to furnish affidavit on behalf of .....( Name of the Company).

2. That in compliance of **Condition** No.. ..... of Schedule.....Part ..... and Annexure.....of the License Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of License fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of ‘Revenue’ and License fee is as per **Appendix-II** ..... (attached).

3. That the contents in para 2 & 3 and Statement made in **Annexure** \_\_\_\_ are true and correct to the best of my knowledge, based on the records of the company.

Deponent.

**VERIFICATION:**

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

Deponent.

**Format of Auditor's Report on Statement of Revenue And License Fee**

To

The Board of Directors

.....

.....

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

We report that:

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

**Format of Statement of Revenue and License Fee \_\_\_\_\_ (Name and address of operator) Access Services in \_\_\_\_\_ (Service Area)**

**Statement of Revenue and License Fee for the Quarter**

.....of the financial year.....

**(AMOUNT IN RUPEES)**

<b>S.N.</b>	<b>PARTICULARS</b>	<b>ACTUALS FOR THE PREVIOUS QUARTER</b>	<b>ACTUALS FOR THE CURRENT QUARTER</b>	<b>CUMULATIVE UPTO THE CURRENT QUARTER.</b>
<b>1</b>	<b>Revenue from services</b>			
<b>A</b>	<b>Revenue from wire-line subscribers:</b>			
(i)	Rentals			
(ii)	Call revenue			
(iii)	Goods & Service Tax (GST)			
(iv)	Service charges			
(v)	Charges on account of any other value added services, Supplementary Services etc.			
(vi)	Any other income / miscellaneous receipt from wireline subscribers.			
<b>B</b>	<b>Revenue from WLL subscribers : (Fixed)</b>			
(i)	Rentals			
(ii)	Call revenue			
(iii)	Goods & Service Tax (GST)			
(iv)	Service charges			
(v)	Charges on account of any other value added services, Supplementary Services etc.			
(vi)	Any other income / miscellaneous receipt from WLL subscribers.			
<b>C</b>	<b>Revenue from WLL subscribers : (handheld)</b>			
(i)	Rentals			
(ii)	Call revenue			
(iii)	Goods & Service Tax (GST)			
(iv)	Service charges			
(v)	Charges on account of any other value added services, Supplementary Services etc.			
(vi)	Any other income / miscellaneous receipt from WLL subscribers.			
<b>D</b>	<b>Revenue from Mobile</b>			

	<b>Services:</b>			
<b>D (a)</b>	<b>Revenue from GSM and 3G spectrum based Mobile Services:</b>			
<b>D(a) 1.</b>	<b>Post paid options:</b>			
i.	Rentals			
ii	Activation Charges			
iii.	Airtime Revenue			
iv.	Goods & Service Tax (GST)			
v.	Service charges			
vi.	Charges on account of any other value added services. Supplementary Services etc.			
vii.	Any other income/ miscellaneous receipt from post paid options.			
<b>D(a) 2.</b>	<b>Pre-paid options:</b>			
i.	Sale of pre-paid SIM cards including full value of all components charged therein.			
ii.	<i>Activation Charges</i>			
iii	<i>Airtime Revenue</i>			
iv	Goods & Service Tax (GST)			
v.	<i>Service charges</i>			
vi.	<i>Charges on account of any other value added services. Supplementary Services etc.</i>			
vii.	Any other income/ miscellaneous receipt from pre-paid options.			
<b>D(a)3.i</b>	<b>Revenue from Mobile Community phone service including full value of all components charged therein.</b>			
ii.	<b>Any other income/ miscellaneous receipt from Mobile Community phone service.</b>			
<b>D (b)</b>	<b>Revenue from CDMA based Mobile Services:</b>			
<b>D(b) 1.</b>	<b>Post paid options:</b>			
i.	Rentals			
ii	Activation Charges			
iii.	Airtime Revenue			
iv.	Goods & Service Tax (GST)			
v.	Roaming charges			
Vi	Service charges			
vii.	Charges on account of any other value added services. Supplementary Services etc.			

viii.	Any other income/ miscellaneous receipt from post paid options.			
<b>D(b) 2.</b>	<b>Pre-paid options:</b>			
i.	Sale of pre-paid SIM cards including full value of all components charged therein.			
ii.	Activation Charges			
iii.	Airtime Revenue			
iv.	Goods & Service Tax (GST)			
v.	Service charges			
vi.	Charges on account of any other value added services. Supplementary Services etc.			
vii.	Any other income/ miscellaneous receipt from pre- paid options.			
<b>D(b)3.</b>	<b>Revenue from Mobile</b>			
<b>i.</b>	<b>Community phone service including full value of all components charged therein.</b>			
<b>ii.</b>	<b>Any other income/ miscellaneous receipt from Mobile Community phone service.</b>			
<b>D (c)</b>	<b>Revenue from BWA Services:</b>			
<b>D(c) 1.</b>	<b>Post paid options:</b>			
i.	Rentals			
ii.	Activation Charges			
iii.	Airtime Revenue			
iv.	Goods & Service Tax (GST)			
v.	Service charges			
vi.	Charges on account of any other value added services. Supplementary Services etc.			
vii.	Any other income/ miscellaneous receipt from post paid options.			
<b>D(c) 2.</b>	<b>Pre-paid options:</b>			
i.	Sale of pre-paid SIM cards including full value of all components charged therein.			
ii.	Activation Charges			
iii.	Airtime Revenue			
iv.	Goods & Service Tax (GST)			
v.	Service charges			
vi.	Charges on account of any other value added services. Supplementary Services etc.			
vii.	Any other income/ miscellaneous receipt from post paid options.			

	miscellaneous receipt from pre-paid options.			
<b>D(c)3.</b>	<b>Revenue from Mobile Community phone service including full value of all components charged therein.</b>			
<b>i.</b>	<b>Any other income/ miscellaneous receipt from Mobile Community phone service.</b>			
<b>E</b>	<b>Revenue from Voice Mail /any other value added service</b>			
<b>2</b>	<b>Income from trading activity</b>			
(i)	Sale of handsets (Excluding GST)			
(ii)	Sale of accessories etc. (Excluding GST)			
(iii)	Any other income/ miscellaneous receipt from trading activity. (Excluding GST)			
(iv)	Goods & Service Tax (GST)			
<b>3</b>	<b>Revenue from roaming.</b>			
<b>i.</b>	Roaming facility revenue from own subscribers.			
<b>ii.</b>	Roaming revenue from own subscriber visiting other networks including STD/ ISD/ pass thru charges for transmission of incoming call during roaming.			
<b>iii.</b>	Roaming Commission earned.			
<b>iv.</b>	GST if not included above.			
<b>v.</b>	Any other income/ miscellaneous receipt from roaming.			
<b>4</b>	<b>Income from investments</b>			
(i)	Interest income			
(ii)	Dividend income			
(iii)	Any other miscellaneous receipt from investments.			
<b>5</b>	<b>Non-refundable deposits from subscribers</b>			
<b>6</b>	<b>Revenue from franchisees /resellers including all commissions and discounts etc. excluding the revenues already included in IA&amp;IB</b>			
<b>7</b>	<b>Revenue from sharing/ leasing of infrastructure</b>			
<b>8</b>	<b>Revenue from sale/ lease of bandwidth, links, R&amp;G cases,</b>			

	turnkey projects etc.			
9	Revenue from NSO on account of Roaming calls/pass through & other misc. Charges + misc. Revenue.			
10.	Any other Income			
11.	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting			
12.	Miscellaneous revenue			
AA	<b>GROSS REVENUE OF THE Licensee COMPANY: (Add 1-12)</b>			
BB	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii.	Excess Provisions written back			
BB	<b>Total BB (1+2+3+4):</b>			
CC	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
DD	<b>DEDUCT:</b>			
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.			
3	Goods and Service Tax paid to the Government.			
<b>DD</b>	<b>TOTAL DEDUCTIBLE REVENUE (1+2+3)</b>			
<b>EE</b>	<b>ADJUSTED GROSS REVENUE (CC- DD)</b>			
	<b>REVENUE SHARE @ ----- ----- OF ADJUSTED GROSS REVENUE</b>			

**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. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.
- Security or any other Deposits taken from the subscriber shall be shown separately, for each category, and the amount that has fallen due for refund but not yet paid also disclosed under two categories, namely:
  - Up to 45 days
  - More than 45 days.
- Service Tax billed, collected and remitted to the Government shall be shown separately.
- Sales Tax billed, collected and remitted to the Government shall be shown separately.
- Details of Income from sales of goods shall be furnished indicating the income and number of items sold under each category. Method of inventory valuation used shall also be disclosed along with computation of cost of goods sold.
- Sales shall be shown gross and details of discount/rebate allowed and of sales returns shall be shown separately.
- Income from interest and dividend shall be shown separately, without any related expenses being set-off against them on the income side of the P&L Account.
- Increase/decrease of stock shall be shown separately.
- Details of reversal of previous years' debits, if any, shall be shown component-wise, under the miscellaneous head (eg. Bad debts recovered, etc.)

- Item-wise details of income that has been set off against corresponding expenditure.
- Roaming Charges shall be shown under the following heads separately;
  - (a) Roaming airtime charges collected for each external network from own (home) subscribers.
  - (b) Roaming airtime charges actually remitted to each external network.
  - (c) Roaming commission retained (Network-wise)
  - (d) Roaming commission paid (Network-wise)
  - (e) Any other variable charges collected and retained/passed on to other operators, with details.
- Total Airtime Units (Metered Units) for home and visiting subscribers and unbilled numbers (e.g. service connections) to be furnished separately.

## CHAPTER-IX

### INTERNET SERVICE

1. **Service Area:** The License/Authorization for Internet Service are granted for three different Categories namely Category 'A', Category 'B' and Category 'C'. The Service Area for Category 'A' authorization shall be the National Area. The Service Area for Category 'B' authorization shall be the Telecom Circle/Metro area as defined in Annexure-IV. The Service Area for Category 'C' authorization shall be the Secondary Switching Area (SSA) as defined in Annexure-VI. If the Licensee desires to obtain ISP Category 'C' Authorization, under Unified License(VNO), for more than four SSAs in a Telecom Circle, the Licensee shall be required to obtain ISP Category 'B' authorization for that Service Area.

License/Authorization for Internet Service, granted for more than one Service Area (Telecom Circle/Metro/SSA), shall be administered at each Service Area level.

2. **Scope of Internet Service:** Scope of this Authorization covers the following:

2.1 (i) The Licensee may provide Internet access including IPTV. The subscriber shall have unrestricted access to all the content available on Internet except for such content which is restricted by the Licensor/designated authority under Law. The Licensee shall not offer VPN/Closed User Group services to its subscribers. The content for IPTV shall be regulated as per law in force from time to time.

(ii) The Licensee may provide Internet Telephony through Public Internet by the use of Personal Computers (PC) or IP based Customer Premises Equipment (CPE) connecting only the following:

a) PC to PC; within or outside India

b) PC / a device / Adapter conforming to TEC or International Standard in India to PSTN/PLMN abroad.

c) Any device / Adapter conforming to TEC or International Standard connected to ISP node with static IP address to similar device / Adapter; within or outside India.

Explanation: Internet Telephony is a different service in its scope, nature and kind from real time voice service as offered by other licensees like Basic Service Licensees, Cellular Mobile Telephone Service (CMTS) Licensees, Unified Access Service (UAS) Licensees, Unified Licensee (Access Service), Unified Licensee with authorization for access services.

(iii) The Internet Telephony, only as described in condition (ii) above, can be provided by the Licensee. Voice communication to and from a telephone connected to PSTN/PLMN/GMPCS and use of E.164 numbering is prohibited.

(iv) Addressing scheme for Internet Telephony shall conform to IP addressing Scheme of Internet Assigned Numbers Authority (IANA) only and the same shall not use National Numbering Scheme / plan applicable to subscribers of Basic / Cellular Telephone service. Translation of E.164 number / private number to IP address allotted to any device and vice versa, by the licensee to show compliance with IANA numbering scheme is not permitted.

(v) For carrying originating and terminating traffic of its subscribers, the licensee may establish its own transmission links within its service area. For this purpose, the Licensee may also establish 'Last Mile' linkages within the service area either on fiber optic cable or radio communication or underground copper cable, coaxial cable for cable TV subject to applicable cable laws (The Cable Television Networks (Regulation) Act, 1995) as modified from time to time. In case of radio links, procedure as mentioned in Chapter VII of this License shall be applicable.

(vi) Unified Messaging Services (UMS) within the scope of (i) to (ii) above can be provided by the Licensee.

(vii) The Licensee may share "passive" infrastructure namely building, tower, dark fiber, duct space, Right of Way owned, established and operated by it under the scope of this Authorization with other VNO Licensees.

2.2 All subscribers, except dial up subscribers, shall be within the service area.

**<sup>18</sup>2.3 Principle of non-discriminatory treatment, definition of specialised services and reasonable traffic management and other exceptions:**

- (i) A Licensee providing Internet Access Service shall not engage in any discriminatory treatment of content, including based on the sender or receiver, the protocols being used or the user equipment.
- (ii) The Licensee is prohibited from entering into any arrangement, agreement or contact, by whatever name called, with any person, natural or legal, that has the effect of discriminatory treatment of content.
- (iii) Nothing contained in this provision shall restrict:
  - a) The provision of any Specialised Service by a Licensee, provided that:
    - The Specialised Services are not usable or offered as a replacement for Internet Access Service; and
    - The provision of the Specialised Services is not detrimental to the availability and overall quality of Internet Access Service.
  - b) Any measure adopted by the Licensee that are proportionate, transient and transparent in nature and fall under any of the following categories:
    - Reasonable traffic management practices as may be specified from time to time;
    - Provision of emergency services or any services provided during time of grave public emergency, as per the process laid down by the Licensor/TRAI;
    - Implementation of any order of a court or direction issued by the Government, in accordance with law;
    - Measures taken in pursuance of preserving the integrity and security of the network and equipment; and
    - Measures taken in pursuance of an international treaty, as may be specified by the Government.

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<sup>18</sup> Amended vide letter no 20-271/2010 AS-I (Vol.-III) dated 26.09.2018

(iv) For the purpose of this provision:

- a) "Content" shall include all content, applications, services and any other data, including its end-point information, which can be accessed or transmitted over the Internet.
- b) "Discriminatory treatment" shall include any form of discrimination, restriction or interference in the treatment of content, including practices like blocking, degrading, slowing down or granting preferential speeds or treatment to any content.
- c) "Specialised services" shall mean services other than Internet Access Services that are optimised for specific content, protocols or user equipment, where the optimisation is necessary in order to meet specific quality of service requirements.

Provided that the Licensees is authorised to provide such services in accordance with the provisions contained in this license, as modified from time to time.

### **3. Financial Conditions:**

#### <sup>19</sup>**3.1 Gross Revenue:**

The Gross Revenue shall be inclusive of all types of revenue from Internet services, revenue from Internet access service, revenue from internet contents, revenue from Internet Telephony service, revenue from activation charges, revenue from sale, lease or renting of bandwidth, links, R&G cases, Turnkey projects, revenue from IPTV service, late fees, sale proceeds of terminal equipments, revenue on account of interest, dividend, value added services, supplementary services, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense etc.

#### **3.1A Applicable Gross Revenue (ApGR):**

*ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:*

- (i) Revenue from operations other than telecom activities/ operations.*
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.*
- (iii) Receipts from the USO Fund.*
- (iv) List of other income\* to be excluded from GR to arrive at ApGR*
  - a. Income from Dividend*
  - b. Income from Interest*
  - c. Capital Gains on account of profit of Sale of fixed assets and securities*
  - d. Gains from Foreign Exchange rates fluctuations*
  - e. Income from property rent*
  - f. Insurance claims*
  - g. Bad Debts recovered*

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<sup>19</sup> Amended vide letter 20-271/2010 AS-I (Vol.-V) dated 25.10.2021

*h. Excess Provisions written back*

*\*Subject to conditions given in Annexure VII.*

**3.2 Adjusted Gross Revenue (AGR):**

*For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Applicable Gross Revenue (ApGR):*

- a. Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges;*
- b. 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; and*
- c. Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included as component of GST.*

**4. Network Interconnection:**

4.1 A UL (VNO) Licensee with authorization for Internet Service shall be parent to NSO(s) only. Any Interconnection with Access Service provider, ISPs, ILDs, VSATs, NLDs shall be through the NSO to which it is parented.

4.2 Resources required for interconnecting the licensee’s network to the network of NSO licensed by the Licensor including time frame for provision of the same, will be mutually agreed between the parties concerned Licensee and NSO(s).

4.3 Licensees shall use IP (Internet Protocol) in conjunction with Transmission Control Protocol (TCP) and shall meet the interface requirements as prescribed by TEC/ Licensor to connect with other Telecom Service Providers’ network.

**5. Provision of Service:**

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

5.2 For the purpose of providing the Service, the Licensee shall install, if required, its own suitable equipment so as to be compatible with the NSO(s) equipment

5.3 The Licensee, having DTH service License from Ministry of Information and Broadcasting, shall be permitted to allow customers for downloading internet data through DTH.

5.4 It will be the responsibility of the Licensee to obtain IP addresses, domain name, etc. from NSO(s).

**6. Requirement to furnish information:**

6.1 The licensee shall provide to the licensor, a quarterly report indicating the details of Internet Service Nodes or Points of Presence with their locations and number of broadband / leased / dial up subscribers. In case new nodes are to be installed, one month prior notice is required to be given to the licensor.

## 7. Security Conditions:

7.1 The list of Internet Lease Line (ILL) customers is to be placed on a password protected website in the following Performa:-

Name of Subscriber	IP address allotted	Bandwidth provided	Address of Installation	Date of Installation/ Commissioning	Contact person with Phone /e-mail

The Licensee shall advise its ILL customers to maintain the usage of IP addresses/Network Address Translation (NAT) syslog, in case of multiple users on the same ILL, for a minimum period of one year. The Licensee shall ensure compliance of the above requirement by taking periodic feedback from the ILL customers or shall take any other measures as necessary for compliance of this requirement. In case, the Licensee finds that ILL customer is non-compliant to the above requirement, the Licensee shall withdraw the service.

7.2 The login ID/ Password shall be provided to concerned DDG (TERM) of DoT. Online updating of ILL customers' data by Licensees should be done. This information shall be accessible to authorized Government agencies.

7.3 Periodical inspections are to be carried out at the premises of ILL customers to check possible misuse and possible interconnection of Internet leased line with PSTN, PLMN, GMPCS network. First inspection at the premises of the customer must be done within 15 days of commissioning of Internet leased line.

7.4 A record of complete network diagram of set up at each of the ILL customer premises along with details of connectivity shall be available at the site. All details of other communications links (PSTN, NLD, ILD, WLL, GSM, other ISP, etc.) and reasons for taking the link by the customer to be recorded before activation of the link. The same shall also be readily available for inspection at the respective premises of all ILL customers.

7.5 An agreement shall be executed with each ILL customer which clearly mentions the activities that are prohibited.

7.6 Licensee shall ensure that an entity, requesting ILL connection to use it for provision of Internet services to its (entity's) customers, should have a valid authorization for Internet Service.

7.7 All the terms and conditions related to ILL under this authorization shall also apply to the Internet Service provided through VSAT.

7.8 In case Licensee detects the misuse of Internet Leased Line, the Licensee shall take immediate action to disconnect the service to this subscriber and file an FIR



against the subscriber. The Licensee shall intimate the Licensor of such misuse within 24 hours of detection of the same. In case such a misuse is detected by the Licensor, the onus shall lie on the Licensee to prove that it had not connived in the misuse by its ILL subscriber and has taken all the above mentioned steps to check the misuse of ILL. Wherever it is found that the Licensee has itself been involved in/abetted the misuse of ILL, it shall be construed as breach of terms and conditions of the license agreement.

7.9 The traffic of Internet nodes on places of security importance would be routed as per directions issued from time to time by Licensor. Interconnection of these nodes to other nodes within the country directly is not permitted.

**Annexure-A**

(Proforma for Affidavit regarding details of calculation of "Revenue" and "License Fee")

**AFFIDAVIT**

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

1. That I am .....of ..... (Name of the Company), Licensee of ..... Service in .....Service Area and I am duly authorised by the resolutions dated ..... passed by Board of Directors of the Company to furnish affidavit on behalf of .....( Name of the Company).

2. That in compliance of Condition No.. ..... of Schedule.....Part ..... the License Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of License fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of 'Revenue' and License fee is as per Appendix-II ..... (attached).

3. That the contents in para 2 & 3 and Statement made in Annexure \_\_\_ are true and correct to the best of my knowledge, based on the records of the company.

Deponent.

Verification:

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

Deponent

(Format of Auditor's Report on Statement of Revenue and License Fee)

To

The Board of Directors

.....

.....

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

We report that:

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

**Format of Statement of Revenue and License Fee \_\_\_\_\_ (Name and address of operator) in \_\_\_\_\_ ( Service Area)**

**Statement of Revenue and License Fee for the Quarter .....of the financial year.....**

**(AMOUNT IN RUPEES)**

<b>S.No</b>	<b>PARTICULARS</b>	<b>ACTUALS FOR THE PREVIOUS QUARTER</b>	<b>ACTUALS FOR THE CURRENT QUARTER</b>	<b>CUMULATIVE UPTO THE CURRENT QUARTER.</b>
<b>1</b>	<b>Revenue from services</b>			
<b>A</b>	<b>Revenue from Pure Internet Service ( Internet Access and Content Service):</b>			
A1.	Post paid options:			
i.	Rentals			
ii.	Activation Charges			
iii.	Goods & Service Tax (GST)			
iv.	Service charges			
v.	Charges on account of any other value added services. Supplementary Services etc.			
vi.	Any other income/ miscellaneous receipt from post paid options.			
<b>A2.</b>	<b>Pre-paid options:</b>			
i.	Sale of pre-paid option including full value of all components charged therein.			
ii.	Any other income/ miscellaneous receipt from pre-paid options.			
<b>B</b>	<b>Revenue from Internet Telephony Service:</b>			
B1.	Post paid options:			
i.	Rentals			
ii.	Activation Charges			
iii.	Goods & Service Tax (GST)			
iv.	Service charges			
v.	Charges on account of any other value added services. Supplementary Services etc.			
vi.	Any other income/ miscellaneous receipt from post paid options.			

B2.	Pre-paid options:			
i.	Sale of pre-paid option including full value of all components charged therein.			
ii.	Any other income/miscellaneous receipt from pre-paid options.			
<b>C</b>	<b>Revenue from any other value added service</b>			
<b>2</b>	<b>Income from trading activity</b> (all including of Goods & Service Tax)			
i.	Sale of Terminal Equipments			
ii.	Sale of accessories etc.			
iii.	Any other income/miscellaneous receipt from trading activity.			
<b>3</b>	<b>Income from investments</b>			
i.	Interest income			
ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			
<b>4</b>	<b>Non-refundable deposits from subscribers</b>			
<b>5</b>	<b>Revenue from franchisees /resellers including all commissions and discounts etc. excluding the revenues already included in IA&amp;IB</b>			
<b>6</b>	<b>Revenue from sharing/leasing of infrastructure</b>			
<b>7</b>	<b>Revenue from sale/ lease renting of bandwidth, links, R&amp;G cases, turnkey projects etc.</b>			
<b>8</b>	<b>Revenue from NSO on account of Roaming calls/pass through charges &amp; other Charges.</b>			
ii.	GST if not included above.			
iii.	Any other income/			

	miscellaneous receipt from roaming			
<b>9</b>	Any other INCOME			
<b>10</b>	<b>Revenue from IPTV Services</b>			
<b>11</b>	<b>Revenue paid by NSO to Licensee + Miscellaneous Revenue</b>			
<b>12</b>	<b>Revenue from Operations/Activities other than Telecom Operations/Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE Licensee COMPANY :(Add 1-12)</b>			
<b>BB</b>	<b>Less</b>			
1.	Revenue from operations other than telecom activities/operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii.	Excess Provisions written back			
<b>BB</b>	<b>Total BB (1+2+3+4):</b>			
<b>CC</b>	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
<b>DD</b>	<b>Less:</b>			

<b>1</b>	Goods and Service Tax paid/payable to the Government			
<b>2</b>	Charges actually paid to parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges			
<b>3</b>	Charges actually paid to NSO towards Bulk/ wholesale bandwidth, leased line and bandwidth charges.			
<b>DD</b>	<b>TOTAL DEDUCTIBLE REVENUE (1+2+3)</b>			
<b>EE</b>	<b>ADJUSTED GROSS REVENUE (CC- DD)</b>			
	<b>REVENUE SHARE @ ----- ----- OF ADJUSTED GROSS REVENUE</b>			

**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. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.

- Security or any other Deposits taken from the subscriber shall be shown separately, for each category, and the amount that has fallen due for refund but not yet paid also disclosed under two categories, namely:
  - Up to 45 days
  - More than 45 days.
- Service Tax billed, collected and remitted to the Government shall be shown separately.
- Sales Tax billed, collected and remitted to the Government shall be shown separately.
- Details of Income from sales of goods shall be furnished indicating the income and number of items sold under each category. Method of inventory valuation used shall also be disclosed along with computation of cost of goods sold.
- Sales shall be shown gross and details of discount/rebate allowed and of sales returns shall be shown separately.
- Income from interest and dividend shall be shown separately, without any related expenses being set-off against them on the income side of the P&L Account.
- Increase/decrease of stock shall be shown separately.
- Details of reversal of previous years' debits, if any, shall be shown component-wise, under the miscellaneous head (eg. Bad debts recovered, etc.)
- Item-wise details of income that has been set off against corresponding expenditure.



## CHAPTER-X

### NATIONAL LONG DISTANCE SERVICE

1. **Service Area:** The Service Area for the National Long Distance Service shall be at National Level.
2. **Scope of the NLD Service:** Scope of this Authorization covers the following:
  - 2.1 (a) A UL (VNO) Licensee with authorization for NLD shall be parent to NSO(s) only.
    - (b) The Licensee may pickup, carry and deliver to NSO(NLDO) for further carriage & termination.
    - (c) The Licensee can provide Leased Circuit / Virtual Private Network (VPN) Services by using infrastructure of its parent NSO.
    - (d) Further, only for provision of national long distance voice service through Calling Cards, falling within the scope of, and, in accordance with clauses 2.1 (a) and 2.1(b) above, the Licensee can access the subscribers directly.
  - 2.2(i) The Licensee may share “passive” infrastructure namely building, tower, dark fiber, duct space, Right of Way owned, established and operated by it under the scope of this Authorization with other Licensees.
  - 2.3(i) Access to the subscribers for provision of National Long Distance voice services (excluding message services) through Calling Cards shall be strictly within the scope of and in accordance with clauses 2.1(a) to 2.1(c) above. Provision of other Intelligent Network based services (except Intelligent Network service for operation of Calling Cards) such as tele-voting and toll-free services is not allowed to Licensee. Provision of Value Added Services such as SMS/ MMS, ringtones, etc. through calling cards is also not allowed.
  - 2.3(ii) The charges and sharing of revenues for the service features, network architecture and resources used for providing NLD voice services through calling cards shall be such as are mutually agreed between the service providers within the framework of and in accordance with regulations, directions, orders or instructions as may be issued from time to time by TRAI and directions, orders or instructions as may be issued from time to time by the Licensor.
  - 2.3(iii) The licensee shall clearly indicate to the subscriber the specifications of the service to be offered through Calling Cards at the time of entering into contract with such subscriber.

### 3. Financial Conditions:

#### <sup>20</sup>3.1 Gross Revenue

Gross revenue shall be inclusive of total revenue accruing to the licensee by way of providing service by parenting to NLD (NSOs) including the revenue on account of supplementary/ value added services, leasing of infrastructure, interest, dividend, revenue earned from parent NSOs, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set off for related item of expense etc.

##### **3.1A Applicable Gross Revenue (ApGR):**

*ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:*

- (i) Revenue from operations other than telecom activities/ operations.*
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.*
- (iii) Receipts from the USO Fund.*
- (iv) List of other income\* to be excluded from GR to arrive at ApGR*
  - a. Income from Dividend*
  - b. Income from Interest*
  - c. Capital Gains on account of profit of Sale of fixed assets and securities*
  - d. Gains from Foreign Exchange rates fluctuations*
  - e. Income from property rent*
  - f. Insurance claims*
  - g. Bad Debts recovered*
  - h. Excess Provisions written back*

*\*Subject to conditions given in Annexure VII.*

##### **3.2 Adjusted Gross Revenue (AGR):**

*For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Applicable Gross Revenue (ApGR):*

- a. Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges;*
- b. 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; and*
- c. Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included as component of GST.*

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<sup>20</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-V) dated 25.10.2021

#### 4. **Network Interconnection:**

4.1 A UL (VNO) Licensee with authorization for NLD shall be parent to NSO(s) only. Any Interconnection with Access Service provider, ISPs, ILDs, VSATs, NLDs shall be through the NSO(s) to which it is parented.

#### 5. **Technical Conditions**

<sup>21</sup>5.1 A Licensee having license/authorizations for both Commercial VSAT CUG Service and NLD Service is permitted to share VSAT Hub for the purpose of providing authorized services.

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<sup>21</sup> Appended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 23.09.2021

(Proforma for Affidavit regarding details of calculation of “Revenue” and “License Fee”)

**AFFIDAVIT**

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

1. That I am .....of ..... (Name of the Company), Licensee of ..... Service in .....Service Area and I am duly authorised by the resolutions dated ..... passed by Board of Directors of the Company to furnish affidavit on behalf of .....( Name of the Company).

2. That in compliance of condition No.. ..... of Schedule.....Chapter ..... and Annexure.....of the License Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of License fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of ‘Revenue’ and License fee is as per Annexure ..... (attached).

3. That the contents in para 1 & 2 and Annexure – A 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 the affidavit and Annexure- A are true and correct to my knowledge, no part of it is false and nothing has been concealed therefrom.

Deponent.

**Format of Auditor's Report on Statement of Revenue and License Fee**

To

The Board of Directors

.....

.....

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

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

( Seal and Signature )

Place & Date

\* Strike off wherever not applicable.

Format of Statement of Revenue and License Fee \_\_\_\_\_ (Name and address of operator) VNO - NATIONAL LONG DISTANCE SERVICE  
Statement of Revenue and License Fee for the Quarter.....of the financial year.....

(AMOUNT IN RUPEES)

S.N	PARTICULARS	ACTUALS FOR THE PREVIOUS QUARTER	ESTIMATED FOR THE CURRENT QUARTER	CUMULATIVE UPTO THE PREVIOUS QUARTER
<b>1.</b>	<b>Revenue from Services:</b>			
i.	Revenue from provisioning of VNO (NLD) service			
ii.	Revenue from supplementary/ value added services.			
iii.	Goods & Service Tax (GST)			
iv.	Any other income/ miscellaneous receipt.			
1(a)	Revenue from calling cards			
i.	Revenue from sale of calling cards			
ii.	Any other income/Miscellaneous receipt from Calling Cards			
iii.	Goods & Service Tax (GST)			
<b>2.</b>	<b>Income from investments.</b>			
i.	Interest income			
ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			
<b>3.</b>	<b>Non-refundable deposits.</b>			
<b>4.</b>	<b>Revenue from sharing/ leasing of other infrastructure</b>			
<b>5.</b>	<b>Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting</b>			
<b>6.</b>	<b>Miscellaneous revenue.</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE</b>			

	<b>Licensee COMPANY (Add 1- 6):</b>			
<b>BB</b>	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii.	Excess Provisions written back			
<b>BB</b>	<b>Total BB (1+2+3+4):</b>			
<b>CC</b>	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
<b>DD</b>	<b>Less:</b>			
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.			
3.	Good and Service Tax paid to the Government.			
<b>DD</b>	<b>TOTAL DEDUCTIBLE REVENUE (1+2+3)</b>			
<b>EE</b>	<b>ADJUSTED GROSS REVENUE: (CC- DD)</b>			
	<b>REVENUE SHARE @.....OF ADJUSTED GROSS REVENUE:</b>			

**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. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.

- 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.



## CHAPTER-XI

### INTERNATIONAL LONG DISTANCE SERVICE

1. **Service Area:** The Service Area for the International Long Distance Service shall be at National Level.

2. **Scope of ILD Service:** Scope of this Authorization covers the following:

2.1(i) The Licensee may share “passive” infrastructure namely building, tower, dark fiber, duct space, Right of Way owned, established and operated by it under the scope of this Authorization with other Licensees.

2.2(i) Further, the Licensee may also access the subscribers directly for provision of international long distance voice service only through calling cards.

(ii) The charges and sharing of revenues for the service features, network architecture and resources used for providing ILD voice services through calling cards shall be such as are mutually agreed between the service providers within the framework of and in accordance with regulations/directions/orders/ instructions that may be issued from time to time by TRAI/Licensors.

(iii) The licensee shall clearly indicate to the subscriber the specifications of the service to be offered through Calling Cards at the time of entering into contract with such subscriber.

3. **Financial Conditions:**

3.1 **Gross Revenue:**

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

**3.1A Applicable Gross Revenue (ApGR):**

*ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:*

- (i) Revenue from operations other than telecom activities/ operations.*
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.*
- (iii) Receipts from the USO Fund.*
- (iv) List of other income\* to be excluded from GR to arrive at ApGR*

- a. *Income from Dividend*
- b. *Income from Interest*
- c. *Capital Gains on account of profit of Sale of fixed assets and securities*
- d. *Gains from Foreign Exchange rates fluctuations*
- e. *Income from property rent*
- f. *Insurance claims*
- g. *Bad Debts recovered*
- h. *Excess Provisions written back*

*\*Subject to conditions given in Annexure VII.*

### **3.2 Adjusted Gross Revenue:**

*For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Applicable Gross Revenue (ApGR):*

- a. *Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.*
- b. *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.*
- c. *Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included as component of GST.*

### **4. Network Interconnection:**

4.1 A UL (VNO) Licensee with authorization for ILD shall be parent to NSO(s) only. Any Interconnection with Access Service providers, ISPs, ILDOs, VSAT Operators, NLDOs shall be through the NSO to which it is parented.

(Proforma for Affidavit regarding details of calculation of “Revenue” and “License Fee”)

**AFFIDAVIT**

I ..... Aged about ..... Years son of Shri  
..... resident of .....  
..... do solemnly affirm and state as under:

1. That I am ..... of ..... (Name of the Company), Licensee of ..... Service and I am duly authorized by the resolutions dated ..... passed by Board of Directors of the Company to furnish affidavit on behalf of ..... (Name of the Company).

2. That in compliance of condition No. .. of schedule ..... Chapter ..... and ANNEXURE ..... of the LICENSE AGREEMENT No. .... signed between the Company and the Department of Telecommunications, for payment of License Fee, a payment of Rs ..... (Rupees ..... ) is being made for the period ..... to .....

3. The details of calculation of ‘Revenue’ and License Fee is as per ANNEXURE ... (attached).

That the contents in para 1 & 2 and 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 the affidavit and ANNEXURE are true and correct to my knowledge, no part of it is false and nothing has been concealed herefrom.

Deponent

Format of AUDITOR's Report on State of Revenue and License Fee

To

The Board of Directors,

.....

.....

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

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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.

No amounts paid/payable in respect of sales tax, service tax or PSTN/ toll/roaming charges were outstanding at the last day of the quarter(s) for a period of more than two months from the date they became payable, except for the following: .....

In our opinion and to the best of our knowledge and belief and according to the explanations given to us, the Statement has been prepared in accordance with the norms/ guidelines contained in the said LICENSE AGREEMENT in this behalf and gives a true and fair view of the revenue and License Fee paid/payable for the period computed on the basis of the aforesaid guidelines except for the following:

( Seal and Signature )

Place & Date

\* Strike off wherever not applicable.

**Format of Statement of Revenue and License Fee ----- (Name and address of operator) VNO-INTERNATIONAL LONG DISTANCE SERVICE**

**Statement of revenue and License Fee for the Quarter -----of the financial year-----**

**(Amount in Rupees)**

S.N.	PARTICULARS	ACTUALS FOR THE PREVIOUS QUARTER	CUMULATIVE UPTO THE PREVIOUS QUARTER.
<b>1.</b>	<b>Revenue from traffic</b>		
A	Revenue from subscriber of ILD calling cards & any other income /miscellaneous receipt from calling cards.		
i.	Goods & Service Tax (GST)		
ii.	Service charges		
iii.	Charges on account of any other value added services, Supplementary Services etc.		
iv.	Any other income / miscellaneous receipt.		
<b>2.</b>	<b>Income from investments (made on the strength of this License)</b>		
i.	Interest income		
ii.	Dividend income		
iii.	Any other miscellaneous receipt from investments.		
<b>3.</b>	<b>Revenue from franchisees</b>		
<b>4.</b>	<b>Revenue from sharing/ leasing of infrastructure</b>		
<b>5.</b>	<b>Revenue from sale/ lease of bandwidth, links, R&amp;G cases, turnkey projects etc.</b>		
<b>6.</b>	<b>Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting</b>		
<b>7.</b>	<b>Any other revenue</b>		
<b>8.</b>	<b>Miscellaneous revenue</b>		
<b>AA</b>	<b>GROSS REVENUE OF THE</b>		

	<b>Licensee COMPANY: (Add 1-8)</b>		
<b>BB</b>	<b>Less</b>		
1.	Revenue from operations other than telecom activities/ operations		
2.	Revenue from activities under a license from Ministry of Information and Broadcasting		
3.	Receipt from USO Fund		
4.	Items of 'Other Income' as listed in Annexure- VII		
i.	Income from Dividend		
ii.	Income from Interest		
iii.	Capital Gains on account of profit of Sale of fixed assets and securities		
iv.	Gains from Foreign Exchange rates fluctuations		
v.	Income from property rent		
vi.	Insurance claims		
vii.	Bad Debts recovered		
viii.	Excess Provisions written back		
<b>BB</b>	<b>Total BB (1+2+3+4):</b>		
<b>CC</b>	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>		
<b>DD</b>	<b>Less:</b>		
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.		
3	Goods and Service Tax paid to the Government		
<b>DD</b>	<b>TOTAL DEDUCTIBLE REVENUE (1+2+3)</b>		
<b>EE</b>	<b>ADJUSTED GROSS REVENUE (CC- DD)</b>		
	REVENUE SHARE @ ----- ---- OF ADJUSTED GROSS REVENUE		

**NORMS FOR PREPARATION OF ANNUAL FINANCIAL STATEMENTS**

- Accounts shall be maintained separately for each telecom service operated by the Licensee Company.
- Any category of accrued revenue, the amount of which exceeds 5% of the total accrued revenue, shall be shown separately and not combined with any other item/category.
- Accrued Revenue shall indicate:
  - a) All amounts billable for the period.
  - b) Any billings for previous years that had been omitted from the previous years' P&L Accounts.
  - c) Any non-refundable deposits collected from the customers/franchisees to the extent these are credited to P&L Account for the year.
- Subsidiary registers/ledgers shall be maintained for each item given above so as to enable easy verification. Service revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.
- 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.

## CHAPTER-XII

### GLOBAL MOBILE PERSONAL COMMUNICATION BY SATELLITE SERVICE

1. **Service Area:** The Service Area for Global Mobile Personal Communication by Satellite (GMPCS) Service shall be at National Level.

2. **Scope of the GMPCS Service:** Scope of this Authorization covers the following:

2.1 The licensee may provide, in its area of operation, all types of mobile services including voice and non-voice messages, data services using NSO's GMPCS gateway utilizing any type of network equipment including circuit and/or packet switches.

3. **Financial Conditions:**

<sup>22</sup>3.1 **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, revenue from parent NSO, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense, etc.

**3.1A Applicable Gross Revenue (ApGR):**

*ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:*

- (i) Revenue from operations other than telecom activities/ operations.*
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.*
- (iii) Receipts from the USO Fund.*
- (iv) List of other income\* to be excluded from GR to arrive at ApGR*
  - a. Income from Dividend*
  - b. Income from Interest*
  - c. Capital Gains on account of profit of Sale of fixed assets and securities*
  - d. Gains from Foreign Exchange rates fluctuations*
  - e. Income from property rent*
  - f. Insurance claims*
  - g. Bad Debts recovered*
  - h. Excess Provisions written back*

*\*Subject to conditions given in Annexure VII.*

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<sup>22</sup> Amended vide letter no 20-241/2010 AS-I (Vol.-V) dated 25.10.2021



### **3.2 Adjusted Gross Revenue (AGR)**

*For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Applicable Gross Revenue (ApGR):*

- a. *Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges;*
- b. *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.*
- c. *Goods and Service Tax (GST) paid to the Government, if Applicable Gross Revenue (ApGR) had included the component of GST.*

### **4. Technical Conditions:**

4.1 The Subscriber Terminals shall conform to Condition No. 30.3 of Chapter V and the security requirements of Indian Government as prescribed from time to time.

4.2 A UL (VNO) Licensee with authorization for GMPCS shall be parent to NSO(s) only. Any Interconnection with Access Service providers, ISPs, ILDOs, VSAT Operators, NLDOs, GMPCS operators shall be through the NSO to which it is parented.

4.3 The Licensee shall provide through parent NSO(s) all public utility services as well as emergency services including TOLL FREE services like police, fire, ambulance. Licensor may declare any public utility or emergency number as TOLL FREE service from time to time. While providing access to public utility/emergency services/emergency response services/services during disaster including police, fire, etc. as defined from time to time, it shall be ensured that such calls shall be delivered to the designated control room of the concerned authority, as prescribed from time to time.

### **5. Security conditions:**

5.1 The Government through appropriate notification may debar usage of GMPCS mobile terminals in certain areas in the country. The Licensee shall deny service to areas specified by designated authority immediately and in any case within six hours on request. The accuracy of denial should be +/- 100 meters of the area boundary specified. The Government or its authorized representative may carry out the accuracy check of the areas so debarred. The Licensee shall also provide the facility to carry out surveillance of User Terminal activity within a specified area.

5.2 A format would be prescribed by the Licensor to delineate the details of information required before enrolling a customer as a subscriber. Such details should be uniformly maintained by the service providers and submitted for verification whenever called for by the Government agency.

5.3 In addition to requirements contained in Condition No. 38.17 in the Part-I of the Schedule, Service activation shall take place only after checking the bonafide of the customers as may be prescribed by the Licensor from time to time.

5.4 CLI Restriction (CLIR) 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. While providing CLIR facility to subscriber, it shall be ensured that the CLI is carried from end to end on the network. However, CLIR must not be provided in case of bulk connections, call centres, telemarketing services.

(Proforma for Affidavit regarding details of calculation of “Revenue” and “License Fee”)

**AFFIDAVIT**

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

1. That I am .....of ..... (Name of the Company), licensee of Global Mobile Personnel Communication by Satellite Service in India and I am duly authorised by the resolutions dated ..... passed by Board of Directors of the Company to furnish affidavit on behalf of .....( Name of the Company).

2. That in compliance of Condition No..... of Schedule.....Part ..... and Annexure.....of the License Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of license fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of ‘Revenue’ and license fee is as per **Annexure** ..... (attached).

3. That the contents in para 2 & 3 and Statement made in **Annexure** \_\_\_\_ are true and correct to the best of my knowledge, based on the records of the company.

Deponent.

**VERIFICATION:**

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

Deponent.

**Format of Auditor’s Report on Statement of Revenue and License Fee**

To

The Board of Directors

.....  
.....

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

We report that:

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

\* Strike off wherever not applicable.

**(SIGNATURE)**

**Format of Statement of Revenue and License Fee \_\_\_\_\_ (Name and address of operator)**

**VNO- GLOBAL MOBILE PERSONNEL COMMUNICATION BY SATELLITE SERVICE IN INDIA**

**Statement of Revenue and License Fee for the Quarter ..... of the financial year.....**

**(AMOUNT IN RUPEES)**

S.N.	PARTICULARS	ACTUALS OF THE PREVIOUS QUARTER	FIGURES FOR THE CURRENT QUARTER	CUMULATIVE FIGURES UP TO THE PREVIOUS QUARTER
<b>1.</b>	<b>Revenue from Services:</b>			
<b>A.</b>	<b>Post paid options:</b>			
i.	Rentals			
ii.	Activation Charges			
iii.	Airtime Revenue			
iv.	Goods & Service Tax (GST)			
v.	Service charges			
vi.	Charges on account of any other value added services. Supplementary Services etc.			
vii.	Any other income/ miscellaneous receipt from post paid options.			
<b>B.</b>	<b>Pre-paid options:</b>			
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.			
<b>C. i.</b>	<b>Revenue from Mobile Community phone service including full value of all components charged therein.</b>			
ii.	Any other income/ miscellaneous receipt from Mobile Community phone service.			
<b>2.</b>	<b>Income from Trading activity: (all inclusive of sales tax)</b>			
i.	Sale of handsets			
ii.	Sale of accessories, including SIM cards etc.			
iii.	Any other income/ miscellaneous receipt from trading activity.			
<b>3.</b>	<b>Income from investments.</b>			
i.	Interest income			
ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			
<b>4.</b>	<b>Non-refundable deposits from</b>			

	subscribers.			
5.	Revenue from franchisees / resellers, excluding revenues already included in 1A&1B			
6.	Revenue from sharing/leasing of infrastructure			
7.	Revenue from other operators from sale of bandwidth			
8.	Revenue from other operators on account of provisioning of interconnection			
9.	Any other INCOME			
10.	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting			
11.	Miscellaneous revenue			
AA	<b>GROSS REVENUE OF THE LICENSEE COMPANY: (Add 1-11)</b>			
BB	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii.	Excess Provisions written back			
BB	<b>Total BB (1+2+3+4):</b>			
CC	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
DD	<b>Less:</b>			

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.			
3.	Goods and Service Tax paid to the Government.			
<b>DD</b>	<b>TOTAL DEDUCTION (1+2+3)</b>			
<b>EE</b>	<b>Adjusted Gross Revenue (CC- DD)</b>			
	REVENUE SHARE @.....OF ADJUSTED GROSS REVENUE:			

## NORMS FOR PREPARATION OF ANNUAL FINANCIAL STATEMENTS

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

Item-wise details of income that has been set off against corresponding expenditure, shall be shown.



## CHAPTER-XIII

### PUBLIC MOBILE RADIO TRUNKING SERVICE

1. **Service Area:** The Service Area of Public Mobile Radio Trunking Service (PMRTS) shall be the Telecom Circle/Metro area as defined in Annexure-V. License/Authorization for PMRTS Service, granted for more than one Service Area (Telecom Circle/Metro), shall be administered at each Service Area level.

2. **Scope of PMRTS Service:** Scope of this Authorization covers the following:

2.1 The licensee is permitted to provide Public Mobile Radio Trunking Service (PMRTS). The PMRTS refers to:

(i) a two way land mobile service in which users communicate among themselves through a pair of radio frequencies out of a pool in a designated frequency band, assigned to the system using pair of radio frequencies and

(ii) the pair of frequencies is allocated on placement of call request and returned to the pool on completion of call and

(iii) the communication usually takes place through repeater station (also called base station). Once user is assigned a channel (a pair of frequencies) by the system, no one else can interfere with the communication.

3. **Financial Conditions:**

<sup>23</sup>3.1 **Gross Revenue:**

The Gross revenue shall include all revenues accruing to the Licensee on account of goods supplied, services provided, leasing/hiring of infrastructure, use of its resources by others, application fees, installation charges, call charges, late fees, sale proceeds of instruments (or any terminal equipment including accessories), fees on account of annual maintenance contract, income from value added services, supplementary services, revenue earned from parent NSO, etc. and any other miscellaneous item including interest, dividend, etc. without any set-off of related item of expense etc.

**3.1A Applicable Gross Revenue (ApGR):**

*ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:*

*(i) Revenue from operations other than telecom activities/ operations.*

*(ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.*

*(iii) Receipts from the USO Fund.*

*(iv) List of other income\* to be excluded from GR to arrive at ApGR*

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<sup>23</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-V) dated 25.10.2021

- a. *Income from Dividend*
- b. *Income from Interest*
- c. *Capital Gains on account of profit of Sale of fixed assets and securities*
- d. *Gains from Foreign Exchange rates fluctuations*
- e. *Income from property rent*
- f. *Insurance claims*
- g. *Bad Debts recovered*
- h. *Excess Provisions written back*

*\*Subject to conditions given in Annexure VII.*

### **3.2 Adjusted Gross Revenue (AGR):**

*For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Applicable Gross Revenue (ApGR):*

- a. *Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.*
- b. *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.*
- c. *Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included as component of GST.*

### **4. Network Interconnection:**

4.1 A UL (VNO) Licensee with authorization for PMRTS shall be parent to NSO(s) only. Any Interconnection with Access Service providers, ISPs, ILDOs, VSAT operators, NLDOs shall be through the NSO to which it is parented.

(Proforma for Affidavit regarding details of calculation of “Revenue” and “License Fee”)

**AFFIDAVIT**

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

1. That I am .....of ..... (Name of the Company), licensee of ..... Service in .....Service Area and I am duly authorised by the resolutions dated ..... passed by Board of Directors of the Company to furnish affidavit on behalf of .....( Name of the Company).

2. That in compliance of condition No.. ..... of Schedule.....Part ..... and Annexure.....of the License Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of license fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of ‘revenue’ and license fee is as per Annexure ..... (attached).

3. That the contents in Para 2 & 3 and 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 the affidavit and Annexure..... are true and correct to my knowledge, no part of it is false and nothing has been concealed there from.

Deponent.

**Format of Auditor's Report on Statement of Revenue and License Fee**

To

The Board of Directors

.....

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

- (i) 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.
- (ii) 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.
- (iii) No amounts payable in respect of sales tax, service tax or PSTN/toll/roaming charges were outstanding at the last day of the quarter(s) for a period of more than two months from the date they became payable, except for the following:.....
- (iv) In our opinion and to the best of our knowledge and belief and according to the explanations given to us, the Statement has been prepared in accordance with the norms/guidelines contained in the said license agreement in this behalf and gives a true and fair view of the revenue and license fee paid/payable for the period computed on the basis of the aforesaid guidelines except for the following:

( Seal and Signature )

Place & Date

\*Strike off wherever not applicable.

**Appendix-II to Annexure-A**

**Format of Statement of Revenue and License Fee \_\_\_\_\_ (Name and address of operator)**

**Public Mobile Radio Trunking Service in \_\_\_\_\_ Service Area  
Statement of Revenue and License Fee for the Quarter .....of the financial year.....**

**(AMOUNT IN RUPEES)**

<b>S.N</b>	<b>PARTICULARS</b>	<b>ACTUALS FOR THE PREVIOUS QUARTER</b>	<b>ACTUAL FOR THE CURRENT QUARTER</b>	<b>CUMULATIVE UPTO THE CURRENT QUARTER</b>
<b>1.</b>	<b>Revenue from Services:</b>			
i.	Rentals			
ii.	Activation Charges			
iii.	Revenue from NSO.			
iv.	Goods & Service Tax (GST)			
v.	Service charges			
vi.	Income from lease/rental/AMC of items in 2(i) and 2(ii).			
vii.	Any other income/ miscellaneous receipt from service			
<b>2.</b>	<b>Income from Trading activity: (all inclusive of sales tax)</b>			
i.	Sale of handsets			
ii.	Sale of accessories, including SIM cards, spares, consumables, etc.			
iii.	Any other income/miscellaneous receipt from trading activity.			
<b>3.</b>	<b>Income from investments.</b>			
i.	Interest income			
ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			
<b>4.</b>	<b>Non-refundable deposits from subscribers.</b>			
<b>5.</b>	<b>Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting</b>			

<b>6.</b>	<b>Any other receipt / Miscellaneous revenue.</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE Licensee COMPANY: (Add 1-6)</b>			
<b>BB</b>	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii.	Excess Provisions written back			
<b>BB</b>	<b>Total BB (1+2+3+4):</b>			
<b>CC</b>	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
<b>DD</b>	<b>Less:</b>			
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.			
3.	Goods and Service Tax paid to the Government.			
<b>DD</b>	<b>TOTAL DEDUCTION (1+2+3)</b>			
<b>EE</b>	<b>Adjusted Gross Revenue (CC- DD)</b>			
	<b>REVENUE SHARE @..... OF ADJUSTED GROSS REVENUE:</b>			

**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. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.
- Security or any other Deposits taken from the subscriber shall be shown separately, for each category, and the amount that has fallen due for refund but not yet paid also disclosed under two categories, namely:
  - Up to 45 days
  - More than 45 days.
- Service Tax billed, collected and remitted to the Government shall be shown separately.
- Sales Tax billed, collected and remitted to the Government shall be shown separately.
- Details of Income from sales of goods shall be furnished indicating the income and number of items sold under each category. Method of inventory valuation used shall also be disclosed along with computation of cost of goods sold.
- Sales shall be shown gross and details of discount/rebate allowed and of sales returns shall be shown separately.
- Income from interest and dividend shall be shown separately, without any related expenses being set-off against them on the income side of the P&L Account.
- Increase/decrease of stock shall be shown separately.
- Details of reversal of previous years' debits, if any, shall be shown component-wise, under the miscellaneous head (eg. Bad debts recovered, etc.)
- Item-wise details of income that has been set off against corresponding expenditure, shall be shown.

## CHAPTER-XIV

### COMMERCIAL VSAT CUG SERVICE

1. **Service Area:** The Service Area of Very Small Aperture Terminal (VSAT) Closed User Group (CUG) Service shall be at National Level.

2. **Scope of VSAT CUG Service:** Scope of this Authorization covers the following:

<sup>24</sup>2.1 (i)

(a) Data connectivity between various sites scattered within territorial boundary of India using VSATs. The users of the service should belong to a Closed User Group (CUG).

(b) VSAT licensee after obtaining ISP license may use same Hub station and VSAT (remote station) to provide Internet service directly to the subscribers, and in this case VSAT (remote station) may be used as a distribution point to provide Internet service to multiple independent subscribers.

**(c) Backhaul connectivity for cellular mobile services through satellite using VSAT to the Access Service providers.**

**(d) Backhaul connectivity using VSAT to Access Service Providers for establishing Wi-Fi hotspots.**

**(e) The VSAT terminal of the Commercial VSAT CUG Service provider, which is used to provide cellular mobile backhaul link or Wi-Fi hotspot backhaul link, is to be located in the service area of the Access service provider, where the backhaul link is used. However, the VSAT hub can be located anywhere in the country. The link from the hub station to the respective network element of the cellular mobile network can be provided through the terrestrial connectivity obtained from an authorized service provider.**

(ii) Long distance carriage rights, granted for NLD, ILD and Access service, are not covered under the scope of this service except the backhaul connectivity mentioned in para 2.1(i) (c) & (d) above.

(iii) The Closed User Group Domestic Data Network via INSAT Satellite System using VSAT shall be restricted to geographical boundaries of India.

(iv) The Licensee can set up a number of CUGs using the shared hub infrastructure.

(v) PSTN/PLMN connectivity is not permitted except the backhaul connectivity mentioned in para 2.1(i) (c) & (d) above.

3. **Financial Conditions:**

<sup>25</sup>3.1 Gross Revenue:

The Gross Revenue shall include all revenues accruing to the Licensee on account of goods supplied, services provided, leasing/hiring of infrastructure, use of its resources

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<sup>24</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 23.09.2021

<sup>25</sup> Amended vid letter no. 20-271/2010 AS-I (Vol.-V) dated 25.10.2021



by others, application fees, installation charges, call charges, late fees, sale proceeds of instruments (or any terminal equipment including accessories), VSAT hardware/software, fees on account of Annual Maintenance Contract/ Annual Comprehensive Maintenance Contract income from value added services, supplementary services, etc. and any other miscellaneous item including interest, dividend, etc. without any set-off of related item of expense, etc.

### **3.1A Applicable Gross Revenue (ApGR):**

*ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:*

- (i) Revenue from operations other than telecom activities/ operations.*
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.*
- (iii) Receipts from the USO Fund.*
- (iv) List of other income\* to be excluded from GR to arrive at ApGR*
  - a. Income from Dividend*
  - b. Income from Interest*
  - c. Capital Gains on account of profit of Sale of fixed assets and securities*
  - d. Gains from Foreign Exchange rates fluctuations*
  - e. Income from property rent*
  - f. Insurance claims*
  - g. Bad Debts recovered*
  - h. Excess Provisions written back*

*\*Subject to conditions given in Annexure VII.*

### **3.2 Adjusted Gross Revenue (AGR):**

*For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Applicable Gross Revenue (ApGR):*

- a. Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.*
- b. 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.*
- c. Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included as component of GST.*

## **4. Technical Conditions:**

<sup>26</sup>**4.1 Technical Parameters:-** For providing the VSAT services, the **VNO** shall install equipment complying to the **technical parameters mentioned in the relevant**

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<sup>26</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 23.09.2021

## **Interface Requirement for VSAT Network(s) issued by TEC, as modified from time to time.**

### 4.2 Use of space segment on INSAT satellite:

- (i) The VNO shall use the required space segment obtained by the NSO.
- (ii) The space segment charges will be payable to NSO as per mutual agreement.
- (iii) As mentioned in Chapter VII of the license agreement, separate clearances/license shall be obtained by the NSO.
- (iv) The space segment monitoring charges shall be paid to NOCC by NSO.

### 4.3 The HUB Station shall be operated and maintained by the NSO subject to the following conditions:-

- (i) The Hub station as well as all the VSATs shall be within the geographical boundary of India.
- (ii) The VSAT at the premises of customer/ users should have a logo prominently displayed indicating the name of NSO.
- (iii) <sup>27</sup>**A Licensee having license/ authorizations for both Commercial VSAT CUG Service and NLD Service is permitted to share VSAT Hub for the purpose of providing authorized services.**

## **5. Network Interconnection:**

5.1 A UL (VNO) Licensee with authorization for Commercial VSAT CUG service shall be parent to NSO(s) only. Any Interconnection with Access Service providers, ISPs, ILDOs, VSATs, NLDOs shall be through the NSO to which it is parented.

## **6. Security Conditions:**

6.1 Requisite monitoring facilities/ equipment for each type of system used, shall be provided by the Licensee at own cost for monitoring as and when required by the Licensor in case of equipment for monitoring facility is available at VNO. In case, the equipment is available with NSO, the NSO will monitor.

6.2 In the areas falling within 10 Kms of Line of Control (LOC), Line of Actual Control (LAC) and International Border between Akhnoor in J&K and Pathankot and other areas as may be notified from time to time by the Licensor, installation of VSAT/ by the Licensee shall be taken up only after prior approval from local Army authorities about specific location of VSAT/ with prior intimation to the Licensor and concerned TERM Cell in addition to requisite clearances. Width of this buffer zone along the borders within the Indian Territory shall be as decided by the Govt. of India from time to time. As and when there is any change in the structure of defined buffer zone, for whatsoever reason, it should be reported to the Licensor immediately. The Government and its authorized representatives may carry out physical verification of the accuracy of buffer zone so created.

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<sup>27</sup> Appended vide letter no 20-271/2010 AS-I (Vol.-III) dated 23.09.2021

(Proforma for Affidavit regarding details of calculation of “Revenue” and “License Fee”)

**AFFIDAVIT**

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

1. That I am .....of ..... (Name of the Company), licensee of ..... Service in .....Service Area and I am duly authorised by the resolutions dated ..... passed by Board of Directors of the Company to furnish affidavit on behalf of .....( Name of the Company).

2. That in compliance of condition No.. ..... of Schedule.....Part ..... and Annexure.....of the License Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of license fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of ‘revenue’ and license fee is as per Annexure ..... (attached).

3. That the contents in Para 2 & 3 and 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 the affidavit and Annexure..... are true and correct to my knowledge, no part of it is false and nothing has been concealed there from.

Deponent.

**Format of Auditor's Report on Statement of Revenue and License Fee**

To

The Board of Directors

.....

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

- (i) 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.
- (ii) 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.
- (iii) No amounts paid in respect of sales tax, service tax or PSTN/toll/roaming charges were outstanding at the last day of the quarter(s) for a period of more than two months from the date they became payable, except for the following:.....
- (iv) In our opinion and to the best of our knowledge and belief and according to the explanations given to us, the Statement has been prepared in accordance with the norms/guidelines contained in the said license agreement in this behalf and gives a true and fair view of the revenue and license fee paid/payable for the period computed on the basis of the aforesaid guidelines except for the following:

( Seal and Signature )

Place & Date

\*Strike off wherever not applicable.

**Format of Statement of Revenue and License Fee ----- (Name and address of operator)**

**VNO-VERY SMALL APERTURE TERMINAL SERVICE  
Statement of Revenue and License Fee for the Quarter.....of the financial year.....**

**(AMOUNT IN RUPEES)**

Sl. No.	PARTICULARS	ACTUALS FOR THE PREVIOUS QUARTER	FIGURES FOR CURRENT QUARTER	CUMULATIVE FIGURES UPTO THE PREVIOUS QUARTER
<b>1.</b>	<b>Revenue from Services:</b>			
i.	Revenue from provisioning of VSAT service.			
ii.	Revenue from supplementary/value added services.			
iii.	Goods & Service Tax (GST)			
iv.	Revenue from lease/rentals of items in 2(i) and (ii) below.			
v.	Revenue from Annual Comprehensive Maintenance Contract (ACMC)/ Annual Maintenance Contract (AMC) etc.			
vi.	Any other income/ miscellaneous receipt.			
<b>2.</b>	<b>Income from Trading activity: (all inclusive of sales tax)</b>			
i.	Sale of VSAT including antennas and other accessories including software, hardware etc.			
ii.	Sale of accessories, etc.			
iii.	Any other income/miscellaneous receipt from trading activity.			
<b>3.</b>	<b>Income from investments.</b>			
i.	Interest income			

ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			
<b>4.</b>	<b>Non-refundable deposits.</b>			
<b>5.</b>	<b>Revenue from sharing/leasing of other infrastructure</b>			
<b>6.</b>	<b>Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting</b>			
<b>7.</b>	<b>Miscellaneous revenue including revenue paid by NSO to licensee.</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE Licensee COMPANY (Add 1-7):</b>			
<b>BB</b>	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii	Excess Provisions written back			
<b>BB</b>	<b>Total BB (1+2+3+4):</b>			

<b>CC</b>	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
<b>DD</b>	<b>Less:</b>			
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.			
3.	Goods and Service Tax paid to the Government			
<b>DD</b>	<b>TOTAL DEDUCTIBLE REVENUE (1+2+3)</b>			
<b>EE</b>	<b>ADJUSTED GROSS REVENUE: (CC- DD)</b>			
	<b>REVENUE SHARE @.....OF ADJUSTED GROSS REVENUE:</b>			

**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. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.
- Security or any other Deposits taken from the subscriber shall be shown separately, for each category, and the amount that has fallen due for refund but not yet paid also disclosed under two categories, namely:
  - Up to 45 days
  - More than 45 days.
- Service Tax billed, collected and remitted to the Government shall be shown separately.
- Sales Tax billed, collected and remitted to the Government shall be shown separately.
- Details of Income from sales of goods shall be furnished indicating the income and number of items sold under each category. Method of inventory valuation used shall also be disclosed along with computation of cost of goods sold.
- Sales shall be shown gross and details of discount/rebate allowed and of sales returns shall be shown separately.
- Income from interest and dividend shall be shown separately, without any related expenses being set-off against them on the income side of the P&L Account.
- Increase/decrease of stock shall be shown separately.
- Details of reversal of previous years' debits, if any, shall be shown component-wise, under the miscellaneous head (eg. Bad debts recovered, etc.)
- Item-wise details of income that has been set off against corresponding expenditure, shall be shown.



**Monthly Operation Report Proforma For VSAT Network**

1. Reporting Month :
2. Name of the Network :
3. Name of the Hub Station :
4. Number of VSATs in operation at the end of last month :
5. Number of VSATs in operation at the end of month reported :

ANTENNA SIZE	Added during the month	Withdrawn during the month	PROGRESSIVE TOTAL

6. Power transmitted from Hub :
7. Hub U/L EIRP :
8. For Star (TDM/TDMA) TDM/FTDMA:

Out Bound Carriers			In Bound Carriers			
DATA RATE (Kbps)	UPLINK RF Frequency (MHz)	Satellite Power (dBw)	Data Rates (Kbps)	No. of I/B Carriers	Uplink RF Frequency (MHz)	Satellite Power (dBw)

9. Number of DAMA/PAMA Carriers

	Data Rates (Kbps)	NO. OF CARRIERS	Satellite Power (dBw)
<b>P</b>			
<b>A</b>			
<b>M</b>			
<b>A</b>			
<b>D</b>			
<b>A</b>			
<b>M</b>			
<b>A</b>			

10. Any Alteration or addition in the configuration of HUB Station/ VSAT (in detail):

11. Special feature if any:

SI N o	Site Name & Addre ss	Lon gitu de/ Latit ude	Look Angle AZ/EL	Size of VSA T in Mts	Tx/ Rx In MHz	Altitude Above MSL in Mts	Ht of Antenna mast from Ground in Mts	Ht. of Bldg. in Mts	Ht of Antenna mast from roof in Meters	Power in Watts	Date of Commissio ning

## CHAPTER-XV

### RESALE OF IPLC SERVICE

1. **Service Area:** The Service Area of Resale of International Private Leased Circuit (IPLC) Service shall be at National Level.

2. **Scope of Resale of IPLC Service:** Scope of this Authorization covers the following:

2.1(a) The Licensee is permitted to provide end-to-end International Private Leased Circuit (IPLC) between India and country of destination for any capacity denomination by obtaining the International bandwidth from International Long Distance Service Providers (ILDOS), licensed under section 4 of the Indian Telegraph Act, 1885.

(b) The Licensee shall provide the service to end subscribers by entering into arrangements for leased line with Access Providers, National Long Distance Service Providers and International Long Distance Service Providers.

(c) The Licensee can access the subscribers for provision of IPLC only and not for any other purpose.

(d) Licensee is allowed to sell bandwidth on retail basis with, or, without, value addition to end subscriber.

(e) The Licensee shall not sell the bandwidth to other licensee of 'Resale of IPLC' License.

(f) Co-location of the equipment of the licensee at cable landing station shall be as per terms and conditions as may be prescribed from time to time by TRAI.

(g) The licensee is allowed to create own infrastructure limited to multiplexing, de-multiplexing, billing and customer management system.

(h) Interconnection of IPLC with PSTN/PLMN/GMPCS/Internet Telephony Network is not permitted.

3. **Financial Conditions:**

<sup>28</sup>3.1 **Gross Revenue:**

The Gross Revenue shall include all revenues accruing to the Licensee on account of goods supplied, services provided, leasing of infrastructure, use of its resources by others, application Fee, installation charges, call charges, late Fees, sale proceeds of instruments (or any terminal equipment including accessories), handsets, band width, income from Value Added Services, supplementary services, access or interconnection charges, any lease or rent charges for hiring of infrastructure, revenue earned from parent NSOs, revenue from permissible sharing of infrastructure and any other miscellaneous income, without any set-off for related item of expense etc.

**3.1A Applicable Gross Revenue (ApGR):**

<sup>28</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-V) dated 25.10.2021

*ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:*

- (i) Revenue from operations other than telecom activities/ operations.*
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.*
- (iii) Receipts from the USO Fund.*
- (iv) List of other income\* to be excluded from GR to arrive at ApGR*
  - a. Income from Dividend*
  - b. Income from Interest*
  - c. Capital Gains on account of profit of Sale of fixed assets and securities*
  - d. Gains from Foreign Exchange rates fluctuations*
  - e. Income from property rent*
  - f. Insurance claims*
  - g. Bad Debts recovered*
  - h. Excess Provisions written back*

*\*Subject to conditions given in Annexure VII.*

### **3.2 Adjusted Gross Revenue (AGR):**

For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Applicable Gross Revenue (ApGR):

- a. Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
- b. 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.
- c. Goods and Service Tax (GST) paid to the Government, if Applicable Gross Revenue (ApGR) had included as component of GST.

### **4. Security Conditions:**

4.1 The Licensee shall take IPLC from the licensed ILDOs. The interception and monitoring of Resellers circuits shall take place at the Gateway of the ILDO from whom the IPLC has been taken by the Licensee.

4.2 The provisioning for Lawful Interception & Monitoring of the Resellers' IPLC shall be done by the ILD Operator and the concerned ILDO shall be responsible for Lawful Interception and Monitoring of the traffic passing through the IPLC. The Resellers shall extend all cooperation in respect of interception and monitoring of its IPLC and shall be responsible for the interception results. The Licensee shall be responsible to interact,

correspond and liaise with the licensor and security agencies with regard to security monitoring of the traffic.

4.3 The Licensee shall, before providing an IPLC to the customer, get the details of services/equipment to be connected on both ends of IPLC, including type of terminals, data rate, actual use of circuit, protocols/interface to be used, etc. The Resellers shall permit only such type of service/protocol on the IPLC for which the concerned ILDO has capability of interception and monitoring.

4.4 Without prejudice to the liability of ILDO, the Licensee shall pass on any direct request placed by security agencies on him for interception of the traffic on their IPLC to the concerned ILDOs within two hours for necessary actions.

4.5 The Conditions No. 38.5, 38.6, 38.10(i), 38.10(ii), 38.20, 38.21(i), 38.21(ii), 38.22(i), 38.22(ii) and 38.23(vii), 38.23(x) contained in PART-I of the Schedule to the License Agreement shall not be applicable for Resale of IPLC Service.

**Annexure-A**

Proforma for Affidavit regarding details of calculation of "Revenue" and "License Fee

**AFFIDAVIT**

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

1. That I am .....of ..... (Name of the Company), licensee of ..... Service in .....Service Area and I am duly authorised by the resolutions dated ..... passed by Board of Directors of the Company to furnish affidavit on behalf of .....( Name of the Company).

2. That in compliance of condition No.. ..... of Schedule.....Part ..... and Annexure.....of the License Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of license fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of 'revenue' and license fee is as per Annexure ..... (attached).

3. That the contents in Para 2 & 3 and 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 the affidavit and Annexure..... are true and correct to my knowledge, no part of it is false and nothing has been concealed there from.

Deponent.

Format of AUDITOR's Report on Statements of Revenue and License Fee

To

The Board of Directors,

.....

.....

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

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

( Seal and Signature )

Place & Date

\* Strike off wherever not applicable.

**Format of Statement of Revenue and License Fee ----- (Name and address of operator)**

**VNO - Resale of IPLC Service**

**Statement of revenue and LICENCE Fee for the Quarter -----Of the financial year --  
-----**

**(AMOUNT IN RUPEES)**

<b>S. No</b>	<b>PARTICULARS</b>	<b>ACTUALS FOR THE PREVIOUS QUARTER</b>	<b>ESTIMATED FOR THE CURRENT QUARTER</b>	<b>CUMULATIVE UPTO THE PREVIOUS QUARTER</b>
<b>1.</b>	<b>Revenue from IPLC</b>			
A	Revenue			
i.	IPLC revenue			
ii.	Pass thru revenue for usage of other networks (give OPERATOR-wise details)			
iii.	Goods & Service Tax (GST)			
iv.	Service charges			
v.	Charges on account of any other value added services, Supplementary Services etc.			
vi.	Any other income / Miscellaneous receipt.			
<b>2.</b>	<b>Income from investments.</b>			
i.	Interest income			
ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			
<b>3.</b>	<b>Non-refundable deposits from subscribers</b>			
<b>4.</b>	<b>Revenue from franchisees</b>			
<b>5.</b>	<b>Revenue from sharing/leasing of infrastructure</b>			
<b>6.</b>	<b>Revenue from sale/ lease of bandwidth, links, R&amp;G cases, turnkey projects etc.</b>			



7.	Revenue from other OPERATORS on account of pass thru call charges.			
8.	Revenue from other OPERATORS on account of provisioning of interconnection			
9.	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting			
10.	Miscellaneous Revenue			
AA	<b>GROSS REVENUE OF THE Licensee COMPANY (ADD 1-10):</b>			
BB	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii.	Excess Provisions written back			

<b>BB</b>	<b>Total BB (1+2+3+4):</b>			
<b>CC</b>	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
<b>DD</b>	<b>Less:</b>			
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, de-multiplexing, billing system and related customer management are not to be deducted.) (Operator wise) (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.			
3.	Goods and Service Tax paid to the Government.			
<b>DD</b>	<b>TOTAL DEDUCTIBLE REVENUE (1+2+3)</b>			
<b>EE</b>	<b>ADJUSTED GROSS REVENUE: (CC- DD)</b>			
	REVENUE SHARE @..... OF ADJUSTED GROSS REVENUE:			

**NORMS FOR PREPARATION OF ANNUAL FINANCIAL STATEMENTS**

- Accounts shall be maintained separately for each telecom service operated by the Licensee company.
- Any category of accrued revenue, the amount of which exceeds 5% of the total accrued revenue, shall be shown separately and not combined with any other item/ category.
- Accrued revenue shall indicate:
  - (a) All amounts billable for the period
  - (b) Any billings for previous years that had been omitted from the previous years' P&L Accounts.
  - (c) Any non-refundable deposits collected from the Customers/ franchisees to the extent these are credited to P&L Account for the year.
- Subsidiary registers/ ledgers shall be maintained for each item given above so also enable easy verification.
- Service revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.
- Security or any other deposits taken from the subscribers 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.

## CHAPTER-XVI

### ACCESS SERVICE Category B

1. **Service Area:** The Service Area of Access Service shall be geographical area of a district of a State/ Union Territory. License/Authorization for Access Service, if granted for more than one district, shall be administered separately for each district as per terms and conditions contained in Part-I and in this chapter.

2. **Scope of Access Service:** Scope of this authorization covers the following:

2.1(i) The Access Service under this authorization covers collection, carriage, transmission and delivery of voice and/or non-voice MESSAGES over Licensee's & or NSO's wireline network in the designated Service Area. The Licensee can also provide Internet Telephony, Internet Services including IPTV, Broadband Services and triple play, i.e. voice, video and data. While providing Internet Telephony service, the Licensee's parent NSO may interconnect Internet Telephony network with PSTN network. The Licensee may provide wireline access service only.

(ii) The Licensee can acquire customer for delivery of services offered in its network and/or NSO's network using only the technology deployed by the NSO(s).

(iii) The Licensee may provide leased circuits within its respective service area. Interconnection of leased circuits, whether point to point or in CUG network, with PSTN Network is not permitted.

(iv) The Licensee may also provide Voice Mail/Audiotex/Unified Messaging services, Video Conferencing over its network to the subscribers falling within its SERVICE AREA on non-discriminatory basis. All the revenue earned by the Licensee through these services shall be counted towards the revenue for the purpose of paying License Fee under the LICENSE AGREEMENT.

(v) Except those services permitted under the scope of this authorization, the Licensee shall not provide any service / services which require a separate service authorization / license.

2.2 For providing service, the Licensee may setup and operate rural telephone exchange and last mile linkages thereof. Cable Operators registered under The Cable Television Networks (Regulation) Act, 1995 and the amendments thereto may act as VNO to provide Internet and Voice services, to use the last mile linkages in rural area.

2.3 IP Address assigned to a subscriber for Internet Telephony shall conform to IP addressing Scheme of Internet Assigned Numbers Authority (IANA) only. Translation of E.164 number / private number to IP address and vice versa by the licensee for this purpose shall be as per directions/instructions issued by the Licensor.

2.4 For provision of Internet Telephony, Internet Services, Broadband Services and triple play, i.e. voice, video and data, the Conditions No. 2.1(i), 2.1(vii), 2.2, 5, 6, and 7 of Chapter IX (Internet Service) shall also be applicable.

### 3. FINANCIAL CONDITIONS

#### 3.1 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, revenue earned from parent NSO(s), revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense, etc.

##### 3.1A Applicable Gross Revenue (ApGR):

ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (iii) Receipts from the USO Fund.
- (iv) List of other income\* to be excluded from GR to arrive at ApGR
  - a. Income from Dividend
  - b. Income from Interest
  - c. Capital Gains on account of profit of Sale of fixed assets and securities
  - d. Gains from Foreign Exchange rates fluctuations
  - e. Income from property rent
  - f. Insurance claims
  - g. Bad Debts recovered
  - h. Excess Provisions written back

\*Subject to conditions given in Annexure VII.

##### 3.2 Adjusted Gross Revenue (AGR)

For the purpose of arriving at the "Adjusted Gross Revenue (AGR)", following shall be excluded from the Applicable Gross Revenue (ApGR):

- a. Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
- b. 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.
- c. Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included the component of GST.

#### **4. Technical & Operating Conditions**

4.1 The sharing of infrastructure, owned, established and operated by the Licensee under the scope of this Authorization, is permitted as below:

(i) Sharing of “passive” infrastructure viz., building, dark fiber, duct space, Right of Way, etc. with other Licensees TSPs.

(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. However, the Licensee hiring the bandwidth shall not resell such bandwidth.

4.2 Further, the Licensee may share its own active and passive infrastructure for providing other services authorized to it under the license.

4.3 Moreover, sharing of active infrastructure with other licensees shall be governed by the license conditions/amendments issued by the Licensor from time to time.

4.4 Location of switches and other network elements: The licensee shall install applicable system within its service area if required.

#### **5. Network Interconnection:**

5.1 Network interconnection will be provided by NSO and not the licensee. The licensee will connect to its parent NSO (s).

<sup>29</sup>5.2 For wire line access services through EPABX, the connectivity of different NSOs at different EPABX is allowed, however, for connectivity with more than one NSO at a particular EPABX the licensee shall ensure non-breachable logical/virtual partitioning in the EPABX and logical separation of junctions from different NSOs, with no inter NSO call flow. Also, the EPABX should not support internet connectivity and NLD/ILD calls shall be ensured through normal NLD/ILD network only & shall in no way directly or indirectly cause bypass of licensed National Long Distance Operator (NLDO)/ International Long Distance Operator (ILDO) jurisdiction. Further, licensee shall intimate to its NSO(s) and the Licensor regarding connectivity of more than one NSO at a particular EPABX.

#### **6. Emergency and Public Utility Service:**

6.1 The LICENSEE shall provide all public utility services as well as emergency services including toll free services like police, fire, ambulance through parent NSO.

#### **7. Security Conditions (Applicable if Network is owned by Licensee):**

7.1 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 Exchange/ Routers 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 in case equipment for monitoring is available with licensee. For establishing connectivity to Centralized Monitoring System, the Licensee at its own cost shall provide appropriately dimensioned hardware and bandwidth/dark fiber up to a designated point as required by Licensor from time to time. However, the respective Government agency shall bear the cost of hardware at its end and leased line circuits

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<sup>29</sup> Amended vide letter no 20-562/2017 AS-I dated 02.03.2020

from the MSC/ Exchange/Router or from the designated point as the case may be, to its monitoring centre to be located as per its choice in its 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 implemented by the Licensee for both data and speech. The Licensee should ensure suitable redundancy in the complete chain of Lawful Interception and Monitoring equipment for trouble free operations of monitoring of simultaneous calls as per requirement ,in case equipment is with Licensee. The above provisions and no. of designated security/ law enforcement agencies may be amended by the Licensor separately by issuing instructions at any time.

7.2 Along with the monitored call, Call Related Information (CRI) shall be supplied in the format prescribed from time to time, which shall at least have the following records:

- (i) Called/calling party mobile/ PSTN numbers.
- (ii) Time/date and duration of call.
- (iii) Telephone numbers if any call-forwarding feature has been invoked by target subscriber.
- (iv) Data records for failed call attempts.
- (v) CDR (Call Data Record) of Subscriber.

The Licensor reserves the right to modify the requirement of records in respect of CRI any time.

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 in the format prescribed from time to time.

7.3 The call detail records for outgoing calls made by those subscribers making large number of outgoing calls day and night to the various telephone numbers with normally no incoming calls, should be analyzed. The service provider should run special programme, 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 respective TERM Cell of DoT and any other officer authorized by Licensor from time to time.

7.4 CLI Restriction (CLIR) should not be normally provided, if equipment is with licensee, 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. While providing CLIR facility to subscriber, it shall be ensured that the CLI is carried from end to end on the network. However, CLIR must not be provided in case of bulk connections, call centers, telemarketing services.

**ANNEXURE-A**

(Proforma for Affidavit regarding details of calculation of “Revenue” and “License Fee”)

**AFFIDAVIT**

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

1. That I am .....of ..... (Name of the Company), LICENSEE of ..... Service in .....Service Area and I am duly authorized by the resolutions dated ..... Passed by Board of Directors of the Company to furnish affidavit on behalf of .....( Name of the Company).

2. That in compliance of **Condition** No.. ..... of Schedule.....Part ..... and Annexure.....of the License Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of License fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of ‘Revenue’ and License fee is as per **Appendix-II** ..... (attached).

3. That the contents in para 2 & 3 and Statement made in **Annexure** \_\_\_\_ are true and correct to the best of my knowledge, based on the records of the company.

Deponent.

**VERIFICATION:**

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

Deponent.



**Format of Auditor's Report on Statement of Revenue And License Fee**

To

The Board of Directors

.....

.....

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

We report that:

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

Format of Statement of Revenue and License Fee \_\_\_\_\_ (Name and address of operator)

Access Services Category 'B' in \_\_\_\_\_ (Service Area)  
Statement of Revenue and License 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	<b>Revenue from wire-line services:</b>			
(i)	Rentals			
(ii)	Call revenue			
(iii)	Goods & Service Tax (GST)			
(iv)	Service charges			
(v)	Charges on account of any other value added services, Supplementary Services etc.			
(vi)	Any other income / miscellaneous receipt from wireline subscribers.			
2	<b>Revenue from sharing/ leasing of infrastructure</b>			
3	<b>Revenue from sale/ lease of bandwidth, links, R&amp;G cases, turnkey projects etc.</b>			
4	<b>Revenue from NSO on account pass through &amp; other misc. Charges + misc. Revenue.</b>			
5	<b>Any other Income</b>			
6.	<b>Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting</b>			
7.	<b>Miscellaneous Revenue</b>			
	<b>GROSS REVENUE OF THE</b>			

	<b>Licensee COMPANY: (Add 1-7)</b>			
<b>BB</b>	<b>Less</b>			
1.	Revenue from operations other than telecom activities/operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii.	Excess Provisions written back			
<b>BB</b>	<b>Total BB (1+2+3+4):</b>			
<b>CC</b>	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
<b>DD</b>	<b>Less:</b>			
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 NSOs towards Bulk/ Wholesale bandwidth, leased line and bandwidth charges, minutes and SMSs			
3.	Goods and Service Tax paid to the Government			
<b>DD</b>	<b>TOTAL DEDUCTIBLE REVENUE (1+2+3)</b>			
<b>EE</b>	<b>ADJUSTED GROSS REVENUE (CC- DD)</b>			
	<b>REVENUE SHARE @ ----- OF ADJUSTED GROSS REVENUE</b>			

**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. Charges paid to NSO(s) shall be limited to applicable access charges such as carriage charges, termination charges and roaming charges.
- Security or any other Deposits taken from the subscriber shall be shown separately, for each category, and the amount that has fallen due for refund but not yet paid also disclosed under two categories, namely:
  - Up to 45 days
  - More than 45 days.
- Service Tax billed, collected and remitted to the Government shall be shown separately.
- Sales Tax billed, collected and remitted to the Government shall be shown separately.
- Details of Income from sales of goods shall be furnished indicating the income and number of items sold under each category. Method of inventory valuation used shall also be disclosed along with computation of cost of goods sold.
- Sales shall be shown gross and details of discount/rebate allowed and of sales returns shall be shown separately.
- Income from interest and dividend shall be shown separately, without any related expenses being set-off against them on the income side of the P&L Account.
- Increase/decrease of stock shall be shown separately.
- Details of reversal of previous years' debits, if any, shall be shown component-wise, under the miscellaneous head (eg. Bad debts recovered, etc.)
- Item-wise details of income that has been set off against corresponding expenditure.

- Roaming Charges shall be shown under the following heads separately;
  - (a) Roaming airtime charges collected for each external network from own (home) subscribers.
  - (b) Roaming airtime charges actually remitted to each external network.
  - (c) Roaming commission retained (Network-wise)
  - (d) Roaming commission paid (Network-wise)
  - (e) Any other variable charges collected and retained/passed on to other operators, with details.
- Total Airtime Units (Metered Units) for home and visiting subscribers and unbilled numbers (e.g. service connections) to be furnished separately.

## CHAPTER-XVII

### MACHINE TO MACHINE (M2M)

1. **Service Area:** The License/Authorization for M2M are granted for three different Categories namely Category 'A', Category 'B' and Category 'C'. The Service Area for Category 'A' authorization shall be the National Area. The Service Area for Category 'B' authorization shall be the Telecom Circle/Metro area as defined in Annexure-V. The Service Area for Category 'C' authorization shall be the Secondary Switching Area (SSA) as defined in Annexure-VII. If the Licensee desires to obtain M2M Category 'C' Authorization, under Unified License, for more than four SSAs in a Telecom Circle, the Licensee shall be required to obtain M2M Category 'B' authorization for that Service Area.

License/Authorization for M2M, granted for more than one Service Area (Telecom Circle/Metro/SSA), shall be administered at each Service Area level as per terms and conditions contained in Part-I and in this chapter.

2. **Scope of M2M Service:** Scope of this authorization covers the following:

2(i) The Licensee can own the underlying network to provide connectivity and related services for M2M Service Providers.

2(ii) The Licensee can perform functions such as:

- (a) access and integration of resources provided by other providers;
- (b) support and control of the M2M/IoT capable infrastructure;
- (c) offering of M2M/IoT capabilities, including network capabilities and resource exposure to other providers.

2(iii) The Licensee intending to provide services exclusively through the LPWAN or equivalent technologies using unlicensed spectrum shall be covered under this authorization. Such licensees may also use backhaul/ access spectrum of its NSO(s) to provide M2M services exclusively, if they desire to provide M2M services in the licensed band.

2(iv) Except those services permitted under the scope of this authorization, the Licensee shall not provide any service / services which require a separate service authorization / license.

2(v) The UL(VNO) Licensees having Access Service authorization can provide the M2M services covered under this authorization and need not to obtain this authorization separately.

3. **FINANCIAL CONDITIONS**

3.1 **GROSS REVENUE:** The Gross Revenue shall be inclusive of installation charges, late fees, sale proceeds of M2M devices (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.

### 3.1A **Applicable Gross Revenue (ApGR):**

ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (iii) Receipts from the USO Fund.
- (iv) List of other income\* to be excluded from GR to arrive at ApGR
  - a. Income from Dividend
  - b. Income from Interest
  - c. Capital Gains on account of profit of Sale of fixed assets and securities
  - d. Gains from Foreign Exchange rates fluctuations
  - e. Income from property rent
  - f. Insurance claims
  - g. Bad Debts recovered
  - h. Excess Provisions written back

\*Subject to conditions given in Annexure VII.

3.2 **Adjusted Gross Revenue (AGR):** For the purpose of arriving at the “Adjusted Gross Revenue (AGR)”, following shall be excluded from the Applicable Gross Revenue (ApGR):

- a) Charges paid to its parent NSO(s) towards applicable access charges such as carriage charges, termination charges and roaming charges.
- b) 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.
- c) Goods and Service Tax (GST) paid to the Government if Applicable Gross Revenue (ApGR) had included the component of GST.

## 4. **Technical & Operating Conditions**

4.1(i) The LPWAN networks can be deployed in large geographical areas such as Metro cities, states or Pan-India, depending on the business case and market demand.

4.1(ii) In case the Licensee provides the M2M Communications Access using radio access, the licensee shall adhere to the prevailing directions/instructions and shall also abide by further directions / instructions as may be issued by Licensor from time to time in this regard.

4(iii) For carrying originating and terminating traffic, the licensee may establish its own transmission links within its service area. For this purpose, the Licensee may also

establish 'Last Mile' linkages within the service area either on fibre optic cable or radio communication or underground copper cable. In case of radio links, procedure as mentioned in Chapter VII of this License shall be applicable.

4(iv) The Licensee may share "passive" infrastructure namely building, tower, dark fibre, duct space, Right of Way owned, established and operated by it under the scope of this Authorization with other Licensees.

4(v) Moreover, sharing of active infrastructure with other licensees shall be governed by the license conditions/amendments issued by the Licensor from time to time.

## **5. Provision of Services:**

5.1 The Licensee can acquire customer for delivery of services offered in its network using technology deployed by the Licensee. While roaming on other Licensees' network, the services availed by the subscriber shall be limited to only those services which have been subscribed in its parent NSO's home network.

5.2 For provision of the service by the Licensee, the Licensee may appoint or employ franchisee, agents, distributors and employees. Responsibilities for ensuring compliance of terms & conditions of the License shall vest with the Licensee and not with the Franchisee. The terms of franchise agreement between Licensee and his franchisee shall be settled mutually by negotiation between the two parties involved. The Licensee shall report the details of such Franchisee to the Licensor as prescribed from time to time.

5.3 The Licensee shall have the right to undertake the sale, hire purchase, lease or renting of the M2M devices/ equipment. Proper usage of M2M devices/ equipment at subscriber's premises shall be as per agreement between the Licensee and subscriber.

5.4 Licensee shall ensure the Quality of Service (QoS) as may be prescribed by the Licensor/TRAI. The Licensee shall adhere to such QoS standard and provide timely information as required therein. In the present stage of deployment of M2M devices and services, a duty cycle of 10% both at device level and network level shall be ensured.

5.5 Licensee shall adhere to Know Your Customer (KYC) and related guidelines issued by the Licensor from time to time for all Telecom resources including SIM enabled CPE.

5.6 The details of all the customers of M2M services i.e., physical custodian of M2M devices having M2M subscription shall be maintained. Up-dated information regarding (a) details of M2M devices, (b) Make, Model, Registration number etc. of the M2M devices (i.e. Cars, Utility Meters, POS etc.) & (c) corresponding physical custodian's name and address shall be made available to Licensor. Any changes in customers and M2M devices details shall be updated.

5.7 For all devices sold in India which have active subscription inside the device, the packaging/ instructions/ supporting leaflet shall include instruction that "This device is having subscription inside".

5.8 Requirement to furnish information: The licensee shall provide to the licensor, a quarterly report indicating the details of M2M Nodes or Points of Presence with their locations and number of M2M subscribers.



## **6. Network Interconnection:**

6.1 A UL (VNO) Licensee with authorization for M2M shall parent to NSO(s) only. Any interconnection with other Licensees shall be through the NSO to which it is parented.

## **7. Security Conditions:**

7.1 The Licensee shall maintain log-in/log-out details including IPDRs of all subscribers for services provided. These details shall be maintained for a minimum period of **two** year.

7.2 For the purpose of interception and monitoring of traffic, the copies of all the packets originating from / terminating into the M2M devices/equipment shall be made available to the Licensor/Security Agencies.

7.3 Licensee shall ensure that the installation of Base Stations, Cell Sites, Radio Transmitters, or any concerned equipment as the case may be, to provide M2M services near International Border of India, in the areas falling within 10 Kms of Line of Control (LOC), Line of Actual Control (LAC) and International Border between Akhnoor in J&K and Pathankot and other areas as may be notified from time to time by the Licensor, shall be taken up only after prior approval from local Army authorities about specific location of BTS with prior intimation to the Licensor and concerned LSA Field Unit of DoT in addition to requisite clearances.

7.4 The Licensor, its authorized representative(s) as well as Army authorities may inspect such BTS(s) or any concerned equipment and the Licensee shall facilitate inspection as per requisition from such authorities. During emergency, if so desired by the Licensor and / or Army, the Licensee shall shut down such BTS(s) or any concerned equipment under intimation to the Licensor/ LSA Field Unit of DoT. The order for shutting down such BTS(s) or any concerned equipment by Army must be signed by at least Commanding Officer of local Army Unit.

7.5 Periodic surprise checks may be carried out by the Licensor or its authorized representative(s) /Army and / or security agencies in order to ensure compliance of the above conditions by Licensee(s). In case, any violation is detected, stern action shall be taken according to the terms and conditions of the License Agreement, including imposition of financial penalty.

7.6 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 M2M point in the network set up by the Licensee. The Licensee should make arrangement for monitoring by Government security agencies.

(Proforma for Affidavit regarding details of calculation of “Revenue” and “License Fee”)

**AFFIDAVIT**

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

2. That I am .....of ..... (Name of the Company), LICENSEE of ..... Service in .....Service Area and I am duly authorized by the resolutions dated ..... Passed by Board of Directors of the Company to furnish affidavit on behalf of ..... (Name of the Company).
  
3. That in compliance of **Condition** No.. ..... Of Schedule.....Part ..... And **Annexure**.....of the License Agreement No. .... signed between the Company and the Department Of Telecommunications, for payment of License fee, a payment of Rs. .... (Rupees ..... Is being made for the period ..... to ..... The details of calculation of ‘revenue’ and License fee is as per **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 License Fee’ as Annexure are true and correct to the best of my knowledge, no part of it is false and nothing has been concealed therefrom.

Deponent.

**Format of Auditor's Report On Statement Of Revenue And License Fee**

To

The Board of Directors

.....  
.....

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

We report that:

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

\* Strike off wherever not applicable.

**(SIGNATURE)**

**APPENDIX-II to ANNEXURE-A**

**Format of Statement of Revenue and License Fee \_\_\_\_\_ (Name and address of operator)**

**M2M Services in \_\_\_\_\_ (Service Area) Statement of Revenue and License Fee for the Quarter .....of the financial year.....**

**(AMOUNT IN RUPEES)**

	<b>PARTICULARS</b>	<b>ACTUALS FOR THE PREVIOUS QUARTER</b>	<b>ACTUALS FOR THE CURRENT QUARTER</b>	<b>CUMULATIVE UPTO THE CURRENT QUARTER.</b>
<b>1</b>	<b>Revenue from services</b>			
<b>A</b>	<b>Revenue from M2M subscribers:</b>			
(i)	Rentals			
(ii)	Activation Charges			
(iii)	Goods and Service Tax (GST)			
(iv)	Roaming charges			
(v)	Service charges			
(vi)	Charges on account of any other value added services, Supplementary Services etc.			
(vii)	Any other income / miscellaneous receipt from M2M subscribers.			
<b>B</b>	<b>Revenue from any other value added service</b>			
<b>2</b>	<b>Income from trading activity</b>			
i.	Sale of M2M device { <i>Excluding Goods and Service Tax (GST)</i> }			
ii	Sale of accessories etc. { <i>Excluding Goods and Service Tax (GST)</i> }			
iii.	Any other income/ miscellaneous receipt from trading activity. { <i>Excluding Goods and Service Tax (GST)</i> }			
iv.	<b>Goods and Service Tax (GST)</b>			
<b>3</b>	<b>Revenue from roaming.</b>			
i.	Roaming facility revenue from own subscribers.			
ii.	Roaming revenue from own subscriber visiting other networks .			
iii.	Roaming Commission earned.			
iv.	Roaming revenue on account of			

	visiting subscribers from other networks (provide operator-wise details).			
v.	Goods and Service Tax (GST) if not included above.			
vi.	Any other income/miscellaneous receipt from roaming.			
<b>4</b>	<b>Income from investments</b>			
(i)	Interest income			
(ii)	Dividend income			
(iii)	Any other miscellaneous receipt from investments.			
<b>5</b>	<b>Non-refundable deposits from subscribers</b>			
<b>6</b>	<b>Revenue from franchisees /resellers including all commissions and discounts etc. excluding the revenues already included in IA&amp;IB</b>			
<b>7</b>	<b>Revenue from sharing/ leasing of infrastructure</b>			
<b>8</b>	<b>Revenue from other Operators on account of pass through call charges</b> (provide operator-wise details).			
<b>9</b>	<b>Revenue from other Operators on account of provisioning of interconnection</b> (provide operator-wise details)			
<b>10</b>	<b>Miscellaneous revenue</b>			
<b>11</b>	<b>Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE Licensee COMPANY: (Add 1-11)</b>			

<b>BB</b>	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a license from Ministry of Information and Broadcasting			
3.	Receipt from USO Fund			
4.	Items of 'Other Income' as listed in Annexure- VII			
i.	Income from Dividend			
ii.	Income from Interest			
iii.	Capital Gains on account of profit of Sale of fixed assets and securities			
iv.	Gains from Foreign Exchange rates fluctuations			
v.	Income from property rent			
vi.	Insurance claims			
vii.	Bad Debts recovered			
viii.	Excess Provisions written back			
<b>BB</b>	<b>Total BB (1+2+3+4):</b>			
<b>CC</b>	<b>APPLICABLE GROSS REVENUE (ApGR) (AA-BB)</b>			
1	Goods and Service Tax paid/ payable to the Government			
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.			
<b>DD</b>	<b>TOTAL DEDUCTIBLE REVENUE (1+2+3)</b>			
<b>EE</b>	<b>ADJUSTED GROSS REVENUE (CC- DD)</b>			
	<b>REVENUE SHARE @ ----- OF ADJUSTED GROSS REVENUE</b>			

## 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 also 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 subscribers 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
- Goods and Service Tax (GST) 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.

## 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. **ACCESS GATEWAY (AG):** The AG is located in the service provider's network. It supports the line side interface to the core IP network for use by phones, devices, and PBXs. This element provides functions such as media conversion (circuit to Packet, Packet to circuit) and echo control.
2. **ACCESS SERVICES (AS)** means telecommunication service provided to subscribers by means of a telecommunication system for the conveyance of voice or non-voice messages through wired or wireless telegraphy on the network of the Access Service Provider. The subscriber shall have identity indicated by a number or any other address approved by the Licensor. The subscriber shall be registered and authenticated by the network of Access Service Provider. Access Service does not cover broadcasting of any voice or non-voice messages. However, Cell Broadcast is permitted only to the subscribers of the service. Scope of Service provided under the Access Service Authorization shall be governed by the terms and conditions as provided in Chapter VIII.
3. **ACCESS SPECTRUM** means the Radio Frequency Spectrum allotted for use to carry voice or non-voice messages from subscriber terminal to the Base Station/designated point of aggregation.

Note: The Access Spectrum for the purpose of this license shall mean spot frequency allocation in frequency bands considered for spectrum cap in NIA's of auction of spectrum from November, 2012 onward. At present, such frequency bands are in 800/900/1800/2100/2300/2500 MHz bands

4. **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, ITU, ETSI, IEEE, ISO, IEC, etc. or International Fora, viz., 3GPP, 3GPP-2, IETF, MEF, WiMAX, Wi-Fi, IPTV, IPv6, etc. for provision of SERVICE in accordance with operational, technical and quality requirements and other terms and conditions of the License Agreement.
5. **AUDITOR** means the Licensee's auditor for the time being appointed for the purpose and in accordance with the provisions of the Companies Act, 2013.
6. **BASE STATION** means a fixed radio transmitter/receiver station, which provides a link between the Mobile Station and Mobile Switching Centre (MSC).
7. **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.
8. **BSNL** means Bharat Sanchar Nigam Limited and/ or its successors.
9. **CALLING LINE IDENTIFICATION (CLI)** means identity of the calling/originating subscriber in terms of the telephone number assigned as per E.164 of ITU Recommendation/IP Address or any other identification as may be prescribed by the Licensor from time to time.
10. **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.



**11. CELLULAR MOBILE TELEPHONE SERVICE (CMTS)** means a mobile telecommunication service provided through a radio network distributed over geographical areas called Cells, each served by at least one Base Station and in which the radio frequencies are used to connect the Mobile Stations to telecommunication systems which are designed or adapted to be capable of being use while in motion and are assigned automatically. Further, the system providing the service is capable of handing-off the messages automatically, while the Mobile Station moves from Cell to Cell.

**12. CLOSED USER GROUP (CUG):**

A Closed User Group is Permissible for following categories of business association:-

- i) Producer of goods and his trader/agent;
- ii) Provider of service and his trader/agent;
- iii) Producer of same category of goods (e.g. manufactures of petroleum products); and
- iv) Provider of the same category of service (e.g., bank).

Provided that ultimate consumer of a service or a product shall not be a part of the Closed User Group.

A Closed User Group can also be formed among a holding company and its subsidiaries, these terms being defined as per the Companies Act 2013. Provided that such Closed User Group shall be only for the purposes of legitimate internal business communications of the group.

**13. CONNECTABLE SYSTEM** means a telecommunication system which is authorized to be run under a License to provide public telecommunications service and is authorized to be connected to the Applicable system.

**14. CORE NETWORK** is also known as backbone. Core network is a part of network that connects different parts of Access Network. The core network also provides gateway to other networks.

**15. CUSTOMER** means any person or legal entity, which subscribes to / avails of the service from the Licensee. In this License, the words 'Customer' and 'Subscriber' have been used interchangeably.

**16. DESIGNATED AUTHORITY** means the entity who is authorized or empowered by the Licensor to issue instructions and to seek adherence to them.

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

**18. 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.

**19. DOMAIN NAME** means address of a computer, organization, or entity on a TCP/IP network such as Internet.

- 20. DOT** means Department of Telecommunications, Government of India who is also the **Licensor**. DoT & Licensor, wherever used in the License agreement are interchangeable.
- 21. EFFECTIVE DATE OF LICENSE** means the date which is so specified in this License agreement.
- 22. EFFECTIVE DATE OF SPECTRUM** means the date which is so specified in the terms and conditions of the auction/allotment of spectrum.
- 23. EMERGENCY** means an emergency of any kind, including any circumstances resulting from major accidents, natural/man-made disasters and incidents involving toxic or radio-active materials or as declared by Govt. from time to time.
- 24. EMERGENCY SERVICES** means the relevant public, police, fire, ambulance, coast guard or any other services so declared by the Licensor.
- 25. ENGINEERING:** The technical application of the dimensioning rules and results thereof in order to provide network resources to meet specified Grade of Service (GOS).
- 26. ENTRY FEE:** The prescribed non-refundable amount of fee to be paid before signing of LICENSE AGREEMENT to provide authorized Services in a Service Area.
- 27. FUNDAMENTAL PLAN** includes Numbering Plan, Traffic Routing and Switching Plan, Signalling Plan and Transmission Plan issued by Department of Telecom as amended from time to time.
- 28. GATEWAY MOBILE SWITCHING CENTRE** means a Mobile Switching Centre with an additional functionality that allow the mobile network to interface with other network.
- 29. Global Mobile Personal Communications by Satellite (GMPCS)** system means "any satellite system (i.e. fixed or mobile, broad-band or narrow-band, global or regional, geo-stationary or non geo-stationary, existing or planned) providing telecommunication services directly to end users from a single or constellation of satellites".
- 30. HOME NETWORK** means the network established by the Licensee from which its subscriber normally receive the service.
- 31. ICC** means INSAT Coordination Committee.
- 32. ILD POINT OF PRESENCE (POP)** means a technical arrangement made by International Long Distance Service Operator under which it can accept outgoing calls from and deliver terminating calls to the area required to be served from such POP. It is expected that switch capacity and bandwidth of the interconnecting link would be dimensioned by International Long Distance Operator based upon its projections of the traffic to be carried by POP".
- 33. INFRASTRUCTURE PROVIDER(S)** mean a company registered with DoT as IP-I providing inactive elements of the telecom network including dark fibres, right of way, duct space, towers etc. as well as IP-II LICENSEES who provide end-to-end bandwidth to telecom service providers.

**34. INSAT SATELLITE SYSTEM** means Indian satellite system in which the satellites are either built or procured by the Department of Space (DOS), Government of India. DOS may lease transponders from other satellite systems to augment the capacity of the INSAT satellite system.

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

**36. INTERCONNECTION** is as defined by the TRAI in its relevant regulations.

**37. INTERNATIONAL LONG DISTANCE NETWORK** means a network of transmission and switching elements connected in a predetermined fashion to provide international bandwidth/switched bearer interconnection from/to POP of the ILD Service Provider to/from the International destination.

**38. INTERNATIONAL LONG DISTANCE SERVICE** means provision of international bandwidth/switched bearer interconnection over the International Long Distance Network of the Licensee. Scope of Service provided under the ILD Service Authorization shall be governed by the terms and conditions as provided in Chapter XI.

**39. INTERNATIONAL PRIVATE LEASED CIRCUIT:** International Private Leased Circuit is defined as point to point non-switched physical connections/transmission bandwidth including virtual private network (VPN) using circuit or packet switched technology between user in India and user abroad.

**40. INTERNET LEASED LINE (ILL)** means any dedicated link (on wired or wireless media) from a port on Internet node to subscriber premises having un-contended and symmetrical full duplex capacity.

**41. INTER – CIRCLE TRAFFIC** means the Long Distance traffic originating in one Telecom Circle/Metro Area and terminating in another Telecom Circle/Metro Area.

**42. INTRA- CIRCLE TRAFFIC** means the traffic originating and terminating within boundaries of the same Telecom Circle/Metro Area.

**43. IPTV (Internet Protocol Television)** service (or technology) is a convergence service (or technology) of the telecommunications and broadcasting through QoS controlled Broadband Convergence IP Network including wire and wireless for the managed, controlled and secured delivery of a considerable number of multimedia contents such as Video, Audio, data and applications processed by platform to a customer via Television, PDA, Cellular, and Mobile TV terminal with STB module or similar device.

**44. INTERNET:** Internet is a global information system that:

(i) is logically linked together by a globally unique address, based on Internet Protocol(IP) or its subsequent enhancements/upgradations;

(ii) is able to support communications using the Transmission Control Protocol/Internet Protocol (TCP/IP) suite or its subsequent enhancements/upgradations, and all other IP compatible protocols;

<sup>30</sup>**45A. Definition of Internet Access Service UL**

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<sup>30</sup> Amended vide letter no 20-271/2010 AS-I (Vol-III) dated 26.09.2018

Internet Access Service is a service to access the Internet that is:

- i. Generally available to the public; and
- ii. Designed to transmit data to and receive data from all or substantially all endpoints on the Internet.

Explanation: Any service that offers capabilities that are incidental to or provide the functional equivalent of Internet Access Service, shall also be included within the scope of this definition.

**45. Internet of Things (IoT):** IoT refers to the inter-connection of many devices and objects utilising internet protocols that can occur with or without the active involvement of individuals using the devices. The IoT is the aggregation of many M2M connections. M2M connections form part of the IoT, along with big data analytics, cloud computing, and sensors and actuators that in combination can run autonomous machines and intelligent systems.

**46. IP ADDRESSES:** Operation of Internet services requires IP address which can have up to 128 bit binary address or higher in future. This address is required for connection on Internet. Typically, it is required for the ports of the routers, for the user end equipments/devices etc.

**47. INTERNET TELEPHONY** means transfer of message(s) including voice signal(s) through public internet.

**48. LEASED CIRCUIT:** Leased circuit is defined as point to point non-switched physical connections/transmission bandwidth including virtual private network (VPN) using circuit or packet switched technology.

**49. 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.

**50. LICENSE:** License means a License granted or having effect as if granted under section 4 of the Indian Telegraph Act 1885 and Indian Wireless Act 1933.

**51. LICENSE FEE** means a fee payable by Licensee at prescribed intervals and rates for the period of the License.

**52. Licensed Service Area (LSA) Field Units:** Field offices of Department of Telecommunications.

**53. Licensee:** A registered Indian Company that has been awarded License to provide service(s) authorized under the License, within the geographical boundaries of the specified Service Area.

**54. LOCAL CALLS** mean calls originating and terminating within the same local area, which are charged at local call rates. Remote Subscribers' Unit (RSU)/ Remote Line Unit (RLU) Concentrators/Media Gateway having switching functions will be treated as an exchange for the purposes of this definition. For Basic Service, the SDCA is local area and for mobile network, the Service area is local area.

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

- 56. LONG DISTANCE CALL** is defined as a call terminating in a local area other than that in which it is originated.
- 57. 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.
- 58. LONG DISTANCE CHARGING CENTRE (LDCC):** A particular Trunk Exchange/Location in a Long Distance Charging Area declared as such for the purpose of charging long distance calls. LDCCs are generally co-terminus with Head Quarters of SSAs.
- 59. LPWAN (Low Power Wide Area Networks):** LPWAN is type of WAN which provide wireless connectivity to low-power devices over large distance that is suited for M2M communication.
- 60. MESSAGE** means anything falling within sub-section (3) of section 3 of the Indian Telegraph Act 1885.
- 61. MOBILE NUMBER PORTABILITY (MNP)** means the facility which allows subscribers to retain their existing telephone number when they switch from one access service provider to another access service provider..
- 62. 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 License agreement, are inter-changeable.
- 63. MOBILE SWITCHING CENTRE (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 License.
- 64. MEDIA GATEWAY CONTROLLER (MGC) ALSO KNOWN AS SOFTSWITCH, CALL SERVER (CS), CALL AGENT, CALL CONTROLLER:**
- The Media Gateway Controller is located in the service provider's network and handles call control and authorize functions, typically maintaining call state for every call in the network. A MGC interacts with Application Servers to provide services that are not directly hosted on MGC in Packet Based networks .It handles the registration and management of resources at the media gateway. A media gateway controller exchanges messages with central office switches via a signaling gateway. It processes the signaling for all types of packet protocols. It controls connection services for a media gateway and/or native IP endpoints, selects processes that can be applied to a call, provides routing for a call within the network based on signaling and customer database information, transfers control of the call to another network element, and interfaces to and support management functions such as provisioning, fault, billing, etc.
- 65. MEDIA GATEWAY (MG):** A protocol converter that interfaces a traditional public switched telephone network (PSTN), or device running PSTN protocols, with a device running the Internet protocol (IP) suite. As the Media Gateway connects different types of networks, one of its main functions is to convert between the different transmission and coding techniques. Media streaming functions such as echo cancellation, DTMF, and tone sender are also located in the Media Gateways.
- 66. MTNL** means Mahanagar Telephone Nigam Limited.

**67. “Machine to Machine (M2M) Communication”** refers to a communication between two or more entities (object/devices/things) based on existing & evolving communication technologies that do not necessarily need any direct human intervention.

**68. “M2M Services”** means the services offered through a connected network of objects/devices, with identifiers, in which Machine to Machine (M2M) communication is possible with predefined back end platform(s) either directly or through some gateway. Explanation: M2M services involve communication of end device/ object with predefined back end platform(s) either directly or through some gateway. The M2M end devices/ objects and the platform(s) collecting and analyzing information from these devices/ objects are controlled by same organization.

**70. “M2M Service Provider” (M2MSP)** is as an entity that collects and analyzes data from M2M devices and platforms. However, any entity which intends to provide M2M services for its own use (captive use) and not for commercial purpose, shall not be covered under this definition.

**71. NATIONAL LONG DISTANCE NETWORK** is a network of transmission and switching elements connected in a predetermined fashion to provide bandwidth /switched bearer interconnection between SDCAs/SDCCs of two Telecom Circles/Metro Areas. Physically the network elements may be co-located or be a part of bigger elements.

**72. NATIONAL LONG DISTANCE (NLD) SERVICE** refers to the provision of bandwidth / carriage of switched bearer telecommunication service over the national long distance network of the Licensee between SDCAs/SDCCs of two Telecom Circles/Metro Areas. Scope of Service provided under the NLD Service Authorization shall be governed by the terms and conditions as provided in Chapter X.

**73. NATIONAL LONG DISTANCE SERVICE PROVIDER** is the telecom service provider providing the required digital capacity to carry long distance telecommunication service within the scope of License 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.

**74.** Net worth shall be as defined in the Companies Act 2013 and as amended from time to time.

**75. Next Generation Network (NGN):**As per ITU-T recommendation Y.2001, A Next Generation Network (NGN) is a packet-based network able to provide services including Telecommunication Services and able to make use of multiple broadband, QoS-enabled transport technologies and in which service-related functions are independent from underlying transport-related technologies. It offers unrestricted access by users to different service providers. It supports generalized mobility which will allow consistent and ubiquitous provision of services to users.

**76. NOCC** means Network Operations Control Centre of the Department of Telecom, Government of India.

**77. NSO** means Network Service Operator. NSO own the telecom core network, which is also known as backbone. Core network is a part of network that connects different parts of Access Network. The core network also provides gateway to other networks.

- 78. OTHER SERVICE PROVIDER (OSP)** means Indian company registered with DoT to provide application services like tele-banking, tele-medicine, tele-education, tele-trading, e-commerce, Call center, network operation centre and other IT enabled services by using telecom facilities provided by various Telecom Licensees.
- 79. OR/QR (OPERATIONAL /QUALITY REQUIREMENT) SPECIFICATIONS** means technical and quality requirements contained in the OR/QR Specifications of Telecom Engineering Centre, Department of Telecommunications unless otherwise specified.
- 80. POINT OF INTERCONNECTION (POI)** means authorized interconnection point for ingress and egress of traffic among the interconnecting applicable systems of service providers in accordance with TRAI regulations/orders.
- 81. POINT OF PRESENCE (POP)** means applicable system of appropriate capacity set up by the Service Provider to provide, on demand, service of prescribed quality and grade of service in a non-discriminatory manner.
- 82. PUBLIC LAND MOBILE NETWORK (PLMN)** means a specified switched public land based telephone network providing mobile telecom services.
- 83. PUBLIC SWITCHED TELEPHONE NETWORK (PSTN)** means a specified switched public telephone network providing fixed and/or limited mobility two-way switched telecommunications service to the general public.
- 84. PUBLIC UTILITY SERVICE** means a service, as declared by the Licensor from time to time, for use of general public by access through telecommunication links.
- 85. 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.
- 86. RADIO TRANSMITTER** means the Radio Transmitter and Receiver at base stations.
- 87. ROAMING** means the facility to a customer to avail services subscribed in its home network, while travelling outside the geographical coverage area of the home network, by means of using a visited network. For Access Services, the scope of roaming facility shall be as provided in the Access Service Authorization in Chapter VIII.
- 88. SATCOM** means Satellite Telecommunication.
- 89. SECONDARY SWITCHING AREA** means an area covered by a group of Short Distance Charging Areas (SDCAs) as per Annexure – VII.
- 90. SERVICE** means collection, carriage, transmission and delivery of messages over Licensee's network in Service Area as per authorization under this License.
- 91. SERVICE AREA** means the specified geographical area for which service authorization has been granted under this license. For NLD, ILD, VSAT, INSAT MSS-R, GMPCS, IPLC, M2M and ISP Category "A" services, the service area is geographical area of the country. For Access Service, PMRTS, M2M Category "B" and ISP Category "B" services, the service area is geographical area of a Telecom Circle/Metro as

mentioned in Annexure-V. For ISP Category “C” services and M2M Category “C”, the service area is geographical area of an SSA as mentioned in Annexure-VII.

**92. SERVICE PROVIDERS means** Telecom service provider licensed under Section 4 of the Indian Telegraph Act 1885 for provision of service

**93. 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.

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

**95. SIGNALING GATEWAY (SG):** The SG provides the authorize interface between the VoIP network and the PSTN authorize network. It terminates SS7 links and provides Message Transport Part (MTP) Level 1 and Level 2 functionality. Each SG communicates with its associated CS to support the end-to-end authorize for calls.

**96. 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 voice/non-voice messages.

**97. 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, 2013.

**98. SUBSCRIBER** means any person or legal entity, which subscribes to / avails of the service from the Licensee. In this License, the words ‘Customer’ and ‘Subscriber’ have been used interchangeably.

**99. SUBSCRIBER TERMINAL (UT) (FIXED AND MOBILE TERMINAL OR HAND SET OR MOBILE STATION)** means the equipment used by the subscribers to avail the service provided by the Licensee.

**100. TARIFF** means rates and related conditions at which telecommunication services within India and outside India may be provided including rates and related conditions at which messages shall be transmitted to any country outside India, deposits, installation fees, rentals, free calls, usage charges and any other related fees or service charge. The term tariff will have the same meaning as may be defined in the Telecommunication Tariff Orders to be issued by the TRAI from time to time.

**101. TDSAT** means Telecom Disputes Settlement and Appellate Tribunal.

**102. TEC** means Telecom Engineering Centre, Department of Telecommunications.

**103. TELEPHONE MEANS** an item of telecommunication apparatus capable when connected to the Applicable System, of transmitting and receiving uninterrupted simultaneous two way speech conveyed, or to be conveyed, as the case may be, by means of that System.

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

**105. TRIPARTITE AGREEMENT** means an agreement signed amongst the Licensee, Licensor and Lender in the prescribed format with a view to help and facilitate



the financing of the Project to be set up by the Licensee, the terms and conditions of which, inter-alia, provide for transfer/assignment of License to a third party in the event of default by the Licensee, as defined therein.

**106. Trunk Media Gateway (TMG):** The TMG supports a trunk side interface to the PSTN and/or IP routed flows in the packet network. It supports functions such as packetisation, echo control etc.

**107. UL(AS)** means a Unified License (Access Service).

**108. Universal Service Obligation Fund (USOF)** means the fund established under Sub-section (1) of Section 9A of the Indian Telegraph Act, 1885.

**109. Universal Service Obligation (USO)** means obligation to provide access to telegraph services to people in rural and remote areas as prescribed by Govt. from time to time.

**110. VNO** means Virtual Network Operators who provide service delivery. In other words, service delivery operators are called VNOs.

**111. VSAT** means Very Small Aperture Terminal.

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

**113. YEAR for** the purpose of the License Fee shall be the financial year ending 31<sup>st</sup> March and the four quarters shall respectively end on 30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December and 31<sup>st</sup> March.

**Details of Minimum Equity, Minimum Networth and Entry Fee for various service authorizations**

Sl. No.	Service Authorization(s) (VNO)	Minimum Equity (Rs. Cr.)	Minimum Networth (Rs. Cr.)	Entry Fee (Rs. Cr.)	FBGs (Rs. Cr.)	Application processing Fee (Rs. Cr.)
1	UL(VNO-All services)	10.0	10.0	7.5	4.400	0.010
2	Access Service (Telecom Circle / Metro Area)	1.0	1.0	0.5 (0.25 for NE & J&K)	0.200	0.005
3	NLD (National Area)	1.000	1.000	1.250	0.500	0.005
	ILD (National Area)	1.000	1.000	1.250	0.500	0.005
5	VSAT (National Area)	Nil	Nil	0.150	0.030	0.005
6	PMRTS (Telecom circle/Metro)	Nil	Nil	0.0025	0.001	0.0015
7	GMPCS (National Area)	1.000	1.000	0.500	0.100	0.005
8	ISP "A" (National Area)	Nil	Nil	0.150	0.010	0.005
9	ISP "B" (Telecom circle/Metro Area)	Nil	Nil	0.010	0.001	0.0015
10	ISP "C" (SSA)	Nil	Nil	0.001	0.0001	0.001
11	Resale of IPLC	1.250	1.250	0.500	0.100	0.005
12.	Access Service Cat B	-	0.050	0.0165	0.002	0.001
13	<i>Machine to Machine 'A' (National Area)</i>	<i>Not prescribed</i>	<i>Not prescribed</i>	<i>0.150</i>	<i>0.010</i>	<i>0.005</i>
14	<i>Machine to Machine 'B' (Telecom circle/ Metro Area)</i>	<i>Not prescribed</i>	<i>Not prescribed</i>	<i>0.010</i>	<i>0.001</i>	<i>0.0015</i>
15	<i>Machine to Machine 'C' (SSA)</i>	<i>Not prescribed</i>	<i>Not prescribed</i>	<i>0.001</i>	<i>0.0001</i>	<i>0.001</i>

**PROFORMA FOR FINANCIAL 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 Unified License (VNO) with Service authorization for .....Service under Chapter(s)..... for .....Service Area of the said Unified License (VNO) to M/s \_\_\_\_\_ of \_\_\_\_\_ (hereinafter called 'the Licensee') to establish, maintain and operate the authorized service(s) (hereinafter called 'the Service') in the Service Area as per Letter of Intent/ Unified License (VNO) No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter called 'the said License') on the terms and conditions contained in the said Unified License (VNO), which inter-alia provides for production of a Bank Guarantee to the extent of Rs. \_\_\_\_\_ (in words \_\_\_\_\_) under the said License by way of security for payment of the said License fee as well as such other fees or charges required to be paid by the Licensee under the License. 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 License 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 License Agreement, pay all the above mentioned fees, dues and charges or any part thereof within the periods stipulated in the License.

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 License.

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 License fees or any other fees or charge or any part thereof payable under the said License and as to the amount paid 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 License have been fully paid and its claims satisfied or discharged or till Authority satisfies that the terms and conditions of the said License 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 License 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 License 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. We, the Bank agree that this guarantee may be invoked on a number of occasions for part amounts, with the balance standing in favour of the Authority, but so that the total amount paid/payable hereunder shall not exceed Rs.....

In case where the Bank Guarantee issuing branch is not located at the station/city as required by the Licensor, any notice for invocation, sent by Licensor through Fax to the branch of the Bank issuing this Guarantee, with an ink signed copy to a local branch in the service area of the Licensee, namely ..... (to be designated by the bank at station/city prescribed by the Licensor) within the validity period shall be deemed to be a valid notice on the Bank for invocation of this Bank Guarantee.

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

Dated \_\_\_\_\_ day \_\_\_\_\_ for \_\_\_\_\_ (Name of the Bank)

Witness:

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**SERVICE AREA (TELECOM CIRCLES/ METROS) AND THE AREAS COVERED BY THEM FOR THE PURPOSE OF THIS LICENSE**

<b>Sl. No.</b>	<b>Name of Service Area</b>	<b>Areas covered</b>
01.	West Bengal Service Area	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.
02.	Andhra Pradesh Service Area	Entire area falling within the State of Andhra Pradesh.
03.	Assam Service Area	Entire area falling within the State of Assam.
04.	Bihar Service Area	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 <sup>th</sup> August, 2000.
05.	Gujarat Service Area	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).
06.	Haryana Service Area	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.
07.	Himachal Pradesh Service Area	Entire area falling within the State of Himachal Pradesh
08.	Jammu & Kashmir Service Area	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.
09.	Karnataka Service Area	Entire area falling within the State of Karnataka
10.	Kerala Service Area	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.
11.	Madhya Pradesh Service Area	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 <sup>th</sup> August, 2000.
12.	Maharashtra Service Area	Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro

		Service Area.
13.	North East Service Area	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.
14.	Orissa Service Area	Entire area falling within the State of Orissa.
15.	Punjab Service Area	Entire area falling within the State of Punjab and Union territory of Chandigarh and Panchkula town of Haryana.
16.	Rajasthan Service Area	Entire area falling within the State of Rajasthan.
17*	Tamilnadu Service Area (including Chennai Service Area)	Entire area falling within the State of Tamilnadu and Union Territory of Pondichery.
17 A*	Tamilnadu Service Area (excluding Chennai Service Area)	Entire area falling within the State of Tamilnadu and Union Territory of Pondichery excluding Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges
17 B*	Chennai Service Area	Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges
18.	Uttar Pradesh (West) Service Area	Entire area covered by Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh :Pilibhit, Bareilly, Badaun, Kasganj (Kanshiram Nagar), Etah, Mainpuri, Etawah and Auraiya. It 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 <sup>th</sup> August, 2000.
19.	Uttar Pradesh (East) Service Area	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh :Shahjahanpur, Kannauj, Farrukhabad, Lakhimpur, Kanpur Rural and Jalaun(Orai).
20.	Delhi Service Area	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges
21.	Kolkata Service Area	Local Areas served by Calcutta Telephones.
22.	Mumbai Service Area	Local Areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges

**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 Licenses in Metro cities.
  3. The definition of local areas with regard to the above service area as applicable to this License is as per definition applicable to Cellular Mobile Service Licenses as in the year 1994 & 1995, when those Licenses 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 Telegraph Rules, 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued.
- \* Erstwhile Chennai Service Area & Tamilnadu (excluding Chennai) Service Area as defined in UAS License, have been merged to make a single Service area namely Tamilnadu Service Area. For Unified License (VNO), there will be Tamilnadu Service Area as defined at Sl No. 17 in the above List of Service Areas.

**Details of Maximum amount of Penalty under each Service Authorization**

Sl.No.	Service Authorization	Maximum Amount of Penalty per violation for each occasion in Service Area
1	Access	50 Crore
2	NLD	50 Crore
3	ILD	50 Crore
4	Resale of IPLC	1 Crore
5	ISP Cat A	1 Crore
6	ISP Cat B	20 Lakh
7	ISP Cat C	10 Lakh
8	GMPCS	50 Crore
9	PMRTS	10 Lakh
10	VSAT CUG	1 Crore
11	Access Cat B	10 Lakh
12	M2M Cat A	1 Crore
13	M2M Cat B	20 Lakh
14	M2M Cat C	10 Lakh



## LIST OF SECONDARY SWITCHING AREA (SSA)

S. No.	Telecom Circle/Metro Area	Secondary Switching Area
1	ANDAMAN & NICOBAR	ANDAMAN & NICOBAR
2	ANDHRA PRADESH	ADILABAD
3	ANDHRA PRADESH	ANANTPUR (GUNTAKAL)
4	ANDHRA PRADESH	CHITTOOR
5	ANDHRA PRADESH	CUDDAPAH
6	ANDHRA PRADESH	ELURU
7	ANDHRA PRADESH	GUNTUR
8	ANDHRA PRADESH	HYDERABAD
9	ANDHRA PRADESH	KARIMNAGAR
10	ANDHRA PRADESH	KHAMAM
11	ANDHRA PRADESH	KURNOOL
12	ANDHRA PRADESH	MAHABUBNAGAR
13	ANDHRA PRADESH	NALGONDA
14	ANDHRA PRADESH	NELLORE
15	ANDHRA PRADESH	NIZAMABAD
16	ANDHRA PRADESH	ONGOLE
17	ANDHRA PRADESH	RAJAHMUNDRI
18	ANDHRA PRADESH	SANGAREDDY
19	ANDHRA PRADESH	SRIKAKULAM
20	ANDHRA PRADESH	VISAKHAPATNAM
21	ANDHRA PRADESH	VIZAYANAGARAM
22	ANDHRA PRADESH	WARANGAL
23	ANDHRA PRADESH	VIJAYAWADA
24	ASSAM	GUWAHATI
25	ASSAM	SILCHAR

26	ASSAM	TEZPUR
27	ASSAM	TINSUKHIA (DIBRUGARH)
28	ASSAM	BONGAIGAON (KOKRAJHAR)
29	ASSAM	JORHAT
30	ASSAM	NAGAON
31	BIHAR	CHAPRA
32	BIHAR	DALTONGANJ
33	BIHAR	DARBHANGA
34	BIHAR	DEOGHAR (DUMKA)
35	BIHAR	GAYA
36	BIHAR	HAZARIBAGH
37	BIHAR	JAMSHEDPUR
38	BIHAR	KATIHAR
39	BIHAR	MOTIHARI
40	BIHAR	MUZAFFARPUR
41	BIHAR	PATNA
42	BIHAR	RANCHI
43	BIHAR	SAHARSA
44	BIHAR	ARRAH
45	BIHAR	BHAGALPUR
46	BIHAR	DHANBAD
47	BIHAR	MONGHYAR
48	BIHAR	SASARAM
49	GUJARAT	AHMEDABAD
50	GUJARAT	BHARUCH
51	GUJARAT	BHUJ
52	GUJARAT	GODHRA
53	GUJARAT	JAMNAGAR
54	GUJARAT	PALANPUR
55	GUJARAT	SURAT
56	GUJARAT	VADODARA

57	GUJARAT	AMRELI
58	GUJARAT	BHAVNAGAR
59	GUJARAT	HIMATNAGAR
60	GUJARAT	JUNAGARH
61	GUJARAT	MEHSANA
62	GUJARAT	NADIAD
63	GUJARAT	RAJKOT
64	GUJARAT	SURENDRANAGAR
65	GUJARAT	VALSAD
66	HARYANA	AMBALA
67	HARYANA	GURGAON
68	HARYANA	HISSAR
69	HARYANA	NARNAUL
70	HARYANA	ROHTAK
71	HARYANA	JIND
72	HARYANA	KARNAL
73	HARYANA	SONIPAT
74	HIMACHAL PRADESH	KANGRA (DHARMSALA)
75	HIMACHAL PRADESH	KULLU
76	HIMACHAL PRADESH	SHIMLA
77	HIMACHAL PRADESH	HAMIRPUR
78	HIMACHAL PRADESH	MANDI
79	HIMACHAL PRADESH	SOLAN
80	JAMMU & KASHMIR	SRINAGAR
81	JAMMU & KASHMIR	JAMMU
82	JAMMU & KASHMIR	LEH
83	JAMMU & KASHMIR	RAJOURI
84	JAMMU & KASHMIR	UDHAMPUR
85	KERALA	CALICUT (KOZHIKODE)
86	KERALA	CANNANORE

87	KERALA	ERNAKULAM
88	KERALA	KAVARATHY
89	KERALA	PALGHAT
90	KERALA	QUILON
91	KERALA	TIRUVALLA
92	KERALA	TRICHUR
93	KERALA	ALLEPPY
94	KERALA	KOTTAYAM
95	KERALA	THIRUVANANTHAPURAM
96	KARNATAKA	BELGAUM
97	KARNATAKA	BELLARY
98	KARNATAKA	BIDAR
99	KARNATAKA	BIJAPUR
100	KARNATAKA	DAKSHIN KANADA (MANGALORE)
101	KARNATAKA	GULBARGA
102	KARNATAKA	HUBLI
103	KARNATAKA	RAICHUR
104	KARNATAKA	SHIMOGA
105	KARNATAKA	TUMKUR
106	KARNATAKA	UTTAR KANADA (KARWAR)
107	KARNATAKA	BANGALORE
108	KARNATAKA	CHIKMAGALUR
109	KARNATAKA	DEVANGERE
110	KARNATAKA	HASSAN
111	KARNATAKA	KODAGU (MADIKERI)
112	KARNATAKA	KOLAR
113	KARNATAKA	MANDYA
114	KARNATAKA	MYSORE
115	MAHARASHTRA	AHMEDNAGAR
116	MAHARASHTRA	AMRAVATI
117	MAHARASHTRA	AURANGABAD

118	MAHARASHTRA	BHANDARA
119	MAHARASHTRA	BHIR
120	MAHARASHTRA	BULDHANA
121	MAHARASHTRA	CHANDRAPUR
122	MAHARASHTRA	DHULE
123	MAHARASHTRA	GADCHIROLI
124	MAHARASHTRA	JALGAON
125	MAHARASHTRA	JALNA
126	MAHARASHTRA	KALYAN
127	MAHARASHTRA	KOLHAPUR
128	MAHARASHTRA	NAGPUR
129	MAHARASHTRA	NASIK
130	MAHARASHTRA	PEN
131	MAHARASHTRA	PUNE
132	MAHARASHTRA	RATNAGIRI
133	MAHARASHTRA	SANGLI
134	MAHARASHTRA	SATARA
135	MAHARASHTRA	SHOLAPUR
136	MAHARASHTRA	WARDHA
137	MAHARASHTRA	YEOTMAL
138	MAHARASHTRA	AKOLA
139	MAHARASHTRA	KUDAL
140	MAHARASHTRA	LATUR
141	MAHARASHTRA	MUMBAI
142	MAHARASHTRA	NANDED
143	MAHARASHTRA	OSMANABAD
144	MAHARASHTRA	PANJI
145	MAHARASHTRA	PARBHANI
146	MADHYA PRADESH	BALAGHAT
147	MADHYA PRADESH	BETUL

148	MADHYA PRADESH	BHOPAL
149	MADHYA PRADESH	CHHATARPUR
150	MADHYA PRADESH	CHHINDWARA
151	MADHYA PRADESH	DAMOH
152	MADHYA PRADESH	DHAR
153	MADHYA PRADESH	GWALIOR
154	MADHYA PRADESH	INDORE
155	MADHYA PRADESH	ITARSI
156	MADHYA PRADESH	JAGDALPUR
157	MADHYA PRADESH	JHABUA
158	MADHYA PRADESH	KHANDWA
159	MADHYA PRADESH	KHARGONE
160	MADHYA PRADESH	MANDLA
161	MADHYA PRADESH	MANDSAUR
162	MADHYA PRADESH	MORENA
163	MADHYA PRADESH	RAIGARH
164	MADHYA PRADESH	RAIPUR
165	MADHYA PRADESH	RATLAM
166	MADHYA PRADESH	REWA
167	MADHYA PRADESH	SEONI
168	MADHYA PRADESH	SHIVPURI
169	MADHYA PRADESH	VIDISHA
170	MADHYA PRADESH	BILASPUR
171	MADHYA PRADESH	DEWAS
172	MADHYA PRADESH	DURG
173	MADHYA PRADESH	GUNA
174	MADHYA PRADESH	JABALPUR
175	MADHYA PRADESH	NARSINGHPUR
176	MADHYA PRADESH	PANNA
177	MADHYA PRADESH	RAISEN
178	MADHYA PRADESH	RAJGARH

179	MADHYA PRADESH	SAGAR
180	MADHYA PRADESH	SARGUJA (AMBIKAPUR)
181	MADHYA PRADESH	SATNA
182	MADHYA PRADESH	SHAHDOL
183	MADHYA PRADESH	SHAJAPUR
184	MADHYA PRADESH	SIDHI
185	MADHYA PRADESH	UJJAIN
186	DELHI	DELHI
187	NORTH EAST	ARUNACHAL PRADESH (ZERO)
188	NORTH EAST	MANIPUR (IMPHAL)
189	NORTH EAST	MEGHALAYA (SHILLONG)
190	NORTH EAST	MIZORAM (AIZAWL)
191	NORTH EAST	NAGALAND (KOHIMA)
192	NORTH EAST	TRIPURA (AGARTALA)
193	ORISSA	BOLANGIR
194	ORISSA	BALASORE
195	ORISSA	BARIPADA
196	ORISSA	BHAWANIPATNA
197	ORISSA	BHUBANESWAR (PURI)
198	ORISSA	CUTTACK
199	ORISSA	DHENKANAL
200	ORISSA	KORAPUT
201	ORISSA	PHULBANI
202	ORISSA	SAMBALPUR
203	ORISSA	SUNDARGARH (ROURKELA)
204	ORISSA	BERHAMPUR
205	PUNJAB	AMRITSAR
206	PUNJAB	PATHANKOT
207	PUNJAB	BHATINDA
208	PUNJAB	FEROZEPUR

209	PUNJAB	HOSIARPUR
210	PUNJAB	JALANDHAR
211	PUNJAB	LUDHIANA
212	PUNJAB	PATIALA
213	PUNJAB	ROPAR
214	PUNJAB	SANGRUR
215	PUNJAB	CHANDIGARH
216	RAJASTHAN	AJMER
217	RAJASTHAN	ALWAR
218	RAJASTHAN	BARMER
219	RAJASTHAN	BHARATPUR
220	RAJASTHAN	BHILWARA
221	RAJASTHAN	BIKANER
222	RAJASTHAN	BUNDI
223	RAJASTHAN	CHITTORGARH
224	RAJASTHAN	JAIPUR
225	RAJASTHAN	JAISALMER
226	RAJASTHAN	JHALAWAR
227	RAJASTHAN	JODHPUR
228	RAJASTHAN	KOTA
229	RAJASTHAN	NAGAU
230	RAJASTHAN	SAWAIMADHOPUR
231	RAJASTHAN	SIKAR
232	RAJASTHAN	SIROHI
233	RAJASTHAN	SRIGANGANAGAR
234	RAJASTHAN	UDAIPUR
235	RAJASTHAN	BANSWARA
236	RAJASTHAN	CHURU
237	RAJASTHAN	JHUNJHUNU
238	RAJASTHAN	PALI (MARWAR)
239	RAJASTHAN	TONK



240	TAMILNADU	TRICHY
241	TAMILNADU	CHENGALPATTU (KANCHEEPURAM)
242	TAMILNADU	COIMBATORE
243	TAMILNADU	CUDDALORE
244	TAMILNADU	DHARAMAPURI
245	TAMILNADU	ERODE
246	TAMILNADU	KARAIKUDI
247	TAMILNADU	MADURAI
248	TAMILNADU	NAGARCOIL
249	TAMILNADU	OOTY
250	TAMILNADU	SALEM
251	TAMILNADU	THANJAVUR
252	TAMILNADU	TIRUNELVELLI
253	TAMILNADU	TUTICORIN
254	TAMILNADU	VELLORE
255	TAMILNADU	VIRUDHUNAGAR
256	TAMILNADU	CHENNAI
257	TAMILNADU	PONDICHERRY
258	UTTAR PRADESH (EAST)	ALLAHABAD
259	UTTAR PRADESH (EAST)	BALLIA
260	UTTAR PRADESH (EAST)	BANDA
261	UTTAR PRADESH (EAST)	BARABANKI
262	UTTAR PRADESH (EAST)	FARRUKHABAD
263	UTTAR PRADESH (EAST)	GORAKHPUR
264	UTTAR PRADESH (EAST)	JHANSI
265	UTTAR PRADESH (EAST)	KANPUR
266	UTTAR PRADESH (EAST)	LAKHIMPUR KHERI
267	UTTAR PRADESH (EAST)	LUCKNOW
268	UTTAR PRADESH (EAST)	MIRZAPUR
269	UTTAR PRADESH (EAST)	RAIBAREILLY

270	UTTAR PRADESH (EAST)	SITAPUR
271	UTTAR PRADESH (EAST)	AZAMGARH
272	UTTAR PRADESH (EAST)	BAHRAICH
273	UTTAR PRADESH (EAST)	BASTI
274	UTTAR PRADESH (EAST)	DEORIA
275	UTTAR PRADESH (EAST)	ETAWAH
276	UTTAR PRADESH (EAST)	FAIZABAD
277	UTTAR PRADESH (EAST)	FATEHPUR
278	UTTAR PRADESH (EAST)	GHAZIPUR
279	UTTAR PRADESH (EAST)	GONDA
280	UTTAR PRADESH (EAST)	HAMIRPUR
281	UTTAR PRADESH (EAST)	HARDOI
282	UTTAR PRADESH (EAST)	JAUNPUR
283	UTTAR PRADESH (EAST)	MAINPURI
284	UTTAR PRADESH (EAST)	ORAI
285	UTTAR PRADESH (EAST)	PRATAPGARH
286	UTTAR PRADESH (EAST)	SAHJAHANPUR
287	UTTAR PRADESH (EAST)	SULTANPUR
288	UTTAR PRADESH (EAST)	UNNAO
289	UTTAR PRADESH (EAST)	VARANASI
290	UTTAR PRADESH (WEST)	ALMORA
291	UTTAR PRADESH (WEST)	BAREILLY
292	UTTAR PRADESH (WEST)	BUDAUN
293	UTTAR PRADESH (WEST)	DEHRADUN
294	UTTAR PRADESH (WEST)	UTTARKASHI
295	UTTAR PRADESH (WEST)	AGRA
296	UTTAR PRADESH (WEST)	ALIGARH
297	UTTAR PRADESH (WEST)	BIJNORE
298	UTTAR PRADESH (WEST)	ETAH
299	UTTAR PRADESH (WEST)	GHAZIABAD
300	UTTAR PRADESH (WEST)	KOTDWARA

301	UTTAR PRADESH (WEST)	MATHURA
302	UTTAR PRADESH (WEST)	MEERUT
303	UTTAR PRADESH (WEST)	MORADABAD
304	UTTAR PRADESH (WEST)	MUZAFFARNAGAR
305	UTTAR PRADESH (WEST)	NAINITAL
306	UTTAR PRADESH (WEST)	PILIBHIT
307	UTTAR PRADESH (WEST)	RAMPUR
308	UTTAR PRADESH (WEST)	SAHARANPUR
309	WEST BENGAL	ASANSOL
310	WEST BENGAL	BALURGHAT (RAIGANJ)
311	WEST BENGAL	BEHRAMPUR
312	WEST BENGAL	CALCUTTA
313	WEST BENGAL	JALPAIGURI
314	WEST BENGAL	KRISHNAGAR
315	WEST BENGAL	MALDA
316	WEST BENGAL	MIDNAPUR (KHARAGPUR)
317	WEST BENGAL	PURULIA
318	WEST BENGAL	BANKURA
319	WEST BENGAL	COOCH BEHAR
320	WEST BENGAL	DARJEELING (SILIGURI)
321	WEST BENGAL	GANGTOK
322	WEST BENGAL	SURI

**Annexure-VII to Unified License (Virtual Network Operators) Agreement**

**List of other income to be excluded from GR to arrive at ApGR**

Sl. No.	Item/ Head of 'Other Income'	Description and conditions applicable
a.	Income from Dividend	<p>Income from dividend is return on investment made by the company. Such investment is made out of surplus funds available with the company. Companies Act, 2013 and Accounting Standard-9 classified dividend income as 'other income' i.e., distinct from the core operations of the entity.</p> <p>Therefore, income from dividend shall not be part of ApGR for the purpose of computation of LF.</p>
b.	Income from Interest	<p>Income from interest is return on investment made by the company in bank deposits, corporate deposits, debentures etc. Such investment is made out of surplus funds available with the company. Also sometimes, Licensee receives interest from Tax Authorities on advance tax or refundable tax. Companies Act, 2013 and Accounting Standard-9 classified interest income as 'other income' i.e., distinct from the core operations of the entity.</p> <p>At the same time, Licensee accepts refundable deposits from customers, telecom vendors and other Licensees. These deposits essentially are part of telecom operations. The interest income earned on such amounts should be recorded and certified by statutory auditors.</p> <p>Therefore, income from interest shall not be part of ApGR for the purpose of computation of LF. However, interest earned on refundable deposits from customers, telecom vendors and other Licensees shall be considered in ApGR for the purpose of computation of LF. Also, any refundable deposit received by the Licensee on the strength of telecom service viz. linkage with tariff, advance rental etc. shall also have similar treatment for inclusion in ApGR.</p>
c.	Capital gains on account of profit on sale of fixed assets and securities	<p>Capital gain earned by the Licensee on the account of profit on sale of assets and securities, are of from investing activities instead of from telecom operations. Therefore, the revenue on account of sale of immovable property, securities, warrants or debt instruments, other items of fixed assets shall not be part of ApGR for the purpose of computation of LF.</p>
d.	Gains from Foreign Exchange rates	<p>Foreign Exchange differences arise when actual rates at the time of settlement differs from those at which they were initially recorded in the books. The provisions contained in the Accounting Standard-11 require a notional entry for exchange differences in respect of</p>

	fluctuations	<p>liabilities at the closing date of the AFSs. The foreign exchange gains reflected in the profit and loss statement of Licensee could arise from reduction of payment liability or increase in the value of foreign exchange accounts receivables. In other words, foreign exchange fluctuation is a contingency which has impact on every business which may have something to do with foreign exchange and is not specific and unique to telecom business.</p> <p>Therefore, revenue/profit arising out of upward valuation or devaluation on account of fluctuation of foreign exchange shall not be part of ApGR for the purpose of computation of LF.</p>
e.	Income from property rent	<p>Licensee may rent or lease part of their properties and earn revenue in the form of rent. Some Licensees as part of staff welfare measure provides staff quarters to their employees and receive rent from such staff. Revenue from rent cannot be distinctly treated as only from telecom business. Therefore, revenue/income from property rent shall not be part of ApGR for the purpose of computation of LF. In case property is let out for 'establishing, maintaining and working of telecommunication', then revenue/income from such rent shall be considered in ApGR for the purpose of computation of LF.</p>
f.	Insurance claims	<p>A receipt from Insurance company against loss of property/fixed assets is basically a reimbursement in nature for the loss occurred by the Licensee. Receipt of insurance claim from insurance company shall not be part of ApGR for the purpose of computation of LF.</p>
g.	Bad Debts recovered	<p>Bad debt is an amount owed by a debtor that is unlikely to be received/ realized and recognized as an expense in the books of accounts. Bad Debts recovered represents reversal of debits (i.e. bad debts) appearing in the profit and loss account of previous year(s). This basically represents an adjustment to the amount of an expense (i.e. bad debts) as estimated in an earlier year(s) in which it had already recorded as part of revenue from operations.</p> <p>Therefore, income on account of bad debts recovered shall not be part of ApGR for the purpose of computation of LF.</p>
h.	Excess Provisions written back	<p>Excess Provisions written back represent the reversal of excess provision made for any liability or expenses in any previous year. On settlement, this excess provision is written back into books of accounts as other income. This basically represents an adjustment 60 instead of actual revenue earned.</p> <p>Therefore, income on account of excess provisions written back shall not be part of ApGR for the purpose of computation of LF.</p>