

VNOAI/REG/24-25/F-003/ 080804

Date:08.08.2024

To

**The Advisor (NSL)**

Telecom Regulatory Authority of India

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**Subject: Comments on behalf of VNO Association of India (VNOAI) ON the Consultation Paper on “The Framework for Service Authorizations to be granted Under the Telecommunications Act, 2023” dated 11.07.2024.**

Sir,

We welcome on behalf of all the VNOs for the subject Consultation Paper for prescribing the frame work for service authorizations to be granted under the Telecommunications Act, 2023.It is also a very progressive step taken by Govt. of India to repeal British era Indian Telegraph Act, 1885 and introduce the new Telecommunications Act, 2023 duly passed by the Parliament of India and notified by Gazette Notification by Govt of India.

TRAI has captured in the CP all the historical backgrounds of the transition of the Indian Telecom Services Sector to Private investment in 1992 and thereafter Government of India announced National Telecomm Policies 1994,1999,2012 and NDCP 2018.

**However as the consultation paper needs thorough application and evaluation of the each authorization based upon the technology and business frame work requires extensive research and consultation among the stake holders. So seeing the need to change over to the new set of scopes of each authorizations there is a need to for joint committees of DOT/TRAI and associations to work on each authorization minutely and suggest the required amendments in line with Global deployments of the similar service authorizations.**

### **1. VNOAI Response and Background**

a. The telecommunications sector globally has undergone considerable change last two decades. The long term evolution of new technologies and services has continued, focusing attention on the growing importance of telecommunications for national economies and the growth of internationaltrade in telecommunications services. In turn this has fueled the transition in recent decades from monopoly structures to competitive ones.

b. Apart from these general trends, the global telecommunications landscape in 2010 has been particularly shaped by the rapid take-up of the Internet and mobile wireless communications across the world. At the turn of the millennium, these technologies predominantly served the wealthy elite. Now mobile phones are in the hands of the majority of people on the planet. And the Internet has truly become mainstream with Web 2.0 applications such as Facebook, WhatsApp, Telegram, Chat GPT etc. making it relevant for so many people in their daily lives.

c. In the past decade it has also witnessed Indian Telecommunications having fueled the Startup Revolution and evolution UPI payments reached to bottom of the pyramid in India. Now it is the period of growth in the telecommunications industry on 4G, 5G and 6G technologies which are being extensively deployed by the telecom service providers across India. Many applications and use cases are being developed for deployment across the industry for the benefits of common man. The crash in the telecommunications market from 13 players market to 3+players market due to legal verdicts in 2015-16 affected numerous companies by cancellation of licenses, but did not appear to deter the development of new technologies and the continuing evolution of the information and communications technology (ICT) sector. Wireless is, of course, a continuing success story in the developing world and there remains potential for growth, particularly in those countries that have yet to fully embrace competitive markets.

d. In such a rapidly evolving field, it is necessary to ensure that regulation adapts to new developments in Countries around the world reviewing their existing frameworks, enacting legislation and creating new regulatory authorities to implement their legal and regulatory framework as per evolved markets and demands and requirements of the population.

e. In addition, the wider take up and convergence of ICT also raises new regulatory issues that traditionally would be seen as separate from telecommunications regulation. However, in the digital age, questions such as protection of minors, privacy, increased cyber-crimes and intellectual property are increasingly becoming part of the agenda for policy makers and regulators too.

## **2. Technology in Context**

a). Digital technologies are changing the ways in which the majority of people live, work, play and interact with each other. We can see this is reflected in the language we use. Our vocabulary is evolving as existing words assume new meanings – app, burn, text – or appear in new combinations, such as smart phone, cyber-crime, file sharing, conference calls on various platforms, Cpaas, SaaS, IOT and M2M services are evolved. Some vocabulary is entirely new: the words blog, podcast and googling have become commonplace. The range of technology acronyms in everyday use continues to expand – P2P, SMS, MP3, UPI – and adds to the sense that what we are witnessing is the dawn of a new information age, in which ICTs become part and parcel of daily life. As a result, we now live in what has been termed the –information society.

b). ICTs, such as the Internet and the mobile phone, have become vital for almost all economic and social activity. The new digital economy runs on the fuel of ICTs, from e-commerce, e-governance, e-health, e-education to professional networking.

c). A key characteristic of ICTs is that they are regulated by national administrative agencies that are keen on ensuring that principles such as fair competition and universal access are upheld in the public interest. Government regulations of ICTs extends into many disparate areas, ranging from pricing regulation, mergers and market entry to content, copyright, cyber security and privacy.

d). Given the speed of technological innovations, it is not surprising that the substance of ICT regulation has had to evolve rapidly. The liberalization of ICT markets has stimulated cumulative interacting innovations in products, services and technologies with a general convergence or blurring of distinctions between platforms, products and services. These developments necessitate some form of regulatory response to keep them in check.

e). Significantly, the regulatory package has to be linked to broader policy objectives concerning inclusiveness, innovation, job creation, growth, energy and environmental issue in information society. These said initiatives should reflect the growing demands of the population and it should contribute to enhance productivity, competitiveness, growth, wealth creation, and poverty reduction. They have the potential to catapult us from an information society to the next level – that of a knowledge-based society and economy. ICTs provide the means by which knowledge is developed, stored, aggregated, manipulated and diffused.

f). These opportunities are well known and are not just a developed country phenomenon. ICTs, particularly access to broadband internet, are vital for developing nations as well. The ITU's Build on Broadband project was dedicated to promoting equitable, affordable broadband access to the Internet for all people, regardless of where they live or their financial circumstances.

g). In the 21st century, affordable broadband access to the Internet is becoming as vital to social and economic development as networks like in smart cities, transport, water and power. Broadband access – and the next generation broadband network infrastructure which underpins it – is a key enabler for economic and social growth. Broadband changes everything. It enables not just great new enabling applications, such as VoIP and IPTV, but also the delivery of essential services – from e-health to e-education to e-commerce to e-government to e-health. And broadband is helping us make great progress towards meeting the Millennium Development Goals – and improving the quality of life for countless people around the world. ICT is a key enabler of productivity and creator of jobs. It can help farmers, small rural population, small businesses, and those excluded from traditional banking services. It can extend and speed up government services.

**3. Economic growth:** In 2009, the Indian IT-ITES industry contributed an estimated US\$70 billion to the GDP or six percent share of total GDP.

**4. Increased productivity:**

a).The rapid spread of e-applications and digital tools to such diverse areas as manufacturing, transportation, logistics, finance, banking, governance, health, education and even in traditional sectors like agriculture is transforming the economies of developing countries. IT investments raise worker productivity three to five times that of non-IT capital. U.S. studies have shown that the IT- ITES industry was responsible for two-thirds of total factor productivity growth.

b). The growth in internet users has also been remarkable, with more than a half of the world's population now using the internet.

c). But mobile broadband subscriptions overtook fixed broadband subscribers in 2023, highlighting the huge potential for the mobile internet.

d). Mobile phone handsets are now mostly turning into smart-phones equipped with digital cameras, Internet- enabled video, pre-installed social networking applications such as Facebook and music juke box payment terminals. *Billboard* magazine publishes a list of top 20 ring tones, a market that generates billions of dollars in revenue. These new functionalities are transformational. For example, as digital cameras, mobile devices provide benefits such as instant news gathering or create harmful effects like facilitating industrial espionage. Their internet-enabled video, access to social networks and music capability brings them into the realm of media, copyright and internet governance. As a component of the banking system, the mobile network can provide services where the financial network is weak, but there is also the risk of banking fraud and identity theft. These widely used electronic consumer devices now straddle several regulatory jurisdictions, raise new legal issues, and present new challenges to existing regulatory frameworks. From a government standpoint, the challenge becomes how to sustain investment and promote widespread diffusion of technologies, while protecting the legitimate interests of all players, particularly consumers.

e). The use of ICTs in e-government services is also transforming citizens interactions with the public sector by improving efficiency, effectiveness and accountability of governments. In India, for example, a comparison of manual and e-government services found that computerized services substantially increased cost-savings and access to services. The survey showed that e-services lowered travel costs, made delivery of services more predictable, decreased waiting times, reduced corruption and generally improved overall quality of service.

## **5. Innovative Technologies and Services**

To transition to an effective, competitive environment, regulatory reform must include measures aimed at:

- (i) Creating functional regulators to oversee the introduction of competition;
- (ii) preparing the incumbent operator to face competition (eg Deadlines for markets exclusivities')
- (iii) Allocating and managing scarce resources in a non-discriminatory way;
- (iv) expanding and enhancing access to telecommunications and ICT networks and services; and
- (v) Promoting and protecting consumer interests, including universal access and privacy.
  - a. Once a fully competitive environment is attained, it is generally agreed that a more limited need for regulation exists. In certain areas such as universal access and service, however, market forces often fall short of creating the conditions necessary to satisfy public interest objectives and thus regulatory intervention is required. Similarly, regulatory agencies must ensure that spectrum is properly managed and allocated.
  - b. Moreover, despite the benefits of new technologies, regulators also must be attentive and responsive to the regulatory issues that arise from the implementation of these new technologies and their related services. For example, regulators are currently grappling with issues such as spam and consumer concerns regarding privacy, which were not issues of concern to regulators 10 years ago. In addition, governments are reviewing their regulatory structures to determine whether their current organizational structures are best suited for regulating a converged market place with multiple services offered by the same platform.
  - c. Likewise, regulators are realizing that their existing regulatory frameworks may impede the ability of operators to make triple or quadruple play offerings to consumers or use low-cost Voice over Internet Protocol (VoIP). Similarly, numerous governments are currently holding consultations regarding digital television in order to assess what standard should be used for such services. In addition, regulators should ensure that consumers are made aware of potential limitations associated with new technologies (e.g., emergency services may not be available through such services, and services offered may be of lower quality).

- d. The implementation of an effective regulatory framework has resulted in greater economic growth, increased investment, lower prices, and better quality of service, higher penetration, and more rapid technological innovation in the sector. In fact, investors consider the regulatory environment to be a critical factor in their analysis of whether or not invest in a country.
- e. The Telecom Regulatory Authority of India (TRAI) has made a comprehensive reforms of the regulatory frame work to promote technological neutrality and take advantage of inter-modal competition. These regulatory efforts have brought economic growth to the sector and produced a marked increase in mobile subscribers and a fall in mobile tariffs.

## **6. Benchmarking Competition**

Liberalization and fostering competition are the best means to ensure efficient and high quality services at low costs, and thus, are key regulatory objectives. This once radical message has become mainstream around the world. This section benchmarks the level of competition in key sectors, worldwide and by region. The analysis compares the level of competition in:

- Local service
- Domestic long distance
- International long distance
- Mobile
- Internet services
- Leased lines

## **7. Regulatory Organizations**

### **Elements for an Effective Regulator**

The aim of a regulator is to ensure that the sector is working properly and that consumer and other stake holders interests are protected in a fair and balanced manner. An effective regulator is the vehicle to ensure credible market entry, as well as compliance with and enforcement of existing regulations. To achieve this, governments must create and maintain an environment conducive to good governance and regulatory success.

In addition, an effective regulator should demonstrate other characteristics, including accountability, transparency and predictability.



## **8. The Trends towards General Authorizations**

a). Over the past decade, creating an effective framework to promote growth in the telecommunications industry has been a top priority for the regulators in many geographies. Traditionally, in many parts of the world, a license was issued to authorize a person to provide telecommunications services or to operate telecommunications facilities. Such licenses generally described key rights and obligations of licensees and often defined conditions relating to the provision of services. These licenses also tended to be service- specific and technology-specific. A licensee was authorized to provide a particular type of service over a specific type of network. In other cases, a licensee was authorized to operate specifically defined types of telecommunications facilities. A wide range of different licensing approaches has been adopted around the world.

b). Today the practice of issuing detailed individual licenses to specific telecommunications, or ICT service providers, is gradually being replaced by general authorization regimes.. Moreover, issuing detailed individual authorizations remains the same for authorizing the use of radio spectrum where the demand for the use of a particular frequency band exceeds availability.

c). In general authorization regimes in developed economies, few, if any, conditions are included in a license document issued to a specific service provider. Instead, regulatory conditions are generally established in rules or regulations that apply equally to all service providers of the same class (e.g., cellular mobile providers) or across the whole ICT industry. While general authorization regimes are most prevalent in developed economies, these regimes have also been adopted in a number of developing and transitional economies. In developing or transitional economies, where the regulatory framework governing the ICT sector is still maturing, it is common for general authorizations to contain a fairly detailed set of terms and conditions. There are thus different variants of general authorization regimes.

d). With increased liberalization, some regulators are removing any and all authorization requirements for certain specific ICT services. These service markets are then open to entry by any new service providers, without restriction. Open entry regimes are generally found only in countries with a highly developed, competitive ICT sector and a robust set of institutions that can safeguard consumer interests and protect against anti-competitive conduct.

e). There has also been a movement away from the issuance of service and technology-specific authorizations. In light of rapid technological development and service innovations, countries are increasingly moving towards the adoption of multi- service and neutral or —unified authorization frameworks. These frameworks feature authorizations that are service and/or technology neutral, allowing licensees to offer a range of services under the umbrella of a single authorization, using any type of communications infrastructure and

technology capable of delivering the desired services. There are a range of different approaches to multi- service and unified licensing around the world.

f).At one end of the spectrum are wide-open authorization regimes, where no form of governmental approval is required to start an ICT service business or to operate network facilities. At the other end are individual licensing regimes with lengthy authorization documents customized to the circumstances of a specific service provider. In between are many forms of general authorization or—class licensesll that authorize and provide generally applicable regulatory conditions for classes of ICT service providers.

g).Clearly stated telecommunication policies remove uncertainty and regulatory risk for service providers and their investors. However, regulation is an art, not a mathematical science, and it is neither possible nor desirable to attempt to prescribe detailed policies for all situations that may arise. ICT markets and technologies are too dynamic to permit that. An Ideal ICT policy should establish the main objectivesand approaches of government policy and deal with major issues of national concern to service providers and investors. However, the more detailed provisions are better left to subsidiary legislation or regulatory rules which can be amended to meet evolving market conditions.

## **9. Authorisations types**

a). Just as there are different types of authorization authorities in different countries, different types of authorization regimes have been adopted. Again, with the sharing of global experience, there has been a convergence in the types of authorization regimes adopted in various countries. Today, the approaches to authorizing ICT service providers and services can be divided into three main categories:

1. Individual authorizations;
2. General authorizations; and
3. Open entry – i.e. no authorization requirement.

b). There is a clear trend toward the use of general authorizations and open entry regimes in developed economies, consistent with the general liberalization and convergence of ICT markets .

c). However, individual authorizations continue to be in place in a large number of countries, particularly in developing and transitional economies. Moreover, individual authorizations are used to license the use of radio spectrum when the demand for use of a particular band of radio frequency exceeds availability.

## **10. Regulatory Policy Objectives**

a). Regulatory objectives in telecommunications are fundamental in shaping the policies that govern the industry, ensuring fair competition, safeguarding consumer interests, and fostering sustainable development. Regulatory objectives in India need to emphasize the importance of bridging the digital divide by ensuring that high-quality



telecommunication services are accessible to all citizens, regardless of geographical location. Certain initiatives under Universal Service Fund (USF) taken by the Govt of India with aim to address connectivity disparities. The digital divide is a prominent concern in India, where Govt of India objectives and focus on extending telecommunication services to underserved and rural areas. Policies are being aligned to overcome infrastructure challenges and promote inclusive access.

b). An era where connectivity is synonymous with progress, the telecommunications sector stands as the linchpin of global communication and technological innovation at the heart of this dynamic industry lies a complex web of regulatory policies that shape its course, influencing everything from market competition to technological advancements.

c. Regulatory policies play a pivotal role in shaping the competitive landscape of the telecommunications sector through measures such as antitrust regulations and licensing frameworks, regulators aim to foster healthy competition among service providers. This competition, in turn, acts as a catalyst for innovation, pushing companies to invest in cutting-edge technologies and services to gain a competitive edge.

d). On Spectrum Management and Technological Advancements, the allocation and management of the radio frequency spectrum are critical aspects of telecommunications regulation In India WPC, govern spectrum usage to avoid interference and ensure efficient utilization. Policies that facilitate the deployment of new technologies, like the ongoing rollout of 5G networks, hinge on effective spectrum management.

e). Regulatory policies often include provisions for Universal Service Obligations (USO), ensuring that telecommunication services reach all corners of society. By addressing the digital divide and promoting digital inclusion, these policies play a key role in bridging socio-economic gaps and ensuring that everyone benefits from the advantages of connectivity.

f). Consumer trust is paramount in the telecommunications sector, and regulatory policies are instrumental in safeguarding consumer interests. Transparent billing practices, protection against unfair business practices, and quality of service standards are essential components of regulations designed to ensure that consumers receive reliable and satisfactory services.

g). Telecommunications regulations often include measures aimed at promoting infrastructure development. Policies may encourage private investment in network expansion, the deployment of high-speed broadband, and the establishment of reliable communication infrastructure, especially in underserved or rural areas.

In an era of data- driven services, privacy concerns have become a focal point of telecommunications regulations. Policies are crafted to protect consumer data, ensure transparency in data handling practices, and provide individuals with control over their personal information, fostering a secure and trustworthy digital environment.

h). Regulatory bodies work to ensure that the telecommunications sector is well-prepared to respond to emergencies. Policies may mandate the provision of reliable emergency services, and establish protocols for communication networks to remain operational during crises.

i). To encourage continuous innovation, regulatory policies often adopt a stance of technological neutrality. This approach allows for flexibility in adapting to emerging technologies without the need for constant policy revisions. It enables the telecommunications sector to embrace advancements like artificial intelligence, the Internet of Things (IoT), and beyond (Mishra, and Tyagi, 2022). Telecommunications is inherently global, and regulatory policies often involve international collaboration. Interconnection agreements and global standards

### **11. For Competition Needed MVNOs Access to Networks**

In India there is a need to have a strong emphasis on fostering a competitive telecommunications market. Although in India VNO in Mobile access services was introduced by the Govt of India by not provisioning of access to the NSO networks as a mandatory requirements. Thus MVNO are not getting access from any of the existing NSOs and which has made MVNO license a redundant license .MVNOs are very successful across the Globe but in India it could not take off due to lack of policy support from the Licensor and Regulator. Indian Telecom market has become a duopoly market. Although the Regulatory objectives should be for preventing anti-competitive practices, reviewing mergers, and maintaining an environment that encourages innovation and choice for consumers. While in India it is still transitioning from monopolistic structures to more competitive market. Regulatory objectives often revolve around creating an environment that encourages multiple players, leading to increased competition, improved services, and lower costs.

### **12. Lack of policy support to MVNOs for Competition and Niche segments and rural population.**

In India in spite of prescribing UL-VNO Policy in 2016 MVNOs could not take off due to certain lacks in the policy prescription for MVNOs. The incumbent TSPs are taking advantage by cartelizing and increasing the tariffs. Anti-Poor behavior by the TSPs and absence of any USO Fund support for the rural and BPL population is depriving the majority of population of the benefits of the 4G/5G based various welfare e-services.

It is suggested DOT and USO Fund administrator in line with the FCC regulation on **“USO Fund Life line programmed for the BPL and unconnected population”** duly mandatorily being served by MVNOs. Subsidies for handset, talk time and data usage is being provided through the MVNOs for the BPL segment of the society in USA through MVNOs only.

**13. VNO recommendations on levying of License Fee be abolished as per prevailing practices in EU briefed below.**

In the telecommunications industry, the term “license fee” is used to describe different things. It may include one or more of the following:

- a fee paid as a premium or “rent” to a government or licensing authority for the right to operate a network, provide a service or use a limited resource, such as radio spectrum or numbers;
  - administrative charges to compensate a regulator for its costs in managing and supervising use of the radio spectrum; and
  - Administrative charges to compensate a regulator for costs incurred in performing other regulatory functions, such as licensing operators, ensuring compliance with license terms, resolving interconnection disputes, establishment and supervision of other aspects of the regulatory framework, etc.
- a. It is good practice to differentiate the above-noted types of fees. This improves transparency and makes it easier to determine that the administrative charges related to cost recovery are indeed cost-based. Separating administrative license fees related to spectrum management from other administrative fees improves transparency and accountability. Spectrum management is usually handled by a separate branch, and sometimes a wholly separate ministry or agency from the telecommunications regulator.
  - b. It is generally accepted that administrative fees should not impose unnecessary costs on the telecommunications sector. The most transparent manner by which to achieve this objective is an explicit cost-recovery scheme. Cost recovery schemes involve establishment of license fees based on the projected or actual costs of the regulator. Once that overall level of cost-recovery has been set, it is necessary to allocate the costs among licensees or market participants. This allocation can be based on different factors, including telecommunications revenues, licensed coverage area or types of services. The most common allocation factor is revenues.

- c. The July 2000 EC proposal to replace the 1997 Licensing Directive criticized the “lack of transparency and high fees” of its European Member States. It provides the following proposal:
- d. “Administrative charges may be imposed on providers of electronic communications services in order to finance the activities of the national regulatory authority in managing the authorization system and for the granting of rights of use. Such charges should be limited to cover the actual administrative costs for those activities. For this purpose transparency should be created in the income and expenditure of national regulatory authorities by means of annual reporting about the total sum of charges collected and the administrative costs incurred. This will allow undertakings to verify that administrative costs and charges are in balance. Administrative charges should not act as a barrier to market entry. Such charges should therefore be distributed in proportion to the turnover on the relevant services of the undertaking concerned as calculated over the accounting year preceding the year of the administrative charge. Small and medium sized undertakings should not be required to pay administrative charges.
- e. In addition to administrative charges, usage fees may be levied for the use of radio frequencies and numbers as an instrument to ensure the optimal use of such resources. Such fees should not hinder the development of innovative services and competition in the market.”

#### **14. VNOAI Recommendations on the authorization model:**

A). Please refer to the TRAI consultation Paper dated 20<sup>th</sup> August’2020 on “Enabling Unbundling of Different Layers Through Different Licensing” in which TRAI studied various model and it is suggested on behalf of the VNOAI that Model-1 is most suited for Indian Telecom industry.

TRAI’s proposed Model No 1 in the Consultation paper dated 20<sup>th</sup> August’2020.

B. In this model, it has been suggested that licensing regime should be split into three layers viz. Network Infrastructure Services Provider (NISP) layer, Network Services Provider (NSP) layer, Digital Services Provider (DSP) layer. Voice, messaging, and data services will be the product of the NISP layer, and can be sold on a non-discriminatory basis only to registered NSPs and DSPs. The NSPs and DSPs would sell these services to their customers.



C.NISP layer will comprise of physical infrastructure, active passive elements, and cloud-based instances of network elements required to deploy a telecom network. Voice, messaging, and data services will be the product of the NISP layer, and can be sold on a non- discriminatory basis only to registered NSPs and DSPs.

D.NSP will sell only the basic services, viz., voice, messaging, and data connectivity to retail and corporate customers for their own end usage only.

E.DSP will do the substantial value add to the basic network services of NSIP before selling it as a bundled service to their customers.

In this model, the stakeholder has proposed that the service utilization measurement metric will be product (voice, messaging, and data) of the NISP layer, and services tariff definition will be by the NSPs and DSPs as an independent activity. In order to avoid anti-competitive practices of the NISPs, their services will be declared as 'Bottleneck Services', and, hence, mandating time-bound provisioning and configuring of services that are requisitioned by the NSPs and DSPs. Light-touch regulations for the entire multi-layered services ecosystem is proposed, which will facilitate investment into network infrastructure by multiple service providers, and will enhance competition for retail services. This will maximize the infrastructure capacity utilization; provisioning of services without any discrimination; create homogeneous environment conducive for innovation; create environment for better and focused security control through mandated implementation of security by design principle; faster, better evolution and adoption of innovative technology services; and, thereby, faster and better implementation of the Government's Smart City and other Digital programs. Further, this will help in simplifying accounting, taxation, and auditing processes, and will prevent chances of under reporting.

F.For this model, suggested changes include complete separation of telecom infrastructure from the telecom services. Only NISP layer would be under a license from DoT on which an administrative fee (1% of revenue) will be levied instead of license fee or spectrum usage charge; NSP and DSP will be registered with DoT, and only GST will be levied on the services provided by them. Further, existing licensees should migrate within a specified time frame.

The above model will be the most appropriate model for the Indian Telecom services.

**Authorizations terms and conditions:**

DOT has already compiled all the scopes and Terms and Conditions of all the authorizations under UL (VNO) License Agreement. It is required to be modified to the proposed new structure of authorizations as per the proposed Model-1.

License Fee : As proposed in the Model -1 that only NISP layer authorization which will be acquiring spectrum by auctions will be levied administrative fee(1% of revenues).DOT has already abolished the spectrum usage charges as spectrum is allocated at market price derived from auctions.

Levy of GST: In case of NSP and DSP authorizations and they will be registered with DOT and providing the delivery of services to end consumers thus only GST be levied on all the sales under its authorizations at the applicable GST rates.

**IMPORTANT SUGGESTION FOR JOINT CONULTATION COMMITTEES**

**As the current exercise for moving towards simpler authorizations regime VNOAI suggests further that joint committees be formed with stake holders through the respective associations to look into all the required terms and conditions based upon the business models and the areas of operations are suitably modified as per the requirements of the sector so that sector can work conducive for the benefits of creating such services which are beneficial for the whole of the population across the country.**

The question wise response is based upon all the above mentioned descriptions and justifications needs to be considered.

**Best Regards**  
**For VNO association of India**

**Rakesh Kumar Mehta**  
**Secretary General.**  
**Encl: Question wise response.**



**QUESTION WISE RESPONSES ARE AS UNDER:-****Q1: Authorization vs. License Agreement**

**Shifting from a license agreement to an authorization model is advisable.** This aligns with international best practices, simplifies the regulatory process, and promotes a more flexible and business-friendly environment. Detailed examples already shared in the covering attached letter.

**Safeguards** are crucial. These include clear authorization conditions, robust dispute resolution mechanisms, and effective enforcement measures to protect the interests of authorized entities.

**Q2: Authorization Document and Rules**

A structure combining an **authorization document** for core terms and **rules** for detailed conditions is efficient. This approach offers clarity to licensees while maintaining regulatory flexibility.

**Already DOT has made Compendium of License Agreements and the same required to be changed structurally to the authorizations regime by removing the License Fee AGR clauses. As industry would like to make the Service Delivery paying only 1% as administrative fee to DOT and rest shall be on the applicable GST on the total sales in conformity with the extant GST applicable law and rates specified by the GST council and Govt of India.**

**Safeguards** such as regular rule reviews, stakeholder consultations, and sunset clauses are essential to prevent regulatory rigidity.

**Q3: Essential Aspects, Rules, and Guidelines**

**Essential aspects** of an authorization document include service area, validity period, and scope of service, fees, technical standards, and performance metrics.

**Rules** should categorize conditions into general service requirements, service-specific provisions, and procedural matters based upon the business model of the service delivery.

**Incorporating existing guidelines** selectively can streamline the process. However, new guidelines should focus on dynamic areas like eligibility criteria, transfer/merger procedures, and dispute resolution. **A joint DOT/TRAI and industry representative's consultative machinery as joint committees are needed to monitor the growth of industry at least for three years so that there are no bottlenecks for the industry to grow under the new authorizations regime.**

#### **Q4: Regulatory Stability and Business Continuity**

**Long-term licensing periods, gradual regulatory changes, and compensation mechanisms** are crucial for regulatory stability.

**Regular reviews, stakeholder consultations, and performance-based licensing** ensure dynamic alignment with evolving technologies and market conditions.

#### **Q5: Unified Service Authorization**

**A unified service authorization at the national level is worth considering. It could streamline the authorization process and licensing required for the spectrum an essential resource of the country only which will promote economies of scale, and foster competition.**

However, careful consideration is needed. Factors like infrastructure sharing, spectrum allocation, and potential impacts on smaller operators must be thoroughly evaluated.

**Key considerations include defining the scope of services, establishing appropriate terms and conditions, and ensuring safeguards for smaller players. TRAI had done detailed recommendations on the 'Enabling Unbundling of Different Layers Through Differential Licensing' thus its same recommendations needs to be adopted in toto with minor**

**consultations in the joint committees for arriving at practical implementation mechanism for better transition to the new regime.**

### **Q6: Unified Service Authorization**

**A unified national-level authorization can streamline operations and promote efficiency.** However, careful consideration is essential to balance the benefits with potential impacts.

#### **Key aspects:**

- **Scope:** Comprehensive coverage of telecom services, including voice, data, and broadcasting.
- **Terms and conditions:** Flexible framework with performance-based obligations, security requirements, and quality standards.
- **Local level requirements:** Evaluate the need for service-specific conditions at the circle/metro level.
- **Spectrum assignment:** Explore spectrum trading and leasing mechanisms for efficient use.
- **Safeguards:** Implement measures to protect smaller operators, such as infrastructure sharing obligations and funding support.

**A hybrid approach combining national-level authorization with service-specific requirements at the local level might be optimal. Like bundling the NLD with ILD operations will be a good option for catalyzing the further growth of the industry for long distance services and applications.**

### **Q7: Leased Circuits and VPNs under Internet Service Authorization**

**Including the provision of leased circuits and VPNs within the scope of Internet Service authorization is advisable. This aligns with the evolving nature of internet services and the convergence of technologies. Broadband is the key for all the e-services applications whether on fixed broadband or mobile broadband. It will give impetus to the industry for the delivery of all the services.**

**Key justifications:**

- **Simplification:** Reduces regulatory burden and administrative complexities for service providers.
- **Market dynamics:** Reflects the increasing demand for dedicated connectivity solutions.
- **Technological convergence:** Aligns with the blurring lines between internet services and traditional data communication services.

**By expanding the scope of Internet Service authorization, the regulatory framework can better adapt to the current dynamic telecom landscape.**

**Q8: Terms and Conditions for Expanded Internet Service**

**Expanding the scope of Internet Service authorization necessitates clear and comprehensive terms and conditions. A joint consultative mechanism as suggested above required to be formed to periodically monitor the growth of the industry in order to take timely corrective measures.**

**Key considerations:**

- **Technical standards:** Define interoperability requirements, network performance metrics, and quality of service standards.
- **Operational requirements:** Establish licensing obligations, reporting requirements, and customer service standards.
- **Security standards:** Mandate robust security measures, data protection practices, and incident response protocols.
- **Consumer protection:** Enforce transparency, fair pricing, and dispute resolution mechanisms.

**Safeguarding other authorized entities:**

- **Non-discrimination:** Ensure fair competition by prohibiting anti-competitive practices.
- **Interconnection:** Mandate fair and equitable interconnection arrangements.

- **Access to infrastructure:** Promote infrastructure sharing and open access principles.

By implementing these measures, the regulatory framework can accommodate the expanded scope of Internet Service authorization while safeguarding the interests of all market participants.

## Q9: Merger of NLD and ILD Authorizations

**Merging NLD and ILD authorizations into a single Long Distance Service authorization is advisable.** This aligns with the convergence of telecommunications services and simplifies the regulatory framework.

### Key benefits:

- **Efficiency:** Reduces administrative burden for service providers.
- **Flexibility:** Enables service providers to offer a wider range of services.
- **Global alignment:** Harmonizes with international regulatory trends.

**Careful consideration** is necessary to ensure fair competition and consumer protection.

## Q10: Merger of NLD and ILD Authorizations

### (a) Scope of Long Distance Service Authorization

The proposed Long Distance Service authorization should encompass both **domestic (NLD)** and **international (ILD)** long-distance voice, data, and other telecommunication services. This unified approach will streamline operations and promote convergence.

### (b) Terms and Conditions

The Long Distance Service authorization should include:

- **Technical standards** for interoperability and quality of service.
- **Network reliability** and redundancy requirements.
- **Security measures** to protect network integrity and user data.
- **Consumer protection** provisions, including complaint redressal mechanisms.
- **Interconnection obligations** to ensure seamless connectivity.
- **Performance metrics** to monitor service quality.
- **Financial obligations** such as spectrum usage charges and license fees.

### (c) Protecting Interests of Other Authorized Entities

To safeguard the interests of other authorized entities:

- **Non-discrimination:** Enforce principles of non-discrimination in network access and pricing.
- **Interconnection regulations:** Maintain fair and equitable interconnection arrangements.
- **Competition promotion:** Implement measures to foster competition and prevent anti-competitive practices.
- **Transitional provisions:** Provide adequate time for existing NLD and ILD licensees to adapt to the new regime.

By adopting these measures, the merger of NLD and ILD authorizations can be implemented smoothly while ensuring a level playing field for all market participants.

### Q11: Merging GMPCS and Commercial VSAT CUG Authorizations

**Merging GMPCS and Commercial VSAT CUG authorizations into a single "Satellite-based Telecommunication Service" authorization is advisable.**

This consolidation would streamline the licensing process, promote regulatory efficiency, and encourage investment in satellite-based services. It would also align with the global trend towards convergence of satellite and terrestrial communication technologies.



## **Q12: Scope, Terms, and Conditions for Satellite-based Telecommunication Service**

### **Scope:**

- A comprehensive authorization covering all satellite-based communication services, including voice, data, and video.
- Flexibility to accommodate emerging satellite technologies and applications.

### **Terms and conditions:**

- Technical standards for satellite terminals and network infrastructure.
- Spectrum management and usage guidelines.
- Security requirements to protect satellite networks and user data.
- Quality of service standards.
- Interoperability requirements with terrestrial networks.
- Licensing fees and other financial obligations.

### **Protecting other authorized entities:**

- Fair competition rules to prevent anti-competitive practices.
- Interconnection obligations to ensure seamless connectivity with terrestrial networks.
- Access to satellite infrastructure on non-discriminatory terms.

## **Q13: Merging IP-I and DCIP Authorizations**

**Merging IP-I and DCIP authorizations into a single authorization is recommended.** This would simplify the regulatory framework for infrastructure providers and promote investment in telecom infrastructure. It will help for the different authorizations to align with the new merged entities and leverage available infrastructure for the growth of its network seamlessly.

**But as suggested a consultative regular monitoring mechanism of regulator, licensor and industry is needed to jointly monitor the growth of the new dispensations.**

## **Q14: Scope and Terms for Combined Infrastructure Authorization**

### **Scope:**

- A comprehensive authorization covering both passive and active telecom infrastructure, including towers, ducts, fiber cables, and data centers.

### **Terms and conditions:**

- Standards for infrastructure quality and reliability.
- Open access provisions to ensure fair competition.
- Sharing obligations to promote infrastructure utilization.
- Licensing fees and other financial obligations.

## **Q15: Clubbing Authorizations**

### **Clubbing authorizations can streamline the licensing process and promote operational efficiency.**

#### Potential combinations:

- **Unified access service authorization:** Merge authorizations for basic, cellular, and unified access services.
- **Unified content and application service authorization:** Combine authorizations for value-added services, internet service, and content/application service provider.

#### **For each proposed authorization:**

- **Scope:** Comprehensive coverage of the respective service categories.
- **Service area:** Nation-wide or region-specific, depending on the nature of the service.
- **Terms and conditions:** Include technical standards, quality of service requirements, security measures, and consumer protection provisions.

**But as suggested a consultative regular monitoring mechanism of regulator, licensor and industry is needed to jointly monitor the growth of the new dispensations**

### **Q16: Redundant Authorizations**

**A review of existing authorizations is necessary to identify potential redundancies.**

- **Authorizations aligned with Unified License:** Some authorizations might be redundant due to the comprehensive nature of the Unified License.
- **Obsolete authorizations:** Authorizations for technologies or services that are no longer prevalent should be removed.

### **Q17: New Authorizations or Sub-categories**

**New authorizations or sub-categories might be required to address emerging technologies and services.**

- **Potential areas:** Internet of Things (IoT), satellite-based broadband, edge computing, and block chain-based services, CpaaS, Cloud based services using virtual numbers..
- **Scope and service area:** Defined based on the specific nature of the service and its target market.
- **Terms and conditions:** Include technical standards, security requirements, and consumer protection measures.

### **Q18: Changes to Unified License Authorizations**

**Alignment with the Telecommunications Act, 2023:**

- **Scope of service:** Expand or restrict service offerings based on the Act's provisions.
- **Terms and conditions:** Incorporate new requirements related to data privacy, cybersecurity, and consumer protection.

## Technological and market developments:

- **Scope of service:** Include emerging technologies and services like IoT, artificial intelligence, and virtual reality.
- **Terms and conditions:** Update technical standards, performance metrics, and security measures to reflect industry advancements.
- **But as suggested a consultative regular monitoring mechanism of regulator, licensor and industry is needed to jointly suggest and monitor the growth of the new dispensations**

**Q19. In view of the provisions of the Telecommunications Act, 2023 and technological/ market developments, -**

- (a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO?**
- (b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO?**

Answer:-

- a. In view of the provision of the Telecommunication act 2023 and technical development's following changes are required to be incorporated in the respective scope of each service authorization attached herewith in the draft "**Hand book of service delivery authorizations guide lines**". **(Annexure-1)**
- b. Service delivery operator (VNO) required to follows details as mentioned in the Hand book for each category of service authorization.
- c. For MVNO under the access service license authorization its suggested the frame work for the wholesale mobile services as per attached documents.**(Annexure-II).**

- d. Also for the MVNO and MNO agreement Prescribed Empanelment and Commercial agreement of the BSNL with VNO's. It can be further worked out suitably as per the suggested frame work for MVNO and MNO relationship.

**Q20. Whether the Access Service VNOs should be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service? If yes, what conditions should be included in the authorisation framework to mitigate any possible adverse outcomes of such a provision? Kindly provide a detailed response with justifications.**

**Providing mandatory frame work for VNO-MNO relationship on whole sale be provided under the new Telecomm Act in order to serve the masses and niche segments of the population especially in the rural and BPL population under USO Schemes in line with the FCC USOF Fund Life Line Programme and service to be delivered by the MVNOs and it is duly mandated in the act for the BPL population of the country. Similar scheme required to be prescribed in India under USOF and certain percentage of the capacity is required to be mandated under all the authorizations having spectrum and essential resource of the country to provide access to MVNOs for the delivery of services of mobile broadband and voice to the BPL population and the scheme can be named "Pradhan Mantri Life Line programme" . Details can be worked for the scheme.**

**Currently specifically the mobile VNOs are not getting access to any of the Mobile network so first there is requirements to find a wayout to provide a frame work under the new Telecomm Act be mandated for the access to the essential resource of the country spectrum is unhindered otherwise it will remain a bottleneck for enabling the MVNO services by the entity acquiring the authorization for the access services.**

**Again suggested for forming a joint consultative mechanism of TRAI/DOT and VNOAI and stake holders to recommend on the**

**basis of international experience a suitable technical provisioning mechanism of the MVNOs be prescribed in the interest of the required competition in the current limited competition market in India. Further details can be discussed and worked out in the joint consultative committees.**

**Globally there is no bar on multi parenting but normally MVNOs due to technical costing keeping resources blocked without any material advantages and incurring extra expenses plus extra technical costs commercially don't encourage to parent at a time more than one NSO .Only option remains that switching of NSO options remain easy and open in case of any disputes are there. As per Global data and experience of MVNOs normally it provides the live redundancy available to MVNOs for quick migration of subscribers.**

**If required VNOAI can provide further technical details in dual parenting issues.**

## **Q21: Service-Specific Parenting of VNOs**

**Service-specific parenting of VNOs be made available with all the NSOs in a prescribed technical and commercial frame so that all VNOs in any of the authorizations are able to deploy the services seamlessly.** This approach offers greater flexibility and allows for tailored relationships based on specific service requirements.

### **Key benefits:**

- Efficient resource utilization.
- Enhanced competition.
- Increased service innovation.

### **Safeguards:**

- Non-discriminatory access to network elements.
- Transparent wholesale pricing.
- Quality of service obligations for both VNOs and NSOs.



- *But as suggested a consultative regular monitoring mechanism of regulator, licensor and industry is needed to jointly suggest and monitor the growth of the new dispensations*

## Q22: Changes to Standalone Licenses/Authorizations

### Alignment with the Telecommunications Act, 2023:

- **Scope of service:** Ensure consistency with the Act's provisions and eliminate overlaps.
- **Terms and conditions:** Incorporate updated requirements for network security, data privacy, and consumer protection.

### Technological and market developments:

- **Scope of service:** Expand or restrict service offerings based on emerging technologies and market trends.
- **Terms and conditions:** Update technical standards, performance metrics, and licensing fees as needed.
- *But as suggested a consultative regular monitoring mechanism of regulator, licensor and industry is needed to jointly suggest and monitor the growth of the new dispensations*

## Q23: Review of Recently Recommended Authorizations

**Regular review of authorizations is essential to adapt to the evolving telecom landscape.**

- **DCIP authorization:** Consider expanding the scope to include data center services and cloud infrastructure.
- **IXP authorization:** Evaluate the need for additional requirements related to network neutrality and traffic management.
- **CDN registration:** Review the registration process and consider introducing performance metrics.
- **SESG license:** Assess the need for updated spectrum allocation policies and technical standards.

- **But as suggested a consultative regular monitoring mechanism of regulator, licensor and industry is needed to jointly suggest and monitor the growth of the new dispensations**

#### Q24: Additional Issues

- **Data Communication Services between Aircraft and Ground Stations:** Develop specific guidelines for this service, considering spectrum allocation, security, and interoperability.
- **Review of PMRTS and CMRTS Licenses:** Evaluate the need for updates to terms and conditions, considering technological advancements and market dynamics.
- **Connectivity to Access Service VNOs from Multiple NSOs:** Clarify interconnection requirements and develop dispute resolution mechanisms.
- **But as suggested a consultative regular monitoring mechanism of regulator, licensor and industry is needed to jointly suggest and monitor the growth of the new dispensations**

#### Q25: Ease of Doing Business

**Yes there is need to change all the financial conditions and implement the new financial conditions by prescribing:**

**Prescribing cost based license Fee payment as administrative fee of 1% of the total Revenue to Licensor and USOF contribution be reduced to 2% across the industry and as suggested a mandatory scheme of Service provisioning be mandated to all the MNOs to be provisioned by the MVNOs in line with the suggested FCC's "Life Line Programme" for delivery of mobile broadband and voice services through the MVNOs in order to provide the required welfare services of Govt reaching all the population especially BPL population.**

**Streamline the licensing process:**

- Reduce application processing time.
- Implement online application portals.
- Offer clear and concise guidelines.

**Simplify compliance requirements:**

- Minimize reporting burdens.
- Provide flexible payment options.
- Establish effective dispute resolution mechanisms.

**Q26: Ownership of Network and Equipment****Review ownership provisions:**

- Consider allowing flexible ownership models, including infrastructure sharing and leasing.
- Ensure fair competition and non-discriminatory access to network facilities.

**Q27: PMWANI Framework****Encourage Wi-Fi hotspot proliferation:**

- Simplify licensing procedures for public Wi-Fi hotspots.
- Provide incentives for infrastructure sharing and backhaul connectivity.
- Promote Wi-Fi as a complementary technology to cellular networks.

**Q28: Captive Authorizations****Clear and consistent framework:**

- Define eligibility criteria for captive authorizations.
- Establish specific terms and conditions, including security requirements and network neutrality obligations.
- Implement a transparent approval process.
-

## Q29: Satellite-based Services and Space Sector Policy

### Alignment with space sector policy:

- Coordinate spectrum allocation and orbital slot assignments.
- Ensure compatibility with satellite navigation and remote sensing services.
- Address liability and insurance issues related to satellite operations.

## Q30: Consideration of Other Policies and Acts

### Identify relevant policies and acts:

- Review environmental regulations, cyber security laws, privacy Laws and consumer protection statutes.
- Ensure compliance with relevant provisions in authorization terms and conditions.

## Q31: Guidelines for Transfer/Merger of Authorizations

**Formulating guidelines for transfer/merger of authorizations after establishing the authorization framework is advisable.** This approach ensures consistency and avoids complexities.

- **Clarity in authorization structure:** A clear understanding of authorization types and conditions is essential for defining transfer/merger rules.
- **Preventive measures:** Guidelines can incorporate safeguards to prevent misuse of transfer/merger provisions.
- **Flexibility:** The framework can be adapted based on experiences with the transfer/merger process.

## Q32: Guidelines for Violations

**Guidelines for classifying violations under the Second Schedule are necessary.** This will ensure consistent enforcement and appropriate penalties.

- **Clear definitions:** Detailed descriptions of violation categories will aid in accurate classification.
- **Severity levels:** Guidelines can establish different levels of severity based on the impact of the violation.
- **Transparency:** Clear guidelines will enhance regulatory predictability.

### Q33: Additional Inputs/Suggestions

- **Time-bound licensing process:** Implement clear on line timelines for application processing and authorization issuance to improve efficiency.
- **Spectrum management:** Harmonies authorization framework with spectrum allocation policies to avoid inconsistencies.
- **Digital infrastructure:** Promote investment in digital infrastructure by offering incentives and simplifying regulatory processes.
- **Suggestion for Telecomm OMBUDSMAN under the Act: Strengthen consumer protection measures through clear grievance redressal mechanisms and penalties for service providers. Create a Telecom Ombudsman to address the consumer grievance as is being done in other sectors especially in banking sector. Prescribe a time bound solutions for the grievances. Current grievance redressal mechanism is not upto the mark and consumers are suffering at the hands of the service providers.**

### Q34: Financial Implications for Unified Service Authorization

**Determining appropriate fees and financial obligations for a unified service authorization requires careful consideration.**

In the telecommunications industry, the term “license fee” is used to describe different things. It may include one or more of the following:

- a fee paid as a premium or “rent” to a government or licensing authority for the right to operate a network, provide a service or use a limited resource, such as radio spectrum or numbers;

- administrative charges to compensate a regulator for its costs in managing and supervising use of the radio spectrum; and
- Administrative charges to compensate a regulator for costs incurred in performing other regulatory functions, such as licensing operators, ensuring compliance with license terms resolving interconnection disputes, establishment and supervision of other aspects of the regulatory framework, etc.

It is good practice to differentiate the above-noted types of fees. This improves transparency and makes it easier to determine that the administrative charges related to cost recovery are indeed cost-based. Separating administrative license fees related to spectrum management from other administrative fees improves transparency and accountability. Spectrum management is usually handled by a separate branch, and sometimes a wholly separate ministry or agency from the tele-communications regulator.

It is generally accepted that administrative fees should not impose unnecessary costs on the tele-communications sector. The most transparent manner by which to achieve this objective is an explicit cost-recovery scheme. Cost recovery schemes involve establishment of license fees based on the projected or actual costs of the regulator. Once that overall level of cost-recovery has been set, it is necessary to allocate the costs among licensees or market participants. This allocation can be based on different factors, including tele-communications revenues, licensed coverage areas or types of services. The most common allocation factor is revenues.

- **Application processing fee:** A moderate fee to cover administrative costs of processing.
- **Entry fee:** *Consider a reasonable entry fee to reflect the wide range of services covered by the authorization as an entity is going to invest the saved investment on the network deployment. Otherwise higher entry fee causes a dead investment and dampens the start early deployment of the services.*
- **Bank guarantees:** Mandatory bank guarantees only to the extent ensure the required for securitization of revenues only.
- **As suggested the license fee be reduced to 1% as administrative fee of the gross revenues thus Bank Guarantees to be limited to the proportionate amounts only.**



- **GR, ApGR, AGR: Abolish filling of these for all the VNOs and Service delivery Service providers.**
- **Authorization fee: No authorization Fee is required to be paid since spectrum is acquired in auctions and only 1 % administrative fee and 2% USOF may be prescribed under the Act.**
- **Minimum equity and net worth: Set reasonable thresholds to ensure financial stability.**

### **Q35: Financial Implications for Enhanced Internet Service Authorization**

**No Financial implications for an enhanced Internet Service authorizations can be foreseen since license fee be 1 % as administrative fee to be paid to Licensor and 2% USOF fee is suggested to be paid.**

**Adjust fees accordingly: Keep application processing fees, entry fees, and authorization fees to minimum as the capital investment a service provider can do in deployment of the services.**

### **Q36: Financial Implications for Merged NLD and ILD Authorization**

**The merger of NLD and ILD authorizations might require ad No Financial implications for an enhanced Internet Service authorizations can be foreseen since license fee be 1 % as administrative fee to be paid to Licensor and 2% USOF fee is suggested to be paid adjustments to financial terms.**

### **Q37: Financial Implications for Merged Satellite-based Authorization**

**Financial implications for the merged satellite-based authorization depend on the specific services offered.**

- **Assess revenue potential:** Consider the revenue generated by GMPCS and VSAT services.
- **Account for satellite infrastructure costs: Reflect the high investment in satellite infrastructure in the fee structure. Therefore suitable minimum entry fee etc be levied to promote the investment in the sector.**

### **Q38: Financial Implications for Clubbed Authorizations**

**No Financial implications for an enhanced Internet Service authorizations can be foreseen since license fee be 1 % as administrative fee to be paid to Licensor and 2% USOF fee is suggested to be paid combination of services.**

### **Q39: Financial Implications for New Authorizations**

**Financial implications for new authorizations depend on the nature of the services offered.**

- **Assess market potential:** There is a need to evaluate the potential revenue and investment requirements for the new service.
- **Determine fee structure:** Establish appropriate entry fees, authorization fees.
- **Consider incentives:** Offer incentives or reduced fees to promote the development of new services.
- **No Financial implications for an enhanced Internet Service authorizations can be foreseen since license fee be 1 % as administrative fee to be paid to Licensor and 2% USOF fee is suggested to be paid**

### **Q40: Application Processing Fees for Other Authorizations**

**Application processing fees should be based on the administrative burden of processing each authorization.**

- **Standard fee:** Implement a standard fee for common authorizations.
- **Tiered fees:** Consider tiered fees based on the complexity of the authorization.

- **Efficiency focus:** Regularly review and adjust fees to reflect processing time and costs.

#### **Q41-Q43: Entry Fees, Bank Guarantees, and Other Financial Conditions**

**No Financial implications for an enhanced Internet Service authorizations can be foreseen since license fee be 1 % as administrative fee to be paid to Licensor and 2% USOF fee is suggested to be paid**

**Entry fees and bank guarantees** should be suitably be reduced. It is essential to avoid excessive burdens that hinder investment and innovation.

- **As suggested a consultative regular monitoring mechanism of regulator, licensor and industry is needed to jointly suggest and monitor the growth of the new dispensations.**

#### **Q44-Q49: Specific Financial Conditions**

**For authorizations other than merged, clubbed, or new ones, a comprehensive review as suggested previously that AGR, ApGR and license Fee be abolished and only 1% of AGR as administrative Fee and 2% USOF contribution be levied across the industry authorizations**

**For the merged M2M-WPAN/WLAN authorization, nominal processing fee should be based on the administrative costs involved. A simplified fee structure could be considered to encourage adoption of these technologies.**

#### **Q50-Q52: Simplifying Financial Reporting**

**Replacing the affidavit with a self-certificate can streamline the process and build trust between the regulator and industry. However, robust verification mechanisms should be in place to prevent misuse.**

**Revising the format of the Statement of Revenue Share and License Fee needs to be abolished on self-assessment basis only similar to Income Tax laws. Moreover all the sales to be duly covered by the GST and revenues and incomes by Income Tax laws as prescribed across all the sectors of industry .There is no specific separate financial laws need to be prescribed specific to Telecom Industry alone. It is essential to ensure that Telecom laws also align with industry practices and regulatory objectives. Simplifying reporting requirements without compromising data quality should be the goal.**

**Migration to new authorizations: there is no need to prescribe any migration fee to new authorizations whether merged or otherwise since alignment all the processes also are the cost to the companies. But certain time line like six months may be given for migration to the new authorization regime.**

#### **Q59-Q61: Security Interest and Other Considerations**

**Security interests** As suggested Telecom industry is required to be aligned with other industry for the Taxation ,GST and recovery of administrative Fee and USOF contributions only. The aim of Govt should be to promote the Telecom industry for provisioning of the best quality services to the end consumers by deploying state of the art technologies. As today everything is majorly dependent upon the telecom services for enabling any of the government and private sector services to end consumers.

**No Additional fees and charges** should be introduced considering their impact on the industry.

**Overall, the financial framework should be to promote a conducive environment for investment, innovation, and fair competition while ensuring adequate government administrative costs recovery only.**



**Government of India  
Ministry of Communications  
Department of Telecommunications  
(Networks and Technologies Wing)**

**HAND BOOK  
OF  
SERVICE DELIVERY AUTHORSATIONS  
GUIDELINES**



## **Introduction**

- 1. Section 3(1)(a) of the Telecommunications Act 2023 provides for obtaining an authorisation by any entity/ person intending to provide telecommunication services, subject to such terms and conditions, including fees or charges, as may be prescribed.**
- 2. Section 59 of the Telecommunications Act 2023 provides for amendment to the Telecom Regulatory Authority of India Act, 1997. It provides that "licensee" means an authorised entity providing telecommunication services under the Telecommunications Act, 2023, or registered for providing cable television network under the Cable Television Networks (Regulation) Act, 1995 or any other Act for the time being in force."**
- 3. Currently the licensing and regulatory framework for different types of telecommunication services is being governed as per the provisions of the Indian Telegraph Act, 1885. The extant licenses/registrations are as follows:**
  - i. Access Service authorisation under Unified License (UL) and UL-Virtual Network Operator (UL-VNO)**
  - ii. Internet Service authorisation under UL and UL-VNO**
  - iii. National Long Distance (NLD) Service authorisation under UL and UL-VNO**
  - iv. International Long-Distance Service (ILD) Service authorisation under UL and UL-VNO**
  - v. Global Mobile Personal Communication by Satellite (GMPCS) Service authorisation under UL and UL-VNO**
  - vi. Public Mobile Radio Trunking Service (PMRTS) authorisation under UL and UL-VNO**
  - vii. Commercial VSAT CUG Service authorisation under UL and UL-VNO**
  - viii. Captive VSAT CUG authorisation (Standalone)**
  - ix. Audio Conferencing/ Audiotex/ Voice Mail Service authorisation under UL**
    - i. Machine to Machine (M2M) Service authorisation under UL and UL-VNO**
    - ii. M2M Service Provider registration**
    - iii. WPAN/WLAN Connectivity Providers Registration**
    - iv. Resale of IPLC Service authorisation under UL-VNO**
    - v. Access Service Category-B authorisation under UL-VNO**
    - vi. CNPN Authorisation**
    - vii. CMRTS Authorisation**

- viii. Rules for In-Flight and Maritime Connectivity (IFMC) permission**
  - ix. IP-1 Registration**
  - x. NOC for sale/rent of International Roaming SIM Cards**
  - xi. Mobile Number Portability (MNP) service license**
  - xii. PM WANI service registration**
  - xiii. Captive Authorisations (on case-to-case basis)**
- 4. Section 3(2) of the Telecommunications Act 2023 provides for different terms and conditions of authorisation for different types of telecommunication services.**
  - 5. Section 3(5) of the Telecommunications Act 2023 provides that any authorised entity may undertake any merger, demerger or acquisition, or other forms of restructuring, subject to any law for the time being in force and any authorised entity that emerges pursuant to such process, shall comply with the terms and conditions, including fees and charges, applicable to the original authorised entity, and such other terms and conditions, as may be prescribed.**
  - 6. Section 3(6) of the Telecommunications Act 2023 provides that a licence, registration, permission, by whatever name called, granted prior to the appointed day under the Indian Telegraph Act, 1885, in respect of provision of telecommunication services shall be entitled to continue to operate under the terms and conditions and for the duration as specified under such licence or registration or permission, or to migrate to such terms and conditions of the relevant authorisation, as may be prescribed.**
  - 7. Many other Sections of the Telecommunications Act 2023 may have, either direct or indirect, linkages with the terms and conditions of the authorisation for providing telecommunication services. Some of these Sections of the Telecommunications Act 2023 are 4 to 9, 19 to 24, 28 to 42, 44, 45, 49, and 55. Many terms and**

Conditions of the extant licensing and regulatory framework relates to different Sections of the Telecommunications Act 2023. Further, some of the terms and conditions will be required to be amended/incorporated in light of certain new provisions in this Act and policy/ Act in related sectors such as Space. The possibility of reducing the number of authorisations and simplification/merger/rationalization of the terms and conditions to improve Ease of Doing Business, may also be examined.

## **TABLE OF CONTENTS**

		Page No.
<b>Schedule</b>	<b>: TERMS AND CONDITIONS</b>	<b>8</b>
<b>PART – I</b>		
<b>Chapter I</b>	<b>General Conditions</b>	<b>9</b>
	Condition 1: Ownership of the Authorisation Company	9
	Condition 2: Scope of the Authorisation	11
	Condition 3: Duration of Authorisation	11
	Condition 4: Renewal of Authorisation	12
	Condition 5: Modifications in the Terms and Conditions of Authorisation	12
	Condition 6: Restrictions on 'Transfer of Authorisation'	12
	Condition 7: Provision of Service	13
	Condition 8: Delivery of Service	13
	Condition 9: Requirement to furnish information	13
	Condition 10: Penalty, Suspension, Surrender, Termination/Revocation of Authorisation	13
	Condition 11: Actions pursuant to Termination of Authorisation	15
	Condition 12: Force-Majeure	15
	Condition 13: Set Off	16
	Condition 14: Way Leave	16
	Condition 15: Dispute Settlement	16
	Condition 16: Other Conditions	16
<b>Chapter II</b>	<b>Commercial Conditions</b>	<b>17</b>
	Condition 17: Tariffs	17
<b>Chapter III</b>	<b>Financial Conditions</b>	<b>18</b>
	Condition 18: Fees payable	18
	Condition 19: Definition of 'Adjusted Gross Revenue'	18
	Condition 20: Schedule of payment of Annual Authorisation Fee and other dues	18
	Condition 21: Bank Guarantees	20
	Condition 22: Preparation of Accounts	20
<b>Chapter IV</b>	<b>Technical Conditions</b>	<b>23</b>
	Condition 23: Technical Condition	23
	Condition 24: Compliance to Directions/Instructions	23
	Condition 25: The Applicable system	24
	Condition 26: Engineering Details	24
	Condition 27: Interface	25
	Condition 28: Quality of Service	25
<b>Chapter V</b>	<b>Operating Conditions</b>	<b>26</b>
	Condition 29: Subscriber Registration & Provision of Service	26
	Condition 30: The Subscriber Terminals	28
	Condition 31: Obligations imposed on the Authorisation	28
	Condition 32: Sharing of infrastructure	28
	Condition 33: Inspection and Testing of Installations	29
	Condition 34: Right to inspect	29
	Condition 35: Location of Network Elements	29
	Condition 36: Confidentiality of information	30
	Condition 37: Prohibition of certain Activities by the Authorisation	30

<b>Chapter VI</b>	<b>Security Conditions</b>	<b>32</b>
	Condition 38: Security Conditions	32
	Condition 39: Application of Indian Telegraph Act	39
<b>Chapter VII</b>	<b>Spectrum Allotment and use</b>	<b>40</b>

## PART- II

<b>Chapter VIII</b>	<b>Access Service</b>	<b>42</b>	
	Condition 1: Service Area	42	
	Condition 2: Scope of Access Service	42	
	Condition 3: Financial Conditions	44	
	Condition 4: Technical & Operating Conditions	45	
	Condition 5: Network Interconnection	45	
	Condition 6: Emergency & Public Utility Service	45	
	Condition 7: Security Conditions	45	
	Annexure-A: Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	48	
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	49	
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'		50
Annexure-B:	Norms for Preparation of Annual Financial Statement	56	
<b>Chapter IX</b>	<b>Internet Service</b>	<b>57</b>	
	Condition 1: Service Area	57	
	Condition 2: Scope of Internet Service	57	
	Condition 3: Financial Conditions	59	
	Condition 4: Network Interconnection	60	
	Condition 5: Provision of Service	60	
	Condition 6: Requirement to furnish information	60	
	Condition 7: Security Conditions	61	
	Annexure-A: Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	63	
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	64	
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'		65
Annexure-B:	Norms for Preparation of Annual Financial Statement	69	
<b>Chapter X</b>	<b>NLD Service</b>	<b>70</b>	
	Condition 1: Service Area	70	
	Condition 2: Scope of NLD Service	70	
	Condition 3: Financial Conditions	71	
	Condition 4: Network Interconnection	72	
	Condition 5: Technical Conditions	72	
	Annexure-A: Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	73	
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	74	
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'		75
Annexure-B:	Norms for Preparation of Annual Financial Statement	77	
<b>Chapter XI</b>	<b>ILD Service</b>	<b>78</b>	
	Condition 1: Service Area	78	
	Condition 2: Scope of ILD Service	78	
	Condition 3: Financial Conditions	78	
	Condition 4: Network Interconnection	79	
	Annexure-A: Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	80	
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	81	
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'		82
Annexure-B:	Norms for Preparation of Annual Financial Statement	84	
<b>Chapter XII</b>	<b>GMPCS Service</b>	<b>85</b>	
	Condition 1: Service Area	85	



Condition 2:	Scope of GMPCS Service	85
Condition 3:	Financial Conditions	85
Condition 4:	Technical Conditions	86
Condition 5:	Security Conditions	86
Annexure-A:	Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	87
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	88
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'	89
Annexure-B:	Norms for Preparation of Annual Financial Statement	92
<b>Chapter XIII</b>	<b>PMRTS Service</b>	<b>93</b>
Condition 1:	Service Area	93
Condition 2:	Scope of PMRTS Service	93
Condition 3:	Financial Conditions	93
Condition 4:	Network Interconnection	94
Annexure-A:	Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	95
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	96
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'	97
Annexure-B:	Norms for Preparation of Annual Financial Statement	100
<b>Chapter XIV</b>	<b>Commercial VSAT CUG Service</b>	<b>101</b>
Condition 1:	Service Area	101
Condition 2:	Scope of VSAT CUG Service	101
Condition 3:	Financial Conditions	101
Condition 4:	Technical Conditions	102
Condition 5:	Network Interconnection	103
Condition 6:	Security Conditions	103
Annexure-A:	Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	104
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	105
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'	106
Annexure-B:	Norms for Preparation of Annual Financial Statement	109
Annexure-C:	Monthly operation report proforma for VSAT Network	110
<b>Chapter XV</b>	<b>Resale of IPLC Service</b>	<b>112</b>

Condition 1:	Service Area	112
Condition 2:	Scope of IPLC Service	112
Condition 3:	Financial Conditions	112
Condition 4:	Security Conditions	113
Annexure-A:	Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	115
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	116
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'	117
Annexure-B:	Norms for Preparation of Annual Financial Statement	120
<b>Chapter XVI</b>	<b>Access Service Category B</b>	<b>121</b>
Condition 1:	Service Area	121
Condition 2:	Scope of Access Service	121
Condition 3:	Financial Conditions	122
Condition 4:	Technical & Operating Conditions	122
Condition 5:	Network Interconnection	123
Condition 6:	Emergency & Public Utility Service	123
Condition 7:	Security Conditions	123
Annexure-A:	Proforma for Affidavit regarding Calculation of 'Revenue' and 'Authorisation Fee'	125
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of Revenue' & 'Authorisation Fee'	126
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'	127
Annexure-B:	Norms for Preparation of Annual Financial Statement	129
<b>Chapter XVII</b>	<b>Machine to Machine Service (M2M)</b>	<b>131</b>
Condition 1:	Service Area	131
Condition 2:	Scope of M2M Service	131
Condition 3:	Financial Conditions	131
Condition 4:	Technical & Operating Conditions	132
Condition 5:	Provision of Services	133
Condition 6:	Network Interconnection	133
Condition 7:	Security Conditions	134
Annexure-A:	Proforma for Affidavit regarding Calculation Of 'Revenue' and 'Authorisation Fee'	135
Appendix-I to Annexure-A:	Format of Auditor's Report on 'Statement of 'Revenue'& 'Authorisation Fee'	136
Appendix-II to Annexure-A:	Format of 'Statement of Revenue' & 'Authorisation Fee'	137

Annexure-B : Norms for Preparation of Annual Financial Statement	140
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**Annexures to Schedule**

Annexure-I :	Definition of Terms and expressions	141
Annexure-II :	Details of Minimum Equity, Minimum Network, Entry Fee and FBG for various Service Authorizations	151
Annexure-III :	Proforma for Financial Bank Guarantee	152
Annexure-IV :	Telecom Service Areas	154
Annexure-V :	Table Indicating Limits of Penalty Amount	157
Annexure-VI :	List of Secondary Switching Areas	158
Annexure-VII :	List of other income to be excluded from GR to Arrive at APGR	169

# CHAPTER-I

## GENERAL CONDITIONS

### 1. Ownership of the Authorisation Company:

**<sup>1</sup>1.1 FDI upto 100% under automatic route** subject to observance of licensing and security conditions by Authorisation 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 Authorisation Company shall be counted for the purpose of calculating total FDI.

(iv) The Authorisation 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 Authorisation 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.

<sup>2</sup>1.2 The Authorisation shall declare the Indian & Foreign equity structure (both direct and in-direct) in the Authorisation company and submit a compliance report regarding compliance of FDI norms and security conditions on 1<sup>st</sup> day of January 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 Authorisation Company.

When there is a change in FDI in the Authorisation's company, the Authorisation shall also submit the FDI compliance report within 15 days.

1.3 The Authorisation shall also ensure that:

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

<sup>3</sup>(ii) There would not be any restriction on the number of VNO Authorisations 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

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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. 20-271/2010 AS-I (Vol.-IV) dated 02.08.2022

<sup>3</sup>Amended vide letter no 20-562/2017 AS-I dated 02.03.2020

of the customer. For wire line access services through EPABX, the connectivity of different NSOs shall be governed by the Terms & Conditions of respective service authorization as mentioned in PART-II of the Schedule to the Authorisation 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 Authorisation 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 Authorisation 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 Authorisation as per **Annexure-II**. The minimum paid up equity capital requirement under this Authorisation to acquire authorization for all the services is Rs. 10 Crore (Rupees Ten Crore only).

1.6 (i) The Authorisation shall have a minimum Networth equal to the sum of the Networth required for each Service opted by the Authorisation as per **Annexure-II**. The combined minimum Networth under this Authorisation 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 Authorisation shall declare paid up Capital and submit a compliance report on 1<sup>st</sup> day of January 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 Authorisation Company.

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

1.8 The Authorisation shall provide only those services for which authorization has been granted in the Authorisation 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 Authorisation, all the eligibility requirements will have to be met by the Authorisation.

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

## **2. Scope of Authorisation:**

<sup>6</sup>2.1 This Authorisation is granted to provide Service(s) as authorized in the Authorisation Agreement and as per the scope defined in relevant chapter(s) of this Authorisation Agreement, on a non-exclusive basis in the Service Area as applicable. Services can be provided by Authorisation 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 Authorisation area for which this Authorisation 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 Authorisation 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 Authorisation.

(ii) For providing the Service the Authorisation 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 Authorisation 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 Authorisation shall not provide any service/ services which require a separate authorization/Authorisation unless specifically provided for in the chapters for services authorized in this Authorisation Agreement.

(iv) It is obligatory upon the Authorisation 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 Authorisation 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 Authorisation may share the infrastructure as permitted under the scope of respective service authorization in PART-II of the Schedule to the Authorisation Agreement or as per the directions/instructions issued by the Licensor from time to time.

## **3. Duration of Authorisation:**

**3.1** This Authorisation shall be valid for a period of 15 years from the effective date of this Authorisation. The duration of the Authorisation 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 Authorisation can be reviewed after 3-4 years. The agreement of a VNO with a NSO will terminate with the expiry of the Authorisation of either party.

#### **4. Renewal of Authorisation:**

**4.1** The Licensor may renew, if deemed expedient, the period of Authorisation by 10 years at one time, upon request of the Authorisation, if made during the 09<sup>th</sup> year of the Authorisation 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 Authorisation may be required to pay a renewal fee as may be notified by the Licensor.

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

**5.1** The Licensor reserves the right to modify at any time the terms and conditions of the Authorisation, 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 Authorisation':**

**6.1** The Authorisation shall not, without the prior written consent of the Licensor as described below, either directly or indirectly, assign or transfer this Authorisation in any manner whatsoever to a third party or enter into any agreement for sub-Authorisation and/or partnership relating to any subject matter of the Authorisation 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 Authorisation, the Authorisation may appoint or employ franchisee, agents, distributors and employees.

**6.2** The Licensor shall have the right to direct the Authorisation 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 Authorisation 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 Authorisations shall be subject to the guidelines issued on the subject from time to time by the Licensor.

**6.4** Further, the Authorisation may transfer or assign the Authorisation 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 Authorisations 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 Authorisation in that area and shows its willingness in writing to comply with the terms and conditions of the Authorisation agreement including past and future

roll out obligations as well as to comply with guidelines for transfer/merger of Authorisations 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 Authorisation 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 Authorisation agreement if required. The Authorisation 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 Authorisation. Any service, permitted under the scope of this Authorisation Agreement, shall be commenced by the Authorisation only after prior intimation to the Licensor. The Authorisation's Applicable System/Service has to be broadly compliant to the scope of the Authorisation and requisite monitoring facilities are successfully demonstrated by the Authorisation, if equipment capable of monitoring is available with the Authorisation otherwise it shall be the responsibility of parent NSO(s).

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

**8.1** The Authorisation 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 Authorisation 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 Authorisation 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 Authorisation:**

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 Authorisation agreement.

10.1(ii) The Licensor reserves the right to suspend the operation of this Authorisation/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. Authorisation Fee payable to the Licensor will not be required to be paid for the period for which the operation of this Authorisation 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 Authorisation shall not be a cause or ground for extension of the period of the Authorisation 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 Authorisation, by a written notice to the Authorisation at its registered office,

terminate/revoke this Authorisation in whole or in part or any of the authorized service(s) under any of the following circumstances :

If the Authorisation:

- a) fails to perform any obligation(s) under the Authorisation 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 Authorisation for non-compliance of the terms and conditions of the Authorisation.
- e) fails to comply with FDI norms.
- f) has furnished information/ certificates for obtaining the Authorisation which is found false at any stage.

For this purpose, the Licensor shall issue a show cause notice of 21 days to the Authorisation. If the Licensor decides to revoke the Authorisation, the same will be effective from the 61<sup>st</sup> calendar day from the date of issue of such termination/revocation order. The Authorisation 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 Authorisation/ 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 Authorisation agreement.

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

10.3(i) In case a VNO wants to exit/surrender its Authorisation/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 Authorisation or any authorized service under this Authorisation, 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 Authorisation or any authorized service under this Authorisation, 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 Authorisation 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 Authorisation 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 Authorisation by the Authorisation. The Authorisation shall extend all reasonable facilities to conduct inquiry.

10.7 It shall be the responsibility of the Authorisation to maintain the Quality of Service even during the period when the notice for surrender/revocation of Authorisation 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 Authorisation. The Authorisation shall also be liable to pay the Authorisation 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 Authorisation:**

11.1 If under the Authorisation Agreement, material event occurs which entitle the Licensor to revoke the Authorisation Agreement, the Licensor shall proceed in accordance with the terms and conditions provided in the Tripartite Agreement read with the Authorisation 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 Authorisation/Service Authorization(s) due to reasons whatsoever or expiry of the Authorisation, the relevant Bank Guarantee(s) shall be released to the Authorisation only after ensuring clearance of all dues, which the Authorisation is liable to pay to the Licensor. In case of failure of the Authorisation 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 Authorisation.

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

12.1 If at any time, during the continuance of this Authorisation, 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 Authorisation), 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 Authorisation 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 Authorisation.

**12.3** While it will normally not be a ground for non-payment of Authorisation Fee, the liability for payment of Authorisation 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 Authorisation to the Licensor either against this Authorisation 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 Authorisation under this Authorisation Agreement or any other agreement or contract between the Licensor and the Authorisation.

**13.2** The aforesaid sum of money payable to the Authorisation 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 Authorisation of the action taken.

### **14. Way Leave:**

**14.1** The Authorisation 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 Authorisation(s), Authorisation 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 Authorisation or conditions of spectrum allotment.

### **15. Dispute Settlement:**

**15.1** All disputes relating to this Authorisation 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 Authorisation shall be bound by the terms and conditions of this Authorisation 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 Authorisation 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 Authorisation 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 Authorisation agreement. Any order passed under these statutes shall be binding on the Authorisation.

## CHAPTER-II

### COMMERCIAL CONDITIONS

#### 17. Tariffs:

**17.1** The Authorisation will charge the tariffs for the Service as per the Tariff orders/ regulations/ directions/decisions issued by TRAI from time to time. The Authorisation 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 Authorisation Fee:

18.1.1 In nominal entry fee of may be prescribed based upon the scope of the authorization normally it be restricted to Access services 50,000 per authorization per service areas. No Spectrum Usage charges (SUC) as VNOs are service delivery operators they need to pay applicable GST on the sale of the services in line with other industries are doing.

18.1.2 License Fee shall be slab base maximum of 1% of the AGR .It has to be the administrative costs of the licensor and regulator.

2013.

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<sup>8</sup>Amended vide letter no. 20-271/2010 AS-I (Vol.-IV) dated 01.10.2021

<sup>9</sup>Amended vide letter no20.271/2010 AS-I (Vol.-IV) dated 01.10.2021



## **20. BANK GUARANTEES:**

### **20.1 Performance Bank Guarantee:**

No Authorisations would be forced to create infrastructure therefore no roll out obligations may be casted upon Authorisations. Therefore, no PBG is prescribed for VNOs.

### <sup>10</sup>**21.2 Financial Bank Guarantee:**

The Authorisation shall submit Financial Bank Guarantee (FBG) equivalent to the prescribed 1% applicable license fee. Preparation of Accounts:

## **CHAPTER-IV**

### **TECHNICAL CONDITIONS**

## **21. TECHNICAL CONDITIONS:**

<sup>11</sup>23.1 The Authorisation 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 AUTHORISATION 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 Authorisation 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 Authorisation (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 Authorisation 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>12</sup>23.4 The AUTHORISATION 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.

## 22. Compliance to Directions/ Instructions:

### 22.1 Norms on Electromagnetic Field exposure by BTS (Base Stations)

In case the Authorisation installs BTS for providing the service, if permitted under the scope of the service authorization, the Authorisation 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

<sup>11</sup>Amended vide letter 20-562/2017 AS-I (Pt) dated 31.08.2018

<sup>12</sup>Amended vide letter no. 20-271/2010 AS-I (Vol-III) dated 20.11.2019

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 AUTHORISATION shall comply with the instructions/directions/ guidelines issued by Licensor on EMF exposure norms from time to time.

22.2 The Authorisation 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.

22.3 The Authorisation 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.

## 23. The Applicable System:

23.1 In the process of operating the Services, the Authorisation 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.

**24. Engineering Details:**

- (a) The Authorisation 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 Authorisation, concerned relevant literature, drawings and installation materials regarding the applicable system.
- (b) Authorisation 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 Authorisation.

## **25. Interface:**

25.1 The Authorisation shall operate and maintain the Authorisation 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 Authorisation to adhere to the network to network interface standards of TEC is liable to be treated as breach of AUTHORISATION terms and conditions. For the purpose of providing the Service, the Authorisation shall install his own equipment, if required, so as to be compatible with NSO's equipment to which the Authorisation's Applicable Systems are to be connected. The Authorisation shall be solely responsible for attending to any claims and damages arising out of his operations.

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

<sup>13</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.

## **26. Quality of Service:**

26.1 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 Authorisations.

26.2 Disaster/Emergency/Public Utility Services:

The Authorisation 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 Authorisation 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 Authorisation.

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

## CHAPTER-V

### OPERATING CONDITIONS

#### 27. Subscriber Registration and Provision of Service:

27.1 The AUTHORISATION 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 AUTHORISATION 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 AUTHORISATION 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 AUTHORISATION shall commence the Service on commercial basis only after starting subscriber registration in the manner prescribed. Before commencement of Service in an area, the AUTHORISATION 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 Authorisation.

Provided that nothing contained herein will affect or prejudice the rights of the AUTHORISATION to carry out check on credit worthiness of applicants for its services.

27.2 VNOs shall also be allowed to create their own service delivery platforms in respect of customer service, billing and VAS. The AUTHORISATION shall widely publicize provision of service and shall not refuse registration of demand in the service areas in which the Authorisation 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 Authorisation, then the AUTHORISATION 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 AUTHORISATION shall ensure continuity of services to its customers unless AUTHORISATION is Revoked or Suspended by the Licensor for any reason whatsoever.

<sup>14</sup>29.3(b) Authorisation 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.

29.4 It shall be the responsibility of the AUTHORISATION to issue or cause to be issued bills to its subscribers for use of the service. The AUTHORISATION shall maintain such records so as to produce itemized billing information. The billing system of the AUTHORISATION shall be able to generate the billing information, in adequate details, to ensure satisfaction of the

<sup>14</sup>Amended vide letter no. 20-559/2017 AS-I (Pt) dated 24.01.2019

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

29.5 The AUTHORISATION shall offer a regular itemised billing to its subscribers wherever applicable. In every case the AUTHORISATION shall be responsible to its subscribers and shall ensure fulfillment of the obligations in this regard. The AUTHORISATION 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 Authorisation's contractual obligations to various Authorisations and Other Service Providers (OSPs) not requiring Authorisation 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 Authorisation while providing the resources to other Authorisations/ OSPs shall satisfy itself that such Authorisations/OSPs are eligible to obtain that resource.

29.9 The AUTHORISATION 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 Authorisation, 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 AUTHORISATION 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 AUTHORISATION through the Satellite media or use of satellite media through owned/leased satellite connectivity: -

(i) The Authorisation 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 Authorisation. NOCC instructions with regard to space segment access and other relevant operational matters will have to be complied with by the Authorisation.

(iii) For use of space segment and setting up and to start operating the Earth Station etc., if owned by the Authorisation, Authorisation 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 Authorisation.

(v) For VSATs supplied or leased by the Authorisation, a certificate from the AUTHORISATION duly supported by the manufacturer certificate meeting the mandatory performance requirements shall be submitted by the AUTHORISATION to NOCC.

Mandatory performance



verification of VSATs will be carried out by NOCC on selective basis on payment of necessary testing charges by Authorisation.

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

## **28. The Subscriber Terminals:**

28.1 The Authorisation 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 Authorisation and subscriber.

28.2 The Authorisation shall be responsible to ensure that the subscriber terminal, if required by the Authorisation, is operated in accordance with the terms and conditions of the Authorisation, the Wireless Operating Authorisation 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.

28.3 The subscriber terminals/CPE, if deployed by Authorisation, 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 Authorisation 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.

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

## **29. Obligations imposed on the Authorisation:**

29.1 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 Authorisation.

29.2 The Authorisation 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 Authorisation 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.

## **30. Sharing of infrastructure:**

30.1 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.

30.2 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>15</sup>32.3 The Authorisation may share its own active and passive infrastructure for providing other services authorized to it under any other telecom Authorisation 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.

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

31.1 The Licensor/ TRAI may carry out performance tests as required for checking Quality of Service, if it so desires. The AUTHORISATION 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 Authorisation, which may be amended by the Licensor.

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

31.3 Whenever any element of the network/system of the Authorisation, if permitted to be installed outside the Service Area as per the terms of the respective service authorization and has been so installed, the Authorisation 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.

### **32. Right to inspect:**

32.1 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 Authorisation will provide the necessary facilities for continuous monitoring of the system in the Authorisation Service Area, as required by the Licensor or its authorized representative(s). The inspection will ordinarily be carried out after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

32.2 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 AUTHORISATION by the Authorisation and upon such inquiry, the Authorisation shall extend all reasonable facilities without any hindrance to the Licensor/Ministry of Information & Broadcasting as the case may be.

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

33.1 The Authorisation 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

<sup>15</sup> Appended vide letter no 20-271/2010 AS-I (Vol.-III) dated 23.09.2021

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 Authorisation Network.

33.2 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.

33.3 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.

#### **34. Confidentiality of information:**

34.1 The Authorisation 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 Authorisation and connected to the Authorisation's network. However, the Authorisation 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 Authorisation

34.2 Subject to terms and conditions of the Authorisation, the Authorisation 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 Authorisation or the Authorisation 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.

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

34.4 The Authorisation shall, prior to commencement of Service, confirm in writing to the Licensor that the Authorisation has taken all necessary steps to ensure that it and its employees shall observe confidentiality of customer information.

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

#### **35. Prohibition of certain activities by the Authorisation:**

35.1 Carriage of objectionable, obscene, unauthorized or any other content, messages or communications, if equipment owned by the Authorisation, 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 Authorisation by the enforcement agencies/Licensor, the Authorisation shall take necessary measures to prevent carriage of such messages in its network immediately.

35.2 The AUTHORISATION 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 Authorisation, 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 Authorisation's failure in this regard shall be payable by the Authorisation.

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

35.4 The AUTHORISATION 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.

35.5 The Authorisation shall in no case permit service to any Telecom Service Provider (including those Other Service Providers who do not require Authorisation under Section 4 of Indian Telegraph Act, 1885) whose Authorisation is either revoked or suspended or not in operation at any point of time. Where connectivity already exists, the Authorisation 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.

<sup>16</sup>37.6 Authorisation shall not enter into any exclusive contract for establishing public network to provide public telecom services or Right of Way (RoW) with any Public entity or any Person.

<sup>16</sup> Amended vide letter 20-271/2023 AS-I dated 27.07.2023

## **CHAPTER-VI**

### **SECURITY CONDITIONS**

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

36.1 The AUTHORISATION 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 Authorisation.

36.2 The AUTHORISATION 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 Authorisation for technical scrutiny and for inspection, which can be visual inspection or an operational inspection if such equipment are installed by Authorisation.

36.3 All foreign personnel likely to be deployed by the AUTHORISATION for installation, operation and maintenance of the Authorisation'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.

36.4 The AUTHORISATION 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 Authorisation.

36.5 The AUTHORISATION shall be completely and totally responsible for security of their networks if network equipment pertain to Authorisation. The AUTHORISATION 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 AUTHORISATION shall submit its policy to Licensor within 90 calendar days from the date of issue of the Authorisation/each service authorization.

36.6 In furtherance of organizational security policy, the AUTHORISATION 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 AUTHORISATION/ Service authorization. The AUTHORISATION 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.

36.7 The AUTHORISATION 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 AUTHORISATION for a period of 10 years from the date of procurement of equipment.

<sup>17</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 Authorisation 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.

<sup>18</sup>With effect from 15<sup>th</sup> June 2021, the Authorisation, shall only connect Trusted Products in its network and also seek permission from Designated Authority for upgradation or expansion 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 Authorisations shall comply with the Guidance for Enhanced Supervision and Effective Control of Telecommunication Networks, as per guidelines to be issued by the Licensor.

36.8 The AUTHORISATION 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 AUTHORISATION 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.

36.9 The AUTHORISATION, 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 Authorisation, 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, AUTHORISATION 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 shall be provided to Licensor or agencies designated by the Licensor as and when required.

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<sup>17</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 10.03.2021





- (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.

36.10 (i) The AUTHORISATION 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 Authorisation within 12 months of effective date of this AUTHORISATION/ authorization and be reported to Licensor as and when created during this period.

38.10 (ii) The Authorisation through suitable agreement clauses with vendor shall ensure that the Vendor/ Supplier allow the Authorisation, 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 AUTHORISATION 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 Authorisation prescribed under this Authorisation. 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 Authorisation, 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 AUTHORISATION 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, AUTHORISATION of the AUTHORISATION 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 AUTHORISATION 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 Authorisations 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 Authorisation 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 Authorisation 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 Authorisation 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. Authorisation 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 Authorisation.

38.15 The Government through appropriate notification may debar usage of mobile terminals in certain areas in the country. The AUTHORISATION 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 AUTHORISATION 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 Authorisation (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 Authorisation and shall be strictly complied with.

38.17 (i) The Authorisation 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 Authorisation 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 Authorisation. 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 Authorisation 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 Authorisation. Authorisation 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 Authorisation 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 Authorisation. The Authorisation shall also update the list of his subscribers and make available the same to the Licensor at such intervals as may be prescribed. The Authorisation shall make available, at any prescribed instant, to the Licensor or its authorized representative details of the subscribers using the service.

<sup>19</sup>38.20 The Authorisation shall, if equipment is owned by Authorisation, maintain all commercial records/ Call Detail Record (CDR)/ Exchange Detail Record (EDR)/ IP 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.

<sup>19</sup>Amended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 21.12.2021

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 Authorisation 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 Authorisation, 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 Authorisation 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) Authorisation 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 Authorisation Company. Clearance from the Licensor would be required if such information is to be provided to anybody else.

- (iii) The Authorisation Company shall take adequate and timely measures to ensure that the information transacted through a network, if owned by Authorisation, by the subscribers is secure and protected.
- (iv) The officers/ officials/ Nodal Executives of the Authorisation companies dealing with the lawful interception of messages will be resident Indian citizens in case equipment capable of interception is under the Authorisation.
- (v) The majority Directors on the Board of the Authorisation 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 Authorisation.
- (vii) On request of the Licensor or any other agency authorized by the Licensor, the Authorisation 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 Authorisation 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 Authorisation 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 Authorisation 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 Authorisation 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.

**37. Application of Indian Telegraph Act, 1885:**

37.1 The Authorisation 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.

37.2 As per the provision of Section 5 of Indian Telegraph Act, the Authorisation 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 Authorisation.

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 No spectrum to be allotted VNOS.

## 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. Authorisation/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 Authorisation's & or NSO's network in the designated Service Area. The Authorisation 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 Authorisation's parent NSO may interconnect Internet Telephony network with PSTN/PLMN/GMPCS network. The Authorisation may provide access service, which could be on wireline and/or wireless media with full mobility, limited mobility and fixed wireless access.

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

(iv) The Authorisation 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 Authorisation 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 Authorisation through these services shall be counted towards the revenue for the purpose of paying Authorisation Fee under the AUTHORISATION AGREEMENT.

<sup>20</sup>(vi) Deleted.

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

(viii) The Authorisation 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 AUTHORISATION has to follow the

<sup>20</sup> Amended vide DoT letter no 20-271/2010 AS-I (Vol. - III) dated 23.08.2022.

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 AUTHORISATION must ensure that the mobility in case of such limited mobile service/ facility remains restricted to SDCA.

2.2 Authorisation may carry intra-circle long distance traffic on its network.

2.3 For providing service, the Authorisation 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>21</sup>2.5 (ii) Internet Telephony calls originated by International out roamers from international locations shall be handed over at the International gateway of Authorisation and ILDOs and International termination charges shall be paid to the terminating access service provider. In case the Authorisation 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 Authorisation. TSPs are allowed to allocate same number to the subscriber both for Cellular Mobile service and Internet Telephony service. The access service Authorisation 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 Authorisations should comply with all the interception and monitoring related requirements as specified in the Authorisation as amended from time to time for providing Internet Telephony.

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.

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<sup>21</sup>Appended vide letter no.20-573/2017 AS-I dated 19.06.2018

2.5 (vi) The Authorisations 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 Authorisations 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 Authorisation, 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.

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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 Authorisations 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 Authorisations & NSOs.

4.2 The sharing of infrastructure, owned, established and operated by the Authorisation 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 Authorisations TSPs.

(ii) Provision of point to point bandwidth from their own infrastructure within their Service Area to other Authorisation telecom service providers for their own use. However, the Authorisation hiring the bandwidth shall not resell such bandwidth.

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

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

4.5 Location of switches and other network elements: The Authorisation 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 Authorisation. The Authorisation will connect to its parent NSO (s).

<sup>22</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.

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

6.1 The AUTHORISATION 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 Authorisation):**

<sup>23</sup>7.1 (i) Deleted

<sup>24</sup>7.1 (ii) Deleted

<sup>25</sup>7.1 (iii) Deleted

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<sup>22</sup>Amended vide letter no 20-562/2017 AS-I dated 02.03.2020

<sup>23</sup> Amended vide DoT letter no 20-271/2010 AS-I (Vol. - III) dated 23.08.2022.

<sup>24</sup> Amended vide DoT letter no 20-271/2010 AS-I (Vol. - III) dated 23.08.2022.

<sup>25</sup> Amended vide DoT letter no 20-271/2010 AS-I (Vol. - III) dated 23.08.2022.

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 Authorisation. The Authorisation should make arrangement for monitoring simultaneous calls by Government security agencies in case equipment for monitoring is available with Authorisation. For establishing connectivity to Centralized Monitoring System, the Authorisation 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 Authorisation. In case the security agencies intend to locate the equipment at Authorisation's premises for facilitating monitoring, the Authorisation 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 Authorisation for both data and speech. The Authorisation 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 Authorisation. Each MSC of the Authorisation 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 Authorisation 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



<sup>26</sup> Amended vide DoT letter no 20-271/2010 AS-I (Vol. - III) dated 23.08.2022.

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 Authorisation shall provide, in case equipment to do so is with Authorisation, location details of mobile customers in the Service Area as per below mentioned accuracy and time frame (from the effective date of this Authorisation). 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 Authorisation, 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 Authorisation, 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 “Authorisation 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), AUTHORISATION 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 Authorisation Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of Authorisation fee, apayment of Rs. .... (Rupees..... is being made for the period ..... to..... The details of calculation of ‘Revenue’ and Authorisation 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 Authorisation 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 Authorisation Fee**

To

The Board of Directors

.....  
.....

We have examined the attached Statement of Revenue and Authorisation 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 AuthorisationFee 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 Authorisation fee paid/ payable by the company to the Government, in terms of the Authorisation 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 Authorisation agreement in this behalf and gives a true and fair view of the revenue and Authorisation 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**

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

**Statement of Revenue and Authorisation 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 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			
lii	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</b> <b>including full value of all</b> <b>components charged therein.</b>			
<b>ii.</b>	<b>Any other income/ miscellaneous receipt from</b> <b>Mobile Community phone</b> <b>service.</b>			
<b>D (c)</b>	<b>Revenue from BWA Services:</b>			
<b>D(c) 1.</b>	<b>Post paid options:</b>			
i.	Rentals			
li	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.			
li	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(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>			
i.	Roaming facility revenue from own subscribers.			
ii.	Roaming revenue from own subscriber visiting other networks including STD/ISD/pass thru charges for transmission of incoming call during roaming.			
iii.	Roaming Commission earned.			
iv.	GST if not included above.			
v.	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, turnkey projects etc.</b>			
<b>9</b>	<b>Revenue from NSO on account of Roaming</b>			



	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 Authorisation from Ministry of Information and Broadcasting			
12.	Miscellaneous revenue			
AA	<b>GROSS REVENUE OF THE Authorisation COMPANY: (Add 1-12)</b>			
BB	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a Authorisation 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 Authorisation 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 Authorisation/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 Authorisation desires to obtain ISP Category 'C' Authorization, under Unified Authorisation(VNO), for more than four SSAs in a Telecom Circle, the Authorisation shall be required to obtain ISP Category 'B' authorization for that Service Area.

Authorisation/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 Authorisation 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 Authorisation 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 Authorisation may provide Internet Telephony through Public Internet by the use of Personal Computers (PC) or IP based Customer Premises Equipment (CPE) connecting through 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 Authorisations like Basic Service Authorisations, Cellular Mobile Telephone Service (CMTS) Authorisations, Unified Access Service (UAS) Authorisations, Unified Authorisation (Access Service), Unified Authorisation with authorization for access services.

(iii) The Internet Telephony, only as described in condition (ii) above, can be provided by the Authorisation. 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 Authorisation to show compliance with IANA numbering scheme is not permitted.

(v) For carrying originating and terminating traffic of its subscribers, the Authorisation may establish its own transmission links within its service area. For this purpose, the Authorisation 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 Authorisation shall be applicable.

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

(vii) The Authorisation 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 Authorisations.

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

**<sup>28</sup>2.3 Principle of non-discriminatory treatment, definition of specialised services and reasonable traffic management and other exceptions:**

(i) A Authorisation 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 Authorisation 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 Authorisation, 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 Authorisation 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.

(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.

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<sup>28</sup>Amended vide letter no 20-271/2010 AS-I (Vol.-III) dated 26.09.2018

- 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 Authorisations is authorised to provide such services in accordance with the provisions contained in this Authorisation, as modified from time to time.

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

#### <sup>29</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 Authorisation as reduced by the items listed below:

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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):*

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<sup>29</sup>Amended vide letter 20-271/2010 AS-I (Vol.-V) dated 25.10.2021

- 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) Authorisation 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 Authorisation's network to the network of NSO Authorisation by the Licensor including time frame for provision of the same, will be mutually agreed between the parties concerned Authorisation and NSO(s).

4.3 Authorisations 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 Authorisation 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 Authorisation and subscriber.

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

5.3 The Authorisation, having DTH service Authorisation 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 Authorisation to obtain IP addresses, domain name, etc. from NSO(s).

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

6.1 The Authorisation 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 Authorisation 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 Authorisation 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 Authorisation finds that ILL customer is non-compliant to the above requirement, the Authorisation shall withdraw the service.

7.2 The login ID/ Password shall be provided to concerned DDG of LSA field Unit of DoT. Online updating of ILL customers' data by Authorisations 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, GMPACS 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 Authorisation 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 Authorisation detects the misuse of Internet Leased Line, the Authorisation shall take immediate action to disconnect the service to this subscriber and file an FIR against the subscriber. The Authorisation 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 Authorisation 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 Authorisation has itself been involved in/abetted the misuse of ILL, it shall be construed as breach of terms and conditions of the Authorisation 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 "Authorisation 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), Authorisation 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 Authorisation Agreement No..... signed between the Company and the Department of Telecommunications, for payment of Authorisation fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to ..... . The details of calculation of 'Revenue' and Authorisation 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 Authorisation Fee' as Annexure are true and correct to the best of my knowledge, no part of it is false and nothing has beenconcealed therefrom.

Deponent

**Appendix-I to Annexure-A**

(Format of Auditor’s Report on Statement of Revenue and Authorisation Fee)

To

The Board of Directors

.....  
.....

We have examined the attached Statement of Revenue and Authorisation 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 Authorisation 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 Authorisation fee payable by the company to the Government, in terms of the Authorisation 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 Authorisation agreement in this behalf and gives a true and fair view of the revenue and Authorisation 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**

**<sup>30</sup>Format of Statement of Revenue and Authorisation Fee \_\_\_\_\_(Name and address of operator) in \_\_\_\_\_( Service Area)**

**Statement of Revenue and Authorisation 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.			

<sup>30</sup> Amendment vide DoT letter no. 20-271/2010-AS-I(Vol.V) dated 25<sup>th</sup> October, 2021

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>	<b>Any other INCOME</b>			

<b>10</b>	<b>Revenue from IPTV Services</b>			
<b>11</b>	<b>Revenue paid by NSO to Authorisation + Miscellaneous Revenue</b>			
<b>12</b>	<b>Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a Authorisation from Ministry of Information and Broadcasting</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE Authorisation COMPANY :(Add1-12)</b>			
<b>BB</b>	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a Authorisation 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 Authorisation 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) Authorisation with authorization for NLD shall be parent to NSO(s) only.
  - (b) The Authorisation may pickup, carry and deliver to NSO(NLDO) for further carriage & termination.
  - (c) The Authorisation 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 Authorisation can access the subscribers directly.
- 2.2(i) The Authorisation 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 Authorisations.
- 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 Authorisation. 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 Authorisation 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**

Gross revenue shall be inclusive of total revenue accruing to the Authorisation 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.

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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>31</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-V) dated 25.10.2021

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

4.1 A UL (VNO) Authorisation 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>32</sup>5.1 A Authorisation having Authorisation/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>32</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 “Authorisation 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), Authorisation 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 Authorisation Agreement No..... signed between the Company and the Department of Telecommunications, for payment of Authorisation fee, a payment of Rs. .... (Rupees .....  
.....  
is being made for the period ..... to..... The details of calculation of ‘Revenue’ and Authorisation 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 Authorisation Fee**

To

The Board of Directors

.....

.....

We have examined the attached Statement of Revenue and Authorisation 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 Authorisation 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 Authorisation fee paid/payable by the company to the Government, in terms of the Authorisation 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 Authorisation agreement in this behalf and gives a true and fair view of the revenue and Authorisation 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**

**<sup>33</sup>Format of Statement of Revenue and Authorisation Fee\_\_\_\_(Name and address of operator) VNO - NATIONAL LONG DISTANCE SERVICE**

**Statement of Revenue and Authorisation 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>ESTIMATED FOR THE CURRENT QUARTER</b>	<b>CUMULATIVE UPTO THE PREVIOUS QUARTER</b>
<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 Authorisation from Ministry of Information and Broadcasting</b>			
<b>6.</b>	<b>Miscellaneous revenue.</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE Authorisation COMPANY (Add 1-6):</b>			

<sup>33</sup> *Amendment vide DoT letter no. 20-271/2010-AS-I(Vol.V) dated 25<sup>th</sup> October, 2021*



<b>BB</b>	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a Authorisation 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 Authorisation 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 Services shall be at National Level.

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

2.1(i) The Authorisation 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 Authorisations.

2.2(i) Further, the Authorisation 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/Licensor.

(iii) The Authorisation 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 Authorisation 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.

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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) Authorisation 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 “Authorisation 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), Authorisation 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 AUTHORISATION AGREEMENT No. .... signed between the Company and the Department of Telecommunications, for payment of Authorisation Fee, a payment of Rs ..... (Rupees ..... )is being made for the period ..... to .....
3. The details of calculation of ‘Revenue’ and Authorisation 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 here from.

Deponent

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

To

The Board of Directors,

.....

.....

We have examined the attached Statement of Revenue and Authorisation 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 Authorisation 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 Authorisation Fee paid/payable by the company to the Government, in terms of the Authorisation 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 AUTHORISATION AGREEMENT in this behalf and gives a true and fair view of the revenue and Authorisation 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**

**<sup>34</sup>Format of Statement of Revenue and Authorisation Fee -----(Name and address of operator) VNO-INTERNATIONAL LONG DISTANCE SERVICE  
Statement of revenue and Authorisation 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 Authorisation)</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 Authorisation from Ministry of Information and Broadcasting</b>		
<b>7.</b>	<b>Any other revenue</b>		
<b>8.</b>	<b>Miscellaneous revenue</b>		

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<sup>34</sup> *Amendment vide DoT letter no. 20-271/2010-AS-I(Vol.V) dated 25<sup>th</sup> October, 2021*



<b>AA</b>	<b>GROSS REVENUE OF THE Authorisation 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 Authorisation 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 Authorisation 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 Authorisation 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>35</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.

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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 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) Authorisation 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 Authorisation 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 Authorisation 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 Authorisation 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 “Authorisation 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), Authorisation 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 Authorisation Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of Authorisation fee, a payment of Rs. .... (Rupees ..... is being made for the period ..... to .....The details of calculation of ‘Revenue’ and Authorisation 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 Authorisation 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 Authorisation Fee**

To

The Board of Directors

.....  
.....

We have examined the attached Statement of Revenue and Authorisation 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 AuthorisationFee 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 Authorisation fee paid by the company to the Government, in terms of the Authorisation agreement No..... Signed between the company and theDepartment 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 Authorisation agreement in this behalf and gives a true and fair view of the revenue and Authorisation fee paid/payable for the period computed on the basis of the aforesaid guidelines except for the following.....

\* Strike off wherever not applicable.

**(SIGNATURE)**

**<sup>36</sup>Format of Statement of Revenue and Authorisation Fee \_\_\_\_\_(Name and address of operator)**

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

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

**(AMOUNT IN RUPEES)**

<b>S.N</b>	<b>PARTICULARS</b>	<b>ACTUALS OF THE PREVIOUS QUARTER</b>	<b>FIGURES FOR THE CURRENT QUARTER</b>	<b>CUMULATIVE FIGURES UP TO THE PREVIOUS QUARTER</b>
<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.			
C. i.	Revenue from Mobile Community phone service including full value of all components charged therein.			
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>			

<sup>36</sup> Amendment vide DoT letter no. 20-271/2010-AS-I(Vol.V) dated 25<sup>th</sup> October, 2021

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, excluding revenues already included in 1A&amp;1B</b>			
<b>6.</b>	<b>Revenue from sharing/leasing of infrastructure</b>			
<b>7.</b>	<b>Revenue from other operators from sale of bandwidth</b>			
<b>8.</b>	<b>Revenue from other operators on account of provisioning of interconnection</b>			
<b>9.</b>	<b>Any other INCOME</b>			
<b>10.</b>	<b>Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a Authorisation from Ministry of Information and Broadcasting</b>			
<b>11.</b>	<b>Miscellaneous revenue</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE AUTHORISATION 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 Authorisation 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 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 Authorisation 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. Authorisation/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 Authorisation 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:**

#### **3.1 Gross Revenue:**

The Gross revenue shall include all revenues accruing to the Authorisation 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.

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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

<sup>37</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-V) dated 25.10.2021

- 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) Authorisation 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 “Authorisation 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), Authorisation 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 Authorisation Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of Authorisation fee, apayment of Rs. .... (Rupees..... is being made for the period ..... to..... The details of calculation of ‘revenue’ and Authorisation 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 Authorisation Fee**

To

The Board of Directors

.....

We have examined the attached Statement of Revenue and Authorisation 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 AuthorisationFee 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 Authorisation fee paid by the company to the Government,in terms of the Authorisation 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 Authorisation agreement in this behalf and gives a true and fair view of the revenue and Authorisation fee paid/payable forthe period computed on the basis of the aforesaid guidelines except for the following:

(Seal and Signature )

Place & Date

\*Strike off wherever not applicable.

**<sup>38</sup>Format of Statement of Revenue and Authorisation Fee \_\_\_\_\_(Name and address of operator)**

**Public Mobile Radio Trunking Service in \_\_\_\_\_ Service Area  
Statement of Revenue and Authorisation Fee for the Quarter .....of the  
financialyear.....**

**(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</b>			



<sup>38</sup> *Amendment vide DoT letter no. 20-271/2010-AS-I(Vol.V) dated 25<sup>th</sup> October, 2021*

	as revenue from activities under a Authorisation from Ministry of Information and Broadcasting			
6.	Any other receipt / Miscellaneous revenue.			
AA	<b>GROSS REVENUE OF THE Authorisation COMPANY:(Add 1-6)</b>			
BB	<b>Less</b>			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a Authorisation 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 Bulk/ wholesale bandwidth, leased line and bandwidth charges and minutes.			
3.	Goods and Service Tax paid to the Government.			
DD	<b>TOTAL DEDUCTION (1+2+3)</b>			

EE	Adjusted Gross Revenue (CC-DD)			
	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 Authorisation 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>39</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 Authorisation after obtaining ISP Authorisation 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 Internetservice 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 Authorisation 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>40</sup>3.1 Gross Revenue:

The Gross Revenue shall include all revenues accruing to the Authorisation 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), VSAT hardware/software, fees on account of Annual Maintenance Contract/ Annual

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<sup>39</sup>Amended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 23.09.2021

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.

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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>41</sup>4.1 **Technical Parameters**:-For providing the VSAT services, the **VNO** shall install equipment complying to the technical parameters mentioned in the relevant 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.

<sup>41</sup>Amended vide letter no. 20-271/2010 AS-I (Vol.-III) dated 23.09.2021

- (ii) The space segment charges will be payable to NSO as per mutual agreement.
- (iii) As mentioned in Chapter VII of the Authorisation agreement, separate clearances/Authorisation 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>42A</sup> Authorisation having Authorisation/ 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) Authorisation 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 Authorisation 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 Authorisation 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.



<sup>42</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 “Authorisation 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), Authorisation 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 Authorisation Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of Authorisation fee, apayment of Rs. .... (Rupees..... is being made for the period ..... to..... The details of calculation of ‘revenue’ and Authorisation 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 Authorisation Fee**

To

The Board of Directors

.....

We have examined the attached Statement of Revenue and Authorisation 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 AuthorisationFee 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 Authorisation fee paid/payable by the company to the Government, in terms of the Authorisation 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 Authorisation agreement in this behalf and gives a true and fair view of the revenue and Authorisation fee paid/payable forthe period computed on the basis of the aforesaid guidelines except for the following:

( Seal and Signature )

Place & Date

\*Strike off wherever not applicable.

**<sup>43</sup>Format of Statement of Revenue and Authorisation Fee----- (Name and address of operator)**

**VNO-VERY SMALL APERTURE TERMINAL SERVICE**

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

**(AMOUNT IN RUPEES)**

<b>Sl. No.</b>	<b>PARTICULARS</b>	<b>ACTUALS FOR THE PREVIOUS QUARTER</b>	<b>FIGURES FOR CURRENT QUARTER</b>	<b>CUMULATIVE FIGURES UPTO THE PREVIOUS QUARTER</b>
<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 Authorisation from Ministry of Information and Broadcasting</b>			
<b>7.</b>	<b>Miscellaneous revenue including revenue paid by NSO to Authorisation.</b>			
<b>AA</b>	<b>GROSS REVENUE OF THE Authorisation 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 Authorisation 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 Authorisation 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 NO	Site Name & Address	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 Authorisation 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), Authorisation under section 4 of the Indian Telegraph Act, 1885.

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

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

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

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

(g) The Authorisation 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>44</sup>3.1 **Gross Revenue:**

The Gross Revenue shall include all revenues accruing to the Authorisation 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.

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<sup>44</sup> Amended vide letter no. 20-271/2010 AS-I (Vol.-V) dated 25.10.2021

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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 Authorisation shall take IPLC from the Authorisation and 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 Authorisation.

4.2 The provisioning for Lawful Interception & Monitoring of the Resellers' IPLC shall be done by the ILDO 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 Authorisation 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 Authorisation 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 Authorisation 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 Authorisation Agreement shall not be applicable for Resale of IPLC Service.

**Annexure-A**

Proforma for Affidavit regarding details of calculation of “Revenue” and “Authorisation 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), Authorisation 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 Authorisation Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of Authorisation fee, apayment of Rs. .... (Rupees..... is being made for the period ..... to..... The details of calculation of ‘revenue’ and Authorisation 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 Authorisation Fee

To

The Board of Directors,

.....

.....

We have examined the attached Statement of Revenue and Authorisation 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 Authorisation 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 Authorisation Fee paid/payable by the company to the Government, in terms of the AUTHORISATION 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 AUTHORISATION AGREEMENT in this behalf and gives a true and fair view of the revenue and Authorisation 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.



**<sup>45</sup>Format of Statement of Revenue and Authorisation 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)

S. No	PARTICULARS	ACTUALS FOR THE PREVIOUS QUARTER	ESTIMATED FOR THE CURRENT QUARTER	CUMULATIVE UPTO THE PREVIOUS QUARTER
<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>			

6.	Revenue from sale/ lease of bandwidth, links, R&G cases, turnkey projects etc.			
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 Authorisation from Ministry of Information and Broadcasting			
10.	Miscellaneous Revenue			
AA	GROSS REVENUE OF THE Authorisation COMPANY(ADD 1-10):			
BB	Less			
1.	Revenue from operations other than telecom activities/ operations			
2.	Revenue from activities under a Authorisation 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 Authorisation 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. Authorisation/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 Authorisation's & or NSO's wireline network in the designated Service Area. The Authorisation 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 Authorisation's parent NSO may interconnect Internet Telephony network with PSTN network. The Authorisation may provide wireline access service only.

(ii) The Authorisation 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 Authorisation 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 Authorisation 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 Authorisation through these services shall be counted towards the revenue for the purpose of paying Authorisation Fee under the AUTHORISATION AGREEMENT.

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

2.2 For providing service, the Authorisation 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 Authorisation 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.

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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 Authorisation 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 Authorisations TSPs.

(ii) Provision of point to point bandwidth from their own infrastructure within their Service Area to other Authorisation telecom service providers for their own use. However, the Authorisation hiring the bandwidth shall not resell such bandwidth.

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

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

4.4 Location of switches and other network elements: The Authorisation 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 Authorisation. The Authorisation will connect to its parent NSO (s).

<sup>46</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 Authorisation 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 Authorisation National Long Distance Operator (NLDO)/ International Long Distance Operator (ILDO) jurisdiction. Further, Authorisation 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 AUTHORISATION 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 Authorisation):**

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 Authorisation. The Authorisation should make arrangement for monitoring simultaneous calls by Government security agencies in case equipment for monitoring is available with Authorisation. For establishing connectivity to Centralized Monitoring System, the Authorisation 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 Authorisation. In case the security agencies intend to locate the equipment at Authorisation's premises for facilitating monitoring,

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<sup>46</sup>*Amended vide letter no 20-562/2017 AS-I dated 02.03.2020*



the Authorisation 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 Authorisation for both data and speech. The Authorisation 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 Authorisation. 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 Authorisation 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 Authorisation, 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 “Authorisation 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), AUTHORISATION 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 Authorisation Agreement No. .... signed between the Company and the Department of Telecommunications, for payment of Authorisation fee, apayment of Rs. .... (Rupees..... is being made for the period ..... to..... The details of calculation of ‘Revenue’ and Authorisation 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 Authorisation 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 Authorisation Fee**

To

The Board of Directors

.....  
.....

We have examined the attached Statement of Revenue and Authorisation 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 AuthorisationFee 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 Authorisation fee paid/ payable by the company to the Government, in terms of the Authorisation 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 Authorisation agreement in this behalf and gives a true and fair view of the revenue and Authorisation 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**

<sup>47</sup>Format of Statement of Revenue and Authorisation Fee \_\_\_\_\_ (Name and address of operator)

Access Services Category 'B' in \_\_\_\_\_ ( Service Area)

Statement of Revenue and Authorisation 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 Authorisation from Ministry of Information and Broadcasting</b>			
7.	<b>Miscellaneous Revenue</b>			

<sup>47</sup> Amendment vide DoT letter no. 20-271/2010-AS-I(Vol.V) dated 25<sup>th</sup> October, 2021

<b>AA</b>	<b>GROSS REVENUE OF THE Authorisation 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 Authorisation 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>			
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## ANNEXURE-B

### NORMS FOR PREPARATION OF ANNUAL FINANCIAL STATEMENTS

- Accounts shall be maintained separately for each telecom service operated by the Authorisation 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 Authorisation/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 Authorisation desires to obtain M2M Category 'C' Authorization, under Unified Authorisation, for more than four SSAs in a Telecom Circle, the Authorisation shall be required to obtain M2M Category 'B' authorization for that Service Area.

Authorisation/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 Authorisation can own the underlying network to provide connectivity and related services for M2M Service Providers.

2(ii) The Authorisation 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 Authorisation intending to provide services exclusively through the LPWAN or equivalent technologies using unAuthorisationd spectrum shall be covered under this authorization. Such Authorisations may also use backhaul/ access spectrum of its NSO(s) to provide M2M services exclusively, if they desire to provide M2M services in the Authorisationdband.

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

2(v) The UL(VNO) Authorisations 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.

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

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

- (i) Revenue from operations other than telecom activities/ operations.
- (ii) Revenue from activities under a Authorisation/ 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 Authorisation provides the M2M Communications Access using radio access, the Authorisation 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 Authorisation may establish its own transmission links within its service area. For this purpose, the Authorisation 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 Authorisation shall be applicable.

4(iv) The Authorisation 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 Authorisations.

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

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

5.1 The Authorisation can acquire customer for delivery of services offered in its network using technology deployed by the Authorisation. While roaming on other Authorisations' 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 Authorisation, the Authorisation may appoint or employ franchisee, agents, distributors and employees. Responsibilities for ensuring compliance of terms & conditions of the Authorisation shall vest with the Authorisation and not with the Franchisee. The terms of franchise agreement between Authorisation and his franchisee shall be settled mutually by negotiation between the two parties involved. The Authorisation shall report the details of such Franchisee to the Licensor as prescribed from time to time.

5.3 The Authorisation 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 Authorisation and subscriber.

5.4 Authorisation shall ensure the Quality of Service (QoS) as may be prescribed by the Licensor/TRAI. The Authorisation 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 Authorisation 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 Authorisation 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) Authorisation with authorization for M2M shall parent to NSO(s) only. Any interconnection with other Authorisations shall be through the NSO to which it is parented.

## 7. Security Conditions:

7.1 The Authorisation 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.

<sup>48</sup>7.3 Deleted

<sup>49</sup>7.4 Deleted

<sup>50</sup>7.5 Deleted

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 Authorisation. The Authorisation should make arrangement for monitoring by Government security agencies.

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<sup>48</sup> Amended vide DoT letter no 20-271/2010 AS-I (Vol. - III) dated 23.08.2022.

<sup>49</sup> Amended vide DoT letter no 20-271/2010 AS-I (Vol. - III) dated 23.08.2022.

<sup>50</sup> Amended vide DoT letter no 20-271/2010 AS-I (Vol. - III) dated 23.08.2022.

(Proforma for Affidavit regarding details of calculation of “Revenue” and “Authorisation 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), AUTHORISATION 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 Authorisation Agreement No.....signed between the Company and the Department Of Telecommunications, for payment of Authorisation fee, a payment of Rs. .... (Rupees ..... Is being made for the period.....to ..... The details of calculation of ‘revenue’ and Authorisation fees 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 Authorisation Fee’ as Annexure are true and correct to the best of my knowledge, no part of it is false and nothing has beenconcealed therefrom.

Deponent.

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

To

The Board of Directors

.....  
.....

We have examined the attached Statement of Revenue and Authorisation 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 Authorisation 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 Authorisation fee payable by the company to the Government, in terms of the Authorisation 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 Authorisation agreement in this behalf and gives a true and fair view of the revenue and Authorisation 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**

<sup>51</sup>Format of Statement of Revenue and Authorisation Fee\_\_\_\_\_(Name and address of operator)

M2M Services in\_\_\_\_\_(Service Area)Statement of Revenue and Authorisation 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 {Excluding Goods and Service Tax (GST)}			
ii	Sale of accessories etc. {Excluding Goods and Service Tax (GST)}			
iii.	Any other income/ miscellaneous receipt from trading activity. {Excluding Goods and Service Tax (GST)}			
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 .			



<sup>51</sup> Amendment vide DoT letter no. 20-271/2010-AS-I(Vol.V) dated 25<sup>th</sup> October, 2021

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 Authorisation from Ministry of Information and Broadcasting</b>			

<b>AA</b>	<b>GROSS REVENUE OF THE Authorisation 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 Authorisation 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 Authorisation 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 Authorisation 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 Authorisation Agreement.

5. **AUDITOR** means the Authorisation'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 Authorisation 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 Authorisation. In this Authorisation, 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 Authorisation 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 Authorisation agreement are interchangeable.
- 21. EFFECTIVE DATE OF AUTHORISATION** means the date which is so specified in this Authorisation 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 AUTHORISATION 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-stationery, 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 Authorisation 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 AUTHORISATIONS 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 Authorisation. 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>52</sup>45A. Definition of Internet Access Service UL**

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

- i. Generally available to the public; and

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<sup>52</sup> Amended vide letter no 20-271/2010 AS-I (Vol-III) dated 26.09.2018



- 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. AUTHORISATION:** Authorisation means a Authorisation granted or having effect as if granted under section 4 of the Indian Telegraph Act 1885 and Indian Wireless Act 1933.

**51. AUTHORISATION FEE** means a fee payable by Authorisation at prescribed intervals and rates for the period of the Authorisation.

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

**53. Authorisation:** A registered Indian Company that has been awarded Authorisation to provide service(s) authorized under the Authorisation, 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 SDCA/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 Authorisation 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 Authorisation.

**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 Authorisation between SDCAs/SDCCs of two Telecom Circles/MetroAreas. 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 Authorisation 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 Authorisations.

**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.

<sup>53</sup>**79-A.** "Person" shall include an individual, any company or association or body of individuals, whether incorporated or not, by whatsoever name called or referred to;

**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.

<sup>54</sup>**81-A.** "Public entity" means (a) the Central Government, (b) State Governments, (c) local authority, (d) any authority, body, company or institution incorporated or established by the Central Government or the State Government, or under any statute, or (e) any non-government entity vested with the ownership, control or management of any public facility or class of public facilities, as notified by the Central Government.

**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 Authorisation's network in Service Area as per authorization under this Authorisation.

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<sup>53</sup> Amended vide letter no 20-271/2023 AS-I dated 27.07.2023

<sup>54</sup> Amended vide letter no 20-271/2023 AS-I dated 27.07.2023  
UL(VNO) agreement updated up to 31.03.2024

**91. SERVICE AREA** means the specified geographical area for which service authorization has been granted under this Authorisation. 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 Authorisation 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 Authorisation. In this Authorisation, 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 Authorisation.

**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 Authorisation, 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 Authorisation, the terms and conditions of which, inter-alia, provide for transfer/assignment of Authorisation to a third party in the event of default by the Authorisation, 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 Authorisation (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 Authorisation 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	0.001
3	NLD (National Area)	1.000	1.000	1.250	0.500	0.001
	ILD (National Area)	1.000	1.000	1.250	0.500	0.001
5	VSAT (National Area)	Nil	Nil	0.150	0.030	0.001
6	PMRTS (Telecom circle/Metro)	Nil	Nil	0.0025	0.001	0.001
7	GMPCS (National Area)	1.000	1.000	0.500	0.100	0.001
8	ISP "A" (National Area)	Nil	Nil	0.150	0.010	0.001
9	ISP "B" (Telecom circle/Metro Area)	Nil	Nil	0.010	0.001	0.001
10	ISP "C" (SSA)	Nil	Nil	0.001	0.0001	0.001
11	Resale of IPLC	1.250	1.250	0.500	0.100	0.001
12.	Access Service Cat B	-	0.050	0.0165	0.002	0.001
13	Machine to Machine 'A' (National Area)	Not prescribed	Not prescribed	0.150	0.010	0.001
14	Machine to Machine 'B' (Telecom circle/ Metro Area)	Not prescribed	Not prescribed	0.010	0.001	0.001
15	Machine to Machine 'C' (SSA)	Not prescribed	Not prescribed	0.001	0.0001	0.001

<sup>55</sup> Amended vide DoT letter no 20-405/2013 AS-I (Vol.-V) (Pt.2) dated 18<sup>th</sup> April 2023.



**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 Authorisation (VNO) with Service authorization for .....Service under Chapter(s)..... for.....Service Area of the said Unified Authorisation (VNO) to \_\_\_\_\_ M/s \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ (hereinafter called 'the Authorisation') to establish, maintain and operate the authorized service(s) (hereinafter called 'the Service') in the Service Area as per Letter of Intent/ Unified Authorisation (VNO) No. \_\_\_\_\_

dated \_\_\_\_\_ (hereinafter called 'the said Authorisation') on the terms and conditions contained in the said Unified Authorisation (VNO), which inter-alia provides for production of a Bank Guarantee to the extent of Rs. \_\_\_\_\_ (in words \_\_\_\_\_) under the said Authorisation by way of security for payment of the said Authorisation fee as well as such other fees or charges required to be paid by the Authorisation under the Authorisation. We \_\_\_\_\_ (indicate the name and address and other particulars of the Bank) (hereinafter referred to as 'the Bank') at the request of the Authorisation hereby irrevocably and unconditionally guarantee to the Authority that the Authorisation shall pay all the dues, including but not limited to, the Authorisation 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 Authorisation to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the Authorisation Agreement, pay all the above mentioned fees, dues and charges or any part thereof within the periods stipulated in the Authorisation.

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 Authorisation to pay any fees or charges or any part thereof in terms of the said Authorisation.

4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether Authorisation has failed to pay the said Authorisation fees or any other fees or charge or any part thereof payable under the said Authorisation 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 Authorisation have been fully paid and its claims satisfied or discharged or till Authority satisfies that the terms and conditions of the said Authorisation have been fully and properly carried out by the said Authorisation 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 Authorisation or to extend time of performance of any obligations by the said Authorisation 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 Authorisation and to forbear or to enforce any of the terms and conditions relating to the said Authorisation and we shall not be relieved from our liability by reason of any variation or extension being granted to the said Authorisation or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said Authorisation 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 Authorisation 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 Authorisation.

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 Authorisation, 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:

1..... 2.....  
.....  
.....  
.....  
.....

**SERVICE AREA (TELECOM CIRCLES/ METROS) AND THE AREAS COVERED BY THEM FOR THE PURPOSE OF THIS AUTHORISATION**

<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 Authorisations in Metro cities.
  3. The definition of local areas with regard to the above service area as applicable to this Authorisation is as per definition applicable to Cellular Mobile Service Authorisations as in the year 1994 & 1995, when those Authorisations 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 Authorisation, have been merged to make a single Service area namely Tamilnadu Service Area. For Unified Authorisation (VNO), there will be Tamilnadu Service Area as defined at SI 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

**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, Authorisation 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, Authorisation accepts refundable deposits from customers, telecom vendors and other Authorisations. 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 Authorisations shall be considered in ApGR for the purpose of computation of LF. Also, any refundable deposit received by the Authorisation 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 Authorisation 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	<p>Foreign Exchange differences arise when actual rates at the time of settlement differs from those at which they were initially recorded in</p>

<sup>56</sup> Amendment vide DoT letter no. 20-271/2010-AS-I(Vol.V) dated 25<sup>th</sup> October, 2021

	Exchange rates fluctuations	<p>the books. The provisions contained in the Accounting Standard-11 require a notional entry for exchange differences in respect of liabilities at the closing date of the AFSs. The foreign exchange gains reflected in the profit and loss statement of Authorisation 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>Authorisation may rent or lease part of their properties and earn revenue in the form of rent. Some Authorisations 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 Authorisation. 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>
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*Effective from 14 January 2020*

**FRAMEWORK FOR THE WHOLESALE OF MOBILE SERVICES  
("WHOLESALE FRAMEWORK")**

1. Host Mobile Network Operators ("**MNOs**") and the Requesting Parties ("**RPs**") should negotiate in good faith and use best efforts to complete negotiations within a reasonable period.
2. Host MNOs should offer (i) SMS; (ii) voice; and (iii) data wholesale services, in any combination on an end-to-end basis, as requested by the RPs.
3. Host MNOs should not impose unreasonable restrictions on:
  - (a) The use of the wholesale inputs by the RPs;
  - (b) The RPs' retail service offerings; and
  - (c) The RPs' retail prices.
4. Host MNOs may provide RPs with an offer that requires the RPs to purchase wholesale services from the Host MNOs on an exclusive basis, so long as such arrangements are mutually agreed between the Host MNOs and their RPs. Host MNOs, when asked, should provide the RPs with an offer that does not require the RPs to purchase wholesale services from the Host MNOs on an exclusive basis.
5. Host MNOs should not engage in unreasonable discriminatory traffic management practices in all respects.
6. Host MNOs and the RPs should agree on a pre-defined set of parameters on Service Level Agreement and quality of service for the wholesale services, to ensure that there is no discrimination in terms of service quality between the end users of RPs and Host MNOs, unless agreed otherwise.
7. Host MNOs and RPs should provide each other with a six-month notification period for unilateral termination or suspension of wholesale contract, unless in exceptional circumstances, such as default in payment, breach of contract, or activities that are likely to create imminent physical harm to the Host MNOs' network or defraud the Host MNOs. A reasonable notification period should still be provided for unilateral termination or suspension under exceptional circumstances.
  - (a) For any termination or suspension of the wholesale services, the Host MNOs should work with the RPs to minimise the impact to the end users of the RPs; and

- (b) Host MNOs should not impose terms to impede the RPs from terminating an existing agreement after reasonable notice is provided by the RPs.
8. Host MNOs and RPs should commercially negotiate on wholesale prices in good faith for at least 90 days before requesting IMDA's intervention. If IMDA intervenes, IMDA will adopt the following pricing methodologies:
- (a) A retail pricing methodology will be adopted for Mobile Virtual Network Operators where a basket of retail prices and other factors such as time-based adjustments, e.g., average retail prices over a period of 6 to 12 months, will be referenced; and
  - (b) A cost-sharing methodology will be adopted for MNOs without 5G spectrum. This is similar to current cost-sharing principles applied to mobile network infrastructure in tunnels and combined antenna systems in buildings. Other factors, including Weighted Average Cost of Capital will be considered, to account for investment risks, where applicable.

**Application of Wholesale Framework:**

1. The Wholesale Framework serves as guiding principles to assist Host MNOs and RPs in their negotiations, and provides guidance on how IMDA would likely decide if its intervention is required to resolve disputes in the negotiation for wholesale capacities with Host MNOs.
2. The Wholesale Framework is applicable to all mobile technologies including 3G, 4G and 5G (using 3.5GHz spectrum).
3. The Wholesale Framework does not cover network sharing and/or network leasing arrangements amongst MNOs, network slicing, leasing of capacity using mmWave spectrum bands/networks and customised enterprise offerings.
4. IMDA may review and amend, where it considers appropriate, these guiding principles from time to time.