



भारतीय दूरसंचार विनियामक प्राधिकरण
Telecom Regulatory Authority of India



**Recommendations on
the Framework for Service Authorisations
to be Granted Under the Telecommunications Act, 2023**

New Delhi, India

18th September 2024

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Chapter I: Introduction and Background

A. The DoT's Reference dated 21.06.2024

- 1.1 Through a letter dated 21.06.2024 (**Annexure 1.1**), the Department of Telecommunications (DoT), Ministry of Communications, Government of India sent a reference to Telecom Regulatory Authority of India (hereinafter, also referred to as "TRAI", or "the Authority") under Section 11(1)(a) of the TRAI Act, 1997 (as amended), on the subject – '*Seeking recommendations of TRAI on terms and conditions, including fees or charges, for authorisation to provide telecommunication services as per the provisions of the Telecommunications Act 2023*'. An extract of the reference dated 21.06.2024 is reproduced below:

"The Telecommunications Act, 2023 has been published in the Official Gazette of India. It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. Section 3(1)(a) of the Act 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. A background note on related aspects in this regard including relevant sections of the new Act that may have bearing on the terms and conditions of authorisations is attached as Annexure to this reference.

2. In this regard, under Section 11(1)(a) of the TRAI Act, 1997 (as amended), TRAI is requested to provide its recommendations within 60 days of receipt of this reference on terms and conditions, including fees or charges, for authorisation to provide telecommunication services as per the provisions of the Telecommunications Act 2023."

- 1.2 The background note annexed with the DoT's reference dated 21.06.2024 is reproduced below:

"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*
 - x. *Machine to Machine (M2M) Service authorisation under UL and UL-VNO*
 - xi. *M2M Service Provider registration*
 - xii. *WPAN/WLAN Connectivity Providers Registration*
 - xiii. *Resale of IPLC Service authorisation under UL-VNO*
 - xiv. *Access Service Category-B authorisation under UL-VNO*
 - xv. *CNPN Authorisation*

- xvi. CMRTS Authorisation*
 - xvii. Rules for In-Flight and Maritime Connectivity (IFMC) permission*
 - xviii. IP-1 Registration*
 - xix. NOC for sale/rent of International Roaming SIM Cards*
 - xx. Mobile Number Portability (MNP) service license*
 - xxi. PM WANI service registration*
 - xxii. Captive Authorisations (on case-to-case basis)*
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- 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.”

B. The extant licensing framework for telecommunication services

1.3 Prior to the enactment of the Telecommunications Act, 2023 (enclosed as **Annexure 1.2**), the Central Government administered the licensing of telecommunication services broadly through the Indian Telegraph Act, 1885, and the Indian Wireless Telegraphy Act, 1933¹.

1.4 The Indian Telegraph Act, 1885 was the main legislation dealing with the establishment, maintenance and working of telegraphs in the country. It provided the Central Government an exclusive privilege of establishing, maintaining and working telegraphs² in India, and a power to grant a license, on such conditions and in consideration of such payments as it thinks fit, to any person to establish, maintain or work a telegraph within any part of India. The Wireless Telegraphy Act, 1933 regulated the possession of wireless telegraphy apparatus in the country. Section 3 of the Wireless Telegraphy Act, 1933 prohibited the possession without licence of wireless telegraphy apparatus³.

¹ Apart from these two statutes namely, the Indian Telegraph Act, 1885 and the Indian Wireless Telegraphy Act, 1933, Parliament enacted the Telecom Regulatory Authority of India Act, 1997 (as amended). Through this Act, TRAI and Telecom Disputes Settlement and Appellate Tribunal (TDSAT) have been established - TRAI for regulating the telecommunication services, and TDSAT for adjudicating disputes and dispose of appeals.

² Section 3 (1AA) of the Indian Telegraph Act, 1885 provides that "*telegraph*" means any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, visual or other electro -magnetic emissions, Radio waves or Hertzian waves, galvanic, electric or magnetic means.

³ [Section 60(1) of the Telecommunications Act, 2023 provides that "[s]ubject to the other provisions of this section, the enactments namely, the Indian Telegraph Act, 1885 and the Indian Wireless Telegraphy Act, 1933, are hereby repealed."]

- 1.5 The extant telecommunication service licensing regime in India began in 1994 when the DoT granted licenses to private entities for cellular mobile telephone service (CMTS) in the four metro areas. Since then, many telecommunication services have been brought under licensing regime in the country.
- 1.6 Since 2013, the Government of India was following the Unified Licensing (UL) regime for telecommunication services. Eligible entities could obtain appropriate authorizations⁴ under Unified License from the Government and provide a range of telecommunication services to their customers. Apart from the Unified License, the Government also granted Unified License for VNO⁵ [UL (VNO)] to eligible entities. For the services which were not covered under the UL or UL (VNO), the Government granted standalone licenses/ authorizations/ registrations/ NOC⁶ etc. The Government prescribed different sets of terms and conditions for various authorizations under UL and UL (VNO) and standalone licenses/ authorizations/ registrations/ NOC⁷ etc.
- 1.7 As far as the assignment of spectrum to licensees is concerned, the extant Unified License, in Chapter VII, provides as below:

"41. Right to use the spectrum: This License Agreement does not confer any right to assignment and use of spectrum for which separate specific Frequency Assignment shall be required from Wireless Planning and Coordination (WPC) Wing."

⁴ Authorizations under Unified License: Access Service, Internet Service, NLD Service, ILD Service, GMPCS Service, PMRTS Service, VSAT CUG Service, Audio Conferencing/ Audiotext/ Voice Mail Service, and Machine to Machine Service

⁵ Authorizations under Unified License for VNO: Access Service, Internet Service, NLD Service, ILD Service, GMPCS Service, PMRTS Service, VSAT CUG Service, Resale of IPLC Service, Access Service Category B, and Machine to Machine Service

⁶ Standalone licenses/ authorizations/ registrations/ NOC: Mobile Number Portability (MNP) service license, CMRTS License, CNPN License, In-flight and Maritime Connectivity (IFMC) service authorization, M2M Service Provider registration, WPAN/ WLAN Connectivity Providers registration, IP-I Registration, PM-WANI service registration, No objection certificate (NOC) for sale/ rent of International Roaming SIM Cards, and other captive authorizations.

⁷ NOC is acronym of No Objection Certificate.

- 1.8 Further, para 2(i) of the Guidelines for Grant of Unified License provides that *"[t]he allocation of spectrum is delinked from the licenses and has to be obtained separately as per prescribed procedure."*

C. Enactment of the Telecommunications Act, 2023

- 1.9 In December 2023, the Indian Parliament enacted a new statute namely, '*[t]he Telecommunication Act, 2023*⁸. The Act amends and consolidates the law relating to development, expansion and operation of telecommunication services and telecommunication networks, assignment of spectrum, and for matters connected therewith or incidental thereto.

- 1.10 The Section 3 of the Act grants the power of authorisation to the Central Government. The Section 3 is reproduced below:

"3(1) Any person intending to —

(a) provide telecommunication services;

(b) establish, operate, maintain or expand telecommunication network; or

(c) possess radio equipment,

shall obtain an authorisation from the Central Government, subject to such terms and conditions, including fees or charges, as may be prescribed.

(2) The Central Government may while making rules under sub-section (1) provide for different terms and conditions of authorisation for different types of telecommunication services, telecommunication network or radio equipment.

(3) The Central Government, if it determines that it is necessary in the public interest so to do, may provide exemption from the requirement of authorisation under sub-section (1), in such manner as may be prescribed.

⁸ Source: <https://egazette.gov.in/WriteReadData/2023/250880.pdf>

(4) Any exemption granted prior to the appointed day under the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933 shall continue under this Act, unless otherwise notified by the Central Government.

(5) 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) A licence, registration, permission, by whatever name called, granted prior to the appointed day under the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933, in respect of provision of telecommunication services or telecommunication network—

(a) where a definite validity period is given, 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; or

(b) where a definite validity period is not given, shall be entitled to continue to operate on the terms and conditions of such licence or registration or permission for a period of five years from the appointed day, or to migrate to such terms and conditions of the relevant authorisation, as may be prescribed.

(7) Any authorised entity which provides such telecommunication services as may be notified by the Central Government, shall identify the person to whom it provides telecommunication services through use of any verifiable biometric based identification as may be prescribed.

(8) The Central Government may, subject to such terms and conditions, including fees or charges as may be prescribed, allot telecommunication identifiers for use by authorised entities.

(9) The Central Government may allow use of telecommunication identifiers allotted by international bodies which are recognised by the Central Government from time to time.

D. The salient points of the DoT's reference dated 21.06.2024

- 1.11 Through the reference dated 21.06.2024, the DoT has requested TRAI to provide recommendations on terms and conditions, including fees and charges, for authorisations to provide telecommunication services as per the provisions of the Telecommunications Act, 2023.
- 1.12 The Section 3(1)(a) of the Telecommunications Act, 2023 provides that any person, intending to provide telecommunication services, shall obtain an authorisation from the Government subject to such terms and conditions including fees or charges, as may be prescribed.
- 1.13 The DoT through the background note annexed with their letter dated 21.06.2024 informed that 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
- (x) Machine to Machine (M2M) Service authorisation under UL and UL-VNO
- (xi) M2M Service Provider registration
- (xii) WPAN/WLAN Connectivity Providers Registration
- (xiii) Resale of IPLC Service authorisation under UL-VNO
- (xiv) Access Service Category-B authorisation under UL-VNO
- (xv) CNPN Authorisation
- (xvi) CMRTS Authorisation
- (xvii) Rules for In-Flight and Maritime Connectivity (IFMC) permission
- (xviii) IP-1 Registration
- (xix) NOC for sale/rent of International Roaming SIM Cards
- (xx) Mobile Number Portability (MNP) service license
- (xxi) PM WANI service registration
- (xxii) Captive Authorisations (on case-to-case basis)

1.14 The DoT, through the Reference dated 21.06.2024, has also indicated that various sections⁹ of the Telecommunications Act, 2023 and the policies/ Acts in related sectors such as Space may have a bearing on the terms and conditions of the service authorisations under the Act. The DoT has also requested TRAI to examine the possibility of reducing the number of authorisations and simplification/ merger/ rationalization of the terms and conditions to improve Ease of Doing Business.

⁹ In the background Note, the DoT has drawn attention to the provisions of the clauses 3(1)(a), 3(2), 3(5) and 3(6) of the Telecommunications Act, 2023 and has stated that many other sections, such as sections 4 to 9, 19 to 24, 28 to 42, 44, 45, 49 and 55 of the Telecommunications Act, 2023 may have either direct or indirect linkages with the terms and conditions of the authorization for providing telecommunication services.

E. Other DoT's References included in the consultation paper

1.15 The DoT, through its earlier references, had sought TRAI's recommendations on terms and conditions of a few licenses/ Authorisations as detailed below:

(a) Frequency assignment for data communication services between aircraft and ground stations for services provided by organizations other than the Airport Authority of India: DoT through its reference dated 12.04.2022 **(Annexure 1.3)** requested TRAI to submit recommendations on the following issues:

- i. An appropriate mechanism to regulate the services provided by these organizations.
- ii. The manner in which the frequency assignment should be made to these organizations, in light of the supreme Court judgment made in the 2G case in 2012 - to assign radio frequencies only through auction.

(b) Terms and conditions for issue of fresh licenses for CMRTS and PMRTS services: DoT, through its reference letter No. 311-80/2022-CS-I-Policy (part) dated 02.06.2022 **(Annexure 1.4)**, requested TRAI to furnish recommendations regarding the terms and conditions for issue of fresh licenses for CMRTS and PMRTS services especially w.r.t technical conditions (viz. connectivity with PSTN, internet, use of digital technology, allocation of spectrum to PMRTS, use of network slicing under 5G, etc.) and financial aspects, etc. DoT also requested TRAI to give its view on any other issues considered relevant for CMRTS and PMRTS licenses.

(c) Connectivity to Access Service VNOs from more than one NSO: DoT through its reference dated 07.07.2023 **(Annexure 1.5)** on the subject- 'Connectivity to Access Service VNOs from more than one NSO', sought recommendations of Telecom Regulatory Authority of India on the following issues:

- i. Appropriate number of NSOs with whom VNOs having Access Service authorization and providing wire line services can be permitted to take connectivity in an LSA.
- ii. VNOs having Access Service authorization and providing both wireless and wire line services can be permitted to take connectivity from one NSO for wireless services and other NSO for wire line services in an LSA.

1.16 At the time of issuing the instant consultation paper dated 11.07.2024, in respect of each of the above references, TRAI had already initiated consultation papers, and stakeholders had submitted their comments to the Authority. As the Authority was embarking on recommending a comprehensive framework for service authorisations to be granted under the Telecommunications Act, 2023, the Authority included these issues in the instant consultation paper dated 11.07.2024.

F. The TRAI's Consultation Paper dated 11.07.2024

1.17 In this background, the Authority, on 11.07.2024, issued a Consultation Paper on the 'Framework for service Authorisations to be Granted Under the Telecommunications Act, 2023' (hereinafter, also referred to as, "the Consultation Paper dated 11.07.2024", or CP dated 11.07.2024) for soliciting comments of stakeholders on the various issues raised through the consultation paper.

1.18 Initially, the last dates for furnishing comments and counter-comments were 01.08.2024 and 08.08.2024, respectively. Upon requests from a few stakeholders, the last dates for furnishing comments and counter-comments were extended up to 08.08.2024 and 16.08.2024, respectively. The Authority received comments from 48 stakeholders and counter-comments from 17 stakeholders. The comments and counter-comments received from

stakeholders were placed on the TRAI's website¹⁰. An online Open House Discussion (OHD) on the Consultation Paper dated 11.07.2024 was held on 21.08.2024 with stakeholders.

G. DoT's another Reference dated 26.07.2024

- 1.19 In the meanwhile, another Reference was received from DoT on the subject 'Seeking recommendations of TRAI on terms and conditions, including fees or charges, for authorisation to establish, operate, maintain or expand telecommunication network as per the provisions of the Telecommunications Act 2023' on 26.07.2024. An extract of the reference dated 26.07.2024 is reproduced below:

"The Telecommunications Act, 2023 has been published in the Official Gazette of India. It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act. Section 3(1)(b) of the Act provides for obtaining an authorisation by any person intending to establish, operate, maintain or expand telecommunication network, subject to such terms and conditions, including fees or charges, as may be prescribed. A background note on related aspects in this regard including relevant sections of the Telecommunications Act, 2023 that may have bearing on the terms and conditions of authorisations is attached as Annexure to this reference.

In this regard, under Section 11(1)(a) of the TRAI Act, 1997 (as amended), TRAI is requested to provide its recommendations within 60 days of receipt of this reference on terms and conditions, including fees or charges, for authorisation to establish, operate, maintain or expand telecommunication network as per the provisions of the Telecommunications Act 2023."

¹⁰ The comments and counter comments on the Consultation Paper dated 11.07.2024 are available at the following URL: <https://traai.gov.in/consultation-paper-framework-service-authorisations-be-granted-under-telecommunications-act-2023>

- 1.20 The Authority observed that some of the authorisations mentioned in the DoT's Reference dated 21.06.2024, which have been deliberated in the TRAI's consultation paper dated 11.07.2024, such as IP-1 Registration, DCIP, MNP service Provider, SESG, etc. would fall under the scope of the DoT's Reference dated 26.07.2024 related to the Section 3(1)(b) of the Telecommunications Act, 2023. Therefore, the Authority has decided to take up the authorisations, which are covered under Section 3 (1)(b) of the Telecommunications Act, 2023, through a separate consultation paper w.r.t. the DoT's Reference dated 26.07.2024. Accordingly, the related issues have not been examined in these recommendations.

H. The Present Recommendations

- 1.21 Based on the comments and counter-comments received from stakeholders during the consultation process, and further analysis, the Authority has arrived at the present recommendations. The recommendations comprise four chapters. This chapter provides an introduction and background to the subject. Chapter II provides a brief description of the issues, a summary of stakeholders' comments, and the Authority's analysis and recommendations thereupon. Chapter III provides an analysis and recommendations on the financial aspects of the authorisations. Chapter IV provides a summary of the recommendations.

Chapter II: Examination of Issues

A. The extant licensing framework for telecommunication services

- 2.1 Prior to the enactment of the Telecommunications Act, 2023, the Central Government administered the licensing of telecommunication services broadly through the Indian Telegraph Act, 1885, and the Indian Wireless Telegraphy Act, 1933¹¹.
- 2.2 The extant telecommunication service licensing regime began in 1994 when the DoT granted licenses to private entities for cellular mobile telephone service (CMTS) in the four metro areas of the country. Since then, many telecommunication services have been brought under licensing regime in the country. Since 2013, the Government of India was following the Unified Licensing (UL) regime for telecommunication services. Eligible entities could obtain appropriate authorizations¹² under Unified License from the Government and provide a range of telecommunication services to their customers. Apart from the Unified License, the Government also granted Unified License for VNO¹³ [UL (VNO)] to eligible entities. For the services which were not covered under the UL or UL (VNO), the Government granted standalone licenses/ authorizations/ registrations/ NOC¹⁴ etc. The Government prescribed different sets of terms and conditions for various authorizations under UL and UL (VNO) and standalone licenses/ authorizations/ registrations/ NOC¹⁵ etc.

¹¹ Apart from these two statutes namely, the Indian Telegraph Act, 1885 and the Indian Wireless Telegraphy Act, 1933, Parliament enacted the Telecom Regulatory Authority of India Act, 1997 (as amended). Through this Act, TRAI and Telecom Disputes Settlement and Appellate Tribunal (TDSAT) have been established - TRAI for regulating the telecommunication services, and TDSAT for adjudicating disputes and dispose of appeals.

¹² Authorizations under Unified License: Access Service, Internet Service, NLD Service, ILD Service, GMPSC Service, PMRTS Service, VSAT CUG Service, Audio Conferencing/ Audiotext/ Voice Mail Service, and Machine to Machine Service

¹³ Authorizations under Unified License for VNO: Access Service, Internet Service, NLD Service, ILD Service, GMPSC Service, PMRTS Service, VSAT CUG Service, Resale of IPLC Service, Access Service Category B, and Machine to Machine Service

¹⁴ Standalone licenses/ authorizations/ registrations/ NOC: Mobile Number Portability (MNP) service license, CMRTS License, CNPN License, In-flight and Maritime Connectivity (IFMC) service authorization, M2M Service Provider registration, WPAN/ WLAN Connectivity Providers registration, IP-I Registration, PM-WANI service registration, No objection certificate (NOC) for sale/ rent of International Roaming SIM Cards, and other captive authorizations.

¹⁵ NOC is acronym of No Objection Certificate.

- 2.3 In December 2023, the Indian Parliament enacted the Telecommunication Act, 2023. The Act amends and consolidates the law relating to development, expansion and operation of telecommunication services and telecommunication networks, assignment of spectrum, and for matters connected therewith or incidental thereto. Section 3(1)(a) of the Telecommunications Act, 2023 provides that any person, intending to provide telecommunication services¹⁶, shall obtain an authorisation from the Government subject to such terms and conditions including fees or charges, as may be prescribed. For this purpose, through the reference dated 21.06.2024, DoT requested TRAI to provide recommendations on terms and conditions, including fees and charges, for authorisations to provide telecommunication services as per the provisions of the Telecommunications Act, 2023. In the background note annexed with the reference dated 21.06.2024, DoT indicated that various sections¹⁷ of the Telecommunications Act, 2023 and the policies/ Acts in related sectors such as Space may have a bearing on the terms and conditions of the service authorisations under the Act. DoT also requested TRAI to examine the possibility of reducing the number of authorisations and simplification/ merger/ rationalization of the terms and conditions to improve Ease of Doing Business.
- 2.4 For the framework for Service Authorisations to be granted under the Telecommunications Act, 2023 in India, in the CP dated 11.07.2024, the Authority sought views of stakeholders on the following broad issues:

¹⁶ The Section 2 of the Telecommunications Act, 2023 provides, *inter-alia*, the definitions of "telecommunication service", "telecommunication" and "message" as below:

(t) "telecommunication service" means any service for telecommunication;

(p) "telecommunication" means transmission, emission or reception of any messages, by wire, radio, optical or other electro-magnetic systems, whether or not such messages have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception;

(g) "message" means any sign, signal, writing, text, image, sound, video, data stream, intelligence or information sent through telecommunication;

¹⁷ In the background Note, the DoT has drawn attention to the provisions of the clauses 3(1)(a), 3(2), 3(5) and 3(6) of the Telecommunications Act, 2023 and has stated that many other sections, such as sections 4 to 9, 19 to 24, 28 to 42, 44, 45, 49 and 55 of the Telecommunications Act, 2023 may have either direct or indirect linkages with the terms and conditions of the authorization for providing telecommunication services.

- (a) Broad Framework for the authorisations to be granted under Section 3(1) of the Telecommunications Act, 2023
- (b) Need for a single authorisation for the provision of end-to-end telecommunication services
- (c) Need for enhancing the scope under the Internet Service Authorisation
- (d) Need for reducing the number of authorisations or introducing new authorisations
- (e) Terms and conditions of the Authorisations Under the new Framework
- (f) Migration of the existing service licensees to the new authorisation regime
- (g) Merger, demerger or acquisition, or other forms of restructuring
- (h) Civil penalties for breach of terms and conditions of the authorisations under the Telecommunications Act, 2023
- (i) Financial conditions relating to service authorisations under the extant Unified License / Unified License for VNO licensing regime
- (j) Financial conditions relating to other standalone licenses/ registrations/ authorisations/ permissions
- (k) Formats for quarterly statements of Revenue and License fee under the present licensing regime
- (l) Other issues on the subject

2.5 An analysis of the afore-mentioned issues based on the comments and counter-comments received from the stakeholders is presented below.

B. Broad Framework for Authorisations to be Granted Under Section 3(1) of the Telecommunications Act, 2023

(1) The manner of granting authorisations

- 2.6 For providing telecommunication services under the Telecommunications Act, 2023, a person shall have to obtain an authorisation from the Central Government. At the level of nomenclature, this is in departure from the extant regime under the Indian Telegraph Act, 1885, under which the Central Government granted licenses for providing telecommunication services. Therefore, one of the effects of the enactment of the Telecommunication Act, 2023 would be that, henceforth, the persons desirous of providing telecommunication services in the country will have to obtain authorisations from the Central Government under the Telecommunications Act, 2023 instead of licenses under the Indian Telegraph Act, 1885.
- 2.7 In India, the first set of telecommunication service licenses were granted for cellular mobile telephone service (CMTS) in the four metro areas of Delhi, Bombay (now Mumbai), Calcutta (now Kolkata) and Madras (now Chennai) in November 1994. Prior to issuing the CMTS licenses, the DoT issued a tender document and invited tenders from Indian companies for providing CMTS workable on License. The tender document stated that the franchisee selected would have to provide and operate the service according to the conditions laid down by the DoT. The bidders had to submit a compliance statement to fully comply with the terms and conditions stipulated in the tender document and had to furnish financial bids. Based on the evaluation of the bids, the Government entered into license agreements with the selected bidders for franchising cellular mobile telephone service with them.
- 2.8 For granting CMTS licenses for circles other than metropolitan cities, the Government of India issued a similar tender document in January 1995. The tender document stated that there would be a maximum of two operators in

each telecom circle. After following a tender process, the Government entered into license agreements with the selected bidders. A similar process was followed in the year 2001 when the Government invited tenders for the fourth cellular operator in various service areas and, after following a tender process, entered into license agreements with the selected bidders.

2.9 Under the Unified Licensing regime, the practice of inviting tenders for obtaining telecommunication service license and selecting bidders upon evaluation of their bids was no longer being followed. Any eligible entity which applied in the prescribed application form could obtain a Unified License on a non-exclusive basis. However, the practice of entering into a license agreement between the Government of India and the licensee company continued in the Unified Licensing regime as well.

2.10 While the Indian Telegraph Act, 1885 did not provide any definition of the term "license", the Telecommunications Act, 2023 provides a definition of the term "authorisation" as below:

" "authorisation" means a permission, by whatever name called, granted under this Act for -

(i) providing telecommunication services;

(ii) establishing, operating, maintaining or expanding telecommunication networks; or

(iii) possessing radio equipment;"

2.11 In the countries like the United States of America, the United Kingdom, Australia, Singapore, etc., the applicants seek authorizations for the provision of the telecommunication services from the sector regulators/ governments and provide the necessary information to them. If satisfied, the sector regulators/ governments authorize the applicants to provide the requested service(s) by way of issuing a license/ authorization/ permission/ registration to them. Such licensees are obliged to comply with the provisions of telecommunications laws

apart from the rules and regulations prescribed by the sector regulators/governments.

2.12 As authorisation is a permission under the Telecommunications Act, 2023, it may be desirable that the authorisations are issued by the Central Government to the applicant entity under the Telecommunications Act, 2023 in line with the international practices in place of the extant practice of entering into an agreement between the Government of India and the applicant entity.

2.13 In this background, the Authority solicited the views of stakeholders on the following question:

Q1. For the purpose of granting authorisations under Section 3(1) of the Telecommunications Act, 2023, whether the Central Government should issue an authorisation to the applicant entity, as is the international practice in several countries, in place of the extant practice of the Central Government entering into a license agreement with the applicant entity? In such a case, whether any safeguards are required to protect the reasonable interests of authorized entities? Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q1

2.14 In response to the Q1, for the purpose of granting authorisations under Section 3(1) of the Telecommunications Act 2023 for providing telecommunication services, many stakeholders were in favour of issuing of an authorisation to the applicant entity by the Central Government, some stakeholders were in favour of continuing with the contractual agreement regime and a few stakeholders opined that that in accordance with the provisions of the Telecommunications Act, 2023, statutorily there is no other option for the Central Government but to issue permission to provide telecom services by way of issuance of authorization.

2.15 A broad summary of the comments of the stakeholders, who were in favour of an Authorisation document regime under Section 3(1) of the Telecommunications Act 2023 for providing telecommunication services, is given below:

- (a) Issuing authorizations in place of License can be beneficial, if it simplifies the process and helps in significantly reducing the time taken for obtaining such Authorizations.
- (b) A simpler authorization regime with light touch regulation will be helpful in Promoting competition, faster deployment of services, encouraging investment, increasing flexibility and adaptability to market changes and technological advancements.
- (c) This framework decreases administrative workload for regulatory authorities, enabling them to observe the market more efficiently and also allocate resources more effectively.
- (d) Shifting from a license agreement to an authorisation model aligns with international best practices.
- (e) For services not reliant on scarce government resources, such as spectrum, there should be no licensing fees or licenses. Simple authorizations should suffice.
- (f) Services which are not meant for end-customers or are of captive use should either not be covered or be exempt from authorization requirements under the new framework.
- (g) Issue simplistic authorisations for Application Services could be through simple registration such as for M2M SP or doing away with registrations such as for OSP.
- (h) The process of obtaining authorisation must be less onerous and should include a clear-cut, open, and transparent administrative decision compared to the extant process of granting a license.

2.16 A broad summary of the comments of the stakeholders, who are in favour of a contractual agreement nature of the authorisation regime under Section 3(1)

of the Telecommunications Act 2023 for providing telecommunication services, is given below:

- (a) The contractual right under the existing licenses creates legitimate expectation and assurance that the terms and conditions will not be unilaterally amended.
- (b) The practice of entering into license agreements brings in predictability and stability in the regulatory regime and gives protection from any adverse changes. Such stability is a sine qua non for a capital-intensive sector like telecom.
- (c) Entering into license agreements with TSPs has been the practice since the opening of the telecom sector for private players. The same has been working fine for the past three decades.

2.17 A broad summary of the comments of the stakeholders regarding safeguards required to protect the reasonable interests of authorized entities, is given below:

- (a) Legal certainty and binding enforcement options for dispute redressal by –
 - (i) Clearly defining the terms and conditions and outlining the rights and obligations of the authorized entity.
 - (ii) Robust protection against arbitrary amendments and revocation.
- (b) Mandatorily seeking TRAI's recommendations for any subsequent changes in the terms and conditions of the Authorization.
- (c) Provide adequate time to implement changes or amendments to the terms and conditions, allowing authorized entities to adapt their operations accordingly.
- (d) Provision for judicial review of government decisions to ensure they are fair, reasoned and proportionate.

Analysis of the issues raised through the Q1

2.18 Many stakeholders were of the view that a light-touch authorisation regime should be implemented, where some services such as Audiotex, PMWANI, M2M

registration etc. should be either kept out of authorisation regime or a simple auto-generated authorisation should be implemented. Many stakeholders opined that the authorisation may be issued by the Central Government to the applicant entity under the Telecommunications Act, 2023 in line with the international practices in place of the extant practice of entering into an agreement between the Government of India and the applicant entity. However, some stakeholders submitted that the contractual nature of the authorisation should be retained to provide regulatory stability and encourage investment in the telecommunication sector. For safeguards that are required to be incorporated in the authorisation framework to protect the reasonable interests of authorized entities, the key concern is the regulatory stability against any unilateral amendments that may take place in the future.

- 2.19 It is noted that Section 4 of the Indian Telegraph Act 1885 provided the Central Government an exclusive privilege of establishing, maintaining and working telegraphs within India. The relevant extract is reproduced below:

"4. Exclusive privilege in respect of telegraphs, and power to grant licenses – (1) Within India, the Central Government shall have the exclusive privilege of establishing, maintaining and working telegraphs:

Provided that the Central Government may grant a license, on such conditions and in consideration of such payments as it thinks fit, to any person to establish, maintain or work a telegraph within any part of India."

- 2.20 As per Section 3(1) of the Telecommunications Act, 2023, for providing telecommunication services, a person shall have to obtain an authorisation from the Central Government. Further, authorisation has been defined in the Telecommunications Act, 2023 as given below:

" "authorisation" means a permission, by whatever name called, granted under this Act for -

(i) providing telecommunication services;

(ii) establishing, operating, maintaining or expanding telecommunication networks; or

(iii) possessing radio equipment;”

- 2.21 As can be seen from the above, the term ‘authorisation’ has been defined as permission. Further, the Cambridge dictionary meaning of the word authorisation is ‘official permission for something to happen, or the act of giving someone official permission to do something’. The legislative¹⁸ meaning of the word ‘authorise’ is ‘to empower; to give right or authority to act’. The Authority notes that in most of the countries the regulators grant authorisation in the form of permission, subject to fulfillment of the prescribed Rules and Regulations.
- 2.22 In view of the above, there appears to be no case of continuing with the present practice of Central Government entering into an agreement with the service providers. Instead, it would be appropriate that service authorisations are granted to eligible persons for providing telecommunication services by the Central Government as a permission under section 3(1) of the Telecommunications Act, 2023.
- 2.23 Further, as mentioned above, many stakeholders raised their concerns about safeguards that are required to be incorporated in the authorisation framework to protect the reasonable interests of authorized entities, wherein the key concern is the regulatory stability i.e. protection against any unilateral amendments that may take place in the future.
- 2.24 In this regard, it is noted that the existing license agreement also contained a provision for the right of the Licensor to modify any terms and conditions of the License. The relevant clause of the Unified License is reproduced below:

"5.1 The Licensor reserves the right to modify at any time the terms and conditions of the License, if in the opinion of the Licensor it is necessary or

¹⁸ <https://legislative.gov.in/legal-glossary/>

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.”

2.25 Therefore, the concern of stakeholders that the Government may make amendments to the terms and conditions of the authorisation in a unilateral manner, does not appear to be very significant. However, since telecom is a capital-intensive sector, there should be regulatory stability for orderly growth of the sector. Therefore, the Authority is of the view that for any change in the terms and conditions of the Authorisation, except for the reason of the interest of the security of the State, the Central Government should seek TRAI's recommendations.

2.26 In view of the above, **the Authority recommends that-**

- (a) The Central Government should grant Service Authorisation under section 3(1) of the Telecommunications Act, 2023 instead of entering into an agreement with the entity.**
- (b) For any change(s) in the terms and conditions of the Authorisation, except for the reason of the interest of the security of the State, the Central Government should seek TRAI's recommendations.**

(2) The structure of authorisations

2.27 The extant licensing framework consists of a regime of Unified License, Unified License for VNO and standalone licenses/ authorizations/ registrations/ NOC¹⁹

¹⁹ Standalone licenses/ authorizations/ registrations/ NOC: Mobile Number Portability (MNP) service license, CMRTS License, CNPN License, In-flight and Maritime Connectivity (IFMC) service authorization, M2M Service Provider registration, WPAN/ WLAN Connectivity Providers registration, IP-I Registration, PM-WANI service registration, No objection certificate (NOC) for sale/ rent of International Roaming SIM Cards, and other captive authorizations.

etc. Generally, the provision of public telecommunication services and non-public non-captive telecommunication services is being governed through the Unified License and Unified License for VNO, and the provision of captive telecommunication services and value-added services is being governed through standalone licenses/ authorizations/ registrations/ NOC etc.

2.28 The extant Unified License has nine separate authorizations²⁰. For granting authorizations to eligible entities to provide services under Unified License, the Government has laid down 'The Guidelines for Grant of Unified License'²¹. The guidelines provide information on the structure of the Unified License and the application process for the Unified License. The guidelines had separate clauses on eligibility conditions for obtaining Unified License, entry fee, license fee, terms of the License, equity holding in other companies, provision of telecommunication services using satellite media, security conditions, migration/ renewal of existing licenses etc.

2.29 The License Agreement for Unified License document has the following components:

- (a) A two-page license agreement for Unified License; and
- (b) A Schedule to the license agreement.

2.30 The two-page license agreement for Unified License contains, *inter-alia*, the following elements:

- (a) The name of the parties to the agreement viz. the Licensor (the Government of India) and the Licensee;

²⁰ Access Service, Internet Service, National Long Distance (NLD) Service, International Long Distance (ILD) Service, Global Mobile Personal Communication by Satellite (GMPCS) Service, Public Mobile Radio Trunking Service (PMRTS), Commercial Very Small Aperture Terminal (VSAT) Closed User Group (CUG) Service, Audio Conferencing/ Audiotex/ Voice Mail Service and Machine to Machine (M2M) Service.

²¹ The updated guidelines are available at the URL:
https://dot.gov.in/sites/default/files/1_UL%20guidelines%20with%20M2M%20without%20INSAT%20MSS%20R%20dated%2017012022.pdf?download=1

- (b) A clause that the Licensor has agreed to grant Unified License with authorization(s) for the provision of service(s) in the service area(s) as per the relevant terms and conditions described in the Schedule to the Unified License Agreement;
- (c) Effective date of the license;
- (d) Validity period of the license unless it is revoked earlier by the Licensee;
- (e) A clause that the Licensee agrees and undertakes to fully comply with the terms and conditions stipulated in the License Agreement;
- (f) A clause that the license has been granted on a non-exclusive basis;
- (g) A clause that the license shall be governed by the provisions of the Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933, Telecom Regulatory Authority of India Act, 1997 and Information Technology Act, 2000, as modified or replaced from time to time or any other relevant Act; and
- (h) The signatures of the parties to the agreement and witnesses with date and place.

2.31 The Schedule to the Unified License Agreement contains the terms and conditions under the Unified License in two parts (Part-I and Part-II). The terms and conditions contained in Part-I were to be applicable for all services provided under the license unless specified otherwise. Part-II consists of the terms and conditions specific to the respective service authorization, which were in addition to the terms and conditions contained in Part-I.

2.32 Part-I of the Unified License consists of seven chapters on General Conditions, Commercial Conditions, Financial Conditions, Technical Conditions, Operating Conditions, Security Conditions, and Spectrum allotment and use. These chapters contained the common terms and conditions applicable for all services, unless specified otherwise.

2.33 Part-II of the Unified License consists of nine chapters on Access Service, Internet Service, NLD Service, ILD Service, GMPCS Service, PMRTS Service,

Commercial VSAT CUG Service, Audio Conferencing/ Audiotext/ Voice Mail Service, and M2M Service. These chapters contained the terms and conditions specific to the respective service authorizations.

2.34 The licensing scheme under the Unified License for VNO²² is similar to the licensing scheme for the Unified License with slight variations. The Unified License for VNO has all the service authorizations as contained in the Unified License except the authorization for Audio Conferencing/ Audiotext/ Voice Mail Service. It has two additional authorizations on 'Resale of International Private Leased Circuit (IPLC) Service', and 'Access Service Category B'. For granting authorizations to provide services under Unified License for VNO, the Government has laid down 'The Guidelines for Grant of Unified License (Virtual Network Operators)'²³.

2.35 In addition to the Unified License and Unified License for VNO, the Government granted licenses for a few other services on standalone basis, under different terminologies like authorisation, license, registration, no objection certificate etc.

2.36 Similar to the Unified License and Unified License for VNO, the standalone licenses were, generally, governed by the guidelines for the grant of respective licenses. The terms and conditions applicable on the licensee were included in the Schedule to the license agreement. The Schedule consists of several chapters containing an array of conditions such as General Conditions,

²² A holder of the Unified License for VNO is treated as an extension of network service operators (NSOs) holding Unified License. A VNO may provide telecommunication services to consumers by using the network of its parent NSO. VNOs are essentially service delivery operators and are treated as an extension of NSOs. The VNOs are not allowed to install equipment interconnecting with the network of other NSOs. No spectrum is assigned to VNOs.

²³ Updated guidelines are available at the URL:
https://dot.gov.in/sites/default/files/UL%20VNO%20guidelines%20with%20M2M%20without%20INSAT%20MSS%20R%20dated%2017012022_1.pdf?download=1

Commercial Conditions, Financial Conditions, Technical Conditions, Operating Conditions, Security Conditions etc. The License documents were frequently amended to accommodate any changes made in the terms and conditions of the respective licenses.

- 2.37 The Telecommunications Act, 2023 provides, *inter-alia*, that the Central Government may, by notification, make rules for the terms and conditions of the authorisations to be granted under the Act; the rules may provide for different terms and conditions for different authorisations; such rules shall be laid before Parliament; the rules shall have effect only in such modified form or be of no effect, as the case may be, as agreed by both Houses of Parliament.
- 2.38 From the study of the international practices on this aspect, it is seen that the telecom service authorisation/ license issued by several sector regulators/ governments such as Australia, the United States of America etc. are lean documents with only the essential elements written in them. Telecom service licensees are governed by a set of prescribed rules under the applicable statutes as per the services being offered by them.
- 2.39 On the one hand, it is desirable to provide long term regulatory stability and business continuity in order to protect the interest of service providers. On the other hand, as the telecom sector is a dynamic sector with the technology and service delivery changing at fast pace, the terms and conditions of the authorisations and the associated rules may need to be amended from time to time to make it progressive and adaptive to the needs of time. Needless to say, such amendments to the authorisations or associated rules should be made in a non-discriminatory and transparent manner facilitating the growth and development of the sector.
- 2.40 In this background, the Authority solicited the views of stakeholders on the following questions:

Q2. Whether it will be appropriate to grant authorisations under Section 3(1) of the Telecommunications Act, 2023 in the form of an authorisation document containing the essential aspects of the authorisation, such as service area, period of validity, scope of service, list of applicable rules, authorisation fee etc., and the terms and conditions to be included in the form of rules to be made under the Telecommunications Act, 2023 with suitable safeguards to protect the reasonable interests of the authorised entities in case of any amendment in the rules? Kindly provide a detailed response with justifications.

Q3. In case it is decided to implement the authorisation structure as proposed in the Q2 above, -

(a) Which essential aspects of authorisation should be included in authorisation documents?

(b) What should be the broad category of rules, under which, terms and conditions of various authorisations could be prescribed?

(c) Whether it would be appropriate to incorporate the information currently provided through the extant Guidelines for Grant of Unified License and Unified License for VNO, which included, inter-alia, the information on the application process for the license, eligibility conditions for obtaining the license, conditions for transfer/ Merger of the license etc., in the General Rules under the Telecommunications Act, 2023?

(d) What could be the broad topics for which the conditions may be required to be prescribed in the form of guidelines under the respective rules?

Kindly provide a detailed response with justifications.

Q4. In view of the provisions of the Telecommunications Act, 2023, what safeguards are required to be put in place to ensure the long-term regulatory stability and business continuity of the service providers, while at the same time making the authorisations and associated rules a live document dynamically aligned with the contemporary developments from time to time? Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q2

- 2.41 In response to the Q2, many stakeholders opined in favour of authorisations in the form of an authorisation document containing essential aspects of the authorisation, and the terms and conditions to be included in the form of rules to be made under the Telecommunications Act, 2023. On the other hand, some stakeholders opined in favour of an authorisation document containing all the terms and conditions.
- 2.42 A broad summary of the comments of the stakeholders, on the structure of an authorisation document, is given below:
- (a) Many stakeholders opined that granting authorizations in the form of an authorisation document containing the essential aspects of the authorisation, along with the terms and conditions included in the form of rules, would be appropriate so long as it provides the necessary legal certainty and regulatory predictability to the applicants.
 - (b) Many stakeholders recommend including broad aspects like application process, eligibility, and license transfer conditions (on the lines of the guidelines for issuance of a license in the old regime) in the Rules and the detailed terms and conditions should continue to form part of a contractual arrangement between DoT and TSPs/ ISPs/ others. One stakeholder further mentioned that if the terms and conditions which are presently part of the license, are moved to rules under the new dispensation, it will limit the contractual rights of the operators as well as the right to challenge the specific terms and conditions in a court of law.
 - (c) Some stakeholders opined that Authorization document under the new Act should contain all the terms and conditions of such authorization for the reason of transparency and business/ regulatory certainty. Referring to any applicable Rules will make the Authorization document vague and uncertain.

2.43 A broad summary of comments of stakeholders on the suitable safeguards to protect the reasonable interests of the authorised entities in case of any amendment in the rules, is given below:

- (a) Any changes in the terms and conditions of such Applicable Rules should be made only through post due consultation with TRAI.
- (b) Provide a reasonable notice period for rule amendments.
- (c) Establish a clear dispute resolution mechanism for authorized entities.

Comments of stakeholders on the Q3

2.44 In response to the part (a) of Q3, a broad summary of comments of stakeholders on the essential aspects of authorisation should be included in authorisation documents, is given below:

- (a) Stakeholders in favour of including only essential elements in the authorisation document, made following suggestions:
 - i. One stakeholder submitted that it should be same as the existing two-page license agreement for a UL i.e. name of applicant, nature of service being authorised, effective date, term or validity period, obligation to comply with service-specific guidelines, non-exclusivity, and financial obligation relating to fees.
 - ii. Another stakeholder suggested that Authorisation document should contain authorisation number, date of issue, name of licensee company, Scope of service (name only), network type (name only), area of operation, duration of license and reference to Telecom Rule.
 - iii. A few stakeholders suggested that authorisation document should include details such as name of entity, contact details, type of Service Authorisation, Service Area(s), duration, effective Date, applicable Acts, Authorisation number, basic terms and conditions, spectrum guidelines, minimum technical and security conditions, technical standards, performance metrics, minimum compliance requirements, applicable entry and authorization fees, applicable list of Rules,

renewal of authorization, modification in terms and conditions of authorization, and dispute resolution.

- iv. One stakeholder suggested that only the key aspect of the authorization should be mentioned. The template of this authorisation may be made common for all licensees. The other license conditions to be published on DoT's website.

(b) Stakeholders in favour of retaining contractual nature of authorisation made following suggestions:

- i. The structure of the authorization regime should include high level rules on the lines of the guidelines (e.g. UL Guidelines, UL-VNO Guidelines etc.), and authorization agreement which include the detailed terms and condition of building network, provision of services etc. as covered in the current license agreements. This will ensure least disruption for current service providers, safeguard existing investments in the sector, and ensure regulatory predictability and certainty to attract further investments.
- ii. The general conditions from UL – Part I should be incorporated into the rules. The service-specific conditions from UL – Part II should remain as separate service authorisations.

2.45 In response to part (b) of Q3, a broad summary of comments of stakeholders on the broad category of rules, under which, terms and conditions of various authorisations could be prescribed, is given below:

- (a) Rules should categorize conditions into general service requirements, service-specific provisions, and procedural matters based upon the business model of the service delivery.
- (b) Broad Category of Rules could include General Conditions, Financial Conditions including tariff, Technical Conditions, Operating Conditions, Security Conditions, Consumer protection measures, Environmental and health safety regulations, Dispute resolution mechanisms, and Rules for Spectrum Allocation & Usage.

- (c) The essential aspects of authorization should include all essential terms and conditions as are available in the UL presently. Rules may only provide for broader aspects which are currently part of the Guidelines for grant of UL/UL(VNO).

2.46 In response to part (c) of Q3, a broad summary of comments of stakeholders on the incorporation of information currently provided through the extant Guidelines for Grant of Unified License and Unified License for VNO in the General Rules, is given below:

- (a) Some stakeholders submitted that the information currently provided in the extant Guidelines for Grant of Unified License, such as eligibility criteria, application process, timelines, applicable fee, etc., should be incorporated in the General Rules under the Telecom Act.
- (b) Many stakeholders opined that the Rules should outline the broad contours of authorizations in line with current licensing guidelines. Detailed terms and conditions should be provided in the “authorization agreement”.
- (c) Some of the stakeholders were of the view that it will be appropriate that separate Guidelines are issued for Grant of Authorization which include, inter-alia, the information on the application process for the authorization, eligibility conditions for obtaining the authorization, conditions for transfer/ Merger of the authorization etc. as is being done for license regime under the old Act.
- (d) One stakeholder submitted that aspects like Tariffs, Quality of Service, Billing, Consumer Protection, Interconnection, and Mobile Number Portability are being covered by Regulations/Orders of TRAI, and hence no detailed rules are required for these aspects.

2.47 In response to part (d) of Q3, a broad summary of comments of stakeholders on the broad topics for which the conditions may be required to be prescribed in the form of guidelines under the respective rules, is given below:

- (a) Broad topics for conditions in the form of guidelines under respective rules include

- i. application process and documentation requirements,
 - ii. eligibility criteria for obtaining authorizations,
 - iii. conditions for transfer and merger of authorizations,
 - iv. service quality and performance standards,
 - v. consumer grievance redressal mechanisms,
 - vi. penalties and sanctions for non-compliance.
- (b) The possibility of prescribing conditions in the form of guidelines under the respective rules needs to be examined under the law. If possible, that can only be with respect to a few exceptional and genuine matters for which conditions can frequently change.

Comments of stakeholders on the Q4

- 2.48 In response to Q4, a broad summary of the comments of the stakeholders, on the safeguards required to be put in place to ensure the long-term regulatory stability and business continuity of the service providers while making the authorisations and associated rules a live document dynamically aligned with the contemporary developments from time to time, is given below:
- (a) Provisions for periodic review and revision of the authorization terms to ensure they remain relevant and in line with market and technology developments.
 - (b) Frequent changes in the Authorization regime should be avoided in the interest of regulatory certainty and stability.
 - (c) Any change in the terms of the Authorization should be done in consultation with TRAI. Changes should be made as per statutory scheme and with total transparency and in a non-discriminatory manner.
 - (d) In case any relaxations are being provided under the new dispensation then the same should be equally applicable to existing Authorizations under Unified License. There should be a clear legal provision for addressing disputes, including arbitration, mediation, and judicial review processes.

- (e) Recourse to TDSAT should be available in case of any dispute related to Terms and conditions related to Authorisation.
- (f) The process currently being followed for amendment of Unified License and Guidelines may be continued for the amendment of authorisation and rules.

Analysis of the issues raised through the Q2 to Q4

- 2.49 The Authority examined the comments received from the stakeholders and is of the considered view that to implement the provisions of the Telecommunication Act, 2023 in spirit, the service authorisation granted by the Central Government to the entities willing to provide telecommunications services in the country should be a concise document, containing the essential elements of the authorisation and the terms and conditions to be followed by the authorised entities should be prescribed through the Rules notified under the Telecommunications Act, 2023. This approach is also aligned with international practice in this regard.
- 2.50 The Authority also considered the concerns raised by the stakeholders regarding regulatory stability and is of the view that the authorisation document should contain the essential aspects such as the name of the Authorised Entity, effective date of the authorisation, period of validity of the authorisation, service area of the authorisation, scope of service, authorisation fee, other charges and financial bank guarantees, etc. Further, for substantial change(s) in the terms and conditions of the authorisation, the Authority, in the previous section, has recommended that the Central Government should seek TRAI's recommendations. The Authority is of the view that these provisions will take care of the concerns of the stakeholders regarding frequent changes in the terms and conditions of the authorisation, to a large extent. The format for authorisation document is enclosed as Annexure-2.1.
- 2.51 Further, to provide the terms and conditions, different rules need to be put in place, which could be broadly grouped under two categories, first category of

Rules, which may be termed as 'Telecommunication (Grant of service Authorisations) Rules', will provide the broad contours of various service authorisations including the eligibility conditions, scope of service, validity period etc. In short, the Rules for Grant of service authorisation will provide the information to the applicant entity before applying for grant of desired service authorisation. Second category of Rules will provide the detailed terms and conditions applicable on the authorised entity i.e. after the grant of service authorisation, which may further be sub-divided into different categories. For any other operational requirements, the Central Government may prescribe the same, by issuing instructions/ directions/ orders/ guidelines under the Rules notified under the Telecommunications Act, 2023.

2.52 As mentioned above, the first category of rules should provide the broad contours of different service authorisations, which will provide the necessary information for the applicant entity before the grant of authorisation. The grant of all types of telecommunication service authorisations will be governed by these rules. These rules will provide the broad framework for service authorisation, details of the telecommunication services with relevant details such as (i) broad scope of services and service area in each service authorisation, (ii) eligibility conditions, (iii) validity period, (iv) conditions relating to equity holding in other companies, (v) broad security conditions, (vi) application processing fee, Entry Fee, and bank guarantees, (vii) process of application to obtain the service authorisation and other related conditions, (viii) authorisation fee, (ix) conditions for the migration to the new authorisation framework, etc. The terms and conditions that should be included in the Telecommunication (Grant of service Authorisations) Rules are enclosed in Annexure-2.2.

2.53 As regards the rules for the second category i.e. detailed terms and conditions applicable to the authorised entities upon grant of service authorisation are concerned, the Authority is of the view that considering the nature of services, different types of telecommunications services need to be treated differently.

The level of regulation required for the services which are primary telecommunication services involving the establishment and operation of network for provision of public service at large, may not be required for the services not offered to the public at large. Further, services that are captive in nature, may require very light regulatory oversight. It is noted that Section 3(2) of the Telecommunications Act 2023 also provides for different terms and conditions for different types of telecommunication services. Section 3(2) of the Telecommunications Act, 2023 is reproduced below:

"(2) The Central Government may while making rules under sub-section (1) provide for different terms and conditions of authorisation for different types of telecommunication services, telecommunication network or radio equipment."

2.54 With this idea, the Authority is of the view that different telecommunication services may broadly be divided into three categories for the purpose of grant of service authorisations, as given below:

- (a) Main service authorisations
- (b) Auxiliary service authorisations
- (c) Captive service authorisations

2.55 Main service authorisation should cover all primary telecommunication services that are involved in the delivery to telecommunication services to public at large such as Access Services, Internet services, Long Distance Services, Satellite based services and M2M services.

2.56 The service authorisations under the category of main service authorisations, could be granted in the role of Network Service Operator (NSO) or Virtual Network Operator (VNO), based on the request of the applicant. The service authorisation granted in the role of NSO should authorise the entity to provision a full-scale network as well as for delivery of services. On the other hand, the service authorisation granted in the role of VNO should authorize the entity to use the network services of its NSO for the delivery of services. A VNO is primarily a service delivery operator. VNOs are treated as extensions of NSOs.

VNOs are allowed to install all network equipment other than the equipment for interconnecting with the network of other NSOs.

- 2.57 When service authorisations are given in the role of VNO, the word VNO should be inserted within the name of service authorisation. Examples of VNO service authorisations could be Access Service VNO authorisation, Internet Service VNO authorisation, etc. In the role of NSO, there will be no change in the name of the service authorisation. Examples of NSO service authorisations could be, Access Service authorisation, Internet Service authorisation etc.
- 2.58 Main service authorisations granted by the Central Government should be governed by the terms and conditions prescribed through 'Telecommunication (Main Service Authorisations) Rules'. These rules may be sub-divided into two parts, part-I provides the common terms and conditions for main service authorisations and part-II provides specific terms and conditions applicable for each service authorisation. The service authorisation specific terms and conditions should be framed in a manner that it provides the specific terms and conditions applicable on the Authorised Entity in the role of NSO; towards the end, the additional conditions or exceptions applicable to the Authorised Entity in the role of VNO should be included. The terms and conditions to be included in the main service authorisation are enclosed as Annexure 2.3. The related issues raised in the consultation paper, comments received and analysis concerning the changes recommended in the terms and conditions have been discussed and deliberated in subsequent sections.
- 2.59 Auxiliary service authorisation includes all other existing service authorisations (other than Captive services), which are not used for the delivery of service to public at large or have very light touch regulatory oversight in the present regime, unless specifically exempted from the requirement of service authorisation. Auxiliary service authorisation includes services such as PMRTS, PM-WANI – PDOA service, PAN-WANI-App provider service, M2M Service and

WPAN/ WLAN Connectivity Service, Enterprise Communication Service (Audio Conferencing/ Audiotex/ Voice Mail/ Cloud based EPABX services), IFMC etc.

2.60 Captive service authorisation covers the service authorisations for establishment and operation of telecommunication networks involving spectrum other than unlicensed spectrum, whose use is purely captive in nature such as CMRTS, CNPN, Captive VSAT CUG, and Captive authorisation (case-to-case basis).

2.61 It is noted that the Section 472 of the Indian Telegraph Rules, 1951 provides as under:

"Any person may without a licence establish, maintain and work a telegraph (not being a wireless telegraph) within the limits of a single building, compound or estate:

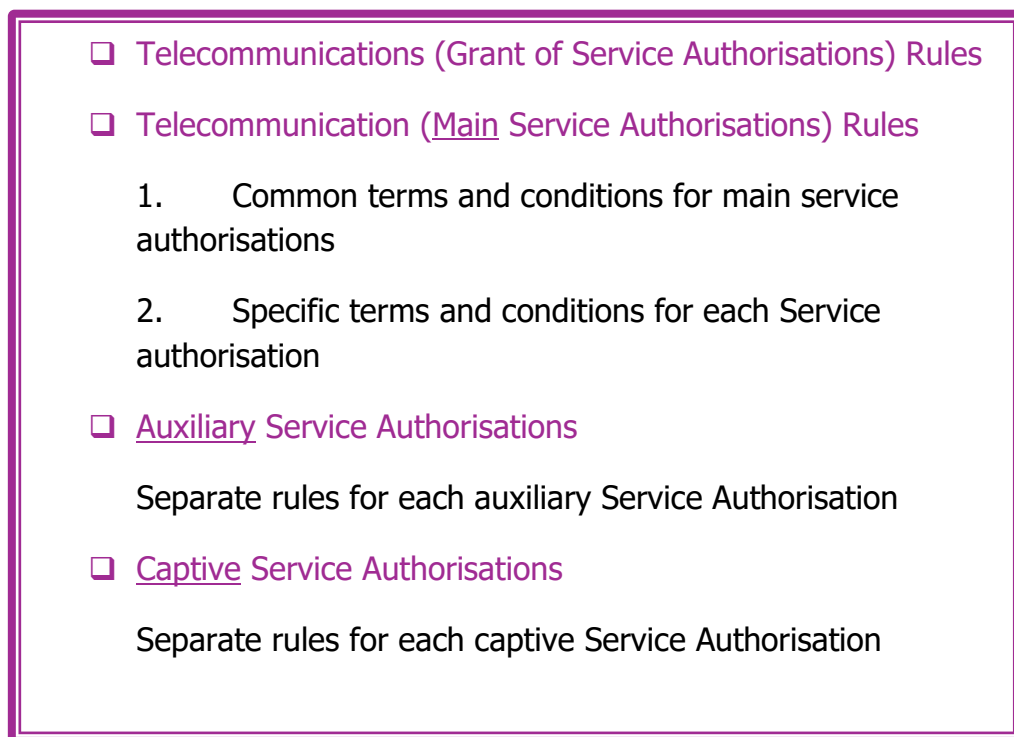
Provided that no telegraph line pertaining to the telegraph shall pass over or under a public road."

2.62 The Authority is of the view that there is a need to create a similar provision under the Telecommunications Act, 2024, such that for establishing and operating a telecommunication network (not being a wireless telecommunication network) within the limits of a single building, compound or estate, should be exempt from the requirement of obtaining a service authorisation. However, no part of such telecommunication network should pass over or under a public road.

2.63 The Authority is cognizant of the fact that individual service authorisations under captive service authorisations and auxiliary service authorisations are quite distinct and require different terms and conditions to be prescribed. Therefore, while there will be a common rule for the grant of service authorisations for all telecommunication services, service-related terms and conditions applicable for each service authorisation under captive and auxiliary

service authorisations will be governed through a separate rule for each service authorisation. The terms and conditions required to be included in each service authorisation under auxiliary and captive service authorisations are enclosed as Annexure 2.4.1 to 2.4.8 and 2.5.1 to 2.5.4, respectively. The related issues raised in the consultation paper, comments received and analysis concerning the changes recommended in the terms and conditions have been discussed and deliberated in subsequent sections.

2.64 Broadly, the authorisation framework can be depicted as below:



2.65 **The Authority recommends that the service authorisations to be granted under Section 3(1)(a) of the Telecommunications Act, 2023 should be organized in the following manner:**

- (a) Main service authorisations**
- (b) Auxiliary service authorisations**
- (c) Captive service authorisations**

2.66 **The Authority recommends that in respect of each main service authorisation, there should be an option for obtaining the**

authorisation for the provision of service as a Virtual Network Operator (VNO).

2.67 The Authority recommends that the Rules under Section 3(1)(a) of the Telecommunications Act, 2023 should be organized in the manner given below:

- (a) Telecommunications (Grant of Service Authorisations) Rules**
- (b) Telecommunications (Main Service Authorisations) Rules**
- (c) Separate rules for each auxiliary service authorisation**
- (d) Separate rules for each captive service authorisation**

2.68 The Authority recommends that-

- (a) The Telecommunications (Grant of Service Authorisations) Rules should contain the terms and conditions for the grant of various service authorisations under Section 3(1)(a) of the Telecommunications Act, 2023. In this regard, the Authority recommends the terms and conditions which should be included in the Telecommunications (Grant of Service Authorisations) Rules, enclosed as Annexure-2.2.**
- (b) Each service authorisation to be granted by the Central Government under Section 3(1)(a) of the Telecommunications Act, 2023 should be in the form of an authorisation document, containing the essential elements of the service authorisation. The format for the authorisation document is included in Annexure-2.1.**
- (c) The detailed terms and conditions should be prescribed through the rules notified under Section 3(1)(a) of the Telecommunications Act, 2023.**

2.69 The Authority recommends that –

- (a) the Telecommunications (Main Service Authorisations) Rules should cover the terms and conditions for providing services**

under the main authorisations, such as access service, internet service, long distance service, satellite-based telecommunication service, M2M WAN service etc.

- (b) The service authorisations under the category of main service authorisations, should be granted in the role of Network Service Operator (NSO) or Virtual Network Operator (VNO), based on the request of the applicant. The service authorisation granted in the role of NSO should authorise the entity to deploy a full-scale network as well as to provide services as per the scope of the service authorisation. On the other hand, the service authorisation granted in the role of VNO should authorise the entity to provide services as per the scope of the service authorisation by using the network services of its parent NSO.
- (c) While granting a service authorisation to an entity in the role of VNO, the word VNO should be inserted within the name of service authorisation. On the other hand, while granting a service authorisation to an entity in the role of NSO, the name of the service authorisation should remain unchanged.
- (d) There should be specific terms and conditions to be applicable on the VNOs under each main service authorisation, which should be made applicable over and above the terms and conditions of the service authorisation. In this regard, the Authority recommends the terms and conditions which should be included in the Telecommunications (Main Service Authorisations) Rules, as enclosed as Annexure-2.3.

2.70 The Authority recommends that in respect of each auxiliary service Authorisation, a separate rule containing the terms and conditions for the provision of respective auxiliary services such as PMRTS, M2M and WLAN/ WPAN connectivity service, IFMC, etc. should be formulated. In this regard, the Authority recommends the terms and conditions

which should be included in the respective rules for the provision of auxiliary services, as enclosed as Annexure-2.4.1 to 2.4.8.

- 2.71 The Authority recommends that in respect of each captive service Authorisation, a separate rule containing the terms and conditions for the provision of respective captive services such as CMRTS, CNPN, Captive VSAT CUG etc. should be formulated. In this regard, the Authority recommends the terms and conditions which should be included in the respective rules for the provision of captive services, as enclosed as Annexure-2.5.1 to 2.5.4.**
- 2.72 The Central Government may issue instructions/ directions/ orders/ guidelines under the Rules notified under the Telecommunications Act, 2023.**
- 2.73 The Authority recommends that any person may, without a service authorisation, establish, operate, maintain, or expand telecommunication network (not being a wireless telecommunication network) within the limits of a single building, compound or estate, provided that no part of such telecommunication network should pass over or under a public road.**
- 2.74 Further, the Authority considered that there are some service overlaps in different service authorisations. For instance, Access service authorisation includes Internet access services, M2M services, audiotex services etc., while separate service authorisations for such services are also available. An Authorised Entity holding more than one authorisation for a service in a service area appears unnecessary. Therefore, the Authority is of the view that an authorised entity should not hold more than one service authorisation for a given service in a given service area. It will help the Industry to consolidate different licenses/ permissions/ etc., providing better management, achieving operational efficiency, and reducing regulatory compliances. In the above scenario, an authorised entity holding access service authorisation, should not

be allowed to hold separate service authorisation/ License for Internet access services or M2M services or audiotex services. However, if an access service provider is holding authorisation of one or a few Telecom Circles/ Metros and is also holding Internet Category-A authorisation, it can continue to hold both the authorisations. In case an authorised entity, which already holds a service authorisation in a service area under the Telecommunications Act, 2023 or a license under the Indian Telegraph Act, 1885, decides to obtain another service authorisation, whose scope of service and service area(s) encompass the scope of service and service area(s) under the service authorisation/ license already held by such entity, in entirety, then such service authorisation/ license already held by the authorised entity should be treated as subsumed in the new service authorisation and it should cease to exist.

2.75 In view of the above, **the Authority recommends that-**

- (a) An authorised entity should not be permitted to hold more than one service authorisation for a given telecommunication service in a given service area issued under Section 3(1)(a) of the Telecommunications Act, 2023.**
- (b) Further, in case an authorised entity, which already holds a service authorisation in a service area under the Telecommunications Act, 2023 or a license under the Indian Telegraph Act, 1885, decides to obtain another service authorisation, whose scope of service and service area(s) includes the scope of service and service area(s) under the service authorisation/ license already held by such entity, in entirety, then such service authorisation/ license already held by the authorised entity should be treated as subsumed in the new service authorisation and it should cease to exist.**

C. Need for a single authorisation for the provision of end-to-end telecommunication services

- 2.76 Till the year 2012, the telecommunication licensing regime in the country was service specific. The licensees had to obtain separate licenses from the Government for different telecommunication services.
- 2.77 In April 2012, TRAI sent its recommendations on 'Guidelines for Unified License/ Class License and Migration of Existing Licenses' to the DoT. Through the recommendations, TRAI recommended, *inter-alia*, a national level Unified License to permit the Licensee to offer any or all of the telecom services such as access services, internet telephony, internet services, voice mail, audiotext, Videotex, unified messaging service, radio paging, PMRTS, GMPCS, NLD, ILD and resale of IPLC at national level.
- 2.78 Further, one of the objectives of the National Telecom Policy (NTP) 2012 was to "strive to create One Nation - One License across services and service areas".
- 2.79 The Government of India introduced Unified Licensing regime in the country in August 2013 and permitted any eligible entity to obtain one, several or all authorizations under the Unified License²⁴. In case an entity chose to obtain authorizations for all the services under Unified License, it had to pay lower Entry Fee, Bank Guarantees and Application Processing Fee as compared to the respective sum total of Entry Fee, Bank Guarantees and Application Processing Fee for individual authorizations. As Access Service authorizations were still at the Telecom Circle/ Metro area level, a Unified License (all services) permitted a licensee to provide access service in all the 22 service areas. However, the way Unified License was implemented in 2013 was just a compendium of

²⁴ viz. Access Service, Internet Service, NLD Service, ILD Service, GMPCS Service, PMRTS Service, VSAT CUG Service, INSAT MSS-R Service, and Resale of IPLC Service. In later years, the authorizations for INSAT MSS-R Service, Resale of IPLC Service were removed from the Unified License, and two new authorizations on Audio Conferencing/ Audiotext/ Voice Mail Service, and Machine to Machine Service were included under the Unified License.

different licenses and did not offer the advantages of unification at the network or operational level.

2.80 It is noted that, at present, practically all wireless access service providers have national footprints. They operate cellular mobile services in all licensed service areas in the country²⁵. They also hold authorisations for NLD service and ILD service, under which they can carry switched bearer telecommunication traffic as well as provide leased circuits and virtual private networks. It is further noted that the wireless access service providers provide seamless national roaming across the nation to their subscribers on their own networks and, for all practical purposes, their consumers face the same or similar tariffs for the usage of voice, SMS and data on national roaming as compared to the tariffs for the usage from home service area.

2.81 In addition, 3GPP has developed the Non-Terrestrial Network (NTN)²⁶ standard to provide wireless connectivity beyond the Earth's surface. This standard supports various scenarios with different terminal types: frequency bands,

²⁵ The Access Service authorization holders are permitted to provide, *inter-alia*, access service on wireline and/ or wireless media, Internet Service, M2M service, Voice Mail/ Audiotex/ unified Messaging Service/ Video Conferencing, leased circuits, captive non public network (CNPN) as a service within their respective service areas.

²⁶ Non-terrestrial networks (NTN) are networks or segment of networks that use either Uncrewed Aircraft Systems (UASs) operating typically between 8 and 50 km altitude, including High Altitude Platforms (HAPs) or satellites in different constellations to carry a transmission equipment relay node or a base station.

NTNs are envisioned to extend telecom coverage to areas which are not covered by terrestrial networks. Development of NTNs would also provide opportunities to expand the usage of communication technologies to develop new use cases and applications in different sectors for the benefit of society and achieving the UN SDGs.

The World Radiocommunication Conferences 2023 considered the integration of IMT systems with mobile-satellite systems to enhance connectivity, particularly in remote areas. WRC-23 identified 2 GHz and 2.6 GHz bands for using high-altitude platform stations as IMT base stations (HIBS) and established regulations for their operations. WRC also recognized that this technology offers a new platform to provide mobile broadband with minimal infrastructure using the same frequencies and devices as IMT mobile networks and can contribute to bridging the digital divide in remote and rural areas and maintain connectivity during disasters.

services and orbits.²⁷ As NTN based communications would preferably have a national footprint, Access Service authorisation holders may not be able to derive the full benefits of NTN based communications under the extant scheme of licensed service area (LSA) based on telecom circle/ Metro area for Access Service authorisation.

2.82 While the contemplated single unified service authorisation for the provision of end-to-end telecommunication services can be made available with pan-India service area, it is noted that to protect the interest of the smaller players, there may be a need for continuing the extant practice of the assignment of access spectrum and network interconnection at Telecom Circle/ Metro Area level. For this purpose, the authorised entity, with a permission to provide end-to-end telecommunication services at National level, may be required to continue to fulfill certain requirements/ obligations at the telecom circle/ Metro area level.

2.83 In this background, through the Consultation Paper dated 11.07.2024, the Authority solicited views of stakeholders on the following set of questions:

Q5. In addition to the service-specific authorisations at service area level, whether there is a need for introducing a unified service authorisation at National level for the provision of end-to-end telecommunication services with pan-India service area under the Telecommunications Act, 2023? Kindly justify your response.

Q6. In case it is decided to introduce a unified service authorisation at National level for the provision of end-to-end telecommunication services-

- (a) What should be the scope of service under such an authorisation?*
- (b) What terms and conditions (technical, operational, security related, etc.) should be made applicable to such an authorisation?*

²⁷ Source: https://www.rohde-schwarz.com/us/solutions/test-and-measurement/wireless-communication/cellular-standards/5g-test-and-measurement/non-terrestrial-networks-ntn/non-terrestrial-networks-ntn_256719.html

- (c) *Would there be a need to retain some of the conditions or obligations to be fulfilled at the telecom circle/ Metro area level for such an authorisation?*
- (d) *Should assignment of terrestrial access and backhaul spectrum be continued at the telecom circle/ Metro area level for such an authorisation?*
- (e) *Any other suggestion to protect the interest of other authorised entities/ smaller players upon the introduction of such an authorisation.*

Kindly provide a detailed response with justification.

Comments of stakeholders on the Q5

- 2.84 In response to the Q5, many stakeholders opined that in addition to the service-specific authorisations at service area level, there is a need for introducing a unified service authorisation at National level for the provision of end-to-end telecommunication services with pan-India service area under the Telecommunications Act, 2023. On the other hand, some stakeholders were not in favour of introducing a unified service authorisation. Further, a few stakeholders submitted that a detailed consultation for a unified service authorisation may be carried out.
- 2.85 A broad summary of the comments of the stakeholders, who favored for introducing a unified service authorisation at National level for the provision of end-to-end telecommunication services, is given below:
- (a) This would allow providers to offer all telecommunications services nationwide, in line with the "One Nation-One License" goal of the NTP.
 - (b) The existing LSA wise Access Service Licenses creates artificial borders for the service providers who have Pan India services.
 - (c) It will encourage players the benefit of emerging trends and ever-changing demand landscape for application services.
 - (d) This would enable simplified licensing, efficient routing of traffic, infrastructure and resource optimization, seamless service provision,

flexibility and innovation, market competition, reduce costs, pan-india service provision, regulatory oversight, and simplified accounting.

- (e) This single authorisation will avoid repeated application to add more services or more area by same service providers.
- (f) The current structure of telecom circle wise authorization leaves out the mid segment, who wish to offer national services while focusing on niche areas and needing them to interact with different telecom circles.
- (g) This will remove the possible arbitrage at present being available to the service provider for booking NLD revenues for carrying its own call from one service area to the other service area.

2.86 A broad summary of the comments of the stakeholders, who opposed introduction of a unified service authorisation at National level for the provision of end-to-end telecommunication services, is given below:

- (a) This will create a super and powerful authorisation and give an undue and huge market advantage to such 'super authorisation' holders over the other existing players.
- (b) Larger service providers offering multiple services might be better positioned to comply with a consolidated authorisation, giving them a competitive advantage over smaller providers. This could lead to reduced competition and harm the interests of consumers.
- (c) Issues like NTN cannot be a reason for pan India unified service authorisation when the other major factors have not been considered. For NTN, there should be separate authorisation.
- (d) Including satellite-based telecommunication services in a unified service authorisation would be inappropriate because it would introduce unnecessary ambiguity and complexity within the authorisation framework.
- (e) Satellite-based services inherently require a national-level approach, as they cannot be confined to metro or circle levels. For other services, a unified national authorisation could pose challenges such as diverse service requirements, reporting complexities, competitive implications, and consumer impact.

2.87 A broad summary of the comments of the stakeholders, who were in favour for a detailed consultation for a unified service authorisation at National level for the provision of end-to-end telecommunication services, is given below:

- (a) Prima facie, the idea of having a Unified Service Authorisation on the National Level seems to be very efficient. However, holistic deliberation is required on all aspects of the issue before moving any further.
- (b) There are several areas that are applicable for pan-India service areas for access services as such, it requires understanding and assessment through a comprehensive consultation, containing specific sections and questions on each of these aspects and how level-playing field will be ensured.
- (c) Some of the issues on which further deliberation is required relate to network design and deployments, interconnection framework, spectrum assignment, spectrum usage charges, mobile number portability, QoS, Tariff, Internet telephony, compliance and enforcement, reporting requirements, various regulations, implementation and migration, and impact assessment.
- (d) The existing investments need to be adequately protected while considering any change in the regime.

Comments of stakeholders on the Q6

2.88 In response to the part (a) of Q6, a broad summary of comments of stakeholders on the scope of service under a unified service authorisation at National level for the provision of end-to-end telecommunication services, is given below:

- (a) It should cover all telecommunications services - voice, data, multimedia, and emerging technologies like satellite and unified communications. This allows providers to offer a comprehensive range of services without geographic limitations.
- (b) The scope of the service should be Access, Carriage (national and international) and internet with pan-India jurisdiction.

- (c) The scope of the service should be to provide end-to-end telecommunication services (Access, Carrier) through any mode medium (terrestrial, wireless, VSAT or Space).
- (d) It should include all types of telecommunication services, including IoT satellite services, to ensure comprehensive coverage. This should encompass voice, data, and IoT connectivity.
- (e) The authorization is for providing all legal telecommunication services and the authorized entity be permitted to offer all such services across the country.

2.89 In response to the part (b) of Q6, a broad summary of comments of stakeholders on the terms and conditions (technical, operational, security related, etc.) applicable to a unified service authorisation at National level for the provision of end-to-end telecommunication services, is given below:

- (a) The existing terms in the Unified License regarding technical, operational and security related be made applicable, with some of authorization obligations particularly related to security, and interconnection required to be fulfilled at LSA level, The Right of Way related issues continue to be dealt at the LSA level.
- (b) Flexible framework with performance-based obligations, security requirements, and quality standards.
- (c) Minimizing Security Audit Burden without Compromising National Security.
- (d) The authorization should contain detailed terms and conditions which will be applicable to all authorizations, and would include spectrum policy, security conditions, and general operating conditions on the lines of the current Unified License Agreement. The proposed indicative conditions are on Ownership of the Authorised Entity Company, Commercial Conditions, Financial Conditions, Technical Conditions, Operating Conditions, Security Conditions.

2.90 In response to the part (c) of Q6, a broad summary of comments of stakeholders on the need to retain conditions or obligations to be fulfilled at the

telecom circle/ Metro area level for a unified service authorisation at National level for the provision of end-to-end telecommunication services, is given below:

- (a) Retain conditions at the telecom circle/metro area level for localized service quality monitoring, consumer grievance redressal, and compliance with regional regulations and norms.
- (b) Requirements should be minimized to avoid unnecessary regulatory burden and to support the efficient deployment of national services. The new regime should be more accommodative rather than restrictive.
- (c) Evaluate the need for service- specific conditions at the circle/metro level.
- (d) To derive maximum efficiency by introduction of Pan India All Service Authorisation, there is no need for retaining any conditions or obligations to be fulfilled at the telecom circle/ Metro area level for this authorisation, except necessary security related measures.
- (e) No need for retaining any conditions or obligations to be fulfilled at the telecom circle/ Metro area level under the unified service authorisation. The conditions or obligations should be fulfilled at telecom circle/ Metro area level for only State Level Authorizations.

2.91 In response to the part (d) of Q6, a broad summary of comments of stakeholders on the continuation of assignment of terrestrial access and backhaul spectrum at the telecom circle/ Metro area level for a unified service authorisation at National level for the provision of end-to-end telecommunication services, is given below:

- (a) Terrestrial access and backhaul spectrum should continue to be assigned at the telecom circle/metro level to manage local spectrum needs effectively and ensure optimal network performance.
- (b) As the existing spectrum assignments are at LSA level, with varying expiry dates, this will require addressing legacy financial issues related to variable spectrum usage charge rates across 22 circles. An effective method to implement is to consider weighted average of circle wise SUC rate to find a uniform SUC rate for a unified service authorisation.

- (c) Without any increased burden of entry fee and such other related entry barriers. Spectrum allocation may continue as per existing laid down practices.
- (d) The spectrum allocation mechanism and associated terms should be different for the business-to-business market, considering the size of demand and supply; the present auction framework is designed for retail usage.

2.92 In response to the part (e) of Q6, a broad summary of comments of stakeholders on suggestion to protect the interest of other authorised entities/ smaller players upon the introduction of a unified service authorisation at National level for the provision of end-to-end telecommunication services, is given below:

- (a) To safeguard smaller players and to ensure fair competition, regulate against anti-competitive practices, implement anti-monopoly regulations, and ensure equal resource access.
- (b) Distribute spectrum equitably to prevent dominance by a few players. Encourage spectrum and infrastructure sharing
- (c) Mandate circle level interconnection if desired by new TSP/entrant. Also, interoperability should prevail for better market dynamics.
- (d) Provide financial and regulatory incentives to small and medium-sized telecom operators. Establish grants and funding programs for innovation by smaller players.
- (e) Migration to the new regime need to be promoted widely among existing service providers.

Analysis of the issues raised through the Q5 to Q6

2.93 In April 2012, TRAI sent its recommendations on 'Guidelines for Unified License/ Class License and Migration of Existing Licenses' to the DoT. The salient recommendations of TRAI in respect of Unified License were as below:

"Unified Licence will be service and technology neutral and the Unified Licensee shall be permitted to provide any telecom service, as defined below on a non-exclusive basis, anytime, anywhere, using any technology within its licence area as prescribed below:

- a. Collection, carriage, transmission and delivery of voice and/ or non-voice messages over Licensee's network in the designated licence area and includes provision of all types of access services. Unified licensee can also provide Internet Telephony, Internet Services including IPTV and Broadband Services including triple play i.e. voice, video and data. The Licensee shall be free to enter an agreement with other service provider in India or abroad for providing roaming facility to its subscriber under full mobility service unless advised/ directed by TRAI otherwise.*
- b. Unified Licensee can provide dark fibres, Right of Way, duct space, towers on lease/ rent/ sale basis to the licensees of telecom services on mutually agreed terms and conditions. The Licensee will also be allowed to install and share active network limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission systems and to seek SACFA siting clearance for erecting towers with or without agreement with licensed Service Providers.*
- c. Unified Licensee can provide Voice mail, Audiotex, Videotex, UMS, Radio paging and PMRTS.*
- d. Unified Licensee is permitted to provide leased circuit within its licence area. Public network is not to be connected with leased circuits/ CUGs.*
- e. A Unified Licensee shall be permitted to offer any/ all services covered under 'Class licence' and 'Licensing through Authorisation' but not vice-versa.*
- f. The Licensee cannot provide any other service which otherwise require a separate licence.*

g. The Licensee cannot provide broadcasting services, for which a separate licence/ registration is required as per Cable TV Act 1995 and guidelines for DTH Licence issued by Ministry of Information and Broadcasting.

5.2 The services which a Unified Licensee can offer will be as below:

a. National level Unified Licence shall permit the Licensee to offer any or all of the telecom services mentioned in Clause 5.1 in any/ all service areas; GMPCS, NLD and ILD services and Resale of IPLC.

b. Service area level Unified Licence shall permit the Licensee to offer any or all of the telecom services mentioned in Clause 5.1 except National Long Distance (NLD), International Long Distance (ILD), Global Mobile Personal Communication by Satellite (GMPCS) services, Resale of IPLC and services covered under Class Licence.

c. District level Unified Licence shall permit the Licensee to offer any or all of the telecom services mentioned in Clause 5.1 in the district for which licence is given. However, a District level Unified licensee shall not be permitted to offer NLD, ILD, GMPCS, VSAT & Resale of IPLC, INSAT-MSS and wireless access service. Also, these Licensees would not be entitled for assignment of spectrum resources for access services. District level Unified Licence will not be given for Metro areas of Delhi, Mumbai and Kolkata.”

2.94 In short, through the recommendations of April 2012, TRAI recommended, *inter-alia*, a national level Unified License to permit the Licensee to offer any or all of the telecom services such as access services, internet telephony, internet services, voice mail, audiotext, Videotex, unified messaging service, radio paging, PMRTS, GMPCS, NLD, ILD and resale of IPLC at national level.

2.95 Subsequently, the Government of India introduced Unified Licensing regime in the country in August 2013 and permitted any eligible entity to obtain one, several or all authorizations under the Unified License viz. Access Service, Internet Service, NLD Service, ILD Service, GMPCS Service, PMRTS Service,

VSAT CUG Service, INSAT MSS-R Service, and Resale of IPLC Service²⁸. In case an entity chose to obtain authorizations for all the services under Unified License, it had to pay lower Entry Fee, Bank Guarantees and Application Processing Fee as compared to the respective sum total of Entry Fee, Bank Guarantees and Application Processing Fee for individual authorizations. As Access Service authorizations were still at the Telecom Circle/ Metro area level, a Unified License (all services) permitted a licensee to provide access service in all the 22 service areas. However, it provided no advantage to the licensee at the network or operational level. Thus, it would not be incorrect to say that in a real sense, the Unified License (all services) was only a compendium of all authorizations; there was no true unification of services in the Unified License.

- 2.96 The Authority is of the view that if all the services are permitted to be offered through a single unified network, where the authorised entity can decide the manner in which the traffic within its own network is carried, there will be no requirement to mandatorily handover the inter-circle traffic to an NLD operator. This can bring efficiencies at the network level. It can also help in improving quality of service and reducing the cost of network. In essence, the implementation of Unified Service Authorisation will remove the avoidable load on the network and result in an optimal utilization of network.
- 2.97 Further, while unified service authorisation will permit the authorised entity to provide end to end telecommunication services on a national basis, at the same time, it is important to allow the smaller players to continue to operate in one or some of the Telecom Circles/ Metro Areas. Therefore, the Authority is of the view that the Access service authorisation should continue to be granted at Telecom Circle/ Metro Area level. Therefore, at this stage, the assignment of access spectrum, backhaul spectrum and numbering resource should continue to be assigned at the Telecom Circle/ Metro level. However, to reap full-scale

²⁸ In later years, the authorizations for INSAT MSS-R Service, Resale of IPLC Service were removed from the Unified License, and two new authorizations on Audio Conferencing/ Audiotext/ Voice Mail Service, and Machine to Machine Service were included under the Unified License.

benefits of Unified Service authorisation, the Authority is of the view that the Central Government should enable a roadmap for having a truly single pan-India network for providing all types of telecommunication services. The roadmap should provide a glide path leading to financial accounting and reporting, assignment of numbering resources, assignment of spectrum at a National level for Unified Service authorised entity.

- 2.98 Since the authorised entity with Unified Service authorisation will operate on National Level, it should be allowed to deploy any of its equipment anywhere in India. However, such entity will have to make arrangements for provisioning of lawful interception and monitoring facilities in the respective State/ Union Territories for meeting the specified security conditions. Further, considering that disaster management and public safety are State subjects, connectivity to disaster management platform and public safety answering point (PSAP) should remain at the State/ UT Level.
- 2.99 Further, the interconnection with other eligible authorised entities for handing over or taking over the PSTN, PLMN and GMPCS telephony traffic should be at any mutually agreed location. The authority is of the view in case the authorised entities fail to mutually negotiate, the interconnection should take place at the point of interconnection(s), as specified in the TRAI's interconnection regulations.
- 2.100 Once these recommendations are approved by the Government, the Authority will notify the detailed interconnection framework after consultation with the stakeholders. However, the broad contours have been mentioned above to give clarity to the stakeholders so as to help in making an informed choice while opting for unified service authorisation.
- 2.101 The other technical conditions as applicable for Access Service Authorisation, Internet Service Authorisation, Long Distance Service Authorisation and

Satellite-based Telecommunication Service Authorisation should be applicable for providing the respective services.

2.102 The detailed terms and conditions for Unified service authorisation are included in the Telecommunications (Main Service Authorisations) Rules, as enclosed as Annexure-2.3.

2.103 The present framework for Unified Service Authorisation has been formulated to enable a path for moving to a truly unified telecommunication services at National Level. The advantages such as a flexibility to carry its own traffic and interconnect with other authorised entities will be available in the immediate time frame. The Authority will review the Interconnection framework and make it in line with the above recommendations, wherever required.

2.104 In view of the above, **the Authority recommends that-**

- (a) In addition to the service specific authorisations, a Unified Service authorisation should be introduced with the National level service area. The scope of Unified Service authorisation should include the provision of main telecommunication services namely, Access Service, Internet Service, Long Distance Service, Satellite-based Telecommunication Service, and M2M WAN Service.**
- (b) An authorised entity holding the Unified Service authorisation should have complete flexibility to carry its own traffic within its service area i.e. at National level.**
- (c) The Unified Service authorised entity should be permitted to-**
 - (i) Deploy any of its equipment anywhere in India. However, authorised entity should make arrangements for provisioning of lawful interception and monitoring facilities in the respective State/ Union Territories for meeting the specified security conditions. Similarly, the**

connectivity to disaster management platform and PSAP should remain at the State/ UT Level.

- (ii) Interconnect with other eligible authorised entities for handing/ taking over the PSTN, PLMN and GMPCS telephony traffic at any mutually agreed location, failing which, the interconnection should take place at the point of interconnection(s), as specified in the TRAI's interconnection regulations.**
- (iii) At this stage, the assignment of access spectrum, backhaul spectrum and numbering resource should continue to be assigned at the Telecom Circle/ Metro level.**
- (iv) The recommendations w.r.t. financial conditions for Unified Service authorisation are available in the subsequent section of these recommendations.**
- (d) The detailed terms and conditions for Unified service authorisation to be included in the Telecommunications (Main Service Authorisations) Rules, are enclosed as Annexure-2.3.**
- (e) To reap full-scale benefits of Unified Service authorisation, the Authority recommends that the Central Government should enable a roadmap for having a truly single pan-India network for providing all types of telecommunication services. The roadmap should provide a glide path leading to financial accounting and reporting, assignment of numbering resources, assignment of spectrum at a National level for Unified Service authorised entity.**

D. Need for enhancing the scope under the Internet Service Authorisation

2.105 Under the current licensing framework, an Internet Service authorisation holder is permitted to deploy its own transmission links within its service area for its internal use. However, it is not permitted to sell domestic bandwidth viz. domestic leased circuits/ domestic virtual private networks to third parties. Thus, though an Internet Service authorisation holder under the extant licensing regime might have resource-capability to provide domestic leased circuits/ Virtual Private Networks (VPNs) within its service area, yet it could not provide such services to third parties. On the other hand, an Access Service licensee is permitted to provide leased circuits within its service area. Therefore, the Authority has solicited views of stakeholders on the following questions:

Q7. Within the scope of Internet Service authorisation under the Telecommunications Act, 2023, whether there is a need for including the provision of leased circuits/ Virtual Private Networks within its service area? Kindly provide a detailed response with justifications.

Q8. In case it is decided to enhance the scope of Internet Service authorisation as indicated in the Q7 above,

(a) What should be terms and conditions (technical, operational, security related, etc.) that should be made applicable on Internet Service authorisation?

(b) Any other suggestion to protect the reasonable interests of other authorised entities upon such an enhancement in the scope of service.

Kindly provide a detailed response with justifications.

Comments of stakeholders on Q7 and Q8

2.106 In response to the questions above, many stakeholders opined that the provision of leased circuits/ Virtual Private Networks should be included within the scope of Internet Service authorisation. On the other hand, a few other stakeholders provided an opposite view to the above.

2.107 A broad summary of the comments of the stakeholders, who favoured the inclusion of the provision of leased circuits/ Virtual Private Networks within the scope of Internet Service authorisation, is given below:

- (a) Such inclusion would foster competition and innovation, aligns with the evolving nature of internet services and the convergence of technologies.
- (b) It would reduce regulatory barriers and provide simplified scheme thus aligning with the goal of Telecommunication Act 2023;
- (c) ISP are not allowed to create VPN while providing internet lease line to their customers however such restriction does not apply on the customer, and they may create VPN based on their captive architecture. Such regulatory arbitrage should be done away with;
- (d) As per the international best practices there is no such restriction to VPNs/ internet telephony over Internet and infrastructure sharing;
- (e) TRAI had recommended to allow even Internet Service Providers to offer VPN/ Closed User Group earlier.

2.108 A broad summary of the comments of the stakeholders, who opposed the inclusion of the provision of leased circuits/ Virtual Private Networks within the scope of Internet Service authorisation, is given below:

- (a) It would disturb level-playing field and harm financial stability of National Long Distance (NLD) and International Long Distance (ILD) operators. Both these authorisations involve a much higher entry fee when compared to ISP authorisation. While both ISP-A and NLD are pan-India authorisations, the entry fee for NLD (INR 2.5 Cr.) is ~8.5 times the entry fee for ISP-A (INR 30 Lakh). Similarly, while both ISP-B and Access are LSA-level authorisations, the entry fee for Access (INR 1 Cr.) is 50

times the entry fee for ISP-B (INR 2 lakhs). Further, while both Access and NLD Service authorisations require a minimum equity and a minimum networth of INR 2.5 Cr. each, there is no such requirement under ISP Authorisation;

- (b) post TDSAT judgment in 2005, ISPs were allowed to take-up ISP license permitting VPN provisioning, however, it was withdrawn later as there were no takers. It is anticipated that there may not be much demand of such enhanced scope even now;
- (c) leased circuits/VPN is an access service that must be provided only under the Access Service Authorisation and hence, scope of Carrier Service Authorisation (i.e. NLD/ILD) must exclude provisioning of access services like leased circuits/VPN;
- (d) The role of ISPs and regulators in VPN management has diminished due to the user-driven nature of VPN creation. Users can now easily establish multi-site VPN connections or network independently, even with basic broadband services;
- (e) Multiprotocol Label Switching Virtual Private Network (MPLS - VPN) should be restricted for ISPs, as it requires significant operations to maintain enterprise and security cautions.

2.109 Counter-comments: Some of the stakeholders favouring enhanced scope of ISP services have stated that there were no takers of ISP-VPN license during 2005 does not mean that these services should remain beyond the scope of ISP services today. Rather legislature does not explicitly prohibit ISPs from providing VPN services in progressive telecommunications markets like EU, USA Singapore, etc. Some stakeholders added that there are unlicensed players that provide SDWAN services in India which leads to erosion of revenues. Similarly, there are unlicensed App based VPN service providers which leads to revenue loss as well as potential security issues. Some of the stakeholders opposing enhanced scope state that if NLD operators are required to compete with numerous ISPs across the country for these services now, it could pose a serious threat to their financial viability.

2.110 In the context of question 8 above, the broad summary of stakeholders' comments about conditions to be taken care of while permitting lease circuit / VPN service provision through ISPs, is given below:

- (a) enhance the scope of services for ISP Category 'A' only as these are already subject to uniform license fee, compliance to all security norms and quality of service requirements;
- (b) ISPs should be permitted to offer Application Layer VPN or internet-based VPN services to their customers;
- (c) exemption from license fees, as per TRAI Recommendations, should be notified by the Government in case of fixed line services;

2.111 A broad summary of the comments of some stakeholders, who have opposed the inclusion of the provision of leased circuits/ Virtual Private Networks within the scope of Internet Service authorisation, is given below:

- (a) In the eventuality that the Authority recommends the enhancement of the scope of service of the ISP licensees, then the existing UL- NLD licensees should be refunded the entry fee of 2.5 Crores, and
- (b) Managing security compliances is challenging and complex hence, suitable infrastructure is pre-requisite;

Analysis of the issues raised through the Q7 and Q8

2.112 A larger number of Internet Service Providers (ISPs) i.e. Category 'A', 'B' and 'C' have been operating in different parts of the country primarily through fixed line networks. As the fixed line service penetration – for broadband and internet services, is growing steadily throughout the country, continuation of regulatory barrier that prevents ISPs from provisioning of leased circuits and Virtual Private Network (VPN) is not in consonance with overall policy objectives under NDCP 2018. ISPs, if permitted, may use their existing networks without seeking additional resources to augment their service offerings. Apart from reachability, doing so would enhance market competition and enable delivery of other

innovative services as well. It should enhance transactions relating to many Government to Government (G2C) and Business to business (B2B) services which have been rolled-out under initiatives such as Bharat-Net, Open Network for Digital Commerce, Digital Banking, etc.

2.113 Under the extant licensing regime, even though some ISPs may have network resources to provide domestic leased circuits/ Virtual Private Networks (VPNs) within their service areas, they are not able to provide the same due to regulatory restrictions. The Authority is of the view that the regulatory regime should be such that it facilitates the ISPs to fully exploit their network infrastructure and resources in providing the whole range of services. The Authority notes that a few stakeholders have contended that the enhanced scope to include leased lines and VPNs should be extended to only Category-A ISPs. The Authority examined this argument and is of the considered view that there should not be any restrictive barriers for providing leased lines and VPNs, and all categories of ISPs should be treated at par for this purpose.

2.114 Regarding the concerns raised by the NLD Licensees, it is noted that given the current scope of NLD services at pan-India level, and limited number of NLDOs, it is unlikely that such NLDOs would be able to cater to demand for leased circuits/VPN services from non-enterprise class of users i.e. individual, SME, Co-operatives etc. operating from Tier-2/ Tier-3 and rural habitations. Therefore, permitting ISPs to provide leased circuits/ VPN service to their internet customers should be viewed as 'complementary' to NLDO's service offerings.

2.115 It is also noted that in the subsequent section, the Authority has recommended that the scope of the extant NLD service and ILD service authorisations should be merged into a single Long Distance Service Authorisation. Therefore, in case an existing NLD licensee migrates to Long Distance Service Authorisation, its scope will be enhanced. Further, the issues relating to the treatment of entry fees on migration to the new authorisation framework under the

Telecommunications Act, 2023 have been dealt with in Chapter III of these recommendations.

2.116 In view of the above, **the Authority recommends that the scope of Internet Service authorisation under the Telecommunications Act, 2023 should also include the provision of Domestic Leased Circuits (DLCs)/ Virtual Private Networks (VPNs). In other words, an authorised entity, having an authorisation to provide Internet Service under the Telecommunications Act, 2023 should be permitted to also provide Domestic Leased Circuits (DLCs)/ Virtual Private Networks (VPNs).**

2.117 Besides, it may be noted that under Unified Licensing framework, service area for ISP Category-'C' provider is linked to Secondary Switching Area (SSA). There are 322 SSAs covering the whole of India. However, the service providers have been expressing operational difficulties in ground-level determination of SSA boundary. On the other hand, boundaries of revenue districts are well defined and are used by a large number of stakeholders. Therefore, if revenue district boundary is taken as a benchmark in lieu of SSA boundary, it would impart higher certainty and consistency for all concerned stakeholders.

2.118 Further, as per the existing regime, to expand the scope to another SSA, the licensed entity is required to apply for a fresh license, which is an additional burden on the service provider. It is also noted that mostly the area covered by an SSA is larger than a district. In view of the forgoing discussion, the Authority is of the view that under the new authorisation framework, the service area for Internet Category-C Service Authorisation should be revised from SSA to sub-circle which would include up to 4 revenue districts. While applying for the service authorisation, the applicant entity will have the flexibility to provide details of one or more (up to 4) districts in a Telecom Circle/ Metro and during the currency of the authorisation, the authorised entity can expand in more (up to 4) districts in the relevant Telecom Circle/ Metro after giving a prior

intimation to the Central Government. This will also enhance the flexibility in expansion of services to the authorised entity. In case an entity intends to provide service in more than 4 Districts in a Telecom Circle/ Metro, it will have to apply and obtain Category-B Authorisation for that Telecom Circle/ Metro area.

2.119 In view of the above, **the Authority recommends that**

- (a) The Service Area for Category-C authorisation shall be at 'Sub-circle' level.**
- (b) A 'Sub-circle' should comprise of up to four (4) revenue districts within a Telecom Circle/ Metro area.**
- (c) While applying for the service authorisation, the applicant entity should have the flexibility to provide details of one or more (up to 4) districts in a Telecom Circle/ Metro and during the currency of the authorisation, the authorised entity can expand in more (up to 4) districts in the relevant Telecom Circle/ Metro after giving a prior intimation to the Central Government.**
- (d) In case the Authorised Entity intends to provide services in more than four districts (sub-circle) in a Telecom Circle/ Metro Area, it should obtain Category-B Authorisation for that Telecom Circle/ Metro area.**

E. Need for reducing the number of authorizations or adding new authorisations

2.120 In the background note attached with the reference dated 21.06.2024, DoT has mentioned, *inter-alia*, that the possibility of reducing the number of authorisations may also be examined.

2.121 In this regard, it is noted that one way of reducing the number of authorisations could be removing some of the authorisations which may have become

redundant with the passage of time, or by merging/ clubbing some of the authorizations in case the technological/ market development warrants so.

2.122 Accordingly, in the consultation paper dated 11.07.2024, the possibility of clubbing the scopes of the extant NLD Service and ILD Service under a single Long Distance authorization and clubbing of the scope of the extant GMPCS and VSAT Service into a single Satellite-based service authorisation were discussed.

(1) Possibility of clubbing the scopes of the extant NLD Service and ILD Service under a single authorization

2.123 Under the extant Unified Licensing regime, there are two authorizations namely, NLD service authorization and ILD Service authorization. The scopes of these authorizations include, *inter-alia*, the long distance carriage of switched bearer telecommunication traffic, long distance voice service through calling cards and the provision of Leased Circuit/ Virtual Private Network (VPN) Services over their respective networks viz. National Long distance Network and International Long Distance Networks respectively. It has been observed that many service providers, who have obtained NLD service authorization, have also obtained ILD service authorization to provide national as well as international long distance carriage of switched bearer telecommunication traffic and domestic as well as international private leased circuits. At present, there are 31 ILD Service licensees and 51 NLD Service licensees. Out of the 31 ILD Service licensees, 26 have also obtained NLD Service licenses.

2.124 Keeping the above in view, *prima facie*, there appears to be a possibility of merging the scopes of the NLD Service authorization and ILD Service authorization into a single authorization namely Long Distance Service authorization under new service authorisation framework.

2.125 With the above stated background, the Authority through the Consultation Paper dated 11.07.2024 solicited comments of stakeholders on the following questions:

Q 9. Whether there is need for merging the scopes of the extant National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023 ? Kindly provide a detailed response with justifications.

Q 10. In case it is decided to merge the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023, -

(a) What should be the scope of service under the proposed Long Distance Service authorisation?

(b) What terms and conditions (technical, operational, security related, etc.) should be made applicable on the proposed Long Distance Service authorisation?

(c) Any other suggestions to protect the reasonable interests of other authorised entities upon the introduction of such an authorisation? Kindly provide a detailed response with justifications.

Comments of stakeholders on Q9

2.126 In response to Q9, majority of stakeholders, including telecom service providers and associations, have expressed their views favouring a possible merger of the scope of the extant National Long Distance (NLD) and International Long Distance (ILD) Service authorizations into a single 'Long Distance' service authorization. The stakeholders opined that this prospective merger would

create a unified Long-Distance Service authorization under the Telecommunications Act of 2023. The stakeholders, highlighting the anticipated benefits of this consolidation, stated that it will simplify the regulatory framework, reduce administrative complexities, and enhance operational efficiency. By integrating both domestic and international long-distance services under a single authorization, this merger will align with the overarching objective of streamlining regulatory processes.

2.127 The stakeholders stated that the proposed consolidation is likely to foster innovation and healthy competition. Service providers will be better positioned to develop integrated services and adapt to evolving technologies, especially modern infrastructure such as fibre networks. However, the stakeholders stated that the transition must not introduce additional compliance burdens or complicate existing processes, particularly those related to lawful interception for domestic traffic.

2.128 In addition, comments were also received from a few stakeholders who opposed the idea of merging National Long Distance (NLD) and International Long Distance (ILD) licenses into a single long-distance authorization. These stakeholders including a few associations opined that NLD and ILD are fundamentally distinct services, with providers either specializing in one or offering both, and merging these authorizations could adversely affect competition by diminishing the number of distinct service options available.

2.129 The stakeholders stated that currently there are 25 standalone NLD and 5 standalone ILD licenses, and merging these could disrupt existing contractual commitments and investment plans, as operators might face unfair additional regulatory burdens. The stakeholders opined that the current separation of NLD and ILD licenses attracts niche players and enhances market competitiveness, thereby benefiting consumers through improved service delivery. Hence, merging the authorizations without specifying distinct conditions for each service would likely be ineffective, given their differing scopes and compliance

requirements, including security and network interconnect standards. The stakeholders also advocated for maintaining the existing regulatory framework to ensure stability in the telecom sector and to avoid potential legal challenges and reduced investor confidence. The stakeholders also brought out that any major structural changes in the extant long distance authorizations must be preceded by a comprehensive consultation process to thoroughly evaluate its impact.

2.130 A broad summary of the comments of the stakeholders, who favoured merging the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023, is given below:

- (a) Merging NLD and ILD authorizations into a single Long-Distance Service authorization under the Telecom Act is supported.
- (b) No conflict envisaged in merging NLD and ILD authorizations, provided no additional compliance burdens are introduced.
- (c) The merger is justified. Transitional provisions are essential for a smooth transition for existing NLD and ILD service providers.
- (d) Simplifying the regulatory framework will reduce complexity and paperwork for merging national and international communications under a single license.
- (e) Merging may enhance efficiency in cost and operation for providers, ultimately benefiting consumers through improved service provision.
- (f) Merging aims to simplify the regulatory environment, reduce license management complexities, and better align with service providers' operational realities.

2.131 A broad summary of the comments of the stakeholders, who opposed the idea of merging the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023, is given below:

- (a) Merging long distance services without specifying separate conditions would be ineffective. Keeping these authorizations separate attracts niche players and enhances competitiveness. Therefore, NLD and ILD services should remain separate under the current regime.
- (b) Merging should be avoided due to potential disruptions to investment plans and service continuity. A separate consultation process is needed to assess market stability, consumer impact, regulatory efficiency, legal aspects, and industry confidence.
- (c) ILD should remain separate due to its need for international gateways and different conditions, including security conditions, permissions, and various clearances.
- (d) Separate NLD and ILD authorisations are necessary due to distinct scopes and compliance requirements, ensuring provider choice and competition.

Comments of stakeholders on Q10

2.132 In response to Q10, the Stakeholders have opined majorly in support of the merger, citing potential benefits such as simplification of the regulatory framework, enhanced operational efficiency, and reduced compliance burdens. One of the stakeholders has emphasized upon the need for a unified authorization to encompass both domestic and international long-distance services, arguing that it would streamline operations and foster industry convergence. One of the stakeholders proposed for removing current restrictions on interconnection between Public Switched Telephone Networks (PSTN) and leased line-based networks, which they believe would enhance competitiveness and flexibility in the market. Additionally, stakeholders have also advocated for maintaining a broad and inclusive service scope, ensuring that the merged authorization covers all existing services without reduction or dilution.

2.133 To safeguard the interests of existing licensed entities, the stakeholders have suggested several measures to be considered while framing the terms and conditions for the proposed long distance authorization. These include ensuring fair competition, preventing anti-competitive practices, and providing transitional provisions to allow current licensees to adapt to the new regulatory framework without undue disruption. The stakeholders also called for robust consultations to review and refine the terms and conditions of the new authorization, ensuring that all potential impacts are thoroughly examined. Key conditions proposed by the stakeholders for the new Long Distance Service authorization include defining technical standards to ensure interoperability and quality, implementing network reliability and security measures, and maintaining consumer protection provisions. The importance of preserving investment certainty and market stability has also been highlighted by the stakeholders in their submission, as abrupt changes could disrupt service continuity and reduce investor confidence.

2.134 Stakeholders have also stressed upon the necessity of maintaining regulatory stability and transparency throughout the transition period to support continued growth and innovation in the telecommunications sector. While there is broad support from stakeholders towards merging NLD and ILD authorizations to streamline regulatory processes and enhance service efficiency, the stakeholders have stressed upon the criticality to carefully address technical, operational, and security aspects. The stakeholders have submitted that adequate measures must be implemented to protect the interests of existing service providers, ensure fair competition, and maintain high standards of service quality and consumer protection. The proposed scope as suggested by the stakeholders for the newly suggested merged authorization should encompass the following aspects:

- (a) **Data Pipeline:** The new authorization must include provisions for handling long-distance payload traffic through various transmission methods, including fibre optics, satellite, and radio. This ensures that

the authorization supports diverse technological infrastructures for efficient traffic management.

- (b) **Intra-Circle Traffic:** It is recommended that the authorization allow for the carriage of intra-circle switched traffic, contingent upon mutual agreements with originating access service providers. This facilitates flexibility and operational coherence within defined geographic regions.
- (c) **Calling Cards:** The authorization should explicitly permit the provision of national and international long-distance voice services through calling cards, reflecting the ongoing demand for this service model among end customers.
- (d) **Traffic Carriage Arrangements:** The new framework should incorporate mechanisms for mutually agreed arrangements between service providers for the pickup, carriage, and delivery of traffic between Long Distance Charging Centres (LDCC) and Short Distance Charging Centres (SDCCs). This ensures streamlined and coordinated traffic management.
- (e) **Subsea Route Connectivity:** The authorization should allow for the establishment of domestic or NLD connectivity via subsea routes within Indian territorial waters. Additionally, it should integrate the recommendations from TRAI's recent recommendation on the "Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India," dated June 19, 2023. This inclusion will ensure that the authorization adheres to the latest regulatory standards for submarine cable operations.

2.135 Some of the stakeholders have opposed the merger of the National Long Distance (NLD) and International Long Distance (ILD) Service authorizations into a single Long Distance Service authorization under the Telecommunications Act, 2023, articulating several concerns. Primarily, stakeholders argue that the existing authorizations are anchored in specific contractual commitments and terms, and abrupt alterations could destabilize operators' investment plans and disrupt service continuity. They emphasize upon the need to maintain market

stability and predictability to enable operators to devise effective strategies and improve consumer service delivery. Additionally, there are apprehensions amongst these stakeholders about the regulatory efficiency of frequently changing terms and conditions of authorization.

2.136 A broad summary of comments of stakeholders on the aspects of terms and conditions (technical, operational, security related, etc.) that should be made applicable on proposed merging of extant long-distance services is given below:

- (a) Stakeholders should be consulted once the terms and conditions of the proposed clubbed authorisation is drafted, in order to review the consequences of each specific condition.
- (b) Removal of the license restriction on the existing interconnection between PSTN and leased line-based CUG/IPVPN networks for ILDO/NLDO operations.
- (c) To safeguard the interests of other authorized entities, non-discrimination in network access and pricing, should be ensured.
- (d) New Authorization should allow for the provision of all services currently offered by both NLD and ILD standalone operators without any reduction or dilution of services.
- (e) Additional compliance requirements on specific services should not be imposed. For instance, lawful interception should not be required for domestic traffic, as is currently the case.
- (f) TRAI's recommendations on the "Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India" dated 19.06.2023 may also be included into the terms and conditions for the merged ILD-NLD authorization or standalone ILD authorization.
- (g) Long-distance payload traffic can be carried through fibre, satellite, or radio.
- (h) Intra-circle switched traffic should be allowed to be carried in mutual agreement with the originating access service provider.

- (i) Mutually agreed arrangements with service providers for picking up, carriage, and delivery of traffic between Long Distance Charging Centres (LDCC) and Short Distance Charging Centres (SDCCs).
- (j) Establishment of domestic or NLD connectivity over subsea routes within Indian territorial waters be permitted.

Analysis of the issues raised through the Q9 & Q10

- 2.137 The Authority analysed the inputs received from stakeholders in detail and observed that most of the stakeholders, including telecom service providers and industry associations, have expressed support for merging the scope of the extant NLD and ILD authorizations into a single long distance authorisation. The Authority has also taken a note of the fact that some of the stakeholders have opposed the proposed idea of merger of NLD and ILD authorizations with the concerns that NLD and ILD services are fundamentally distinct services, with providers either specializing in one or offering both and that merging these authorizations could reduce the diversity of service options and potentially undermine market competition.
- 2.138 The stakeholders opposing the idea of merger have expressed the fear that in the event of the proposed merger, the operators might face unfair additional regulatory burdens. Such stakeholders have opined that ILD should remain separate due to its need for international gateways and different conditions, including security conditions, permissions, and various clearances. The Authority is of the opinion that such a merger can be effected without putting any additional burden on the service providers. The proposed single long distance authorisation may contain the scope of both NLD and ILD service authorisations and the entity will have the choice to provide NLD or ILD or both services. The gateway requirement and related security conditions applicable for providing ILD services would not be applicable until the entity choose to provide ILD services. Further, regulatory compliance will be specific to the services being provided by the Authorised Entity. Therefore, there will not be any additional regulatory burden on the entity under the proposed single long distance authorisation. The merged long distance authorisation will simplify the

regulatory framework, reduce administrative burdens, and enhance operational efficiency by integrating domestic and international long-distance services under a single authorisation.

2.139 As already brought out at para 2.59 of the consultation paper dated 11.07.2024, there are 31 ILD Service licensees and 51 NLD Service licensees in India. It has been pointed out that 26 out of the 31 ILD Service licensees also hold NLD Service licenses. This dual authorization allows them to operate across both national and international long-distance networks. The proposed possibility of Long-Distance Service authorization aims to streamline operations, enhance efficiency, and foster a more agile telecommunication ecosystem. By merging NLD and ILD services under a single long distance service authorization, service providers can optimize infrastructure, reduce operational costs, and improve service quality. A single authorization would eliminate the need for separate administrative processes, leading to streamlined workflows, optimal utilization of physical infrastructure such as fibre-optic cables, switching centers etc.

2.140 The Authority has also noted that based on the reference received from DoT, TRAI has issued its recommendations on 19th June 2023 on 'Licensing Framework and Regulatory Mechanism for Submarine Cable Landing in India'. Vide this recommendation, TRAI recommended about streamlining the process of setting up of the Cable Landing Station (CLS) and CLS-Point of Presence by ILD service providers. TRAI has also recommended to permit the NLD service providers to establish domestic submarine cables connecting two or more cities on the Indian coastline and to set up CLS for landing of such domestic submarine cables. These recommendations have also been duly included while formulating the scope of the NLD and ILD service under the proposed single long distance authorisation.

2.141 The following salient points have been included in the scope of the Long Distance Authorisation for establishment of Cable Landing Station for Submarine Cable System:

- (a) The Authorized Entity may establish Cable Landing Station (CLS) for submarine cable for both national and international long-distance services.
- (b) Domestic submarine cables shall connect two or more cities on the Indian coastline for carrying domestic traffic.
- (c) Prior permission shall be obtained by the Authorized Entity for establishing CLS for which an application is to be submitted in the prescribed proforma.
- (d) There can be two categories of CLS locations – (i) Main CLS and (ii) CLS-PoP (CLS- Point of Presence).
- (e) Authorized Entity can extend their owned or leased dark fiber pair(s) in the submarine cable from the main CLS to their respective CLS-PoP location.
- (f) The Authorised Entity is also permitted to lay stub-cable.
- (g) CLS where international cables or both domestic and international cables are terminated, should be owned and operated by Authorised entity providing International long distance services.
- (h) International Submarine Cable can carry domestic traffic on dedicated fiber pairs that are provisioned between two Indian cities.
- (i) Domestic Submarine cables should be permitted to go beyond Indian Territorial Waters (ITW) or Exclusive Economic Zone (EEZ) of India, if required for technical and safe operations.

2.142 The detailed terms and conditions regarding establishment of CLS and laying of domestic submarine cables have been included in the recommended terms and conditions for long distance authorisation.

2.143 In view of the above, **the Authority recommends the following:**

- (a) The scope of the extant NLD service and ILD service authorisations should be merged into a single Long Distance Service Authorisation.**
- (b) The scope of Long Distance service Authorisation should include establishment of Cable Landing Station (CLS) for submarine cable for both national and international long-distance services.**
- (c) The detailed terms and conditions for the Long Distance Service Authorisation have been included in the terms and conditions for Telecommunications (Main Service Authorisations) Rules placed at Annexure-2.3.**

(2) Possibility of clubbing the scopes of the extant GMPCS and Commercial VSAT CUG Service under a single authorization

2.144 Under the extant licensing regime, there are two separate authorizations for the provision of satellite-based communication services namely, GMPCS authorization and Commercial VSAT CUG authorization. The GMPCS authorization permits the authorised entity to provide, *inter-alia*, satellite-based telephony services and data services. On the other hand, the VSAT CUG authorisation permits the authorized entity to provide, *inter-alia*, satellite-based data connectivity between various sites of a user within the territorial boundary of India [i.e. data connectivity within a closed user group (CUG)], and backhaul connectivity to the Access Service providers. The scope of VSAT CUG authorisation also provides that the authorized entity after obtaining ISP license may use the same Hub station and VSAT (remote station) to provide Internet service to the subscribers, and in this case VSAT (remote station) may be used as a distribution point to provide Internet service to multiple independent subscribers.

2.145 While the GMPCS authorization permits the provision of public telecommunication services (Public Telephony and Public Internet), the

Commercial VSAT CUG authorization permits the provision of non-public non-captive services (data connectivity within a CUG). The two authorizations have, generally, mutually exclusive services under their respective scopes.

2.146 In short, for satellite-based communication services, there is no single authorisation, under the extant licensing regime, that permits an authorised entity to provide an access to public telecommunication networks as well as data connectivity within a CUG. It is noteworthy that under the extant licensing regime, Access Service authorization permits the authorized entity to provide not only the access to public telecommunication networks but also leased circuits within its service area.

2.147 Keeping the above in view, in the consultation paper dated 11th July 2024, the possibility of clubbing the scopes of the extant GMPCS and VSAT Service into a single Satellite-based telecommunication service authorisation was discussed and the following questions were raised to solicit the comments of stakeholders:

Q11. Whether there is need for merging the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Q12. In case it is decided to merge the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023, -
(a) What should be the scope of service under the proposed Satellite-based Telecommunication Service authorisation?
(b) What should be terms and conditions (technical, operational, security related, etc.) that should be made applicable on the

proposed Satellite-based Telecommunication Service authorisation?

(c) Any other suggestion to protect the reasonable interests of other authorised entities upon the introduction of such an authorisation?

Kindly provide a detailed response with justifications.

Comments of the stakeholders on Q11

2.148 In response to the Q11, many stakeholders opined that there is no need to merge the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely the Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023. On the other hand, a few stakeholders provided an opposite view to the above.

2.149 A broad summary of the comments of the stakeholders, who opposed merging the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation, is given below:

- (a) The criteria for merging the authorisations must rely on the nature of services and not on the media on which these services are provided.
- (b) GMPCS and Commercial VSAT CUG services have distinct scopes and authorizations. GMPCS addresses public phone services and satellite-based telephony and data services directly to customers, while VSAT CUG pertains to data connectivity within a closed user group and backhaul connectivity to Access Service providers. Merging these authorizations could blur the lines between their distinct functional and operational requirements.
- (c) The technical and security requirements for GMPCS and VSAT CUG services are different. GMPCS involves public communication services that require stringent security and network interconnection standards, whereas VSAT CUG deals with private data connectivity and has specific operational needs.

- (d) Combining GMPCS and VSAT CUG authorizations could result in increased complexity and higher compliance costs. The merged regulatory framework might impose additional obligations and requirements, which could be burdensome for service providers.
- (e) Instead of merging the scopes, the stakeholders suggested the following:
 - a. VSAT authorization should be able to provide internet services without needing an ISP (Internet Service Provider) authorization, which would simplify the service framework and align with international practices.
 - b. Scope of the authorization can be amended to cover Personal Mobile Communications under GMPCS and FSS, Cell Backhaul, ESIMS, M2M/IOT, Enterprise Mobility, and Enterprise broadband under VSAT.
 - c. Recommend the removal of compliance requirements for Internet Leased Lines (ILL) under VSAT, and a self-regulatory mechanism similar to the OSP (Other Service Providers) framework (Para-5 of the DoT Guidelines).
 - d. The scope of the authorizations should be amended in a way that GMPCS addresses the licensing of Mobile Satellite Services (MSS) and VSAT addresses the licensing of Fixed Satellite Services (FSS).

2.150 A broad summary of comments of the stakeholders, who were in favour of merging the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation, is given below:

- (a) Satellite authorisations can be merged into a separate category of authorisation and entities can apply for GMPCS or VSAT or Satellite backhaul based on business case and market dynamics.
- (b) Merging GMPCS and Commercial VSAT CUG authorizations into a single Satellite-based Telecommunication Service would simplify the process, enhance regulatory consistency, and promote market competition by reflecting technological convergence. This unified approach would

streamline operations, reduce administrative burdens, and improve service delivery.

- (c) A self-regulatory mechanism could reduce operational burdens. Satellite authorizations should be pan-Indian.
- (d) The regulatory framework for a merger of scope of authorizations should allow flexibility for smaller companies offering a limited number of services. This will allow them to fulfill obligations only relevant to their services.
- (e) By adopting a unified Satellite-based Telecommunication Service authorization, India can align with international best practices, promote innovation, and ensure efficient use of satellite resources.

Comments of stakeholders on the Q12

2.151 A broad summary of comments of stakeholders on the the scope of service and terms and conditions (technical, operational, security related, etc.) that should be made applicable under the proposed Satellite-based Telecommunication Service authorisation is given below:

- (a) A specific satellite IoT authorisation or sub-section within an existing authorisation should cater to business models focused on selling wholesale capacity for satellite IoT coverage.
- (b) Proposed scope for the Satellite-based Telecommunication Service authorization should include:
 - Global Mobile Personal Communication by Satellite (GMPCS)
 - Commercial Very Small Aperture Terminal (VSAT) services
 - Aeronautical and Maritime ESIM
 - UAV satellite connectivity in BVLOS environment
 - Broadband Internet services- IoT/NB-IoT and M2M communications
 - direct-to-device (D2D) operating in satellite bands
 - Emergency and disaster management communications
 - Broadcasting and multicast services
 - maritime and aviation safety communications

(c) Scope of the Satellite-based Telecommunication Service authorization shall include provision of:

- Internet services to the end customer, enterprise, other eligible TSPs.
- Access/ Voice services to the end customer, enterprise, other eligible TSPs.
- VPN/ CUG/ Data links to the end customer, enterprise, other eligible TSPs.

Analysis of the issues raised through the Q11 & Q12

2.152 As per ITU RR Article 1.8, space radiocommunication is defined as given below:

"Any radiocommunication involving the use of one or more space stations or the use of one or more reflecting satellites or other objects in space"

2.153 Satellite services can be divided into two broad heads: Mobile Satellite Services and Fixed Satellite Services. ITU RR defines the FSS and MSS as given below:

Fixed-satellite service: A radiocommunication service between earth stations at given positions, when one or more satellites are used; the given position may be a specified fixed point or any fixed point within specified areas; in some cases this service includes satellite-to-satellite links, which may also be operated in the inter-satellite service; the fixed-satellite service may also include feeder links for other space radiocommunication services.

Mobile-satellite service: A radiocommunication service between mobile earth stations and one or more space stations, or between space stations used by this service; or – between mobile earth stations by means of one or more space stations. This service may also include feeder links necessary for its operation.

2.154 The existing Unified License defines the scope of the GMPCS service as given below:

"2.1 The licensee may provide, in its area of operation, all types of mobile services, including voice and non-voice messages, data services by establishing

GMPCS Gateway utilizing any type of network equipment including circuit and/or packet switches. The licensee may also provide satellite-based data connectivity to the IoT devices/ Aggregator devices.”

2.155 On the other hand, the Unified License defines the scope of the CUG VSAT Service as given below:

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

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

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

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

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

(f) VSAT terminal may also be used to aggregate the traffic from M2M/ IoT devices/aggregator devices.

(g) VSAT licensee may use VSAT to provide backhaul connectivity to service providers having license/ Authorization/ Registration for M2M services.

(h) User terminal stations on moving platforms are also permitted for provisioning of connectivity subject to compliance to relevant TEC standard(s) and conditions mentioned therein.

- 2.156 The Authority analysed the inputs received from stakeholders in detail and observed that some of the stakeholders have expressed support for merging the scope of the extant GMPCS and VSAT service authorizations into a single Satellite-based Telecommunication service authorisation. The Authority has also taken a note of the fact that some of the stakeholders have opposed the proposed idea of merger of GMPCS and VSAT service authorizations primarily on the premise that the GMPCS and VSAT services have distinct scope and different security related conditions. Such stakeholders are of the view that combining GMPCS and VSAT CUG authorizations could result in increased complexity and higher compliance costs. The merged regulatory framework might impose additional obligations and requirements, which could be burdensome for service providers.
- 2.157 The stakeholders opposing the idea of merger have expressed the fear that in the event of the proposed merger, the operators might face unfair additional regulatory burdens.
- 2.158 The Authority is of the opinion that merger of the scope of GMPCS and VSAT service is quite possible without putting any additional burden on the service providers. The proposed Satellite-based Telecommunications Service authorisation may contain the scope of both GMPCS and VSAT service authorisations and the entity may have the choice to provide GMPCS or VSAT or both services. The security conditions applicable for providing public voice and non-voice messages under GMPCS would not be applicable until the entity chooses to provide these services. Therefore, there will not be any additional regulatory burden on the entity under the proposed Satellite-based Telecommunications Service authorisation. The merged Satellite-based Telecommunications Service authorisation will simplify the regulatory framework, reduce administrative burdens, and enhance operational efficiency by integrating both MSS and FSS kind of services under a single authorisation.

2.159 One of the stakeholders has stated that the proposed single authorisation will streamline the authorization regime with respect to satellite-based communication services under one umbrella, ease of doing business and provide choice to authorized entities to offer GMPCS service and/or the VSAT service to their users based on their operational and business requirement, without requiring to apply for a new authorization in the future. The Authority concurs with the opinion of the stakeholder and is of the view that making a single authorisation for satellite-based telecommunication services will provide ease to the service providers to optimally use the infrastructure for providing various kinds of satellite based telecommunication services under a single authorisation.

2.160 In their comments, a few stakeholders have stated that VSAT authorization should be able to provide internet services without needing an ISP (Internet Service Provider) authorization, which would simplify the service framework and align with international practices. The Authority has noted that in the existing Unified Licensing regime, the Commercial VSAT CUG Service provider is permitted to provide internet service after obtaining Internet service license. The relevant clause is reproduced below:

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

To simplify the process, it will be prudent to permit the provision of Internet Service under the proposed Satellite-based Telecommunication Service authorisation. The Authority noted that provision of Internet Service is already permitted under the existing GMPCS authorisation. The Authority is of the view that besides in GMPCS, the internet service should also be permitted in VSAT based FSS and it should be included in the scope of the proposed authorisation. However, in such a case, all the conditions for provision of Internet services

applicable on Internet Service authorised entities shall have to be fulfilled by the Authorised Entity.

2.161 During the open house discussion and subsequent written submission, a few stakeholders have requested for enabling a sub-authorisation for providing the emergency SOS messaging via satellite using MSS frequencies which allows users to initiate emergency communications through MSS transceivers contained in the mobile handset devices. In this regard, the Authority is of the view that emergency SOS messaging service via satellite using MSS frequencies is well covered under the scope of the existing GMPCS authorisation. The GMPCS authorisation permits the service provider to provide voice, non-voice messages and data services. The Authority is of the opinion that the existing licensees having GMPCS authorisation under Unified License are eligible to provide such emergency SOS messaging services also. As the entire scope of existing GMPCS authorisation under Unified License is included in the proposed Satellite-based Telecommunication Service authorisation, the Satellite operators may provide the emergency SOS messaging service under the proposed scope of the Satellite-based Telecommunication Service authorisation.

2.162 As the stakeholders have requested to permit use of Satellite Earth Station Gateway, established in India by the Authorised Entity under the Satellite-based Telecommunication Service Authorisation, for providing service in foreign countries. Since it will benefit the Indian space industry also, the Authority is of the view that such a request can be considered, and the Authorised Entity should be permitted to use its Satellite Earth Station Gateway established in India for providing service in foreign countries. However, in such cases the Authorised Entity should be responsible for fulfilling the requisite regulatory requirements of the foreign country. Further, such provision of service in foreign country should not be construed to be provided under the Service Authorisation issued in India by the Central Government under the Telecommunication Act, 2023. There may be a situation where the frequency

assigned for Satellite Earth Station Gateway (Feeder Link) by the Central Government, for provision of Satellite-based Telecommunication Service in India, is being used by the Authorised Entity for providing services in foreign countries. In such a situation, the Authorised Entity may be liable to pay such additional spectrum charges as may be prescribed by the Central Government in the terms and conditions of the assignment of spectrum. There may also be a situation where the internet bandwidth of the Internet Service Authorised Entity (Internet Service Provider) in India will be used for providing the service in foreign country and carrying the internet traffic of the foreign country. It will therefore be desirable to segregate the traffic of Indian users and foreign users for traffic identification purpose. Therefore, the Authority is of the view that the Authorised Entity should be permitted to use its Satellite Earth Station Gateway established in India for providing service in foreign countries after obtaining permission from the Central Government.

2.163 In view of above, **the Authority recommends the following:**

- (a) The scope of the extant GMPCS service authorization and Commercial VSAT CUG Service authorization should be merged into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023.**
- (b) The scope of the Satellite-based Telecommunication Service authorisation should include both GMPCS and VSAT based FSS. The Authorised Entity may choose to provide any or all the services permitted under the scope of Satellite-based Telecommunication Service authorisation.**
- (c) The Authorised Entity should be permitted to provide internet service through GMPCS as well as VSAT based FSS. There should be no need to obtain internet service authorisation separately. However, in case the Authorised Entity provides Internet Services, all the conditions for the provision of Internet services**

applicable on Internet Service authorised entities shall have to be fulfilled by the Authorised Entity.

- (d) The Authorised Entity should be permitted to use its Satellite Earth Station Gateway established in India for providing service in foreign countries after obtaining permission from the Central Government.**
- (e) The detailed terms and conditions for the Satellite-based Telecommunications Service Authorisation have been included in the terms and conditions for Telecommunications (Main Service Authorisations) Rules placed at Annexure-2.3.**
- (f) The Authority clarifies that the emergency SOS messaging services via Satellite using MSS frequencies is covered under the scope of extant GMPCS authorisation under Unified License as well as under the scope of the recommended Satellite-based Telecommunication Service Authorisation under the Telecommunications Act, 2023.**

(3) Need for clubbing the scopes of some of the other authorisations into a single authorisation and removing some of the existing authorisations under the Telecommunications Act, 2023

2.164 Through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following questions:

- Q15. Whether there is a need for clubbing the scopes of some of the other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations? If yes, in your opinion, the scopes of which authorisations should be clubbed together? For each of such proposed (resultant) authorisations, -*
- (a) What should be the scope of the service?*
 - (b) What should be the service area?*

(c) What terms and conditions (technical, operational, security, etc.) should be made applicable?

Kindly provide a detailed response with justification.

Q16. Whether there a need for removing some of the existing authorizations, which may have become redundant? If yes, kindly provide the details with justification.

Comments of stakeholders on the Q15 and Q16

2.165 In response to the Q15 and Q16, many stakeholders opined that there is a need for clubbing the scopes of some of the other authorisations into a single authorisation or removing some of the existing licenses/ authorisations under the Telecommunications Act, 2023 for bringing more efficiency in the operations. This, according to them will result in improving ease of doing business. On the other hand, a few other stakeholders provided an opposite view to the above.

Analysis of the issues raised through the Q15 and Q16

2.166 The Authority notes that most of the entities have acquired both M2MSP registration and WPAN/ WLAN Connectivity Provider Registration, which suggests the complementary nature of these services. Besides, both the services operate in M2M eco-system. Accordingly, the Authority is of the view that the registration for M2MSP Registration and WPAN/ WLAN Connectivity Provider Registration under the extant regime can be clubbed together to form a new authorisation namely 'M2M Service and WPAN/ WLAN Connectivity Service' authorisation under the Telecommunications Act, 2023.

2.167 In the year 2013, when the Unified Licensing regime was introduced in the country, one of the authorizations under the Unified License was for Resale of IPLC Service. This authorization permitted the authorization holder to provide end-to-end IPLCs between India and the country of destination by obtaining the international bandwidth from the licensed ILD service providers. In the year

2016, when the Unified License for VNO regime was introduced in the country, all the authorisations available under Unified License were created under the Unified License for VNO as well, including ILD Service authorization and Resale of IPLC Service authorization. As the scope of the Resale of IPLC Service authorization under the newly introduced Unified License for VNO regime was similar to the scope of the Resale of IPLC Service authorization under Unified License regime, the Resale of IPLC authorization under Unified License was removed thereafter.

2.168 Under the extant Unified License for VNO regime, the ILD authorization permits the authorized entity to provide international calling cards, while the Resale of IPLC Service permits the authorized entity to provide end-to-end IPLC service between India and the country of destination by obtaining the international bandwidth from the licensed ILDOs. Both these VNO authorizations seek parenting from ILD NSOs.

2.169 In a previous section, the Authority has already deliberated and recommended to merge the scopes of NLD and ILD authorizations under the extant regime into the scope of a single authorisation viz. Long Distance Service authorisation, under the Telecommunications Act, 2023. Considering this aspect, the Authority is of the view that there should be a single VNO authorisation for Long Distance Service which has, under its scope, all the services permitted under the Long Distance Service (NSO) authorisation.

2.170 In another section of these recommendations, the Authority has already deliberated and recommended to merge the scopes of Commercial VSAT CUG Service and GMPCS under the extant regime into the scope of a single authorisation viz. Satellite-based Telecommunication Service authorisation, under the Telecommunications Act, 2023. Accordingly, the Authority is of the view that separate VNO authorisations for (i) Commercial VSAT CUG Service (ii)

GMPCS would not be required any longer and hence need not be included in the new authorisation framework under the Telecommunications Act, 2023.

2.171 Considering the comments of stakeholders and further analysis, **the Authority recommends that:**

- (a) the M2MSP Registration and WPAN/ WLAN Connectivity Provider Registration under the extant regime should be clubbed together to form a new authorisation namely 'M2M Service and WPAN/ WLAN Connectivity Service' authorisation under the Telecommunications Act, 2023. In this regard, the terms and conditions for M2M Service and WPAN/ WLAN Connectivity Service authorisation are enclosed as Annexure 2.4.3.**
- (b) As Long Distance Service authorisation for both NSO and VNO has already been recommended by the Authority in an earlier section of these recommendations, separate VNO authorisations for (i) NLD Service (ii) ILD Service, and (iii) Resale of IPLC Service would not be required any longer and hence should not be included in the new authorisation framework under the Telecommunications Act, 2023.**
- (c) As Satellite-based Telecommunication Service authorisation for both NSO and VNO has already been recommended by the Authority in an earlier section of these recommendations, separate VNO authorisations for (i) Commercial VSAT CUG Service (ii) GMPCS would not be required any longer and hence should not be included in the new authorisation framework under the Telecommunications Act, 2023.**

(4) Possibility for introducing certain new authorisations or subcategories of authorisations

2.172 Through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following question:

Q17. Whether there is a need for introducing certain new authorisations or sub-categories of authorisations under the Telecommunications Act, 2023? If yes, -

- (a) For which type of services, new authorisations or sub-categories of authorisations should be introduced?*
- (b) What should be the respective scopes of such authorisations?*
- (c) What should be the respective service areas for such authorisations?*
- (d) What terms and conditions (general, technical, operational, Security, etc.) should be made applicable for such authorisations?*

Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q17

2.173 In response to the Q17, while many stakeholders have suggested for introducing certain new authorisations such as citizen safety-related mobile satellite services and a pan-India Internet Telephony Service authorisation under the Telecommunications Act, 2023. On the other hand, many other stakeholders have opposed the introduction of any new authorisations under the Telecommunications Act, 2023.

Analysis of the issues raised through the Q17

2.174 The Authority has already recommended, in earlier sections of these recommendations, Satellite-based Telecommunication Service authorisation and a pan-India Unified Service authorisation under the Telecommunications Act, 2023. Accordingly, the scopes of Citizen safety-related mobile satellite services and pan-India Internet Telephony Service authorisation are already covered as a part of the scopes of authorisations for Satellite-based

Telecommunication Service authorisation and Unified Service authorisation respectively.

2.175 Considering the comments of stakeholders and further analysis, the Authority is of the view that no new authorisations are required to be introduced under the Telecommunications Act, 2023 at this stage.

F. Need for any change in the terms and conditions of respective Service Authorisation with respect to the corresponding terms and conditions under Unified Licensing (UL)

2.176 Through the reference dated 21.06.2024, the DoT has requested the Authority to provide its recommendations on the terms and conditions including fees and charges for authorisations to provide telecommunication services as per the provisions of the Telecommunications Act 2023. As mentioned in the Consultation Paper dated 11.07.2024, as per the extant licensing framework, Schedule to the Unified License Agreement contains the terms and conditions under the Unified License, in two parts (Part-I and Part-II). The terms and conditions contained in Part-I are to be applicable for all services provided under the license unless specified otherwise. Part-II consists of the terms and conditions specific to the respective service authorization, which were in addition to the terms and conditions contained in Part-I.

2.177 Further, the Telecommunication Act, 2023 envisages, inter-alia, that (a) the rules made under the Act will specify terms and conditions under various authorisations to be granted under the Act, and (b) the terms and conditions could be different for different authorisations.

2.178 In the background Note annexed to the reference dated 21.06.2024, the DoT has drawn attention to the provisions of the clauses 3(1)(a), 3(2), 3(5) and 3(6) of the Telecommunications Act, 2023 and has stated that many other

sections, such as sections 4 to 9, 19 to 24, 28 to 42, 44, 45, 49 and 55 of the Telecommunications Act, 2023 may have either direct or indirect linkages with the terms and conditions of the authorisation for providing telecommunication services.

2.179 With this background, the stakeholders were asked to provide their comments on the following question:

Q18. In view of provisions of 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?*
- (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?*

Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q18

2.180 In response to Q18, stakeholders have expressed multiple views regarding the different types of Service Authorisation envisaged. The summarized views of the various stakeholders are given below:

- (i) A few stakeholders stated that terms and conditions of all the existing Service Authorisations under the Unified Licensing (UL) as well as new dispensation should stay the same as in the existing UL framework. It has been, however, suggested that the Government should consider relaxing the terms and conditions with a view to reducing compliance burden on the sector.

- (ii) Another stakeholder was of the opinion that there should be three layers of service authorisation-
 - (a) Access Authorisation combining the scope of Access Services, Internet Services and GMPCS services authorisation
 - (b) Carrier Authorisation merging the scope of NLD and ILD authorisation
 - (c) Other Services authorisation (OS), merging the scope of Public Mobile Radio Trunking Service (PMRTS), Commercial Very Small Aperture Terminal (VSAT) Closed User Group (CUG) Service and Audio Conferencing/ Audiotex/ Voice Mail Service.
- (iii) The stakeholder also mentioned that Licensed Service Area (LSA) should be extended to area up to 200 nautical miles from the baseline of the respective LSA (at present) and the spectrum allocated in the service area could be used to provide telecommunication services in the area up to 200 nautical miles of the baseline. Further, the third category of authorisation viz. Other Services (OS) authorisations should be granted at district level as well so that smaller service providers could operate with ease.
- (iv) Another stakeholder expressed that service authorisation may be classified as under:
 - (a) Terrestrial telecom authorisation where end to end services can be provided without using any licensed spectrum or satellite connectivity
 - (b) Authorisation using spectrum for providing services
 - (c) Authorisation for using international connectivity using gateway
 - (d) Authorisation for using satellite bandwidth
- (v) Some stakeholders stated that separate authorisations for specialized services - such as satellite-based communication, VNO partnerships, and DCIP is crucial for addressing their distinct technical and operational needs. For them, this separation ensures regulatory clarity, prevents competitive imbalances, and safeguards security and reliability in critical areas. Distinct authorisations are important too for preserving

government revenue streams and aligning with international standards, which could be compromised by a unified authorisation framework.

- (vi) On the issue of Universal Access Authorisation as proposed, a few stakeholders opined that there is no further need for such an authorisation.
- (vii) As per a few stakeholders, a key area for reform is simplifying regulatory obligations for service providers supporting enterprise customers. They have suggested distinguishing B2B from B2C services on the grounds that B2B services are crucial for the modern, interconnected economy, offering high-speed data, security, and IT solutions essential for global business operations. For B2C services, regulations are designed to protect mass market consumers. Regulations such as tariff publication, consumer complaint procedures, and service termination rules etc. are often unnecessary for enterprise services, where contracts are negotiated individually.
- (viii) Several stakeholders suggested to have specific service authorisation for Satellite Communication Services. The stakeholder further suggested that commercial VSAT CUG service providers in India should be allowed to use gateways in India to serve neighbouring countries for assuming regional leadership position in this segment. So far changes in the terms and conditions are concerned, the following is suggested for both Commercial VSAT Authorisation as well as for GMPCS Authorisation
 - Remove NOCC frequency plan approvals. NOCC frequency plan approvals were relevant when ISRO was providing satellite capacity through the GSAT program;
 - Change in the methodology of assigning spectrum for satellite services on a carrier by carrier basis, in order to allow for a block of spectrum to be assigned.
- (ix) Another stakeholder mentioned that simplified VSAT authorisation should enable delivery of (a) internet access, (b) point- to-point or private network communications services for customers, (c) backhaul to other service providers (e.g., Access Service providers for cellular mobile

connectivity or Wi-Fi hotspots, M2M service providers), (d) services aggregating traffic from M2M / IoT devices or aggregator devices, etc., and (e) connectivity via Earth Stations in Motion (ESIM) using spectrum allocated to the FSS. The VSAT authorisation would no longer be restricted to use by a CUG. It further added that GMPCS authorisation could be streamlined to enable delivery of service to customers using frequencies allocated to the MSS. This should include delivery of all types of mobile satellite service, including internet access.

- (x) Another stakeholder stated that gateways in systems only operate as radiofrequency-to-optical signal relays, converting and aggregating satellite signals from satellites and relaying them via ground-based optical fiber to the network's Point-of-Presence. Thus, the Point of Presence should be identified as Gateway.

Analysis of the issues raised through the Q18

2.181 Telecommunication Act, 2023 provides a comprehensive statutory base for further development of the telecommunication sector. In essence, the Telecommunication Act, 2023 envisages, inter-alia, that (a) the rules made under the Act will specify terms and conditions under various authorisations to be granted under the Act, and (b) the terms and conditions could be different for different authorisations. The Authority notes that though the service offerings available to users are becoming more diverse, regulatory framework needs to be equitable to all the service providers. However, the terms and conditions could be different for different authorisations.

2.182 Besides, service continuity is another key objective while different service providers may migrate to the revised regime. The framework should provide opportunities for the entry of new market players, innovative services and customization of offerings suited to different kinds of users as well as a migration path to the existing service providers.

- 2.183 The Authority has noted the suggestion provided by one of the stakeholders to merge the Access Authorisation combining the scope of Access Services, Internet Services and GMPCS services authorisation into a single authorisation. This aspect has already been covered in the earlier sections of this recommendation and a Unified Service authorisation has been recommended to be introduced at National level.
- 2.184 The Authority has noted that with the technological developments taking place it is now possible for the Access Service providers to deliver the mobile services through Non-Terrestrial Networks (NTNs). It will complement the terrestrial networks in those areas where the terrestrial networks have not reached. The Authority is of the view that use of Non-Terrestrial Networks (NTNs) should accordingly be included in the scope of the Access Service authorisation.
- 2.185 The Authority has made a note that as per the Telecommunications Act, 2023 any breach of the terms and conditions of authorisation, granted under the Telecommunications Act, 2023, shall be dealt with as per Section 32 of the Telecommunications Act, 2023 and the rules which may be notified thereunder. Accordingly, the Authority is of the view that these aspects should be included in the terms and conditions of various authorisations.
- 2.186 In respect of user complaints, Section 28(3) of the Telecommunications Act, 2023 envisages that an authorised entity providing telecommunication services shall establish an online mechanism to enable users to register any grievance pertaining to the telecommunication service, and redressal of such grievances, in such manner as may be prescribed. The Authority is of the view that the authorised entities should comply with this requirement, and it should be included in the terms and conditions of the various authorisations.
- 2.187 The Authority, vide its recommendation on 'Telecommunication Infrastructure Sharing, Spectrum Sharing and Spectrum Leasing' dated 24th April 2024, has

recommended passive and active infrastructure sharing among the service providers. The Authority is of the view that the said recommendations should be included in the terms and conditions of the authorisations. Following conditions should be included in the operating conditions of the authorisations:

- (1) The Authorised Entity may share its own active and passive infrastructure for providing services authorised to it under any other authorisation issued by the Central Government.
- (2) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under its authorisation(s) with all other eligible authorised entities.
- (3) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated under its authorisation(s) with all other eligible authorised entities as per the scope of their services.
- (4) Sharing of the Lawful Interception System (LIS) held by an Authorised Entity with other authorised entities is allowed with the permission of the Central Government on a case-to-case basis.
- (5) Additional terms and conditions for sharing of infrastructure may be applicable as per the respective service Authorisations.
- (6) For sharing of infrastructure as per the above conditions, mutual agreements may be entered amongst the eligible authorised entities.

2.188 The Authority has made a note of Section 45 of the Telecommunications Act, 2023 vide which it has been stated that the Central Government may provide for such security interest which an authorised entity may provide to lenders financing such entities on such terms and conditions of such security interest as may be prescribed. The Authority is of the view that this aspect should be included in the terms and conditions of various authorisations in place of the clause related to the tripartite agreement as appearing in the extant Unified License and other licenses.

2.189 There are various aspects of regulation which come directly under the domain of TRAI such as interconnection, tariff and quality of service etc. for which TRAI has formulated various regulations which are to be complied with by the authorised entities. In case of violation of its regulations, orders and directions, there are provisions to impose Financial Disincentives. However, presently there is no securitization mechanism to recover the amount from the service providers if they fail to pay the FD amount. The Authority is of the view that the authorised entity should be liable to pay the Financial Disincentives (FD) imposed by TRAI for violation of TRAI's regulations/ orders/ directions. In case the Authorised Entity fails to pay the FD amount to TRAI and if TRAI advises so, the Central Government should recover the amount from the Bank Guarantees furnished by the authorised entity to the Central Government under any authorisation. The decision of the Authority regarding the imposition of Financial Disincentives and the amount thereof shall be final and will be subject to the appeal as per the provisions of TRAI Act, 1997.

2.190 As per Section 11(1)(b)(i) of the TRAI Act, 1997, the functions of the Authority shall be to discharge the following functions, namely - ensure compliance of terms and conditions of license. In this regard, the Authority is of the view that this aspect should be included in the terms and conditions of the authorisations. The authorised entity should comply with the terms and conditions of the authorisation and shall be bound by the regulations/ orders/ directions issued by TRAI in respect of ensuring compliance of terms and conditions of authorisation under the provisions of TRAI Act.

2.191 The scope of Unified Service authorisation, as recommended in the earlier section of this recommendation, includes various services such as Access Service, Internet Service, Long Distance Service, Satellite-based Telecommunication Service and M2M WAN Service. The Authority is of the view that if an entity has obtained the Unified Service authorisation, it should not separately get the individual service authorisation which is already covered

in its scope. In other words, the authorised entity having Unified Service authorisation can provide the service(s) permitted under the scope of Unified Service authorisation, only under its Unified Service authorisation and not under any other authorisation/ license.

2.192 Similarly, the scope of Access Service authorisation, as recommended in the earlier section of this recommendation, includes various services such as Internet Service, and M2M WAN Service. The Authority is of the view that if an entity has obtained the Access Service authorisation, it should not separately get the individual service authorisation which is already covered in its scope. In other words, the authorised entity having Access Service authorisation shall not provide any service(s) permitted in the scope of Access Service authorisation, under any other service authorisation/ license.

2.193 As per the extant Unified License, the authorisation for M2M is granted for three different categories namely Category-A, Category-B, Category-C. The Service Area for Category-A authorisation is at the National Area. The Service Area for Category-B authorisation is the Telecom Circle/ Metro area and the Service Area for Category-C authorisation is the Secondary Switching Area (SSA). As discussed in earlier sections, the constituent area of the SSA is sometimes ambiguous and difficult to delineate. The Authority is of the view that the Service Area for Category-C authorisation should be the Sub-circle. The Sub-circle should mean up to four districts within a Telecom Circle/ Metro Area. The Authorised Entity should be permitted to choose any four districts in the Telecom Circle/ Metro Area. In case an Authorised Entity with Category-C authorisation intends to provide M2M WAN Service beyond four districts in a Telecom Circle/ Metro Area, it should migrate to Category-B authorisation in the Telecom Circle/ Metro Area. The Authority is also of the view that the M2M authorisation should be renamed as M2M Wide Area Network (WAN) Service authorisation in order to align it with the permitted scope.

2.194 It may be noted that the Authority has issued its recommendations on 'Usage of Embedded SIM for Machine-to-Machine (M2M) Communications' on 21st March 2024. Certain conditions related to the deployment of SM-SR, its integration with SM-DP and swapping of SM-SR were recommended vide the said recommendations. Through a letter dated 21.08.2024, the DoT has conveyed its decision to accept the above recommendations with minor modifications. The Authority is of the view that the recommendations, which have been accepted by the DoT, should be suitably included in the terms and conditions of M2M WAN Service authorization.

- (a) The M2M WAN Service Authorised Entity can deploy Subscription Manager-Secure Routing (SM-SR) for over-the-Air (OTA) profile subscription management of M2M eSIMs.
- (b) The M2M WAN Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, shall not refuse integration of its SM-SR with the SM-DP of eligible authorised entities, whose profiles are to be added in such M2M eSIMs, upon the request of the concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service.
- (c) The M2M WAN Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, should mandatorily facilitate switching of its SM-SR with the SM-SR of another entity, eligible to hold SM-SR in India, upon the request of the concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service. Such SM-SR switching should be carried out as per the GSMA's specifications and should be completed within a period of six months from the date of receipt of the formal request from the concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service.

2.195 The extant Unified License provides for EMF Norms, Location Detail Accuracy parameters for mobile, Spectrum Cap, and Conditions for provision of IPTV as a part of the terms and conditions of the license. The guidelines for Calling Line Identification Restriction (CLIR) process have been issued separately by the Central Government. The Authority is of the view that the EMF Norms, Location

Detail Accuracy parameters for mobile, Calling Line Identification Restriction (CLIR) process, Spectrum Cap, and Conditions for provision of IPTV by eligible authorised entity should be provided by the Central Government by issuing suitable directions/ orders/ instructions/ guidelines/ norms.

2.196 In view of above discussions, **the Authority recommends that the following should be included in the terms and conditions of the Telecommunication (Main Service Authorisation) Rules:**

- (a) For providing the service, use of Non-Terrestrial Network (NTN) shall be permitted to the Access Service authorised entity and Unified Service authorised entity.**
- (b) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.**
- (c) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal made under the Telecommunications Act, 2023.**
- (d) An authorised entity providing telecommunication services shall establish an online mechanism to enable users to register any grievance pertaining to the telecommunication service, and redressal of such grievances, in such manner as may be prescribed.**
- (e) The Authorised Entity may share its own active and passive infrastructure for providing services authorised to it under any other authorisation issued by the Central Government.**

- (f) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under its authorisation(s) with all other eligible authorised entities.**
- (g) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated under its authorisation(s) with all other eligible authorised entities as per the scope of their services. However, the sharing of core network elements shall not be done if the number of independent core networks held by the licensees for the concerned telecommunication service is reduced to less than two by such sharing.**
- (h) Sharing of the Lawful Interception System (LIS) held by an Authorised Entity with other authorised entities is allowed with the permission of the Central Government on a case-to-case basis.**
- (i) For sharing of infrastructure as per the above conditions, mutual agreements may be entered amongst the eligible authorised entities.**
- (j) The Central Government may provide for such security interest which an authorised entity may provide to lenders financing such entities on such terms and conditions of such security interest, which will be governed by the Rules notified by the Central Government under section 45 of the Telecommunications Act, 2023.**
- (k) The Authorised Entity shall be liable to pay the Financial Disincentives (FD) imposed by TRAI for violation of the TRAI's regulations/ orders/ directions. In case the Authorised Entity fails to pay the FD amount to TRAI and if TRAI advises so, the Central Government shall recover the amount from the Bank Guarantees furnished by the Authorised Entity to the Central**

Government under any Authorisation. The decision of the TRAI regarding the imposition of Financial Disincentives and amount thereof shall be final and will be subject to the appeal as per the provisions of TRAI Act, 1997.

- (l) The Authorised Entity shall comply with the terms and conditions of the Authorisation and shall be bound by the regulations/ orders/ directions issued by TRAI in respect of ensuring compliance of the terms and conditions of the Authorisation under the provisions of TRAI Act.**
- (m) The Authorised Entity having Unified Service Authorisation can provide the service(s) permitted under the scope of Unified Service Authorisation, only under its Unified Service Authorisation and not under any other authorisation/ license.**
- (n) The Authorised Entity having Access Service Authorisation can provide the service(s) permitted under the scope of Access Service Authorisation, only under its Access Service Authorisation and not under any other authorisation/ license.**
- (o) The Service Area for M2M WAN Service Category-C authorisation shall be 'Sub-circle'. The Sub-circle shall mean up to four districts within a Telecom Circle/ Metro Area. The Authorised Entity shall be permitted to choose any four districts in the Telecom Circle/ Metro Area. In case an Authorised Entity with Category-C authorisation intends to provide M2M WAN Service beyond four districts in a Telecom Circle/ Metro Area, it shall have to migrate to Category-B authorisation in the Telecom Circle/ Metro Area.**
- (p) The M2M WAN Service Authorised Entity can deploy Subscription Manager-Secure Routing (SM-SR) for over-the-Air (OTA) profile subscription management of M2M eSIMs.**
- (q) The M2M WAN Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, shall not refuse integration of its SM-SR with the SM-DP of eligible authorised entities, whose profiles**

are to be added in such M2M eSIMs, upon the request of the concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service.

- (r) **The M2M WAN Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, should mandatorily facilitate switching of its SM-SR with the SM-SR of another entity, eligible to hold SM-SR in India, upon the request of the concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service . Such SM-SR switching should be carried out as per the GSMA's specifications and should be completed within a period of six months from the date of receipt of the formal request from the concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service.**

- 2.197 **The Authority recommends that the Electro Magnetic Field (EMF) Norms, the accuracy of mobile user's location details, the process of Calling Line Identification Restriction (CLIR), Spectrum Cap, and the conditions for provision of IPTV by eligible authorised entities etc. should be provided by the Central Government by issuing suitable directions/ orders/ instructions/ guidelines/ norms.**

Comments of Stakeholders on Additional Issues:

- 2.198 Some of the stakeholders have provided comments on various other issues also related to authorisations. Many stakeholders have opined that the elaborate infrastructure set up is required to provide the lawful interception and monitoring (LIM) facility at the premises of various LEAs/ Government agencies and to store the huge amount of CDRs/ EDRs/ IPDRs generated due to the humongous traffic flowing through the networks these days. It involves a huge CAPEX as well as OPEX. The CDRs/ EDRs/ IPDRs have to be stored for a period of 2 years. Moreover, there are additional parameters relating to the inclusion of destination IP and destination port in the IPDR format. It again adds up the

costs due to computation obligations, data extraction and storage. Significant investments are also required to upkeep cyber security. In support of their views, the stakeholders have quoted some international instances where the whole or partial cost is borne by Government agencies.

2.199 A few stakeholders have stated that Telecom Service Providers have been receiving requests for the usage of telecom resources from various Government users/ departments. However, they are not being compensated for their services in any manner. For instance, TSPs have collectively sent around 260 Crore SMSs to the Indian population on behalf of the Election Commission of India (ECI) to create awareness and boost voter turnout and participation regarding the General Elections 2024, the stakeholder added. Along with SMSs, a significant number of out-bound dialing (OBD) calls have also been made for this purpose. This huge volume of communications was over the space of only a few months. TRAI should recommend that DoT facilitate a discussion between the relevant parties regarding signing of a Memorandum of Understanding (MoU) or an agreement between Government agencies such as ECI and the TSPs. The Agreement should lay out the compensation structure as well as the terms and conditions for such communications via calls including OBD calls and SMSs.

Analysis

2.200 As service usage is growing, the requirement to fulfill security related obligations upon the telecom service providers are also increasing. Given the rapid technological advancements in the telecom sector, deployments made by the service providers need to be augmented frequently and the requirement for additional facility or additional operational support goes on increasing. However, since the matter relates to security, the issues may be best decided by the Central Government. The Authority is of the view that the Central Government may take up the issue with the concerned security agencies and

may explore a mechanism to suitably compensate the service providers towards fulfilling the additional security related requirements.

2.201 In consideration of the stakeholder's views regarding compensation to TSPs for dissemination of messages by Government departments/ agencies, it appears that the services extended by various service providers to disseminate public broadcast messages in large volume during the dates/ period as specified by public bodies should also be reasonably compensated. The Authority is of the view that except for disaster related messages, the concerned Government agency should devise a mechanism to suitably compensate the service providers for dissemination of the messages.

2.202 In view of above, **the Authority recommends that -**

- (i) Central Government may take up the issue with the concerned security agencies and may explore a mechanism to suitably compensate the service providers towards fulfilling the additional security related requirements.**
- (ii) Except for disaster related messages, the concerned Government agency should devise a mechanism to suitably compensate the service providers for dissemination of the public broadcast messages.**

G. Need for any change in the terms and conditions of respective Service Authorisation with respect to the corresponding terms and conditions under Unified Licensing (VNO)

2.203 Through the reference dated 21.06.2024, the DoT has requested the Authority to provide its recommendations on the terms and conditions including fees and charges for authorisations to provide telecommunication services as per the provisions of the Telecommunications Act 2023. As mentioned in the Consultation Paper dated 11th July 2024, as per the extant licensing framework,

Schedule to the Unified License (VNO) Agreement contains the terms and conditions under the Unified License (VNO), in two parts (Part-I and Part-II). The terms and conditions contained in Part-I are to be applicable for all services provided under the license unless specified otherwise. Part-II consists of the terms and conditions specific to the respective service authorization, which were in addition to the terms and conditions contained in Part-I.

2.204 Further, the Telecommunication Act, 2023 envisages, inter-alia, that (a) the rules made under the Act will specify terms and conditions under various authorisations to be granted under the Act, and (b) the terms and conditions could be different for different authorisations.

2.205 With this background, the stakeholders were asked to provide their comments on the following question:

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?

Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q19

2.206 In response to Q19, stakeholders have expressed multiple views regarding the different types of Service Authorisation envisaged. The summarized views of the various stakeholders are given below.

2.207 A broad summary of the comments of the stakeholders, regarding changes 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, is given below:

- (a) The scope of services and all associated terms and conditions need to be adapted accordingly in line with the main authorization (e.g. Access Service authorisations, Carrier Service authorisation and Other Service (OS) Authorisation).
- (b) The scope of service of the UL-VNO Access Service authorisation should allow the Licensee to offer CNPN as a service to its Enterprise customers.
- (c) The scope of service of the UL-VNO ISP authorisation should be expanded and amended to enable the reselling of satellite broadband services obtained from operators authorised to provide satellite broadband services.
- (d) To align the scope of Virtual Network Operator (VNO) authorizations with those of full-fledged network authorizations, it is proposed to consolidate the VNO authorizations for International Long Distance (ILD) services and the resale of International Private Leased Circuit (IPLC) services.
- (e) Internet telephony should be allowed with wireline access service numbers within India, and UL/ UL (VNO) licensees should be permitted to carry IP telephony voice over internet, regardless of their interconnect with host NSO.
- (f) Missing clauses in the VNO-Commercial VSAT CUG authorization may be incorporated such as aggregating traffic from M2M/IoT devices, providing backhaul connectivity to service providers for M2M services, Cellular Mobiles and IoT devices, and allowing user terminal stations on moving platforms.

2.208 A broad summary of the comments of the stakeholders, regarding changes in the terms and conditions associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO, is given below:

- (a) Condition 5.4 of the UL-VNO-ISP authorization which requires the authorized entity to obtain IP addresses and domain names from their respective NSO(s) needs to be reviewed due to unreasonable restrictions. The licensee should be allowed to use its own IP addresses for service provision.
- (b) Regional/local ISPs with UL-VNO ISP authorisation should be allowed to re-sell services from VSAT authorisation holders under the UL thereby reducing the need for small UL-VNO ISPs to apply separately for a UL-VNO VSAT authorization.
- (c) VNOs should be treated as independent entities, and their authorization duration can be extended to a period of 20 years independent of the validity period of the parented NSO.
- (d) The current UL (VNO) License clauses 1.3, 27.1, 27.2, 32.1, 32.2, 33.2 allow for mutual agreements between NSOs and VNOs for access services without involving the regulatory framework. However, it is suggested that these services should be brought under the regulatory framework to prevent network delays and protect VNOs from economic exploitation by NSOs seeking unaffordable wholesale rates or unwillingness to provide necessary infrastructure resources.

Analysis of the issues raised through the Q19

2.209 The Authority has noted the comments of stakeholders who suggested that the scope of services and all associated terms and conditions for VNO authorisation need to be adapted in line with the main authorization. The Authority agrees with the view and is of opinion that the scope of VNO authorised entity should be analogous to the main (NSO) authorised entity. The Authority is of the further view that the terms and conditions specific to the VNO entity should be

included in the main service authorisation itself. The scope of services as given for the main authorised entity should also be applicable on the VNO authorised entity along with certain restrictions as applicable. The validity of the VNO authorisation should also be accordingly for 20 years.

2.210 One of the stakeholders has submitted that the scope of service of the UL-VNO Access Service authorisation should allow the Licensee to offer CNPN as a service to its Enterprise customers. As stated above, the scope of services as given for the main authorised entity should also be applicable on the VNO authorised entity. Accordingly, the issue suggested by the stakeholder has already been taken care of.

2.211 With respect to the comments of stakeholder that to consolidate the VNO authorizations for International Long Distance (ILD) services and the Resale of International Private Leased Circuit (IPLC) services, the Authority has already discussed this issue in the earlier section and a single VNO authorisation of Long Distance service has been recommended.

2.212 The Authority has noted the comment of a stakeholder who stated that UL-VNO-ISP authorization which requires the authorized entity to obtain IP addresses and domain names from their respective NSO(s) needs to be reviewed to remove the unreasonable restrictions. The licensee should be allowed to use its own IP addresses for service provision. The Authority is of the view that the VNO Authorised Entity should be permitted to obtain IP Addresses, domain names either from its NSO or directly from the Internet registry and it may get the IP Addresses configured in the network system of its parent NSO(s).

2.213 As per the extant Unified License, the service area for VNO Access Service Category-B authorisation is at District level. If a service provider intends to provide services in another district, it has to obtain a new authorisation for that District. The Authority is of the view that as discussed in earlier sections for

Internet service authorisation and M2M WAN service authorisation, the VNO Access Service Category-B authorisation should be renamed as VNO Access Service Category-C authorisation and Service Area for VNO Access Service Category-C authorisation should be the Sub-circle. The Sub-circle should mean up to four districts within a Telecom Circle/ Metro Area. The Authorised Entity should be permitted to choose any four districts in the Telecom Circle/ Metro Area. In case an VNO Authorised Entity with Access Service Category-C authorisation intends to provide Access Service beyond four districts in a Telecom Circle/ Metro Area, it should migrate to Access Service authorisation in the Telecom Circle/ Metro Area.

2.214 In view of above, **the Authority recommends that:**

- (a) The period of validity of the VNO authorisations should be 20 years.**
- (b) The VNO Authorised Entity should be permitted to obtain IP Addresses and domain names either from its parent NSO(s) or directly from the Internet registry.**
- (c) Within Access Service authorisation, there should be two VNO authorisations, namely, Access Service VNO at Telecom Circle/ Metro Area level, and Access Service Category-C VNO authorisation at Sub-circle level. An entity holding Access Service Category-C VNO authorisation can provide only wireline access service at the Sub-circle level. The Sub-circle should mean up to four districts within a Telecom Circle/ Metro Area. The Access Service Category-C VNO Authorised Entity should be permitted to choose any four districts in the Telecom Circle/ Metro Area. In case an Access Service Category-C VNO Authorised Entity intends to provide wireline access service beyond four districts in a Telecom Circle/ Metro Area, it should obtain an Access Service VNO authorisation in the Telecom Circle/ Metro Area.**

H. Need to permit Access Service VNOs to parent with multiple NSOs for providing wireless access service

2.215 Through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following question:

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.

Comments received from stakeholders on Q20

2.216 In response to the above question many stakeholders opined that Access Service VNOs should be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service. On the other hand, a few other stakeholders provided an opposite view to the above.

2.217 The stakeholders, who have favoured permitting the Access Service VNOs to parent with multiple NSOs for providing wireless access service, have stated that one NSO might not have sufficient network coverage or bandwidth for advanced technologies like IoT/ M2M; allowing multi-parenting can address these gaps; by permitting multi-parenting, VNOs can choose from a broader range of network providers, fostering increased competition and enhancing service availability. This flexibility is essential for improving the overall market dynamics and ensuring a better quality of services for consumers.

2.218 The stakeholders, who have opposed permitting the Access Service VNOs to parent with multiple NSOs for providing wireless access service, have stated that multi-parenting in case of wireless access services runs the risk of creating a super operator, which would be able to leverage the network resources of all existing operators, without making any investment of its own; it will disrupt the competition in the market and have an adverse impact on industry. They have

also argued that it has been the consistent stand of both the TRAI and the DoT that multi-parenting in wireless access services would involve multiple complexities and risks and hence cannot be allowed.

Analysis of the issues raised through the Q20

2.219 In the Recommendation on Introducing Virtual Network Operators in Telecom Sector dated 01.05.2015, TRAI made the following observations on 'Sharing of Infrastructure between NSO and VNO':

"3.16 An examination of the responses given by the TSPs who are opposed to the introduction of VNOs reveals that the comments of these TSPs are basically premised on the assumption that VNOs will be providing mobile access services only and they will be competing with the NSOs for the same service in the same geographical area....."

...

"5.28.... Allowing a VNO to have agreement with more than one NSO in a LSA may lead to operational complexities like compliance of various statutory provisions like calculation of Spectrum Usage Charges (SUC) and License Fee (LF). Existing NSOs are paying distinct SUC slabs rates as per the defined licensing conditions for access spectrum bands. Due to these differential SUC slabs the issue of separation of AGR would arise as the VNO may not be able to separate the accounting of revenue generated from various wireless services it provides to the customers.

...

5.31 In view of the above, the Authority recommends that VNOs will be allowed to have agreements with more than one NSO for all services other than access services and such services which need numbering and unique identity of the customers."

2.220 In essence, in its Recommendation on Introducing Virtual Network Operators in Telecom Sector dated 01.05.2015, the Authority observed, inter-alia, as below:

- (a) The views of a certain section of stakeholders were premised on the assumption that VNOs will act as competitors with the NSOs for providing mobile access services.
- (b) In case VNOs are allowed to parent to more than one NSOs for wireless access services, the issue of separation of AGR may arise as the VNO may not be able to separate the accounting of revenue generated from various wireless services it provides to the customers.

2.221 Further, in its Recommendations on “Enabling Unbundling of Different Layers Through Differential Licensing” dated 19.08.2021 the Authority had observed that allowing multi-parenting could make things more difficult for VNOs to make space in mobile segment and mentioned that *“the Authority is of the view that at this stage allowing multi-parenting may not result in promoting VNOs in mobile segment; however, the same can be reviewed after implementation of License for Network only layer, or when the time is found to be appropriate.”*

2.222 The Government considered TRAI’s recommendations on “Enabling Unbundling of Different Layers Through Differential Licensing” dated 19.08.2021 but has not yet accepted these recommendations and hence, the Government has not yet implemented the license for ‘network only layer’. Through these recommendations, any authorisation for ‘network only layer’ has also not been recommended.

2.223 Considering the above, the Authority is of the view that it would not be proper to permit Access service VNOs to parent with multiple NSOs for providing wireless access service at this stage.

I. Need for service-specific parenting of VNOs to NSOs

2.224 In the year 2016, when the Unified License for VNO regime was introduced in the country, all the authorisations available under Unified License were created under the Unified License for VNO as well. The existing licensing regime permits

a VNO to parent with an NSO having similar authorisation under the Unified License. In short, authorisation-specific parenting is permitted. However, there are certain overlaps in the set of services under various service authorisations. For instance, an entity holding Access Service authorization under the Unified License can also provide Internet Service in its service area. However, an entity holding Internet Service authorization under Unified License (VNO) is permitted to parent only to the entity holding Internet Service authorization under Unified License.

2.225 In this background, through the Consultation Paper dated 11.07.2024, the Authority solicited views of stakeholders on the following question:

Q21. Considering that there are certain overlaps in the set of services under various authorisations, would it be appropriate to permit service-specific parenting of VNOs with Network Service Operators (NSOs) in place of the extant authorisation-specific parenting? Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q21

2.226 In response to the Q21, many stakeholders opined that it is appropriate to permit service-specific parenting of VNOs in place of the extant authorisation-specific parenting as service-specific parenting between VNOs and NSOs can enhance service specialization and flexibility. On the other hand, a few other stakeholders have argued that service-specific parenting should not be allowed as service-specific parenting is relevant only for Access services due to overlaps with other authorisations like ISP or M2M.

Analysis of the issue raised through the Q21

2.227 The Authority examined the comments of stakeholders and noted that the stakeholders were generally in favour of service-specific parenting and the stakeholders who were not in favour were of the view that there may be no need of service-specific parenting as the cases of service overlaps are limited.

2.228 In the earlier sections (para 2.75 and para 2.104), the Authority has recommended that (i) an authorised entity should not be permitted to hold more than one service authorisation for a given telecommunication service in a given service area and in case an authorised entity, which already holds a service authorisation in a service area under the Telecommunications Act, 2023 or a license under the Indian Telegraph Act, 1885, decides to obtain another service authorisation, whose scope of service and service area(s) includes the scope of service and service area(s) under the service authorisation/ license already held by such entity, in entirety, then such service authorisation/ license already held by the authorised entity should be treated as subsumed in the new service authorisation and it should cease to exist, and (ii) in addition to the service specific authorisations, a Unified Service authorisation should be introduced with the National level service area. The scope of Unified Service authorisation should include the provision of main telecommunication services namely, Access Service, Internet Service, Long Distance Service, Satellite-based Telecommunication Service, and M2M WAN Service.

2.229 With the implementation of the above recommendations, instances of service overlaps will increase, which makes it essential to shift from authorisation-specific parenting to service-specific parenting of VNOs, for orderly growth of the sector and ensuring the plurality of service providers. In short, a VNO holding authorisation for a specific service should be permitted to get parented to NSO(s) authorised to provide such services, irrespective of the service authorisation held by such NSO(s). For instance, (i) VNO with Internet service category-B authorisation should be permitted to have agreement with an NSO with 'Unified Service Authorisation' or 'Access Service authorisation for the relevant service area' or 'Internet Service Category-A authorisation' or 'Internet service Category-B authorisation for the relevant service area' or 'satellite-based telecommunication service authorisation'. To elaborate, the following table lists the NSO authorised entities with whom each VNO authorised entity can enter into arrangements.

S. No.	VNO Authorised Entity	NSO authorised entities
(i)	Unified Services	Unified Service
(ii)	Access Service	(a) Unified Service (b) Access Service for relevant service area
(iii)	Access Category-C Service	(a) Unified Service (b) Access Service for relevant service area
(iv)	Internet Access Category-A Service	(a) Unified Service (b) Internet category-A service (c) Satellite-based telecommunication services
(v)	Internet Access Category-B Service	(a) Unified Service (b) Access Service for relevant service area (c) Internet category-A service (d) Internet category-B service for relevant service area (e) Satellite-based telecommunication services
(vi)	Internet Access Category-C Service	(a) Unified Service (b) Access Service for relevant service area (c) Internet category-A service (d) Internet category-B service or category-C for relevant service area (e) Satellite-based telecommunication services
(vii)	Long Distance Service	(a) Unified Service (b) Long Distance Service
(viii)	Satellite-based telecommunication services	(a) Unified Service (b) Satellite-based telecommunication services
(ix)	Machine to Machine (M2M) WAN category-A Service	(a) Unified Service (b) Satellite-based telecommunication services

		(c) M2M WAN category-A service
(x)	Machine to Machine (M2M) WAN category-B Service	(a) Unified Service (b) Access Service in relevant service area (c) Satellite-based telecommunication services (d) M2M WAN category-A service (e) M2M WAN category-B service for relevant service area
(xi)	Machine to Machine (M2M) WAN category-C Service	(a) Unified Service (b) Access Service for relevant service area (c) Satellite-based telecommunication services (d) M2M WAN category-A service (e) M2M WAN category-B service or category-C for relevant service area

2.230 If an ISP-VNO authorised entity gets parented to a Satellite-based Telecommunication Service Authorised Entity, the conditions applicable on Satellite-based Telecommunication Service VNO Authorised Entity for the provision of Internet Service will also apply on the ISP-VNO.

2.231 Further, since spectrum is not assigned to VNO authorised entities; However, for provision of services wherein use of frequency spectrum is involved, such as wireless access services, satellite-based telecommunication services, etc. the VNOs, invariably, use such spectrum resources, AGR based spectrum related charges, if any, applicable on the NSO, shall also be applicable on the VNO parented to such NSO, for the relevant portion of its AGR.

2.232 The VNOs, invariably, make use of their NSO's spectrum resources (assigned by the Government) for the provision of wireless access services, satellite-based telecommunication services, etc. The Authority is of the view that AGR-based spectrum charges, if any, applicable on an NSO, should be applicable on the VNOs parented to such NSO, for the relevant portion of the VNO's AGR.

2.233 In view of the above, **the Authority recommends that-**

- (a) Under the new authorization framework, the parenting of VNOs should be service-specific and not authorisation specific. In other words, a VNO holding an authorisation for providing a specific service in a service area should be permitted to get parented to any NSO, which is authorised to provide such service in the service area, irrespective of the authorisation held by such NSO.**
- (b) If an ISP-VNO authorised entity gets parented to a Satellite-based Telecommunication Service Authorised Entity, the conditions applicable on Satellite-based Telecommunication Service VNO Authorised Entity for the provision of Internet Service will also apply on the ISP-VNO.**
- (c) The VNO shall be liable to pay AGR-based spectrum charges at the same rate as applicable on its parent NSO for the relevant portion of its AGR.**

J. Need for any change in the terms and conditions of respective Service Authorisation with respect to the corresponding terms and conditions under Standalone authorisations

2.234 In addition to the Unified License and Unified License (VNO), the Government granted licenses for a few other services on a standalone basis, under different terminologies like authorisation, license, registration, no objection certificate etc.

2.235 Further, the Telecommunication Act, 2023 envisages, inter-alia, that (a) the rules made under the Act will specify terms and conditions under various

authorisations to be granted under the Act, and (b) the terms and conditions could be different for different authorisations.

2.236 With this background, the stakeholders were asked to provide their comments on the following questions:

Q22. 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 extant stand-alone licenses/ authorizations/ registrations/ NOC etc.?*
- (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 extant standalone licenses/ authorizations/ registrations/ NOC etc.?*

Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q22

2.237 In response to Q.22, stakeholders have expressed multiple views regarding the different types of Service Authorisation envisaged. The summarized views of the various stakeholders are given below.

2.238 Some stakeholders have suggested that there is a need to include GMPCS (or the new authorisation for satellite-based telecommunication services) along with Commercial VSAT CUG service as a licensee, with whom IFMC provider should enter into a commercial agreement for the provision of data services. To enable this, suitable amendments in Section 5 1(b) & 5 (5) (b) in IFMC Rules, 2018 may be made. GMPCS should also be defined in the Rules, the stakeholder added.

- 2.239 The stakeholders have requested that the M2M registration may be extended to WPAN/WLAN/LPWAN Connectivity providers given common guidelines and application form.
- 2.240 One of the stakeholders has submitted that the 901.xx global IMSI series, allocated by ITU directly to M2M service providers (including non-telcos) for cross-border M2M use-cases & global IoT deployments needs to be recognised in the emerging service authorisation framework.
- 2.241 One of the stakeholders has stated that permanent international roaming of foreign e-UICC fitted devices in India for M2M services should also be allowed. The stakeholder further submitted that no restriction to be imposed for offering critical M2M services like using only licensed spectrum.
- 2.242 One of the stakeholders has stated that Cloud hosted EPABX service should also be permitted for provision of these services to the enterprises.

Analysis related to Q22

- 2.243 The Authority has noted the comments of stakeholders who suggested that there is a need to include GMPCS (or the new authorisation for satellite-based telecommunication services) along with Commercial VSAT CUG service as a licensee, with whom IFMC provider should enter into a commercial agreement for the provision of data services. The Authority is of the view that the authorised entity providing Satellite-based Telecommunication Service should be permitted to provide the satellite based connectivity for IFMC services and the IFMC providers should be allowed have mutual commercial arrangement with such entities for provision of IFMC services.
- 2.244 As per Section 55 of the Telecommunications Act, 2023, the privilege of the Central Government to grant authorisations or assignment under the Act in the Continental Shelf and the Exclusive Economic Zone of India and the rights of an authorised entity or assignee, as the case may be, shall be subject to the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other

Maritime Zones Act, 1976, and applicable international laws as accepted and ratified by India. In view of the privilege of the Central Government to grant authorisations or assignment under the Act in the Continental Shelf and the Exclusive Economic Zone of India, the Authority is of the view that the scope of IFMC service authorisation should be expanded to cover the Continental Shelf and the Exclusive Economic Zone of India also.

2.245 One of the stakeholders has requested that the M2M registration may be extended to WPAN/WLAN/LPWAN Connectivity providers given common guidelines and application form. At present as per the extant licensing regime, there are two separate registrations for M2M Service and M2M WPAN/ WLAN Connectivity Service. Whereas the LPWAN network is covered under the M2M Service authorisation under the extant Unified License. The Authority has already recommended in the earlier sections about the scope of M2M WAN Service authorisation which has been included in the main service authorisations and it covers the LPWAN deployment. Further, the Authority is of the view that as suggested by the stakeholder, the scope of the extant M2M Service registration and M2M WPAN/ WLAN Connectivity Service Registration should be merged into a single authorisation namely - M2M Service and M2M WPAN/ WLAN Connectivity Service Authorisation and it can be included in the Category of Auxiliary Service Authorisations.

2.246 As discussed in earlier sections, the Authority has issued its recommendations on 'Usage of Embedded SIM for Machine-to-Machine (M2M) Communications' on 21st March 2024. Certain conditions related to deployment of SM-SR, its integration with SM-DP and swapping of SM-SR were recommended vide the said recommendations. The recommendations have been accepted partially by the Government with minor modifications. The Authority is of the view that these recommendations should be suitably included in the terms and conditions of M2M Service and M2M WPAN/ WLAN Connectivity Service authorisation:

- 2.247 The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity can deploy Subscription Manager-Secure Routing (SM-SR) for over-the-Air (OTA) profile subscription management of M2M eSIMs.
- 2.248 The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, shall not refuse integration of its SM-SR with the SM-DP of eligible authorised entities, whose profiles are to be added in such M2M eSIMs, upon the request of the concerned M2M Service and WLAN/ WPAN Connectivity Service Provider.
- 2.249 The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, should mandatorily facilitate switching of its SM-SR with the SM-SR of another entity, eligible to hold SM-SR in India, upon the request of the concerned authorised entity. Such SM-SR switching should be carried out as per the GSMA's specifications and should be completed within a period of six months from the date of receipt of the formal request from the concerned authorised entity.
- 2.250 As per the extant Unified Licensing regime, the authorisation for providing Audio Conferencing/Audiotex/Voice Mail service is included in the Unified License. The Authority has noted that it is a niche service which is being provided, generally, to enterprise customers. Moreover, for provision of services, Audio Conferencing/Audiotex/Voice Mail service provider obtains the telecom resources from the Access Service providers. Therefore, the Authority is of the view that this service authorisation should not be included in the Main Service authorisation category and instead should be moved to the category of Auxiliary Service authorisations.
- 2.251 In the comments received, one of the stakeholders has stated that Cloud hosted EPABX service should also be permitted for provision of these services to the enterprises. It would be appropriate to include Cloud hosted EPABX service under the scope of Audio Conferencing/Audiotex/Voice Mail service authorisation. The Authority is of the view that the scope of Audio

Conferencing/Audiotex/Voice Mail service authorisation should be enhanced to include Cloud hosted EPABX service also. Further, as these services are being provided, generally, to enterprise customers, the name of the authorisation should be changed to Enterprise Communication Service Authorisation.

2.252 In respect of sharing of infrastructure, the conditions have already been recommended in earlier section while deliberating upon the main service authorisation category. The Authority is of the view that conditions related to infrastructure sharing should also be included in all the authorisations coming under the category of Auxiliary Service Authorisation.

2.253 Through the reference dated 21.06.2024, the DoT has requested the Authority to provide its recommendations on the terms and conditions including fees and charges for authorisations to provide telecommunication services as per the provisions of the Telecommunications Act 2023. In the list of extant licenses/ registration provided by DoT along with its reference letter dated 21.06.2024, DoT has included an authorisation namely - Captive Authorisations (on case-to-case basis). The Authority, in the Consultation Paper dated 11.07.2024, raised a specific question on the broad framework including the specific terms and conditions for captive authorisations which are issued on case-to-case basis.

2.254 Another permission which has been included by DoT in the list of extant licenses/ registration provided by DoT along with its reference letter dated 21.06.2024 is NOC for Sale/ rent of International Roaming SIM Cards/ Global Calling Cards of Foreign operators in India. The Authority is of the view that terms and conditions for such authorisation should be light-touch and it should be granted online through digitally signed auto-generated authorisation.

2.255 In view of above, **the Authority recommends that:**

(a) The authorised entity providing Satellite-based Telecommunication Service should be permitted to provide the

satellite-based connectivity for IFMC services and the IFMC providers should be allowed have mutual commercial arrangement with such entities for provision of IFMC services.

- (b) The scope of IFMC service authorisation should be expanded to cover the Continental Shelf and the Exclusive Economic Zone of India.**
- (c) The scope of the extant M2M Service registration and M2M WPAN/ WLAN Connectivity Service Registration should be merged into a single authorisation namely - M2M Service and M2M WPAN/ WLAN Connectivity Service Authorisation and it should be included in the Category of Auxiliary Service Authorisations.**
- (d) The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity can deploy Subscription Manager-Secure Routing (SM-SR) for over-the-Air (OTA) profile subscription management of M2M eSIMs.**
- (e) The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, shall not refuse integration of its SM-SR with the SM-DP of eligible authorised entities, whose profiles are to be added in such M2M eSIMs, upon the request of the concerned M2M Service and WLAN/ WPAN Connectivity Service Provider.**
- (f) The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, should mandatorily facilitate switching of its SM-SR with the SM-SR of another entity, eligible to hold SM-SR in India, upon the request of the concerned authorised entity. Such SM-SR**

switching should be carried out as per the GSMA's specifications and should be completed within a period of six months from the date of receipt of the formal request from the concerned authorised entity.

- (g) The scope of Audio Conferencing/Audiotex/Voice Mail service authorisation should be enhanced to include Cloud based EPABX service also. Further, as these services are being provided, generally, to the enterprise customers, the name of the authorisation should be changed to Enterprise Communication Service Authorisation, and it should be included in the category of Auxiliary Service authorisations.**
- (h) The conditions related to infrastructure sharing, as included in the main service authorisations, should also be included in all the authorisations coming under the category of Auxiliary Service Authorisations.**
- (i) Terms and conditions of authorisation for sale/ rent of International Roaming SIM Cards/ Global Calling Cards of Foreign operators in India should be light-touch and the authorisation should be granted online with digitally signed auto-generated authorisation.**
- (j) Suitably incorporating above recommendations, the terms and conditions of the respective authorisations under the category of Auxiliary Service have been recommended and enclosed as Annexure 2.4.1 to 2.4.8.**

K. Other issues raised through separate DoT's References

2.256 Based on the references received from the Government, TRAI has held comprehensive consultations with stakeholders on the following issues:

- (a) Data Communication Services Between Aircraft and Ground Stations Provided by Organizations Other Than Airports Authority of India
- (b) Review of Terms and Conditions of PMRTS and CMRTS Licenses
- (c) Connectivity to Access Service VNOs from more than one NSO.

2.257 In this regard, through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following question:

Q24. In view of the provisions of the Telecommunications Act, 2023 and market developments, any further inputs on the following issues under consultation, may be provided with detailed justifications:

- (a) Data Communication Services Between Aircraft and Ground Stations Provided by Organizations Other Than Airports Authority of India;*
- (b) Review of Terms and Conditions of PMRTS and CMRTS Licenses; and*
- (c) Connectivity to Access Service VNOs from more than one NSO.*

2.258 The following section presents an analysis on the afore-mentioned issues.

(1) Data Communication Service Between Aircraft and Ground Stations Provided by Organizations Other Than Airports Authority of India

2.259 Earlier, through a reference letter No. L-14021/01/2021-WF dated 12.04.2022 (hereinafter, referred to as "the DoT's Reference dated 12.04.2022"), the DoT requested TRAI to provide recommendations under Section 11(1)(a) of TRAI Act, 1997 (as amended) on the frequency assignment for data communication services between aircraft and ground stations for services provided by organizations other than Airport Authority of India. A relevant extract of the DoT's Reference dated 12.04.2022 is reproduced below:

"During 2006-2010, this Ministry made frequency assignments to M/s Société Internationale de Telecommunications Aeronautiques, (SITA) and M/s Bird Consultancy Services (BCS) to operate VHF ²⁹ Data Communication Link between aircrafts and ground. M/s SITA was assigned 131.725 MHz and 136.975 MHz to operate at 28 airports; and M/s BCS was assigned 131.825 MHz to operate at 04 airports (List of airports attached Annexure-1). The spectrum charges were levied as per Order issued in 1987, and Corrigendum there to issued on 06/05/2003. This order was revised in 2005 and March 2012. (copy of relevant orders are attached as Annexure-2 to 5, respectively).

2. During 2012, M/s BCS; and during 2014-2015 and 2021, M/s SITA; applied to this Ministry to add More stations to their network. M/s SITA applied for 15 additional locations and M/s BCS applied for 10 additional airports in the country (Annexure-6).

3. While processing the applications for additional locations, a concern was raised that the operations by both M/s SITA and M/s BCS were not captive (internal use) in nature, and there could have a commercial angle in the operation that involved a service rendered to airlines operators. A further concern was whether such services, being offered in a sensitive area as civil aviation, should be regulated under any "service license". Accordingly, a letter was written to Directorate General of Civil Aviation (DGCA) on 05.05.2014 and 04.08.2014) (see Annexure 7 and 8) requesting them to inform DOT, mentioning the sensitive nature of the communications that may be involved in these data communications, whether DGCA had given any permission/ authorization to the two organizations to provide Data-based services to airlines at different airports. DGCA was also requested to clarify whether there were any regulatory framework under which such services were mandated to be provided by the two organisations to airlines. DGCA replied on 02.06 2016 (See

²⁹ VHF is an acronym of Very High Frequency. VHF is the designation for the range of radio frequency electromagnetic waves (radio waves) from 30 MHz to 300 MHz.

Annexure 9) that they had not given any permission/authorization to provide data-link services to any organisation as there were no regulations for the same. However, they provided a copy of air safety circular (4 of 2014) dated 05.05.2014 issued by them, (see Annexure 10) which requires airline operators to use all suitable means to track their aircraft on real-time basis.

3.1 The frequency assignments for the additional locations requested by M/s SITA and M/s BCS were not made by DOT then, however, the existing licenses were not cancelled and were renewed based on request of the applicants. SITA has renewed their license up to 2021. However, M/s BCS has not renewed their license after 2014.

4. As per information made available to DOT by M/s BCS, both organisations use the assigned radio frequency to provide those services (data based services) to airlines operators which is not already provided by the Airport Authority of India (voice based communication mainly the Air traffic control service, i.e. 'ATC'). Further, as per clarification provided by these organisations, the air-to-ground data link is used to obtain information from aircrafts such as passenger information, aircraft engine parameters, etc. through "Aircraft Communication Addressing and Reporting system (ACAR)". operated under relevant International standards (ARINC etc.). Aeronautical Radio, Incorporated (ARINC), established in 1929, is a major provider of transport communications and systems engineering solutions for eight industries viz. aviation, airports, defense, healthcare, networks, security etc.

5. The VHF data link services consist of the data for tracking the aircraft for safety of flights. The data includes the position reports, weather updates, engine health messages etc. Considering that VHF Data Link Services to provide ACAR service can be beneficial to track aircrafts on a real-time basis and help investigations/ search and rescue operations in the unfortunate event of aviation disaster, TRAI is requested, under the terms of clause 11(1)(a) of TRAI Act, 1997 as amended by TRAI Amendment Act, 2000 to provide recommendation on the following.

i. An appropriate mechanism to regulate the services provided by these organizations:

ii. *The manner in which the frequency assignment should be made to these organizations, in light of the supreme Court judgment made in the 2G case in 2012 - to assign radio frequencies only through auction."*

2.260 A copy of the DoT's Reference dated 12.04.2022 is enclosed as **Annexure-1.3.**

2.261 Upon receipt of the DoT's Reference dated 12.04.2022, TRAI sought certain additional information/ clarifications from DoT on the subject through a letter dated 28.09.2022. DoT provided its response through a letter dated 19.10.2022. Regarding the providers of VHF data communication services between aircraft and ground stations in India, DoT informed that "*[a]s per the record only M/s SITA and M/s Bird consultancy Services Ltd have been issued captive licences for the said purpose*". In respect of the steps of application process for grant of Wireless Operating License (WOL), DoT informed as below: "*The procedure of issuing wireless operating license is being done through online portal www.saralsanchar.gov.in portal. The applicant will be required to apply online and Letter-of-Intent (LoI) will be generated after scrutiny of the application. The payment of applicable fee will be made online and immediately a Decision Letter (DL)/ Agreement-In-Principle (AIP) letter will be generated automatically. The application will be forwarded to integrated SACFA (Standing Advisory Committee on Frequency Allocation) module. After SACFA is cleared (it happens in auto mode), the applicant uploads invoice etc. and operating licence is generated online.*"

2.262 In this background, The Authority on 10.12.2022 issued a Consultation Paper on 'Data Communication Services between Aircraft and Ground Stations for services provided by organizations other than Airport Authority of India' (hereinafter also referred to as "the CP dated 10.12.2022") for soliciting comments of stakeholders on a suitable regulatory regime for data communication services between aircraft and ground stations provided by organizations other than the Airport Authority of India. Written comments on

the CP dated 10.12.2022 were invited from the stakeholders by 09.01.2023 and counter-comments by 06.02.2023. Upon request of a few stakeholders, the last dates for submission of comments and counter-comments were extended respectively to 06.02.2023 and 23.02.2023. In response to the CP dated 10.12.2022, the Authority received comments from 16 stakeholders. No counter-comments were received. The comments on the CP dated 10.12.2022 are available on the TRAI's website www.trai.gov.in. An Open House Discussion (OHD) was conducted on 10.03.2023 through video conferencing. While examining the comments received from stakeholders on the CP dated 10.12.2022, it was observed that specific inputs have not been received on some of the aspects related to methodology for spectrum assignment and spectrum charging, which would be necessary for a comprehensive analysis of the matter and formulating recommendations. Accordingly, the Authority on 03.08.2023 issued a Supplementary Consultation Paper on 'Data Communication Services between Aircraft and Ground Stations for services provided by organizations other than Airport Authority of India' (hereinafter referred to as "the SCP dated 03.08.2023") for soliciting comments of stakeholders on the involved issues. Written comments on the SCP dated 03.08.2023 were invited from stakeholders by 17.08.2023 and counter-comments by 24.08.2023. Upon request of an industry association, the last dates for submission of comments and counter-comments on the SCP dated 03.08.2023 were extended to 24.08.2023 and 31.08.2023 respectively. In response to the SCP dated 03.08.2023, the Authority received comments from 11 stakeholders, and counter-comments from two stakeholders. The comments and counter-comments on the SCP dated 03.08.2023 are available on the TRAI's website www.trai.gov.in.

2.263 On 24.12.2023, the Parliament enacted the Telecommunications Act 2023. The clause 4(4) of the Telecommunications Act, 2023 is reproduced below:

"The Central Government shall assign spectrum for telecommunication through auction except for entries listed in the First Schedule for which assignment shall be done by administrative process."

2.264 The First Schedule of the Telecommunications Act, 2023 lists 19 items for the assignment of spectrum through administrative process. The items at Serial No. 6 and 9 of the First Schedule are reproduced below:

"6. Safety and operation of roads, railways, metro, regional rail, inland waterways, airports, ports, pipelines, shipping, and other transport systems."

"9. Internationally recognised dedicated bands for amateur stations, navigation, telemetry, and other like usages."

2.265 In view of the above provisions of the Telecommunications Act, 2023, the Authority, through a letter dated 10.04.2024, conveyed to the DoT that *"while the point No. (i) of the DoT's Reference relating to the mechanism to regulate the data communication services between aircraft and ground stations is being considered, TRAT is of the view that the point No. (ii) of the DoT's Reference relating to frequency assignment to the organizations providing these services may require a review by DoT. Therefore, DoT is requested to provide the specific issues related to frequency assignment to the organizations providing data communication services between aircraft and ground stations, on which TRAI's recommendations are required."* In this regard, through a letter dated 23.08.2024, the DoT has conveyed that *"TRAI may provide recommendation on DoT reference stated in para (i) of the WPC letter of even no. dated 12.04.2022 alone with a view to regulate the services mentioned in the above DoT reference."*

2.266 As a comprehensive framework for service authorisations to be granted under the Telecommunications Act, 2023 is being recommended through the present recommendations, the Authority has decided to include its recommendations on the point No. (i) of the DoT's Reference dated 12.04.2022 related to the mechanism to regulate the data communication services between aircraft and ground stations as a part of the present recommendations.

- 2.267 Before proceeding to analyze the issues raised through the CP dated 10.12.2022 and the SCP dated 03.08.2022, a brief introduction of the subject matter is being presented below.
- 2.268 During the Wright brothers' first flight on December 17, 1903, there was no communication system between pilots and ground crews, with only visual signals and hand gestures in use. As aviation expanded after World War I, pilots began flying longer distances, relying on visual navigation and basic signals. This lack of formal communication systems often made flights dangerous, especially in poor weather conditions. In the United States of America in April 1915, Marconi engineer Charles Prince developed the first aviation tube receiver, enabling Captain J.M. Furnival of the Royal Air Force to become the first to hear a voice broadcast from the ground. However, the communication was one-way; the aircraft still had to respond using Morse code.
- 2.269 Charles Lindbergh's iconic solo transatlantic flight in 1927 was completed without radio communication, emphasizing the risks of early aviation. As air traffic grew more complex, the first air traffic control towers were established in the early 1930s. Cleveland, Ohio, built the first tower in 1930 using flags, lights, and telephones to guide aircraft. By 1935, radio-equipped control towers allowed for direct communication with pilots.
- 2.270 After World War II, the surplus of military aircraft and pilots fueled a boom in commercial aviation, increasing the need for standardized and reliable communication. Civil aviation authorities mandated radio communication for commercial flights to enhance safety. In the 1950s, radar technology became crucial in air traffic control, improving tracking and communication between pilots and ground stations, which helped prevent mid-air collisions. The advent of jet engines and long-haul flights in the 1950s and 1960s made radio communication even more essential, keeping pilots in continuous contact with ground control throughout the flight.

2.271 Until 1978, all radio communication between the pilot and crew in the aircraft with the ground station staff was performed using voice communication in HF³⁰ and VHF³¹ bands. In 1978, a data communication system viz. 'Aircraft Communication Addressing and Reporting System' (ACARS) was developed by Aeronautical Radio, Incorporated³² (ARINC) to reduce crew workload and improve overall accuracy, consistency, and completeness of the data. ACARS is a digital datalink system for transmission of short messages between aircraft and ground stations using VHF radios or satellite systems. After the introduction of ACARS in 1978, airline operators started using data communication between aircraft and ground stations by using VHF radio waves and sometimes with satellite systems. At present, the data communication service between aircraft and ground stations is being used for tracking aircraft for safety of flights apart from various other usages. The following diagram depicts a network diagram of data communication service between aircraft and ground stations by using VHF radio equipment and satellite system.

³⁰ HF is an acronym of Very High Frequency. HF is the ITU designation for the radio frequency spectrum from 3 MHz to 30 MHz.

³¹ Very High Frequency (VHF) is the ITU designation for the radio frequency spectrum from 30 MHz to 300 MHz. Owing to its propagation characteristics, VHF provides good line-of sight coverage. An aircraft fitted with radio equipment operating in the VHF band can communicate with the radio equipment installed on ground station in 'line-of-sight' coverage. The typical range covered by VHF is 200 to 250 nautical miles (1 Nautical mile = 1.852 Kilometer).

³² ARINC is now part of Collins Aerospace (In India served by 'Bird Consultancy Services').

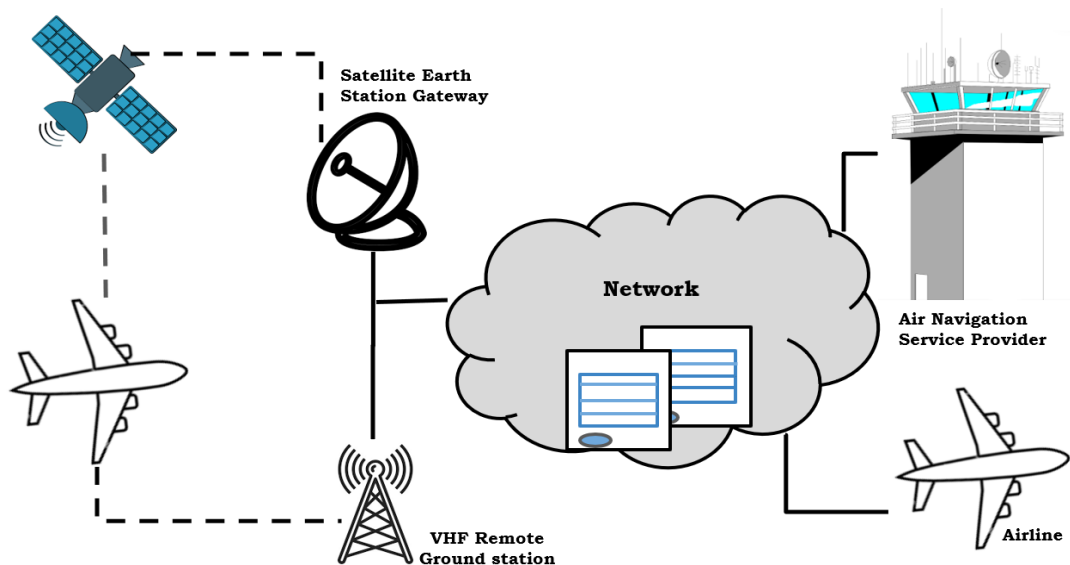


Figure 2.x: Network Diagram of data communication service from aircraft to ground stations

2.272 In 1991, the term VHF Digital Link was adopted by the International Civil Aviation Organization³³ (ICAO) to refer to digital communications carried on the Aeronautical VHF band. The VHF data link between aircraft and ground stations is used to obtain information from aircraft through ACARS system. The VHF data link service consists of data such as position reports, weather updates, engine health messages, etc. The ACARS-based VHF data link can be beneficial to track aircraft on a real-time basis and help investigations, search, and rescue operations in case of an unfortunate event of aviation disaster³⁴. Shortly after

³³³³ ICAO is a specialized agency of the United Nations formed with a mission to support and enable a global air transport network. ICAO establishes and maintains international Standards and Recommended Practices (SARPs), as well as Procedures for Air Navigation Service (PANS). ICAO provides governments with the best results and advice possible, as they collectively and diplomatically establish new international standards and recommended practices for civil aviation internationally. India is a council member state of ICAO. ICAO works in close cooperation with other members of the United Nations family such as the International Telecommunication Union (ITU), the World Meteorological Organization (WMO), the Universal Postal Union, the World Health Organization (WHO), and the International Maritime Organization (IMO).

³⁴ The Directorate General of Civil Aviation is the regulatory body in the field of Civil Aviation primarily dealing with safety issues. It is responsible for regulation of air transport services to/ from/ within India and for enforcement of civil air regulations, air safety and airworthiness standards. It also co-ordinates all regulatory functions with International Civil Aviation Organisation. DGCA also issues Civil Aviation Requirements (CAR). Through Air Safety Circular 04 of 2014 dated 05.05.2014 on the subject- "ACARS and its continuous operation during flight", DGCA issued the following instructions to all scheduled/ non-scheduled operators:

"3.1 In view of difficulties faced in the search and rescue, after an aircraft goes missing or meets with an accident, all operators operating commercial flights are required to ensure the following:

the disappearance of Malaysia Airlines flight MH370 on 08.03.2014, ICAO convened a meeting and proposed recommendations for future actions. One of the main decisions taken was the need for operators to pursue global tracking of airline flights at a faster pace. ICAO announced in 2015 that flight tracking is to be mandated, requiring all airlines to install tracking technology for aircraft regarding the Air Navigation Service Provider (ANSP) ability to obtain aircraft position reports at 15-minute intervals or less³⁵.

2.273 Globally, there are two entities which provide data communications services between aircraft and ground stations:

- (a) M/s Société Internationale de Télécommunications Aéronautique (SITA)³⁶
- (b) M/s Collins Aerospace³⁷ (earlier ARINC) [In India served by 'M/s Bird Consultancy Services' (BCS)]

2.274 Air Navigation Service Provider (ANSP) and airline operators make use of the data communication services between aircraft and ground stations provided by M/s SITA, and M/s BCS. Airport Authority of India (AAI)³⁸, a statutory body under the Ministry of Civil Aviation, Government of India, is the sole Air Navigation Service Provider (ANSP) in India. AAI is responsible for creating, upgrading, maintaining, and managing civil aviation infrastructure in India. AAI

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- a) Operators should use all suitable means to track all its aircraft engaged in the carriage of passengers/cargo from departure (Chocks-off) to arrival (Chocks-on) so as to ensure real time tracking.
 - b) Aircraft wherein the ACARS system is not available/ disabled, operator must ensure real time flight tracking using Automatic Dependent Surveillance – Broadcast (ADS-B).
 - c) Operators must ensure that ACARS/ ADS-B are fully functional before every departure.
 - d) Strict instructions should be given to the flight crew not to switch it off during the flight.
 - e) Areas where there is no coverage of ACARS/ ADS-B, operator should devise a procedure for effective tracking of the aircraft. While flying over such areas, the flight crew should report the aircraft coordinates, speed and altitude at an interval of not exceeding 15 minutes.
 - f) Flight crew should immediately report to the ground station any intermittent behaviour/ unserviceability of ACARS/ ADS-B during flight either using data link or voice message.
 - g) Operators should monitor both fault and warning messages of ACARS. They should opt for this facility from their service providers."

³⁵ <https://www.icao.int/safety/globaltracking/Pages/Homepage.aspx>

³⁶ <https://www.sita.aero/about-us/>

³⁷ <https://www.collinsaerospace.com/who-we-are/about-us>

³⁸ <https://www.aai.aero/en>

also provides Air Traffic Management Services (ATMs) over entire Indian Air Space and adjoining oceanic areas with ground installations at all Airports to ensure safety of Aircraft operations. AAI also has ground installations at all major airports. AAI provides the Air Traffic Services over the Indian airspace and adjoining oceanic areas in accordance with the ICAO Standards and Recommended Practices. For Air Traffic Control (ATC) purposes, AAI uses mainly VHF-based voice communication between ground stations and aircraft. For this purpose, AAI obtains VHF spectrum in Aeronautical Mobile (R) band from the WPC Wing of the DoT. AAI also uses data communication services between aircraft and ground stations for ATC messaging. The primary purpose of ATC is to prevent collisions, organize and expedite the flow of air traffic, and provide information and other support for pilots. As per the information provided by AAI, at present, it is using data communication services between aircraft and ground stations at Delhi, Mumbai, Chennai, Kolkata, Hyderabad, and Bengaluru Airports.

2.275 For airline operational communication (AOC), the airline operators make use of data communication service between aircraft and ground stations through ACARS system. This service is used mainly for the following applications:

- (a) Detecting OOOI events: ACARS system automatically detects and reports changes to the flight phases viz. Out of the gate, Off the ground, On the ground, and Into the gate (OOOI).
- (b) FMS interface: ACARS interfaces with flight management systems (FMS) for communication of flight plans and weather information from the ground station, which enables the airline to update the FMS during flight and allows the flight crew to examine new weather conditions or alternative flight plans.
- (c) Equipment health and maintenance data: ACARS is used to transmit information from the aircraft to ground stations about the conditions of various aircraft systems and sensors in real-time including maintenance faults and abnormal events for health monitoring of equipment and better planning of repairs and maintenance related tasks.

- (d) Automated ping messages: Automated ping messages are used to test aircraft connection with the communication station. A ping response indicates a healthy ACARS communication. In the event of aircraft ACARS unit being silent for a longer than a preset time interval, the ground station can ping the aircraft (directly or via satellite).

2.276 A VHF radio equipment, installed by a communication service provider (such as M/s SITA and M/s BCS) at a ground station can establish data link with aircrafts, which are in its line-of-sight. Thereby, using the VHF-based radio network of the communication service providers, ANSPs and airline operators can communicate between ground stations and aircraft which are within 200 to 250 nautical miles distance. The following figure depicts this aspect.

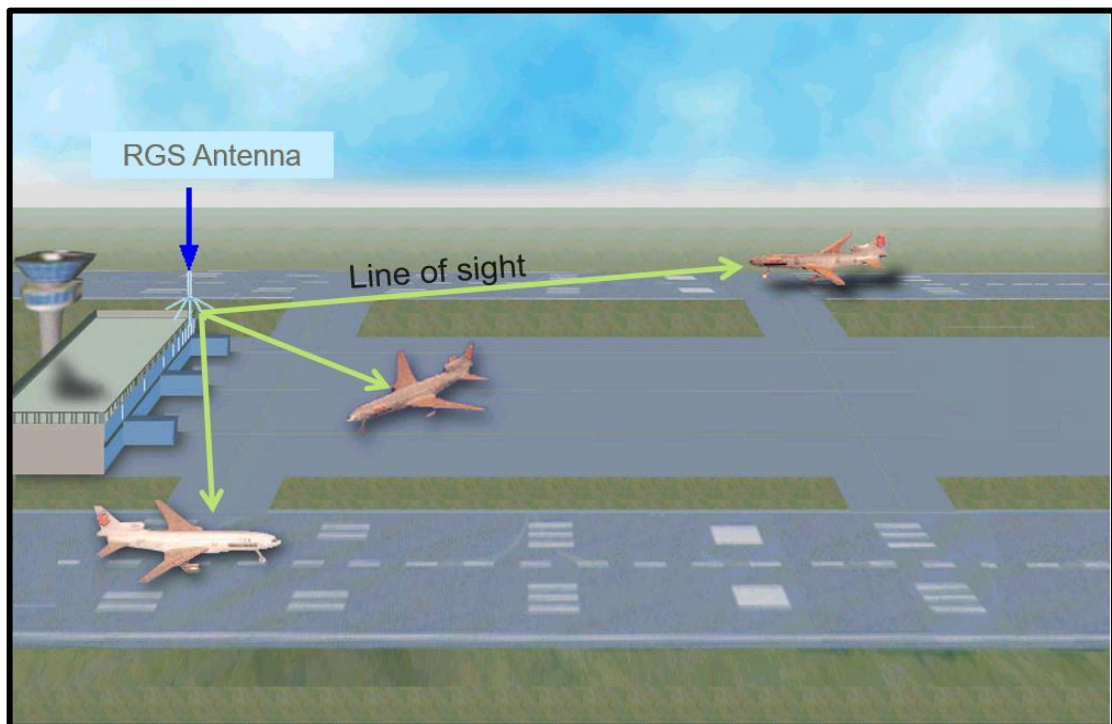


Figure 2.x: Coverage of VHF-based communication system

2.277 At present, the frequency band 117.975–137 MHz is allocated on a primary basis by the International Telecommunication Union³⁹ (ITU) to Aeronautical

³⁹ The International Telecommunication Union (ITU) is the United Nations specialized agency for information and communication technologies – ICTs.

mobile (R) service⁴⁰ and is used for air-ground, ground-air and air-air systems, providing critical voice and data communications for air traffic management⁴¹ (ATM) and airline operational communication⁴² (AOC) on a global basis.

2.278 After the above introduction of the subject matter, an analysis of the issues raised through the CP dated 10.12.2022 and the SCP dated 03.08.2022 is given below.

2.279 On the aspect of the need for a service authorisation for the provision of data communication between aircraft and ground stations, the Authority solicited comments of stakeholders on the following set of questions through the CP dated 10.12.2022:

Q1. Whether there is a need to bring data communication services between aircraft and ground stations provided by organizations other than Airport Authority of India under service licensing regime? Kindly provide a detailed response with justification.

Q2. In case your answer to Q1 is in the affirmative, should the providers of data communication services between aircraft and ground stations be licensed through –

(a) an authorization under Unified License; or

(b) a separate service license.

Kindly provide a detailed response with justification.

2.280 In response to the Q1 of the CP dated 10.12.2022 on the need for bringing data communication services between aircraft and ground stations provided by

⁴⁰ As per the National Frequency Allocation Plan-2022 (NFAP-2022), issued by the Wireless Planning and Coordination (WPC) Wing of the DoT on 26.10.2022, the frequency band 117.975-137 MHz is allocated for Aeronautical Mobile (R) service. This allocation is subject to the provisions of Annex 10 to the Convention on International Civil Aviation and the Standards and Recommended Practices of the ICAO.

⁴¹ <https://www.icao.int/safety/airnavigation/Pages/atm.aspx>

⁴² airline operational communication (AOC) is defined in ICAO as Communication required for the exercise of authority over the initiation, continuation, diversion or termination of flight for safety, regularity and efficiency reasons. Source: WGC09-WP16 - AOC.doc of ICAO. The document is available at the URL: <https://www.icao.int/safety/acp/Inactive%20working%20groups%20library/ACP-WG-C-9/WGC09-WP16%20-%20AOC.doc>

organizations other than Airport Authority of India under service licensing regime, broadly three types of comments were received, as summarized below:

- (a) View-I: Most stakeholders opined that VHF data communication services should be brought under the service licensing regime.
- (b) View-II: A stakeholder opined that VHF data communication services are already under the licensing regime through the Wireless Operator License (WOL) issued by the WPC.
- (c) View-III: A stakeholder contended that there is no need to bring VHF data communication services under the licensing regime; a licensing regime, or an auction method to assign VHF licenses will likely cause an increase in fees for the said services which are critical for the aviation safety; the pass through of any such increased costs to the airlines and passengers may negatively impact the overall air traffic growth.

2.281 Through the Q2 of the CP dated 10.12.2022, stakeholders were requested to provide comments on whether the providers of data communication services between aircraft and ground stations should be licensed through an authorisation under Unified License, or a separate service license. In response to the Q2 of the CP dated 10.12.2022, stakeholders expressed divergent views, as summarized below:

- (a) View-I: Many stakeholders opined that the providers of data communication services between aircraft and ground stations should be licensed through a separate service authorisation under Unified License. One stakeholder averred that the purpose of the Unified License was to bring all licensing for communication services under one umbrella license; therefore, all the new licensing should be done only under Unified License.
- (b) View-II: Many stakeholders asserted that a licensing structure like the one for the Unified license is not relevant for VHF data communication service between aircraft and ground stations and that it should be done through a separate 'light touch' license. A stakeholder contended that the Unified license was created for a different market involving convergence of both fixed and mobile services and was meant for public networks. The

stakeholder argued that the VHF data communication between aircraft and ground stations involves a private network which is not accessed by the public. The stakeholder further stated that the current process of issuing a Wireless Operating License (WOL) for VHF data communication service between aircraft and ground stations has been working well and the Authority should consider recommending a similar licensing regime (WOL) for the service. The stakeholders also affirmed that the said service is non-public, non-captive, and is dedicated only to a specific sector, and therefore, a full-fledged service license is not required.

2.282 While examining the comments of stakeholders on the issue raised through the Q1 of the CP dated 10.12.2022, the Authority took note of the following aspects:

- (a) The Section 2(p), 2(q) and 2(t) of the Telecommunications Act, 2023 provide definitions of the terms 'telecommunication', telecommunication equipment and 'telecommunication service' as below:

"(p) "telecommunication" means transmission, emission or reception of any messages, by wire, radio, optical or other electro-magnetic systems, whether or not such messages have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception;"

"(q) "telecommunication equipment" means any equipment, appliance, instrument, device, radio station, radio equipment, material, apparatus, or user equipment, that may be or is being used for telecommunication, including software and intelligence integral to such telecommunication equipment; and excludes such equipment as may be notified by the Central Government;

"(t) "telecommunication service" means any service for telecommunication."

- (b) The Aircraft Communication Addressing and Reporting System (ACARS) and Radio Frequency sub-system, which are deployed by the entities such as SITA and BCS in aircraft and at ground stations are, essentially,

telecommunication equipment. These entities provide telecommunication services between aircraft and ground stations to airline operators and Airports Authority of India (AAI) using VHF-based radio systems on a commercial basis.

(c) The Section 3 of the Telecommunications Act, provides as below:

“(1) Any person intending to—

(a) provide telecommunication services;

(b) establish, operate, maintain or expand telecommunication network; or

(c) possess radio equipment,

shall obtain an authorisation from the Central Government, subject to such terms and conditions, including fees or charges, as may be prescribed.

(2) The Central Government may while making rules under sub-section (1) provide for different terms and conditions of authorisation for different types of telecommunication services, telecommunication network or radio equipment.

(3) The Central Government, if it determines that it is necessary in the public interest so to do, may provide exemption from the requirement of authorisation under sub-section (1), in such manner as may be prescribed.”

2.283 Based on the comments of stakeholders and its analysis on the issue, the Authority is of the view that data communication service between aircraft and ground stations provided by organisations other than AAI is required to be brought under the service authorisation regime owing to the fact this service is of non-captive commercial nature and is of critical importance for the safety of air passengers. The Authority is of the view that bringing this service under a service authorisation regime will bring clarity on the scope and terms and conditions of the service provisioning and, in turn, result in a healthy growth of the ecosystem of VHF data communication services between aircraft and ground stations in the country.

2.284 Further, while examining the comments of stakeholders on the Q2 of the CP dated 10.12.2022, the Authority took note of the following aspects in respect of the data communication service between aircraft and ground stations provided by organizations other than AAI:

- (a) The data communication service between aircraft and ground stations is not a part of public communication network, and has no connectivity with any public network such as PSTN, PLMN etc. The said service is not made available to the public. Essentially, it is a non-public communication service.
- (b) The service caters to a niche market comprising of only airline operators and AAI.
- (c) It is a standalone service. Under this service, there is no opportunity of convergence of networks, services, and devices with other services.

2.285 Based on the comments of stakeholders and a further analysis on the issue, the Authority is of the view that it would be appropriate to regulate data communication service between aircraft and ground stations provided by organizations other than AAI through a 'light touch' auxiliary service authorisation.

2.286 In light of the above, **the Authority recommends that the data communication services between aircraft and ground stations provided by organizations other than Airports Authority of India should be regulated through a 'light touch' auxiliary service authorisation under Section 3(1)(a) of the Telecommunications Act, 2023. The service authorisation may be termed as Data Communication Service Between Aircraft and Ground Stations Authorisation (in short, "DCSBAGS Authorisation").**

2.287 With respect to the terms and conditions of the authorisation framework for DCSBAGS, the Authority raised the following question in the CP dated 10.12.2022 for soliciting inputs of stakeholders:

Q3. What should be the broad terms and conditions of the licensing framework for data communication services between aircraft and ground stations, such as –

- a. licensed service area,*
- b. validity period of the license,*
- c. scope of the license,*
- d. technical conditions,*
- e. operating conditions,*
- f. security conditions, and*
- g. financial conditions (such as application processing fee, entry fee, license fee, bank guarantees, etc.)?*

Kindly provide a detailed response with justification.

2.288 A broad summary of the views expressed by stakeholders in response to the Q3(a) of the CP dated 10.12.2022 related to the service area for DCSBAGS authorisation is given below:

- (a) View-I: Many stakeholders opined that the service area for the data communication service between aircraft and ground stations should be at the national level. One stakeholder asserted that a national level license would expedite the rollout of air-to-ground services in new airports.
- (b) View-II: A stakeholder opined that the license for the data communication service between aircraft and ground stations should be given per station, with a fixed site address; however, the 'service Area' should be left open because the objective of the service is to establish an air-to-ground communication service with the aircraft which are within the ground radio coverage which is typically about 200 to 250 nautical miles. The stakeholder averred that it is important to note that the services are not only given to the airlines which are landing or taking off on Indian land, but also to the airlines that are flying over Indian airspace; therefore, limiting the service area would not be pragmatic.
- (c) View-III: A stakeholder stated that the license should be granted for a fixed area of operation.

- (d) View-IV: A stakeholder contended that for the data communication service between aircraft and ground stations, a service area-wise license may be given along with pan-India license.

2.289 While examining the views of stakeholders on the Q3(a) of the CP dated 10.12.2022 related to the service area of the DCSBAGS authorisation, the Authority noted that the providers of the DCSBAGS have to establish air-to-ground communication links between ground stations at airports with the aircraft which are within the ground radio coverage which is typically about 200 to 250 nautical miles⁴³. The Authority also noted that the data communications services are not only given to the airlines which are landing or taking off on Indian land, but also to the other airlines that are flying over Indian airspace. Therefore, limiting the service area geographically may not be practically feasible and implementable.

2.290 Considering the comments of stakeholders and its own analysis, **the Authority recommends that the service area of the DCBAGS Authorisation should be at the National level.**

2.291 A broad summary of the views expressed by stakeholders in response to the Q3(b) of the CP dated 10.12.2022 related to the validity period of DCSBAGS authorisation is given below:

- (a) The stakeholders who opined that the data communication services between aircraft and ground stations should be licensed through a separate service authorisation under Unified License, asserted that the validity period of the license for data communication services between aircraft and ground stations should be 20 years, like other service authorisations under Unified License. They mentioned that data communication service between aircraft and ground stations has an

⁴³ 1 Nautical mile = 1.852 Kilometer

element of air passenger safety associated with it, and therefore, the period of validity of the license for providing such services should be sufficiently long.

- (b) One stakeholder opined that the validity period should be one year with self-service annual renewal process in place.
- (c) Another stakeholder contended that the validity period of the license should be larger than one year because, at present, the license is being issued on a yearly basis, which puts a heavy burden on the Communication Service Providers on taking steps every year well in advance.

2.292 The Authority noted that as per the extant practice, Wireless Operating License⁴⁴ (WOL) is issued to the providers of DCSBAGS for a period of one year at each ground station. The Authority is of the view that it might be a cause of concern for such service providers to keep track of the renewal dates of the licenses for various ground stations round the year resulting in an

⁴⁴ As per the extant practice, the entities desirous of providing VHF-based data communication services between aircraft and ground stations, apply for grant of WOL from the WPC Wing for using the VHF spectrum in the frequency band 117.975-137 MHz at a particular ground station. WPC Wing grants frequency spectrum to the applicant based on the bandwidth emission requirement of the radio equipment to be installed by the applicant at a ground station. At present the bandwidth emission requirements of the radio equipment installed by M/s Bird Consultancy Services and M/s SITA range from 6 KHz to 13 KHz per station.

The extant process of application for grant of WOL for data communication services between aircraft and ground station is indicated below:

- (a) The process of grant of WOL is through online portal www.saralsanchar.gov.in.
- (b) The applicant is required to submit the prescribed application form with all the supporting documents including details of the applicant, radio station details with geo-coordinates, antenna details, power output, emission bandwidth, and technical literature of all the equipment to be deployed etc. A separate WOL is required to be obtained for each station. The applicant needs to submit separate applications for each station.
- (c) After the first level of scrutiny of the application filed, WPC sends a request to AAI for the purpose of frequency coordination of the wireless station to be installed at the airport. The Application is processed at the WPC Wing only after receiving a confirmation from AAI.
- (d) Once the AAI comments are received in the affirmative, a Letter-of-Intent (LoI) is generated with 60 days validity. The LOI specifies the amount to be paid by the applicant to the Government as annual royalty charges.
- (e) A "Letter of Undertaking" is also required to be submitted by the applicant and payment is to be made through Challan through "<https://bharatkosh.gov.in>".
- (f) On receipt of the demanded payment online as per the LOI, a Decision Letter (DL) is generated. The DL indicates the permitted frequency etc. The DL permits the applicant to procure the radio equipment either from the domestic market or import it from any foreign country. With the generation of DL, the application is forwarded to integrated Standing Advisory Committee on Frequency Allocation (SACFA) module. After clearance of SACFA, the applicant uploads invoice etc. on the www.saralsanchar.gov.in portal.
- (g) On submission of the commercial invoice copy of the procurement of the radio equipment, equipment technical specifications, and valid Dealers Possession License (DPL) to WPC, WOL is issued to the applicant by the WPC wing through the Saralsanchar portal.

administrative burden to them. In this regard, the Authority took note that the period of validity of Unified License is 20 years from the effective date of the license unless revoked earlier. The clause 4.1 of the Chapter I (General Conditions) of Unified License provides as below:

"4.1 The Licensor may renew, if deemed expedient, the period of License by 10 years at one time, upon request of the Licensee, if made during the 19th year of the license period, on the terms specified by the Licensor, subject to extant policy. The decision of the Licensor shall be final and binding in this regard."

2.293 Considering the comments of stakeholders and further analysis, the Authority is of the view that the period of validity of the DCBAGS authorisation may be kept as 20 years. Further, a provision for renewal beyond the period of validity may also be kept under the DCSBAGS authorisation. The Authority is of view that no Entry Fee should be levied at the time of renewal of the DCSBAGS authorisation; however, a nominal fee, as notified by the Central Government, may be levied at the time of renewal.

2.294 Considering the above, **the Authority recommends that-**

- (a) The period of validity of the DCBAGS Authorisation should be kept as 20 years from the effective date of the Authorisation.**
- (b) The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the period of validity of the Authorisation, upon the request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy.**
- (c) No Entry Fee should be levied at the time of renewal of the Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.**

- 2.295 In response to the Q3(c) of the CP dated 10.12.2022 related to the scope of DCSBAGS authorisation, many stakeholders opined that the scope of the DSCBAGS authorisation should be to establish, install and/ or use radio transmitting and/ or receiving stations and/ or radio apparatus/ radio equipment onboard Aircraft; the usage of frequencies assigned in the band 117.975 to 137 MHz should be restricted within the cockpit of the Aircraft and restricted to only flight crew members of the aircraft and the cockpit; in no-case, this spectrum should be used to provide any service to the customers onboard the flight. A few other stakeholders suggested that the scope should be restricted to providing data communication services between aircraft and ground stations to airlines operators and Airports Authority of India for non-public usage. It should be clearly mentioned that aircraft passengers would not be given service through this license, to avoid any ambiguity and overlap with access or in-flight communication services.
- 2.296 The Authority noted the stakeholders' averment that the scope of the DCSBAGS authorisation should be restricted to providing data connectivity between aircraft and ground stations to airlines operators and AAI for non-public usage. Further, the stakeholders also stated that aircraft passengers should not be given communication services through this authorisation, to avoid any ambiguity and overlap with Access Service license or IFMC authorisation.
- 2.297 The Authority also took note of the provisions in Chapter VIII (Spectrum allotment and use) of the Unified License, which provides, *inter-alia*, as below:
- "41. Right to use the spectrum: This License Agreement does not confer any right to assignment and use of spectrum for which separate specific Frequency Assignment shall be required from Wireless Planning and Coordination (WPC) Wing.*
- 42. Frequency Assignment:*
- 42.1 The Frequency Assignment shall be required from the WPC Wing of the Department of Telecommunications, Ministry of Communications permitting utilization of appropriate frequencies/ band for the establishment, maintenance*

and operation of Wireless elements of the Telecom Service, under specified procedure, instructions, terms and conditions including payment for said assignment and right to use of spectrum prescribed by WPC Wing from time to time. Services offered by the Licensee using the spectrum shall be governed by the terms and conditions of this License.”

2.298 Considering the comments of stakeholders and further analysis on the scope of the DCSBAGS Authorisation, **the Authority recommends that:**

- (a) The Authorised Entity should be permitted to provide DCSBAGS on a non-exclusive basis to airline operators, and air navigation service providers such as Airports Authority of India. The DCSBAGS involves the exchange of data between aircraft and ground stations for the purpose of air traffic management (ATM) and airline operational communication (AOC) using Very High Frequency (VHF) spectrum allocated for Aeronautical Mobile (R) Service.**
- (b) The Authorised Entity may establish one or more ground stations in India. However, the Authorised Entity shall have to separately obtain frequency assignment and SACFA clearance from the Central Government before establishing any ground station in the country.**
- (c) The Authorised Entity should not be permitted to connect its telecommunication network, deployed under the Authorisation, to public networks.**
- (d) Under the Authorisation, the Authorised Entity, should not be permitted to provide any telecommunication/ broadcasting service, other than the DSCBAGS, which requires a separate service authorisation from the Central Government.**

Illustration: The Authorised Entity should not be permitted to provide in-flight and maritime connectivity (IFMC) service to passengers on-board the aircraft.

- (e) The Authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required as per Section 4 of the Telecommunications Act, 2023. Upon obtaining frequency spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable on the Authorised Entity along with the terms and conditions of the Authorisation.**

2.299 A broad summary of the comments received from stakeholders on the Q3(d) of the CP dated 10.12.2022 related to technical conditions of the DCSBAGS authorisation is given below:

- (a) A few stakeholders suggested that the technical conditions should be in line with international practices. One stakeholder averred that the technical conditions of the license should be in accordance with Annex 10 to the Convention on International Civil Aviation and the Standards and Recommended Practices of ICAO.
- (b) A stakeholder opined that the license should be technology neutral.
- (c) Another stakeholder contended that as the activities under the license involve safety and security aspects, the equipment and products involved should meet Indian standards prescribed by Government bodies. The stakeholder stated that in the absence of such mandatory standards, the licensees can be allowed to meet relevant international standards as recognized by the aviation authorities. The stakeholder opined that conditions for inspection and testing by the Licensor or through its nominated third party should also be added.

2.300 While examining the inputs of stakeholders, the Authority took note of the clause 23.1 of Chapter-IV (Technical Conditions) of Unified License which provides, *inter-alia*, as below:

"... For providing these services, the Licensee shall utilize any type of equipment and product that meet TEC standards, wherever made mandatory by the

Licensors from time to time. In the absence of mandatory TEC standards, the Licensee may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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."

2.301 The Authority notes that the Telecom Engineering Center (TEC), which is a technical arm of the DoT, frames, *inter-alia*, standards for interface requirements for products/ equipment. The TEC seeks inputs from various stakeholders and consults relevant journals, reports, recommendations, and standards/ specifications issued by Standardization Bodies, such as ITU, ETSI, IEEE, CISPR, IEC, ISO, 3GPP, IETF, International Forums, etc. before formulating standards for interface requirements. The TEC standards stipulate the mandatory technical and operational requirements for all types of communication and broadcasting services. The Authority also notes that at the time of assigning frequency spectrum to spectrum users, the Government prescribes certain technical parameters and conditions on the usage of technology in the telecommunication network. As far as the quality of service (QoS) is concerned, the Authority under section 11(1) (b) of the TRAI Act, 1997 (as amended) lays down the standards of QoS of various services.

2.302 In light of the comments of stakeholders and further analysis, **the Authority recommends that the technical conditions on the DCSBAGS Authorisation should cover, *inter-alia*, the following conditions:**

(a) The Authorised Entity shall utilize any type of equipment and products that meets TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standards, the Authorised Entity may utilize only those equipment and products which meet the relevant standards set by international standardization bodies such as ICAO, ITU, ETSI, IEEE, ISO, IEC etc.; or set by international fora,

such as 3GPP, IETF, MEF, WiMAX, Wi-Fi, IPTV, IPv6 etc. as recognized by TEC or ICAO and subject to modification/adaptation, if any, as may be prescribed by TEC or ICAO from time to time.

- (b) At the time of assignment of frequency spectrum, the Central Government may prescribe specific technical conditions including technology to be used in the telecommunication network deployed by the Authorised Entity under the Authorisation.**
- (c) The Authorised Entity shall comply with the regulations on Quality of Service (QoS) as may be prescribed by TRAI. Any failure on the part of the Authorised Entity to adhere to the standards of QoS prescribed by TRAI is liable to be treated as a breach of terms and conditions of the Authorisation.**

2.303 A broad summary of the comments received from stakeholders on the Q3(e) related to operating conditions of the DCSBAGS Authorisation is given below:

- (a) Some stakeholders opined that the operating conditions of the authorisation should be in line with international practices. One stakeholder stated that the conditions should be in accordance with Annex 10 to the Convention on International Civil Aviation and the Standards and Recommended Practices of ICAO.
- (b) A stakeholder contended that all the designated Communication Service Providers should have access to the Common Signaling Channel ("CSC") operating at the frequency 136.975 MHz. This channel provides a means for an aircraft first to log on to the system. Once a connection is established on the CSC, an aircraft can be returned to any discrete frequency within the assigned frequency range. The CSC may also be utilized as a common channel, when there is an emergency, or as a default channel whenever communication is lost; when traffic is light in an area, it may be used as a normal data channel.

2.304 While examining the inputs of stakeholders, the Authority took note of the following provisions of the Unified License:

- (a) The clause 25 of Chapter-IV (Technical Conditions) of Unified License provides, *inter-alia*, that the licensee shall be responsible for installation, proper upkeep, and maintenance of the Applicable System, to be established under the license.
- (b) The Clause 37.1 of the Chapter-V (Operating Conditions) of Unified License provides that the Licensee shall have the responsibility to ensure protection of privacy of communication and to ensure that unauthorized interception of message does not take place.
- (c) The clause 30.10 of Chapter V (Operating Conditions) of Unified License provides that *"[a]ny dispute, with regard to the provision of Service shall be a matter only between the aggrieved party and the Licensee, who shall duly notify this to all before providing the Service. And in no case, the Licensor shall bear any liability or responsibility in the matter. The LICENSEE shall keep the Licensor indemnified for all claims, cost, charges or damages in the matter."*
- (d) Under the Chapter XII (GMPCS Service) and Chapter XIV (VSAT CUG Service) of Unified License, minimum roll out obligations have been prescribed; the roll out obligations are to be met within 12 months from the date of assignment of frequency assignment.
- (e) The Clause 35 of Chapter V (Operating Conditions) of Unified License provides that the Licensor shall have the right to inspect the sites used by the Licensee for extending the service.

2.305 The Authority also took note of the clause 42.1.3 of the Chapter VII (Spectrum allotment and use) of Unified License in respect of the obligation of licensees to mitigate harmful interference. The said clause is reproduced below:

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

2.306 In light of the comments of stakeholders and further analysis, **the Authority recommends that the operating conditions on the DCSBAGS Authorisation should cover, *inter-alia*, the following conditions:**

- (a) The Authorised Entity shall be responsible for installation, proper upkeep, and maintenance of the Applicable System to be established under the Authorisation.**
- (b) The Authorised Entity shall ensure the protection of privacy of communication and ensure that any unauthorized interception of messages does not take place.**
- (c) Any dispute, with regard to the provision of service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this aspect to all before providing the service. In no case, the Central Government shall bear any liability or responsibility in the matter. The Authorised Entity shall keep the Central Government and TRAI indemnified for all claims, cost, charges, or damages in the matter.**
- (d) Upon assignment of frequency to the Authorised Entity by the Central Government for any ground station, the Authorised Entity shall roll out the network at the ground station within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network at any ground station, for which frequency spectrum has been assigned by the Central Government, shall mean installation and commissioning of the ground station.**
- (e) For verification of the installation and commissioning of any ground station, the Authorised Entity shall register with the LSA Field Unit of the Department of Telecommunications (DoT), as per the procedure prescribed by the Central Government. The date of registration by the LSA Field Unit of the DoT shall be treated as the date of meeting the roll-out obligations at the**

ground station in case of a successful verification of the roll-out of the network at the ground station. If the verification of the roll out fails, the Authorised Entity shall re-register with the LSA Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by the LSA Field Unit of the DoT shall be treated as the date of meeting the roll out obligation subject to a successful verification. If the network at a ground station is rolled out after the expiry of the due date, such delay in the rollout of the network shall entail a recovery of Liquidated Damages (LD):

Provided that if the roll out of the network at a ground station is completed within 30 calendar days of the expiry of the due date, the Central Government shall accept the roll out of the network at a ground station without levying any LD charges.

- (f) In case the Authorised Entity fails to roll out the network at a ground station within the prescribed period, the Central Government shall be entitled to recover LD charges @ ₹ 10,000/- (Rupees ten thousand only) per month of delay subject to a maximum amount of ₹ 2.4 lakh. For the delay of more than 24 months, the frequency assignment at the ground station may be withdrawn in addition to the imposition of the maximum amount of LD. For calculation of the delay in compliance of roll out obligations, a month shall mean one calendar month and any extra day shall be counted as full month for the purpose of the recovery of LD.**
- (g) The Central Government or its authorised representative shall have the right to access and inspect sites and telecommunication equipment used by the Authorised Entity for providing DCSBAGS.**
- (h) The Authorised Entity shall not cause or allow to cause harmful interference to other authorised users of radio spectrum.**

- (i) For the elimination of harmful interference, the Authorised Entity shall abide by all instructions and orders issued by the Government.**
- (j) Common Signaling Channel: In accordance with the clause 4.1.3.3 of Volume V (Aeronautical Radio Frequency Spectrum Utilization) of Annex 10 to the Convention on International Civil Aviation (Aeronautical Telecommunications), the frequency 136.975 MHz is reserved on a worldwide basis to provide a common signaling channel (CSC) to the VHF digital link (VDL). The use of the said frequency shall be on a sharing basis in India. However, the assignment of frequency spectrum shall be governed by Section 4 of the Telecommunications Act, 2023 and the rules made thereunder.**

2.307 A broad summary of the comments received from stakeholders on the issue related to Q3(f) related to security conditions of the DCSBAGS authorisation is given below:

- (a) A few stakeholders opined that the security conditions under the license should be in line with international practices. One stakeholder stated that security conditions should include infrastructure in place to ensure data security.
- (b) A stakeholder opined that the license should be granted to a communication service provider after following the necessary steps like checks on Directors, CEO, CFO, etc. for new CSPs and necessary clearance of coordination from the Airports Authority of India in all the cases.
- (c) Another stakeholder averred that no specific security conditions may be required under the license, given that the scope of the service is limited to aviation safety and regularity of flight operations.

2.308 While examining the inputs of stakeholders on the issue related to security conditions of the license, the Authority took note of the following aspects:

- (a) Chapter-VI (Security Conditions) under Unified License provides that the licensee shall meet the instructions/ directions of the Licensor issued from time to time in the interest of national security. It also provides that the Licensee shall be completely and totally responsible for the security of their networks.
- (b) Chapter-V (Operating conditions) under Unified License provides that the Licensor may prescribe restrictions for provision of services in areas falling near International Border/ Line of Control (LOC)/ Line of Actual Control (LAC) of India or any other areas as may be prescribed by the Licensor.

2.309 The Authority notes that the section 21(f) of the Telecommunications Act, 2023 provides that the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.

2.310 Based on the comments of the stakeholders and further analysis, **the Authority recommends that the security conditions under DCSBAGS authorisation should cover, *inter-alia*, the following conditions:**

- (a) The Authorised Entity shall be completely and totally responsible for the security of its network.**
- (b) The Authorised Entity shall meet the instructions/ directions of the Central Government issued from time to time in the interest of national security as per the relevant sections of the Telecommunication Act, 2023.**
- (c) The Authorised Entity shall abide by the instructions issued by the Central Government on the security aspects related to the establishment and operation of ground station near Line of**

Control (LOC), Line of Actual Control (LAC) and International Border.

- (d) As per Section 21(f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.**

2.311 A broad summary of the comments received from stakeholders on the issue related to Q3(g) related to financial conditions of the DCSBAGS authorisation is given below:

- (a) Some stakeholders opined that the financial conditions should be in line with international practices. One stakeholder stated that the license fee should be kept at a moderate level in line with the best practices seen in Asia Pacific region. TRAI may recommend a charging mechanism that requires only a nominal fee.
- (b) A stakeholder suggested that the financial conditions may include a one-time application processing fee for new sites, a yearly license renewal fee, and bank guarantees.
- (c) A stakeholder opined that the financial conditions should be as per Chapter III of Unified License. Another stakeholder suggested that the license fee should be prescribed at 8% of AGR as prescribed for the licensees holding Unified License; however, there is no need for any Performance Bank Guarantees, and Financial Bank Guarantees (FBG) for such license. Another stakeholder opined that there should be suitable financial conditions covering license fees and securitization of payments.

- (d) A stakeholder opined that no entry fee should be charged. The stakeholder mentioned that the entry fee is charged as a deterrent for the entry of non-serious players, which is not the case in the current scenario. Moreover, in most geographies around the world for the air-to-ground data link communications service, entry fee is not charged or if charged, it is at a very nominal value. In India, there is already a nominal application process fee being imposed at the time of applying by SACFA clearances.
- (e) One stakeholder submitted that the Government has already relaxed the requirements pertaining to Bank Guarantees etc. Hence, financial requirements for these service licensees should be drawn under the new paradigm and should not be onerous.
- (f) In response to the above question, few stakeholders commented that the Spectrum Charges/License fee may be kept at moderate level and a nominal fee may be prescribed. However, many of the stakeholders are of the view that the financial conditions should be in-line with international best practices.

2.312 The Authority noted the contention of a stakeholder that globally the DCSBAGS is considered a critical safety feature for the airlines and therefore, in most countries, only a nominal fee has been prescribed; it helps in keeping the cost low for the service thereby benefitting the air transport Industry.

2.313 The Authority observed that the entities holding DCSBAGS authorisation will only provide data communication services to airline operators and AAI. They will not provide any communication services to the air passengers. The Authority also noted the following inputs of DoT provided in the reference dated 12.04.2022:

"5. The VHF data link services consist of the data for tracking the aircraft for safety of flights. The data includes the position reports, weather updates,

engine health messages etc. Considering that VHF Data Link Services to provide ACAR service can be beneficial to track aircrafts on a real-time basis and help investigations/ search and rescue operations in the unfortunate event of aviation disaster,...”

2.314 Keeping in view the critical nature of service given by the DCSBAGS providers, the Authority is of the view that it would be desirable to keep the Authorisation Fee and other fees payable by DCSBAGS authorised entities as minimum possible. The Authority is also of the view that there is no need to prescribe any bank guarantees on the DCSBAGS authorised entities.

2.315 Considering the comments of stakeholders and further analysis in respect of financial conditions under the DCSBAGS authorisation, **the Authority recommends that-**

- (a) Minimum Equity and Minimum Net worth: There shall be no requirement of minimum equity and minimum net worth in respect of DCSBAGS authorisation.**
- (b) Application Processing Fee: A non-refundable processing fee of Rs. 10,000/- (Rupees Ten thousand only) shall be paid for the grant of DCSBAGS authorisation.**
- (c) Entry Fee: A non-refundable one-time Entry Fee of Rs. 1,00,000/- (Rupees One lakh only) shall be paid for the grant of DCSBAGS authorisation. No entry fee should be levied at the time of renewal of DCSBAGS authorisation.**
- (d) Authorisation Fee: Only a token Authorisation Fee of Re. one (1) per annum should be levied on the DCSBAGS Authorised Entity.**
- (e) Bank Guarantees: No Bank Guarantee should be required to be obtained from the DCSBAGS Authorised Entity.**

2.316 It is noteworthy that the remaining questions raised through the CP dated 10.12.2022 for the consultation with stakeholders were related to methodologies for assignment and valuation of spectrum. In view of the DoT's

letter dated 23.08.2024 to TRAI, through which DoT has conveyed that *"TRAI may provide recommendation on DoT reference stated in para (i) of the WPC letter of even no. dated 12.04.2022 alone with a view to regulate the services mentioned in the above DoT reference"*, these questions, no longer, require any deliberations.

2.317 After analyzing the issues raised through the CP dated 10.12.2022, the Authority proceeds to analyze the issues raised through the SCP dated 03.08.2023.

2.318 Through the SCP dated 03.08.2023, the Authority solicited comments of stakeholders on the following question related to the eligibility conditions for obtaining license:

SQ1. In case it is decided to bring data communication services between aircraft and ground stations provided by organizations other than Airports Authority of India under service licensing regime, what should be the eligibility conditions for obtaining service licence for data communication services between aircraft and ground stations? Please provide a detailed response with justifications.

2.319 A broad summary of the comments received from stakeholders on the SQ1 of the SCP dated 03.08.2023 related to eligibility conditions for the DCSBAGS authorisation is given below:

- (a) A stakeholder opined that only the entities providing services for aeronautical purposes can be authorized to take licenses for data communication services. The eligibility conditions may include necessary approvals/ permission from the DGCA to provide such services by the Communication Service Providers over the Indian airspace. Being the safety critical aeronautical services, such entities should also have experience in providing such services.
- (b) A stakeholder expressed that the applicant must be an Indian entity registered under the Indian Companies Act, 2013 and an occupant of the

geographical area(s)/property(ies), either owned or leased, on which such network(s) will be established. As per the stakeholder, globally, the applicants are also evaluated based on one or more of the following considerations, such as financial capability, technical capability, and experience to deploy the service, compliance with the international messaging standards and global reach and availability of network.

- (c) A stakeholder opined that the eligibility criteria should be such that it encourages new entrants into the market without imposing any undue entry barriers. According to another stakeholder, only Air Traffic Management (ATM) service operating companies, which are recognized internationally and nationally, should be eligible.
- (d) A stakeholder asserted that the conditions in respect of the license for providing data communication service between aircraft and ground stations should be similar to the conditions on Captive Non-Public Network (CNPN) license. A few stakeholders averred that the eligibility conditions for the grant of the license should be similar to the VSAT authorization under Unified License.

2.320 The Authority notes that data communication service is a key component of communication between aircrafts and ground stations. Therefore, the entities which establish data communication links between aircraft and ground stations should be under adequate corporate regulatory oversight.

2.321 Based on the examination of the comments of stakeholders and further analysis, **the Authority recommends that only the companies registered under the Indian Companies Act should be eligible to apply for grant of DCSBAGS License.**

2.322 It is noteworthy that the remaining questions raised through the SCP dated 03.08.2023 for the consultation with stakeholders were related to methodologies for assignment of spectrum. In view of the DoT's letter dated 23.08.2024 to TRAI, through which, DoT has conveyed that "*TRAI may provide*

recommendation on DoT reference stated in para (i) of the WPC letter of even no. dated 12.04.2022 alone with a view to regulate the services mentioned in the above DoT reference", these questions, no longer, require any deliberations.

2.323 After analyzing the issues raised through the SCP dated 03.08.2023, the Authority proceeds to examine the Q24(a) raised through the CP dated 11.07.2024, as reproduced below:

Q24. In view of the provisions of the Telecommunications Act, 2023 and market developments, any further inputs on the following issues under consultation, may be provided with detailed justifications:

(a) Data Communication Services Between Aircraft and Ground Stations Provided by Organizations Other Than Airports Authority of India;

2.324 In response to the Q24(a) of the CP dated 11.07.2024, the stakeholders have largely reiterated their submissions made in response by them in response to the CP dated 10.12.2022 and SCP dated 03.08.2023. In their comments, many stakeholders have emphasized the need to establish a clear regulatory framework for the niche service of data communication between aircraft and ground stations, which is critical for safety and efficiency of the air transport industry. The Authority is cognizant of these aspects and has accordingly recommended a comprehensive authorisation framework for DCSBAGS in the above paragraphs.

2.325 Based on the above recommendations on DCSBAGS authorisation, **the Authority recommends the terms and conditions to be included in the Telecommunication (Authorisation for Data Communication Service Between Aircraft and Ground Stations) Rules, 2024 enclosed as Annexure 2.4.7.**

(2) PMRTS and CMRTS Authorisations

2.326 Earlier, through a reference letter No. 311-80/2022-CS-I-Policy (part) dated 02.06.2022 (hereinafter, referred to as "the DoT's Reference dated 02.06.2022"), the DoT requested TRAI to provide recommendations under Section 11(1)(a) of TRAI Act, 1997 (as amended) regarding the terms and conditions for issue of fresh licenses for CMRTS and PMRTS services especially w.r.t technical conditions (viz., connectivity with PSTN, internet, use of digital technology, allocation of spectrum to PMRTS, use of network slicing under 5G, etc.) and financial aspects, etc. An extract of the DoT's Reference dated 02.06.2022 is reproduced below:

"The Guidelines for PMRTS for Captive and Commercial use were issued on 1st Nov 2001 (Annexure-1) based on TRAI recommendations dated 18.12.2000. The license for commercial use is known as Public Mobile Radio Trunking Service (PMRTS) and the license for captive use it is known as Captive Mobile Radio Trunking Service (CMRTS). Further recommendations of TRAI regarding the PMRTS was given on 07.01.2003. on the basis of these guidelines of 1st Nov 2001 and TRAI recommendations dated 07.01.2003, License agreements of PMRTS and CMRTS were approved in June 2007.

2. Licenses for PMRTS were issued on the basis of available guidelines by the CS division up to 19.08.2013. Thereafter, the PMRTS license was brought under Unified Licensing (UL) regime and PMRTS Authorisation was issued under the UL guidelines. However, the CMRTS license, which is for captive use, was not included in the UL, and the CMRTS license continued to be issued on the basis of approved guidelines of 2001 and license agreement of 2007.

3. As per the existing arrangements, licenses have been issued on non-exclusive basis without any limit of numbers of operators in a service area, as well as the number of licenses that can be obtained by any single operators. The present list of existing PMRTS licensees and CMRTS licensees are enclosed as Annexure-2 and Annexure-3 respectively. These licenses were granted for a period of 20 Years and extendable by 10 Years beyond initial period, at a time.

4. *CMRTS license conditions have not been reviewed since 2007 and also not been included in the UL. A copy of the sample CMRTS license agreement as applicable to the existing licensees is enclosed as Annexure-4. Further, following amendments of CMRTS license were issued which are placed collectively at Annexure-5: -*

- a. letter Nos. 311-Misc/2017-CS-1 dated 15.03.2021 regarding procurement of telecommunication equipment*
- b. letter Nos. 311-Misc/2017-CS-1 dated 06.10.2021 regarding change interest rates, penalty and interest on penalty and*
- c. letter Nos. 311-Misc/2017-CS-1 dated 08.10.2021 regarding rationalisation of bank guarantees)*

5. *In this regard, various suggestions/representations have been received from PMRTS Licensees and their Associations are enclosed at Annexure-6 and representations received from CMRTS Licensees are enclosed at Annexure-7. Keeping in view the vast changes in the technology and financial aspects during this period and the resultant new user application, there is a need to review scope and guidelines for PMRTS & CMRTS services and the license conditions.*

6. *In view of the above, TRAI is requested to give recommendations under the terms of clause 11 (1) (a) of TRAI Act, 1997 (as amended) regarding the terms and conditions for issue of fresh licenses for CMRTS and PMRTS services especially w.r.t technical conditions (viz. connectivity with PSTN, internet, use of digital technology, allocation of spectrum to PMRTS, use of network slicing under 5G, etc.) and financial aspects, etc. TRAI is also requested to give its view on any other issues considered relevant for CMRTS and PMRTS licenses.”*

2.327 A copy of the DoT's Reference dated 02.06.2022 is enclosed as **Annexure-1.4.**

2.328 Upon receipt of the DoT's Reference dated 02.06.2022, TRAI sought certain additional information/ clarifications from the DoT on the following aspects through a letter dated 17.06.2022:

- (a) Implementation status of the TRAI's earlier recommendations on "Method of allocation of spectrum for Public Mobile Radio Trunking Service (PMRTS) including auction, as a transparent mechanism" dated 20.07.2018; and
- (b) Analytical report of DoT on the representations received from the PMRTS Licensees, their association and CMRTS licensees

2.329 In response, the DoT, through its letter dated 20.09.2022, informed that "*TRAI recommendations on Method of allocation of spectrum for PMRTS including auction, as a transparent mechanism dated 20th July, 2018 was deliberated in the department and it was decided that the decision on TRAI recommendations may be taken after the decision on Methodology of allocation of spectrum to PMRTS. The issue is now being considered under the ambit of "Telecom Bill".*" Through the letter dated 20.09.2022, DoT also provided its views/ comments on the representations/ inputs from the PMRTS licensees and their association, and CMRTS licensees.

2.330 Thereafter, through a letter dated 26.12.2022, TRAI informed the DoT that some of the recommendations contained in the TRAI's earlier recommendations on 'Method of allocation of spectrum for Public Mobile Radio Trunking Service (PMRTS) including auction, as a transparent mechanism' dated 20.07.2018, which are yet to be accepted by the DoT, will also be reviewed in the TRAI's consultation with stakeholders with respect to the DoT's Reference dated 02.06.2022.

2.331 In this background, the Authority issued a Consultation Paper on 'Review of Terms and Conditions of PMRTS and CMRTS Licenses' on 29.08.2023 (hereinafter referred to as "the CP dated 29.08.2023") to solicit views of stakeholders on the subject matter. Written comments on the CP dated 29.08.2023 were invited from stakeholders by 26.09.2023 and counter-comments by 10.10.2023. Upon request from an industry association for an extension of time for submission of comments, the last dates for submission of

written comments and counter comments were extended up to 21.11.2023 and 05.12.2024 respectively. The Authority received ten comments and two counter-comments from stakeholders. The comments and counter-comments received from stakeholders were placed on the TRAI's website <http://www.trai.gov.in>. An online Open House Discussion (OHD) was held on 19.03.2024 with stakeholders.

2.332 On 24.12.2023, the Parliament enacted the Telecommunications Act 2023. The clause 4(4) of the Telecommunications Act, 2023 is reproduced below:

"The Central Government shall assign spectrum for telecommunication through auction except for entries listed in the First Schedule for which assignment shall be done by administrative process."

2.333 The First Schedule of the Telecommunications Act, 2023 lists 19 items for assignment of spectrum through administrative process. The item at Serial No. 11 of the First Schedule is reproduced below:

"11. Public Mobile Radio Trunking Services."

2.334 In view of the above provisions of the Telecommunications Act, 2023, the Authority, through a letter dated 10.04.2024, conveyed to the DoT that *"While the remaining part of the DoT's reference dated 02.06. 2022 is being considered, TRAI is of the view that the part of the reference regarding allocation of spectrum to PMRTS may require a review. Therefore, DoT is requested to provide the specific issues related to allocation of spectrum to PMRTS on which TRAI's recommendations are required."* In this regard, through a letter dated 14.09.2024, the DoT has conveyed to TRAI that *"it is stated that TRAI in its recommendations dated 20.07.2018 on spectrum assignment methodology for Public Mobile Radio Trunking Service (PMRTS) has recommended administrative method for spectrum assignment and also provided recommendations on spectrum pricing which is under processing in this department. Hence, issues related to assignment and pricing of spectrum*

for PMRTS may not be included while providing the recommendations w.r.t. DoT's reference dated 02.06.2022."

2.335 As a comprehensive framework for service authorisations to be granted under the Telecommunications Act, 2023 is being recommended through the present recommendations, the Authority has decided to include its recommendations on the terms and conditions for the issue of fresh authorisations for CMRTS and PMRTS services⁴⁵ in the present recommendations.

2.336 Before proceeding to analyze the issues raised through the CP dated 29.08.2023, a brief introduction of the PMRTS and CMRTS is being presented below.

2.337 Wireless communication systems have experienced significant global growth, including cellular and cordless phones, radio-based fleet management, broadcasting, cognitive radio, and IMT-2020. Radio technology now plays a crucial role in public services such as intelligent transport, GPS, and emergency communication. Cellular systems serve the public, while non-cellular systems are used by specific sectors like public safety and transportation. Non-cellular land mobile radios, such as walkie-talkies, are commonly used by organizations with mobile workforces for efficient communication.

2.338 Mobile Radio Trunking Service (MRTS) differs from cellular mobile telephony as it is designed for groups with shared interests rather than public use. Users communicate within designated "talk groups" on radio frequencies drawn from a common pool and returned after use, often via a repeater station to avoid interference. It offers features like low latency, high availability, priority access during congestion, and pre-emption (the ability to take over a channel by

⁴⁵ The Recommendations on the terms and conditions for the issue of fresh licenses for CMRTS and PMRTS were sought from TRAI through the DoT's Reference dated 02.06.2022.

terminating another user's communication when necessary). MRTS is a preferred choice for mission-critical tasks across key sectors like manufacturing, oil & gas, mining, construction, emergency services, utilities, transportation, energy, and public safety. MRTS has two variants namely, Public Mobile Radio Trunking Service (PMRTS) and Captive Mobile Radio Trunking Service (CMRTS).

2.339 After the above brief introduction of the subject matter, an analysis of the issues raised through the CP dated 29.08.2023 is being given below:

2.340 Through the CP dated 29.08.2023, the Authority raised the following questions for soliciting comments of stakeholders on the terms and conditions for issuance of fresh PMRTS authorisations:

Q1. Whether there is a need to review the terms and conditions of PMRTS License and PMRTS Authorization under Unified License? Kindly provide a detailed response with justifications.

Q2. In case it is decided to review the terms and conditions of PMRTS License and PMRTS Authorization under Unified License, in what manner should the following conditions be amended?

(a) Scope of the license

(b) Roll out obligation

(c) Technical conditions

(d) Network interconnection

(e) Security conditions

(f) Any other (please specify).

Kindly provide a detailed response with justifications.

Q3. Whether PMRTS providers should be permitted Internet connectivity with static IP addresses? Kindly provide a detailed response with justification.

Q4. Whether there is a need to review the extant provisions relating to service area for PMRTS Authorization under Unified License? If yes, whether it would be appropriate to grant PMRTS Authorization for three different categories with service area as (a) National Area; (b) Telecom circle/ Metro Area; and (c) Secondary Switching Area (SSA)? Kindly provide a detailed response with justification.

Q5. Whether there is a need to review the extant provisions relating to the authorized area for use of a particular frequency spectrum to PMRTS providers? If yes, in what manner should these provisions be amended? Kindly provide a detailed response with justification.

Q6. Whether there is a need to review the mechanism of shifting the fixed station from one location to another location within the authorized area for use of a particular frequency spectrum? If yes, what should be the terms and conditions for such permission? Kindly provide a detailed response with justification.

Q7. Whether there is a need to permit PMRTS providers to shift a few frequency carriers out of a pool of frequency carriers, assigned to an existing Fixed Station, to a new Fixed Station located within the authorized area for use of the pool of frequency carriers? If yes, in what manner the challenges arising out of such partial shifting of frequency carriers may be mitigated? Kindly provide a detailed response with justification.

Q8. Whether there is a need to review the requirement of obtaining Wireless Operating License (WOL) by PMRTS providers? Kindly provide a detailed response with justification.

Q9. Whether there is a need to review the provisions related to sale, lease and rent of the radio terminals of PMRTS? Kindly provide a detailed response with justification.

Q10. In case your response to the Q9 is in the affirmative, what kind of changes will be required in PMRTS licenses and Dealer Possession License (DPL) and guidelines? Kindly provide a detailed response with justification.

Q11. Whether there is a need to review the provisions related to import of the radio terminals of PMRTS? Kindly provide a detailed response with justification.

Q12. Whether there is a need to review the provisions related to replacement of unserviceable network elements of PMRTS? Kindly provide a detailed response with justification.

Q13. Whether there is need to review the recommendation No 4.5 (mentioned below) of the TRAI's Recommendations on 'Method of allocation of spectrum for Public Mobile Radio Trunking Service (PMRTS) including auction, as a transparent mechanism' dated 20.07.2018, which are under consideration of DoT? "4.5 The Authority recommends that- (a) Carrier size for assignment to PMRTS licensee (both for analog or digital) shall be 6.25 KHz and multiples thereof. (b) Carriers (frequency pairs) of 25 KHz already assigned to the service providers should be allowed to be retained by the service providers. (c) Additional assignment of carriers for the existing analogue system shall continue @ carrier size of 25 KHz (counted as 4 carriers of 6.25 KHz each). (d) Assignment in new cities/ service areas shall be made for digital systems only. (e) Initially for each city, twelve carriers (frequency pairs) of carrier size 6.25 KHz in metro licensed service area and eight carriers (frequency pairs) in non-metro license service area shall be assigned for PMRTS (Digital system) depending on the availability." Kindly provide a detailed response with justification.

Q14. Whether there is a need to mandate PMRTS providers to migrate to spectrally efficient digital technologies in a time-bound manner? If yes, what

should be the time frame for mandatory migration to spectrally efficient digital technologies? Kindly provide a detailed response with justification.

Q15. In case your response to Q14 is negative, what measures should be taken to nudge and encourage PMRTS providers to migrate to spectrally efficient digital technologies? Kindly provide a detailed response with justification.

Q16. Whether it is possible to deliver the PMRTS/ CMRTS, which are mission-critical in nature, using 4G/ 5G Network Slicing or any other technology? If yes, in what manner should the delivery of PMRTS/ CMRTS using 4G/ 5G network slicing be enabled in the license? What should be safeguards to ensure that the quality-of-service for cellular networks is not adversely impacted? Kindly provide a detailed response with justification.

Q17. Whether there is a need to review the terms and conditions of PMRTS Authorization under Unified License (VNO)? Kindly provide a detailed response with justification.

Q18. In case it is decided to review the terms and conditions of PMRTS authorization under Unified License (VNO), in what manner should the following existing provisions be amended? (a) Service area (b) Scope of the license (c) Network interconnection (d) Any other (Please Specify). Kindly provide a detailed response with justification.

Q19. Whether there is any other issue relevant for review of terms and conditions of the PMRTS License, PMRTS Authorization under Unified License, and PMRTS authorization under Unified License (VNO)? Kindly provide a detailed response with justifications.

2.341 In response to the Q1 of the CP dated 29.08.2023, many stakeholders have opined that there is a need to review the terms and conditions of PMRTS authorisation. In support of their view-point, they have mentioned that the

PMRTS license was introduced in 2007 and the PMRTS authorization started in 2013; the advent of 4G and 5G networks has significantly changed the telecom landscape, requiring a review of the PMRTS authorisation. On the other hand, many other stakeholders have contended that there is no need for any review of the terms and conditions of PMRTS authorisation. In support of their view-point, they have mentioned that the existing terms and conditions of PMRTS authorization are flexible and allow use of both analogue and digital technologies.

2.342 A broad summary of comments of stakeholders in response to the Q2 of the CP dated 29.08.2023 on the terms and conditions of PMRTS authorisation is given below:

- (a) Scope of PMRTS authorisation: Many stakeholders have opined that there is no need for any change in the scope of the PMRTS authorisation; the closed User Group (CUG) characteristics of the PMRTS authorisation should be retained. On the other hand, a stakeholder has suggested that the scope of PMRTS authorisation should be expanded to include new services.
- (b) Roll out obligation: Many stakeholders have suggested that there is no need for any change in the roll out obligations of PMRTS authorisation. On the other hand, a stakeholder has suggested that roll out obligations could be relaxed to give PMRTS providers more flexibility in the timing and manner of their roll out.
- (c) Technical conditions: Many stakeholders have suggested that there is no need for any change in the technical conditions of PMRTS authorisation. On the other hand, a stakeholder has suggested that the technical conditions of PMRTS authorisation could be updated to reflect the latest technological developments.
- (d) Network interconnection: Many stakeholders have suggested that there is no need for any change in the network interconnection of PMRTS authorisation. On the other hand, many other stakeholders have stated that fixed-line service providers have migrated from E1/ PRI to SIP trunks;

the PSTN connectivity criteria should be changed from 10,000 subscribers to 2,700 subscribers both for initial allocation of a 30-channel SIP/ E1/ PRI trunks or additional 30-channel SIP/ E1/ PRI trunks for additional 2,700 subscribers; the reduction to 2700 subscribers for each 30-channel SIP/ E1/ PRI trunks is recommended based on the anticipated reduction in subscriber loading per channel from 180 per digital channel based on the present loading norm (12.5 KHz) to 90 subscribers per digital channel (12.5 KHz) after PSTN connectivity is implemented.

- (e) Security Conditions: A stakeholder should be strengthened to protect the privacy and security of PMRTS users.

2.343 In response to the Q3 of the CP dated 29.08.2023 on the need for permitting internet connectivity with static IP addresses to PMRTS providers, many stakeholders have opined that PMRTS providers require internet connectivity with static IP address for (a) site-to-site networking, (b) trunking system backhaul connectivity to central server and (c) for inter-suburb and intra-service area roaming voice calls. A stakeholder suggested that the permission for internet connectivity with static IP addresses should be considered only to the extent that it does not violate the existing scope of PMRTS authorisation. Another stakeholder opined that revision in the conditions of the PMRTS authorisation should not increase in the scope of PMRTS service, which otherwise would be a part of access services (including roaming, mobility/ internet services).

2.344 In response to the Q4 of the CP dated 29.08.2023 on the need to review the extant provisions relating to service area for PMRTS authorisation, many stakeholders have opined that the service area for PMRTS authorisation should continue to remain at Telecom Circle/ Metro area level while many others have suggested that a flexibility of three different categories with service areas as (a) National area; (b) Telecom Circle/ Metro area; and (c) Secondary Switching Area (SSA) would be preferable.

- 2.345 In response to the Q5 of the CP dated 29.08.2023 on the need to review the extant provisions relating to the authorized area for use of a particular frequency spectrum to PMRTS providers, many stakeholders have opposed any change in the extant provisions, while many other stakeholders have suggested that the PMRTS providers should be given a flexibility to reuse the spectrum, which is assigned to them at city level at present, in any other part of the licensed service area based on intimation to the WPC and to pay location-wise royalty and spectrum charges.
- 2.346 In response to the Q6 on the need to review the mechanism of shifting the fixed station from one location to another location within the authorized area for use of a particular frequency spectrum, many stakeholders have supported the shifting of the fixed station from one location to another location within the authorized area for use of a particular frequency spectrum. A stakeholder has opined that shifting of fixed stations, subject to compliance with the spectrum assignment boundaries should be permitted post an intimation to DoT. Another stakeholder has suggested that the PMRTS providers must ensure that the shifting of fixed stations does not interfere with the operation of other stations.
- 2.347 In response to the Q7 on the need to permit PMRTS providers to shift a few frequency carriers out of a pool of frequency carriers, assigned to an existing Fixed Station, to a new Fixed Station located within the authorized area for use of the pool of frequency carriers, many stakeholders have supported such a shifting. A stakeholder has opined that such a provision would improve the efficiency, reliability, and flexibility of PMRTS services, however, the PMRTS provider should ensure that the shifting does not interfere with the operation of other PMRTS providers.
- 2.348 In response to the Q8 on the need to review the requirement of obtaining Wireless Operating License (WOL) by PMRTS providers, stakeholders, in general, have expressed a view that there should be no requirement of obtaining WOL by PMRTS providers.

- 2.349 In response to the Q9 and 10 related to the provisions related to sale, lease and rent of the radio terminals of PMRTS, many stakeholders have stated that the issue has now resolved under saralsanchar portal.
- 2.350 In response to the Q11 on the need to review the provisions related to import of the PMRTS radio terminals, many stakeholders have opined that the DoT's present linkage of allowing import of radio terminals based on channel loading is a disincentive to target higher spectrum efficiency, wherever possible; in order to prevent unauthorized import of radio terminals, authorised PMRTS providers should be allowed to import radio terminals under open general license (OGL).
- 2.351 In response to the Q12 on the need to review the provisions related to the replacement of unserviceable network elements of PMRTS, many stakeholders have opined that the government should process the requests for replacing unserviceable network elements of PMRTS on an automatic approval basis.
- 2.352 In response to the Q14 on the need to mandate PMRTS providers to migrate to spectrally efficient digital technologies in a time-bound manner, many stakeholders have opined that PMRTS radio terminals have a long lifespan and therefore, there would be a huge resistance from the end customers upon being forced to replace their old analog radio terminals with digital radio terminals. A stakeholder suggested that the PMRTS providers should be provided with the option to migrate to digital technologies in a time bound manner.
- 2.353 In response to the Q15 on the measures to be taken to nudge and encourage PMRTS providers to migrate to digital technologies, many stakeholders have opined that the Government should forthwith put in place a plan for frequency assignment for digital PMRTS and start assigning spectrum to PMRTS providers.

- 2.354 In response to the Q16 seeking inputs on whether it is possible to deliver the PMRTS/ CMRTS, which are mission-critical in nature using 4G/ 5G Network Slicing or any other technology, many stakeholders have opined that the delivery of PMRTS/ CMRTS using 5G is technically feasible but it is not viable because the PMRTS terminals available today or in the roadmap of existing radio vendors, are not compatible with the 5G network; the new 5G terminals (as and when they are launched) will not be compatible with the large legacy installation of PMRTS Infrastructure equipment; industry in next decade may adopt a 4G/ 5G-based Walky Talky for non-mission critical applications, using an IoT SIM.
- 2.355 In response to the Q17 and 18 on the review of the terms and conditions of PMRTS VNO authorisation, many stakeholders have stated that since the issuance of the DoT's guidelines for VNOs in 2016, not a single VNO has come forward to offer PMRTS. They have opined that the terms and conditions of PMRTS authorisation should also be made applicable to PMRTS VNO authorisation. Another stakeholder has contended that there is no need for any review of terms and conditions of PMRTS VNO authorisation.
- 2.356 The Authority took note of the above comments of stakeholders in respect of the terms and conditions of PMRTS authorisation and is of the following view:
- (a) PMRTS is a niche segment of the telecommunication service sector. It is used by critical infrastructure sectors such as manufacturing, oil & gas, mining, constructions, courier emergency medical services, utilities, transportation, energy and communication, fire and safety department of public utilities. In India, PMRTS has got a relatively small market; at present, there are about 65,000 subscribers of PMRTS in the country. As PMRTS is a niche service and is not consumed by the public at large, it would be proper to regulate PMRTS through an auxiliary service authorisation under the Telecommunications Act, 2023.

- (b) To provide business continuity to the PMRTS providers, it would be appropriate to keep the period of validity of the PMRTS authorisation as 20 years. This would be in line with the extant Unified License.
- (c) Under the Unified License regime, the service area of the PMRTS authorization is at the Telecom Circle/ Metro area level and the frequency spectrum is assigned at city/ town level. This scheme has, generally, worked well so far. Accordingly, it appears proper to keep the service area of the PMRTS authorisation at the Telecom Circle/ Metro area level. Also, it would be proper to keep the authorised area for use of a particular frequency spectrum at city/ town level.
- (d) The para 4(b) of the DoT's notification No. 311-80/2000-VAS dated 01.11.2001 regarding 'Detailed guidelines for migration of existing operations and issue of fresh license for PMRTS' provides that "*[i]nter-site connectivity shall be permitted to PMRTS Service Providers between their own sites within the licensed area*". It would be apt to permit inter-site connectivity to PMRTS providers between their own sites within the service area on the same lines of the permission given to PMRTS providers through the DoT's notification dated 01.11.2001.
- (e) In the extant PMRTS authorization under the Unified License, PSTN/ PLMN connectivity (outgoing only) of one E1-link (30 voice channels) for digital systems upto 10,000 customers and thereafter, one additional E1-link for each additional 10,000 customers or part thereof, only with one License Access Service provider is permitted. In view of the prevalence of the use of SIP trunks in the present-day fixed-line networks, it would be appropriate to permit connectivity to digital systems through SIP-trunks alongwith E1 and PRI links.
- (f) On 24.04.2024, the Authority has sent its recommendations on Telecommunication infrastructure Sharing, Spectrum Sharing and Spectrum Leasing to the DoT. In line with these recommendations, it would be proper to permit active and passive infrastructure sharing to PMRTS providers as well.

- (g) In order to bring efficiency in the provision of PMRTS and to afford ease of doing business to PMRTS providers, it appears proper to permit PMRTS providers to shift the location of the fixed station (base station) from one location to another within the geographical area for which frequencies have been assigned, provided that such a shifting does not alter the permitted geographical coverage area. It also appears proper to permit PMRTS providers to permit the use of the already assigned frequencies in the geographical area at the new fixed station(s) by way of partial shifting of a few frequency carriers out of the pool of assigned frequencies provided that such a shifting does not alter the permitted geographical coverage area.
- (h) Upon reaching the stage of technological obsolescence or disrepair or upon the end of the useful life, the network elements of the PMRTS providers should be permitted to be replaced with prior approval from the Central Government. Similarly, PMRTS radio terminals should be permitted to be replaced subject to the submission of destruction certificates etc. of the defective or obsolete radio terminals to the Central Government.
- (i) The DoT, through its letter No. 20-405/2013-AS-I Vol.-(Pt-1) dated 11.03.2024, has conveyed that "*it has now been decided to remove the requirement to obtain Wireless Operating License (WOL) for Captive Very Small Aperture Terminal (VSAT) Closed User Group (CUG) and CMRTS licenses, Unified License (UL) and Unified License (Virtual Network Operator) with authorizations of National Long Distance (NLD), International Long Distance (ILD), Public Mobile Radio Trunking Service (PMRTS), Global Mobile Personal Communication by Satellite (GMPCS), Internet Service and Machine to Machine (M2M) service with immediate effect.*" Therefore, there should be no need for PMRTS providers to obtain wireless operating authorisations for the fixed stations deployed by them.
- (j) In the extant PMRTS authorization under the Unified License roll out obligations have been prescribed for PMRTS providers after the frequency assignment in any city/ town. To ensure efficient usage of frequency

spectrum, it appears appropriate to retain similar roll-out obligations on the PMRTS providers under the new authorisation regime as well.

- (k) As per the extant policy of the DoT, PMRTS providers may acquire radio terminals through direct import or can buy radio terminals from Dealer Possession License (DPL) holders and can provide these radio terminals to users. PMRTS frequency assignment holders can import only permitted number of terminals against unserviceable terminals, after submitting destruction certificate or FIR or any appropriate proof. Further, the issue of sale, lease or rent of radio terminals has already been resolved by the introduction of online Saral Sanchar Portal. Accordingly, there appears to be no cogent reasons to remove the ceiling for import of PMRTS radio terminals or to bring PMRTS terminal (linked to channel loading criteria) under OGL category.

2.357 Considering the comments of stakeholder and its own analysis, **the Authority recommends that –**

- (a) Under the Telecommunications Act, 2023, the public mobile radio trunking services should be regulated through a standalone auxiliary service authorisation, namely Public Mobile Radio Trunking Service Authorisation (in short, PMRTS Authorisation).**
- (b) The period of validity of the PMRTS Authorisation should be 20 years.**
- (c) The Service Area of the PMRTS Authorisation should be the Telecom Circle/ Metro area.**
- (d) The Scope of service under the PMRTS Authorisation should be to provide Public Mobile Radio Trunking Service (PMRTS) on a non-exclusive basis in the designated Service Area. 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;**
- (ii) The pair of frequencies is allocated on placement of call request and returned to the pool on completion of call; and**
 - (iii) Communication usually takes place through a repeater station (also called base station). Once a user is assigned a channel (a pair of frequencies) by the system, no one else can interfere with the communication.**
- (e) For providing the service, the PMRTS Authorised Entity should utilize any type of equipment and product that meets TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standard, the PMRTS Authorised Entity may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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.**
- (f) The PMRTS Authorised Entity should comply with the regulations on Quality of Service (QoS), as may be prescribed by TRAI. Failure on the part of the Authorised Entity to adhere to the regulations on QoS prescribed by TRAI should be liable to be treated as breach of terms and conditions of Authorisation.**
- (g) There should be no interconnection between two separately authorised PMRTS systems.**
- (h) Inter-site connectivity should be permitted to the PMRTS Authorised Entity between its own sites within the Service Area.**

- (i) The PMRTS Authorised Entity should be permitted to have connectivity with PSTN/ PLMN subject to the following conditions:**

 - (i) PSTN/ PLMN connectivity (outgoing only) should be limited to one PSTN/ PLMN line for Five (5) RF Channels (of 25 KHz each) for analogue system from only one authorised entity having authorisation to provide Access Service in the Service Area.**
 - (ii) PSTN/ PLMN connectivity (outgoing only) should be limited to a 30 channel E-1/ PRI/ SIP link for digital system up to 10,000 users and thereafter, an additional 30 channel E-1/ PRI/ SIP link for each additional 10,000 customers or part thereof, only with one authorised entity having authorisation to provide Access Service.**
 - (iii) Incoming PSTN/ PLMN connectivity should be prohibited to the PMRTS Authority Entity.**
- (j) PMRTS Authorised Entity should be allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.**
- (k) PMRTS Authorised Entity should be allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.**
- (l) A provision should be included in the terms and conditions of the PMRTS Authorisation that the Authorised Entity would have to separately obtain an assignment of spectrum for the city/ town, where it intends to provide PMRTS. However, there should be no need to obtain a separate wireless operating authorisation (WOA) for this purpose.**

- (m) Upon assignment of frequency to the Authorised Entity by the Central Government in any city/ town, the Authorised Entity should roll out the network within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network in any city/ town, for which frequency has been assigned by the Central Government, shall mean installation and commissioning of the Applicable System including at least one Base Station (Fixed Station) in the city/ town.**
- (n) For verification of the commissioning of the Applicable System, the PMRTS Authorised Entity should register with the LSA Field Unit of the DoT, as per the procedure prescribed by the Central Government. Date of registration by the LSA Field Unit of the DoT should be treated as the date of commissioning in case of successful verification of the rollout of the network. If the verification of the roll out of the network fails, then the PMRTS Authorised Entity should re-register with the LSA Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by the LSA Field Unit of the DoT should be treated as the date of meeting the roll out obligation subject to successful verification. If the network is rolled out after the expiry of the due date, such delay in the rollout of network should entail recovery of Liquidated Damages (LD) under this condition:**
- Provided further that if the rollout of the network is effected within 30 calendar days of the expiry of the due date then the Central Government should accept the rollout of network without levy of LD charges.**
- (o) In case the PMRTS Authorised Entity fails to rollout the network within the period prescribed, the Central Government should be entitled to recover LD charges @ ₹ 10,000/- (Rupees Ten thousand only) per month of delay subject to a maximum**

amount of ₹ 2.4 lakh. For the delay of more than 24 months, in addition to imposition of maximum amount of LD, the frequency assignment may be withdrawn. The bank guarantee (BG) should be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. The Authorised Entity, on such occasions, should restore the partially encashed bank guarantee to the full amount. Any failure to do so should amount to a violation of the terms and conditions of the PMRTS Authorisation. For calculation of delay in compliance of roll out obligations, the month should mean one calendar month and any extra day should be counted as full month for the purpose of recovery of liquidated damages.

2.358 Through the CP dated 29.08.2023, stakeholders were requested to provide comments on the following set of questions:

Q20. Whether there is a need to review the terms and conditions of CMRTS license? Kindly provide a detailed response with justifications.

Q21. What should be the eligibility conditions for obtaining CMRTS license? Further, what should be the application processing fee for CMRTS license? Kindly provide a detailed response with justification.

Q22. In case it is decided to review the terms and conditions of CMRTS license, in what manner should the following terms and conditions be amended?

- (a) Service area*
- (b) Period of validity*
- (c) Scope of the license*
- (d) Technical conditions*
- (e) Channel assignment and loading*

- (f) *Operating conditions*
- (g) *Conditions relating to suspension, revocation or termination of license.*
- (h) *Any other (please specify).*

Kindly provide a detailed response with justifications.

Q23. Whether there is a need to mandate CMRTS licensees to migrate to spectrally efficient digital technologies in a time-bound manner? If yes, what should be the time frame for mandatory migration to spectrally efficient digital technologies? Kindly provide a detailed response with justification.

Q24. In case your response to Q23 is in the negative, what provisions should be made to nudge and encourage CMRTS licensees to spectrally efficient digital technologies? Kindly provide a detailed response with justification.

Q25. Whether there is any other issue relevant for review of terms and conditions of the CMRTS License? Kindly provide a detailed response with justifications.

2.359 In response to the Q20 of the CP dated 29.08.2023, many stakeholders have opined that there is a need to review the terms and conditions of CMRTS license. On the other hand, a stakeholder has stated that there is no need for any review.

2.360 In response to the Q20 of the CP dated 29.08.2023 on the eligibility conditions for obtaining CMRTS authorisation, many stakeholders suggested that CMRTS authorisation should not be given unless the usage is strictly captive. Another stakeholder mentioned that the eligibility conditions for obtaining a single CMRTS wireless license may be stated as, "The applicant must be a company or organization, engaged in a business or activity that requires the use of a CMRTS network".

2.361 A broad summary of comments of stakeholders in response to the Q22 of the CP dated 29.08.2023 on the terms and conditions of the CMRTS authorisation is given below:

- (a) Service Area of CMRTS authorisation: Many stakeholders opined that the service area of CMRTS authorisation should be co-terminus with the desired coverage area for CMRTS usage. Given that the requirement is for captive use, Telecom Circle wide authorisation should not be given for CMRTS.
- (b) Period of Validity of CMRTS authorisation: Many stakeholders suggested that the duration of the CMRTS authorisation should be for a period of 20 years.
- (c) Scope of CMRTS authorisation: Many stakeholders opined that the service area for CMRTS authorisation should be strictly captive usage.
- (d) Technical Conditions of CMRTS authorisation: Many stakeholders suggested that the technical conditions on CMRTS authorisation should be the same as the technical conditions on PMRTS authorisation.
- (e) Channel assignment and loading criteria: Many stakeholders opined that the criteria for channel loading should be the same as that for PMRTS.
- (f) Operating Conditions of CMRTS authorisation: Many stakeholders suggested that like PMRTS, CMRTS applicants should also require a license for the import of digital radio terminals.
- (g) Conditions relating to suspension, revocation, termination of CMRTS authorisation: Many stakeholders have suggested that any violations involving commercial exploitation should result in suspension and revocation of the CMRTS authorisation.

2.362 In response to the Q23 and Q24 of the CP dated 29.08.2023, many stakeholders have opined that to preserve the level playing field between PMRTS and CMRTS, any mandate to migrate to spectrally efficient digital technologies should be enforced with the same time frame. A couple of stakeholders have suggested that technology migration should be market driven and not mandated.

2.363 The Authority took note of the above comments of stakeholders in respect of the terms and conditions of CMRTS authorisation and is of the following view:

- (a) Considering the use of CMRTS by the entities in critical infrastructure sectors and fire and safety departments of public utilities for their captive use, it would be proper to regulate CMRTS through a captive service authorisation under the Telecommunications Act, 2023. The Companies registered under the Indian Companies Act and Government Departments/ Government organizations should be eligible to obtain CMRTS authorisation from the Central Government.
- (b) Under the extant CMRTS License regime, the service area of CMRTS is location specific. Many stakeholders in the consultation process have opined that the service area of CMRTS authorisation should be co-terminus with the desired coverage area for CMRTS usage. It appears proper to keep the service area for CMRTS authorisation as location specific.
- (c) To provide business continuity to the CMRTS providers, it would be appropriate to keep the period of validity of the CMRTS authorisation as 20 years. This would be in line with the extant CMRTS License regime.
- (d) The scope of CMRTS authorisation should be to provide captive mobile radio trunking service i.e. mobile radio trunking service for only captive use. It cannot provide mobile radio trunking service to any other entity. Only real-time voice and message communication amongst the users of the CMRTS should be permissible.
- (e) It would be appropriate to mandate the CMRTS authorised entity to any type of equipment and product that meets TEC standards, wherever made mandatory by the Central Government from time to time.
- (f) It would be proper to keep the provisions on network interconnection for CMRTS authorisation similar to the provisions for PMRTS authorisation.
- (g) On 24.04.2024, the Authority sent its recommendations on Telecommunication infrastructure Sharing, Spectrum Sharing and Spectrum Leasing to the DoT. In line with these recommendations, it

would be proper to permit active and passive infrastructure sharing to CMRTS authorised entities as well.

- (h) The DoT, through its letter No. 20-405/2013-AS-I Vol.-(Pt-1) dated 11.03.2024, has conveyed that *"it has now been decided to remove the requirement to obtain Wireless Operating License (WOL) for Captive Very Small Aperture Terminal (VSAT) Closed User Group (CUG) and CMRTS licenses, Unified License (UL) and Unified License (Virtual Network Operator) with authorizations of National Long Distance (NLD), International Long Distance (ILD), Public Mobile Radio Trunking Service (PMRTS), Global Mobile Personal Communication by Satellite (GMPCS), Internet Service and Machine to Machine (M2M) service with immediate effect."* Accordingly, there should be no need for CMRTS providers to obtain wireless operating authorisations for the fixed stations deployed by them.
- (i) In the extant PMRTS authorization under the Unified License roll out obligations have been prescribed upon PMRTS providers after the frequency assignment in any city/ town. To ensure efficient usage of frequency spectrum, it appears to be appropriate to retain similar roll-out obligations on the CMRTS providers under the new authorisation regime.

2.364 Considering the comments of stakeholder and its own analysis, **the Authority recommends that –**

- (a) Under the Telecommunications Act, 2023, the captive mobile radio trunking services should be regulated through a standalone captive service authorisation, namely Captive Mobile Radio Trunking Service Authorisation (in short, CMRTS Authorisation).**
- (b) The period of validity of the CMRTS Authorisation should be 20 years.**
- (c) The Service Area of the CMRTS Authorisation should be location specific.**
- (d) The PMRTS Authorised Entity should be permitted to provide Captive Mobile Radio Trunking Service i.e., Mobile Radio**

Trunking Service for only captive use. It should not be permitted to provide Mobile Radio Trunking Service (MRTS) to any other entity. Only real-time voice and message communication among the users of the CMRTS service should be permitted.

- (e) For providing the Service, the CMRTS Authorised Entity should utilize any type of equipment and product that meets TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standard, the CMRTS Authorised Entity may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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.**
- (f) There should be no interconnection between two separately authorised CMRTS systems.**
- (g) Inter-site connectivity should be permitted to the CMRTS Authorised Entity between its own sites within the Authorised Service area.**
- (h) The CMRTS Authorised Entity should be permitted to have connectivity with PSTN/ PLMN subject to the following conditions:**
 - (i) PSTN/ PLMN connectivity (outgoing only) should be limited to one PSTN/ PLMN line for Five (5) RF Channels (of 25 KHz each) for analogue system from only one authorised entity having authorisation to provide Access Service in the Service Area.**
 - (ii) PSTN/ PLMN connectivity (outgoing only) should be limited to a 30 channel E-1/ PRI/ SIP link for digital system up to 10,000 users and thereafter, one additional 30 channel E-1/ PRI/ SIP link for each additional 10,000 customers or part**

thereof, only with one authorised entity having authorisation to provide Access Service.

- (iii) Incoming PSTN/ PLMN connectivity should be prohibited to the CMRTS Authority Entity.**
- (i) CMRTS Authorised Entity should be allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.**
- (j) CMRTS Authorised Entity should be allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.**
- (k) A provision should be included in the terms and conditions of the CMRTS Authorisation that the CMRTS Authorised Entity would have to separately obtain an assignment of spectrum for the Service Area where it intends to provide CMRTS. However, there should be no need to obtain a separate wireless operating authorisation (WOA) for this purpose.**
- (l) Upon assignment of frequency to the CMRTS Authorised Entity by the Central Government in the Service Area, the CMRTS Authorised Entity should roll out the network within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network in the Service Area, for which frequency has been assigned by the Central Government, should mean installation and commissioning of the Applicable system including at least one Base Station (Fixed Station) in the Service Area.**
- (m) For verification of the commissioning of the Applicable System, the CMRTS Authorised Entity should register with the LSA Field Unit of the DoT, as per the procedure prescribed by the Central**

Government. Date of registration by the LSA Field Unit of the DoT should be treated as the date of commissioning in case of successful verification of the roll out of the network. If the verification of the roll out of the network fails, then the Authorised Entity should re-register with the LSA Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by the LSA Field Unit of the DoT should be treated as the date of meeting the roll out obligation subject to successful verification. If the network is rolled out after the expiry of the due date, such delay in rollout of network should entail recovery of Liquidated Damages (LD) under this condition: Provided further that if the rollout of the network is completed within 30 calendar days of the expiry of the due date then the Central Government shall accept the rollout of network without levy of LD charges.

- (n) In case the CMRTS Authorised Entity fails to rollout the network within the period prescribed, the Central Government should be entitled to recover LD charges @ ₹ 10,000/- (Rupees Ten thousand only) per month of delay subject to a maximum amount of ₹ 2.4 lakh. For the delay of more than 24 months, in addition to imposition of maximum amount of LD, the frequency assignment may be withdrawn. The bank guarantee (BG) should be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. The CMRTS Authorised Entity, on such occasions, should restore the partially encashed bank guarantee to the full amount. Any failure to do so should amount to violation of the terms and conditions of the Authorisation. For calculation of delay in compliance of roll out obligations, the month should mean one calendar month and any extra day shall be counted as full month for the purpose of recovery of liquidated damages.**

2.365 Through the CP dated 29.08.2023, the Authority solicited comments of stakeholders on the following question:

Q26 Is there a need to review the license fee prescribed for PMRTS/CMRTS? Please justify your answer. If yes, please suggest detailed methodology for arriving at the license fees for PMRTS/CMRTS with justification.

2.366 In response to the Q26 of the CP dated 29.08.2023, many stakeholders have opined that there is no need to review the license fee for PMRTS and CMRTS. On the other hand, many other stakeholders have suggested a reduction in the license fee for PMRTS and CMRTS. A detailed analysis and recommendations in respect of the license fee for PMRTS and CMRTS is given in Chapter 3 of these recommendations.

2.367 It is noteworthy that the remaining questions raised through the CP dated 29.08.2023 for the consultation with stakeholders were related to assignment and valuation of spectrum. As already mentioned in these recommendations, through a letter dated 14.09.2024, the DoT has conveyed to TRAI that "*it is stated that TRAI in its recommendations dated 20.07.2018 on spectrum assignment methodology for Public Mobile Radio Trunking Service (PMRTS) has recommended administrative method for spectrum assignment and also provided recommendations on spectrum pricing which is under processing in this department. Hence, issues related to assignment and pricing of spectrum for PMRTS may not be included while providing the recommendations w.r.t. DoT's reference dated 02.06.2022.*" Accordingly, these questions related to assignment and valuation of spectrum, no longer, require any deliberations.

2.368 After analyzing the issues raised through the CP dated 29.08.2023, the Authority proceeds to examine the Q24(b) raised through the CP dated 11.07.2024, as reproduced below:

Q24. In view of the provisions of the Telecommunications Act, 2023 and market developments, any further inputs on the following issues under consultation, may be provided with detailed justifications:

(b) ...

(c) *Review of Terms and Conditions of PMRTS and CMRTS Licenses; and*

(d) ...

2.369 In response to the Q24(b) of the CP dated 11.07.2024, the stakeholders have largely reiterated their submissions made in response by them in response to the CP dated 23.02.2024. In their comments, many stakeholders have emphasized the need to put in place a flexible yet comprehensive regulatory framework for the authorisations for PMRTS and CMRTS, as these services are used in critical infrastructure sectors. The Authority is cognizant of these aspects and has accordingly recommended a comprehensive authorisation framework for PMRTS and CMRTS in the above paragraphs.

2.370 Based on the above recommendations on PMRTS authorisations, **the Authority recommends the terms and conditions to be included in the Telecommunication (Public Mobile Radio Trunking Service Authorisation) Rules enclosed as Annexure 2.4.1.**

2.371 Further, based on the above recommendations on CMRTS authorisations, **the Authority recommends the terms and conditions to be included in the Telecommunication (Captive Mobile Radio Trunking Service Authorisation) Rules enclosed as Annexure 2.5.1.**

(3) Connectivity to Access Service VNOs from more than one NSO

2.372 Through a reference dated 07.07.2023 on the subject- 'Connectivity to Access Service VNOs from more than one NSO', the DoT sought recommendations of TRAI under Section 11(1) (a) of the TRAI Act, 1997. The DoT's reference letter dated 07.07.2023 is reproduced below:

"Department of Telecommunications has examined the issue related to Licensing Reforms on various aspects like Procedural Reforms, Reform for

Licensing Terms & Conditions, Compliance Reforms for reducing compliance burden on Telecom Service Providers (TSPs) etc. Following issue/ matters amongst them are indicated here to seek recommendation of TRAI:

- 2. Based on the TRAI's recommendations dated 01.05.2015 on "Introduction of Virtual Network Operators", the Department of Telecom issued guidelines/ agreement for Unified License (virtual Network Operator) {Unified License (VNO)} on 31.05.2016.*
- 3. As per these guidelines, there would not be any restriction on the number of VNO licensees per service area. VNOs are allowed to have agreement with more than one NSO for all services other than Access Service and such services, which need numbering and unique identity of the customer.*
- 4. The Department has received representation that Access Service VNOs may also be permitted to take connectivity from more than one NSO in specific conditions. For example:*
 - i. When an Access Service VNO wants to take connectivity from a NSO for wireline services and another NSO for wireless services (Eg. A case when Access Service VNO takes connectivity from a NSO who is providing only wireline services in that area then such VNO has no option for providing wireless services in that area due to existing restrictions.)*
 - ii. Access Service VNOs who intend to provide wireline services only, may require to take connectivity from more than one NSOs. For example, a case, when an Access Service VNO takes connectivity from a NSO for wireline services, but that NSO may not have services in some other areas within the LSA where the VNO wants to provide its services. In such case, the VNO may be permitted to take connectivity from more than one NSOs for wireline service."*
- 5. Accordingly, recommendations of TRAI are sought on the following issues:*
 - i. Appropriate number of NSOs with whom VNOs having Access Service authorization and providing wire line services can be permitted to take connectivity in an LSA.*

- ii. VNOs having Access Service authorization and providing both wireless and wire line services can be permitted to take connectivity from one NSO for wireless services and other NSO for wire line services in a LSA.”*
- 6. In this regard, TRAI is requested to kindly examine the above issues and submit its recommendations under section 11(1)(a) of TRAI Act, 1997 (as amended)”.*

2.373 A copy of the DoT’s Reference dated 07.07.2023 is enclosed as **Annexure-1.5.**

2.374 With respect to the afore-mentioned reference received from the DoT, the Authority, on 23.02.2024, issued a Consultation Paper on Connectivity to Access Service VNOs From More Than one NSO (hereinafter also referred to as “the Consultation Paper dated 23.02.2024”). Written comments of stakeholders on the Consultation Paper dated 23.02.2024 were invited from stakeholders by 22.03.2024 and counter-comments by 05.04.2024. The Authority received written comments from nine stakeholders and counter-comments from four stakeholders. The comments and counter-comments received from stakeholders were placed on TRAI’s website. An online Open House Discussion (OHD) was held on 08.05.2024 with stakeholders.

2.375 In this background, through the Q24(c) of the CP dated 11.07.2024, the Authority solicited comments of stakeholders on the following questions:

Q24. In view of the provisions of the Telecommunications Act, 2023 and market developments, any further inputs on the following issues under consultation, may be provided with detailed justifications:

(a) ...

(b) ...

(c) Connectivity to Access Service VNOs from more than one NSO.

2.376 In response to the Q24(c) of the CP dated 11.07.2024, the stakeholders have largely reiterated their submissions made in response by them in response to

the CP dated 23.02.2024. Many stakeholders have emphasized the need to put in place an enabling framework for VNOs under which (a) there is no restriction on the number of NSOs from whom an Access Service VNO can take connectivity for providing wireline access service in an LSA, and (b) An Access Service VNO should be permitted to take connectivity from one NSO for wireless access service and other NSO(s) for wireline access service in the LSA. The Authority is already cognizant of these aspects and accordingly, through the 'Recommendations on the Connectivity to Access Service VNOs From More Than one NSO' dated 13.09.2024 has sent the following recommendations to the DoT:

- (a) There should be no cap on the number of Network Service Operator (NSOs) from whom an Access Service Virtual Network Operator (VNO) can take connectivity for providing wireline access service in a Licensed Service Area (LSA).
- (b) For wireline connectivity of any Access Service VNO with more than one NSO at a particular Electronic Private Branch Automatic Exchange (EPABX), the Access Service VNO shall ensure non-breachable logical/virtual partitioning in the EPABX and logical separation of junctions from different NSOs with no inter-NSO call flow. The EPABX shall not support Internet connectivity. National Long Distance (NLD) and International Long Distance (ILD) calls shall be sent through the normal NLD/ILD networks only, and shall in no way directly or indirectly cause a bypass to the jurisdiction of authorised National Long Distance Operators (NLDOs)/ International Long Distance Operators (ILDOs). The Access Service VNO shall duly inform its NSO(s) and the Central Government regarding connectivity of more than one NSO at a particular EPABX.
- (c) In case the Access Service VNO obtains upstream Internet bandwidth from more than one NSO at any node(s) of its network, it may be mandated to install LIM/ LIS at such nodes, as per the requirement of security agencies.
- (d) An Access Service VNO, intending to provide both wireless and wireline access services in an LSA, should be permitted to take connectivity from

one NSO for wireless access service and other NSO(s) for wireline access service in the LSA. This flexibility should be given in addition to the extant regime under which an Access Service VNO, intending to provide both wireline and wireless access services in an LSA, is permitted to take connectivity for both wireline and wireless access services from the same NSO in the LSA.

- (e) Access Service VNOs should ensure that- (i) the network resources and infrastructure taken from an NSO for providing wireless access service and (ii) the network resources and infrastructure taken from NSO(s) for providing wireline access service are not integrated in any manner.

2.377 In the present recommendations, the Authority has included the above set of recommendations given to the DoT on 13.09.2024 under the terms and conditions for the Access Service VNO Authorisation.

L. Ease of doing business

2.378 Through the background note annexed to the reference dated 21.06.2024, the DoT informed, *inter-alia*, that "*..... 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 is required to improve Ease of Doing Business may also be examined.*"

2.379 In this background, through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following question:

Q25. Whether there is a need for introducing any changes in the authorisation framework to improve the ease of doing business? If yes, kindly provide a detailed response with justifications.

Comments of stakeholders on the Q25

2.380 A broad summary of the suggestions for improving ease of doing business made by stakeholders is given below:

- (a) There should be a single window process for all authorisations with response-based time bound query address system. The process should be simple and fully automated with self-certification for all processes like initial authorisation, renewals, addition or modification etc.
- (b) The authorisation portal should be integrated with other concerned ministries/ department/ agencies for easy access of relevant information to them for early decision and to avoid unnecessary compliance burden and duplicity in reporting.
- (c) Automation for submission of Electronic Bank Guarantee, FDI compliance, assignment of numbering resources, roll out obligations etc.
- (d) The requirement of clearance from Inter-Ministerial Committee for SatCom Networks (IMC-SNC) should be done away with.
- (e) There should be provision for data transfer outside India under the Digital Personal Data Protection Act.
- (f) The SACFA norms should be streamlined.

Analysis of the issues raised through the Q25

2.381 Improving the Ease of Doing Business requires a thorough review of end-to-end processes, ensuring that stakeholders do not have to approach multiple agencies or departments. A single application through a single window should be sufficient to obtain all inter-ministerial approvals.

2.382 After extensive consultation with stakeholders, TRAI has already recommended several measures for promoting ease of doing business in telecom and broadcasting sectors. In its recommendations on Ease of Doing Telecom Business dated 30.11.2017, as well as Recommendations on Ease of Doing Business in Broadcasting Sector dated 26.02.2018, TRAI had recommended, *inter-alia*, that the entire process of clearances, be it SACFA clearance or other

approvals, and grant of all licenses and approvals, that are issued by WPC and various other agencies, should be made paper-less. There should be a single-window clearance system available and executed end-to-end through an online portal. Thereafter the Authority through its recommendations on 'Licensing Framework for Satellite-based connectivity for Low Bit Rate Applications' dated 26.08.2021 recommended that *"DoT should put in place a comprehensive, simplified, integrated, end-to-end coordinated, single-window online common portal, having inter-departmental linkages for transfer of application and information for parallel processing, for all the agencies involved in grant of various approvals/permissions/allocations, etc., like DoS, DOT, WPC and NOCC, wherein the service licensees can place their request and the agencies respond online in a transparent and time-bound manner and all the guidelines, applications forms, fee details, processes, timelines and application status should be made transparently available on the portal."*

2.383 Lately, through the Recommendations on Ease of Doing Business in Telecom and Broadcasting Sectors dated 02.05.2023, the Authority has recommended, *inter-alia*, that a user-friendly, transparent and responsive digital single window based portal involving multiple ministries/ Departments (i.e. DoT/ MIB/ Ministry of Power/ MeitY/ Department of Space (DOS)/ Inter-Ministerial Committee for Satellite Network Clearance (IMC-SNC) etc. should be established. Through these recommendations, the Authority also recommended as below:

"(i) a. MIB/ DoT portals should be end-to-end integrated with Department of Space (DOS) and fully functional for all services requiring space segment.

b. Stage-wise status of the application should be transparently visible to the applicant. Timelines for each stage should be clearly defined. A two-way query system should be incorporated.

c. Within DOS, the processes at NewSpace India Ltd. (NSIL) should also be online to ensure transparency and time-bound processing.

(ii) Department of Space (DOS) should publish a list of the following on the portal:

a. Indian satellites details and the capacity availability.

b. Approved Foreign satellites/ satellite systems, their orbital locations, transponders and frequency availability and their other technical and security parameters.

(iii) The Inter-Ministerial Committee for Satellite Network Clearance (IMC-SNC) should meet at least once in two months or on receiving upon any application, whichever is earlier to expedite the in-principle approvals. The meeting should be held online.

(iv) a. the current practice of permitting hiring of foreign capacity for a limited period of 3 to 5 years should be removed and the service licensees should be permitted to hire the foreign satellite capacities for a longer period as per need.

b. long term agreements with foreign satellite providers should be allowed to ensure business certainty. Such long-term agreement may be subject to the mission life of the satellite, plan of launch of similar satellite by the country (ISRO), payment of requisite fees etc.

(v) The Government may come out with a roadmap detailing schedule of launch of communication satellites and availability of the domestic satellite capacities in India to facilitate the service licensees to plan and optimize their capacity procurement. "

2.384 Some of the recommendations on Ease of Doing Business in Telecom and Broadcasting Sectors dated 02.05.2023 have already been accepted and implemented by the Central Government. However, more simplification and transformation of the extant processes to simpler process are required to be done to attract more investments, foster innovation, and accelerate digital growth in India.

2.385 In view of the above, **the Authority recommends that the Government should take an early decision on the TRAI's Recommendations on Ease of Doing Business in Telecom and Broadcasting Sectors dated 02.05.2023.**

M. Need for Changes in the provisions related to the ownership of network under the Telecommunications Act, 2023

2.386 Through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following questions:

Q26. In view of the provisions of the Telecommunications Act, 2023 and market/ technological developments, whether there is a need to make some changes in the extant terms and conditions, related to ownership of network and equipment, contained in the extant Unified License? If yes, please provide the details along with justifications.

Comments of stakeholders on the Q26

2.387 In response to the Q26, many stakeholders opined that terms and conditions related to ownership of network and equipment should be made more flexible for bringing more efficiency in the operations and to improve ease of doing business. On the other hand, a few other stakeholders provided an opposite view to the above.

2.388 A broad summary of the comments of stakeholders, who supported flexible terms and conditions related to ownership of network and equipment, is given below:

- (a) The extant licensing regime, which was introduced more than two decades ago laid emphasis on the ownership of network and equipment in the hands of licensees. At that time, ownership of physical assets was considered to be critical because telecom networks comprised primarily of hardware (over 90%). This has changed drastically. The new age telecom networks comprise over 90% software and less than 10% hardware.
- (b) Utilization of the infrastructure of cloud has become more prudent as it allows redundancy and greater security owing to its distributed architecture. Thus, physical ownership is no longer relevant and has lost its importance.

- (c) Use of private or public cloud infrastructure for telecom networks of wireline telecom operators like IMS, SBC, SMSC, MMS, EMS etc. should be promoted.

2.389 On the other hand, many stakeholders suggested that there is no requirement to make changes in the extant terms and conditions on ownership of network and equipment as the existing provisions give sufficient flexibility to licensees in terms of network and equipment ownership.

Analysis of the issues raised through the Q26

2.390 With the passage of time, entities providing telecommunication services are becoming increasingly more dependent on the software infrastructure, rather than the hardware infrastructure. In the recent past, a substantial amount of cloud-based infrastructure has been established by both public and private enterprises in the country. All telecom service providers, particularly the small and medium sized players, can benefit from the cloud-based infrastructure of the third parties, and thereby, reduce their costs, improve network resilience, reduce time-to-market and optimize their network capacities on a need basis. Keeping these aspects in mind, the Authority is of the view that in line with the international practices, there is a need to provide a flexibility to authorised entities to take telecommunication network resources on lease or hire from third party-owned clouds located in India. At the same time, the Authority is cognizant of the security-related concerns w.r.t. the permission to use the telecommunication network resources, which are taken on lease or hire, from third party clouds. In this regard, the Authority notes that Section 21 and Section 22 of the Telecommunications Act, 2023 deal with (a) measures for national security and (b) protection of telecommunication networks and telecommunication services, respectively. The Authority is of the view that the security-related requirements of telecommunication networks should be fully complied with by the authorised entities while utilizing the cloud-based infrastructure.

2.391 Considering the comments of stakeholders and further analysis, **the Authority recommends that the authorised entities should be permitted to take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:**

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

- (a) All security related compliances shall be the responsibility of the Authorised Entity.**
- (b) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.**
- (c) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.**
- (d) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.**

2.392 Further, **the Authority recommends that the authorised entities should ensure that-**

- (a) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire from cloud service providers, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation.**
- (b) The associated data/ information is stored in India.**

2.393 These recommendations have been suitably incorporated in the terms and conditions to be included in various service authorisations viz. (a) main service authorisations, (b) auxiliary service authorisations, and (c) captive service authorisations.

N. Need for Changes in the provisions in the extant PM-WANI framework to encourage the proliferation of Wi-Fi hotspots in the country under the Telecommunications Act, 2023

2.394 Through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following questions:

Q27. Whether any modifications are required to be made in the extant PM-WANI framework to encourage the proliferation of Wi-Fi hotspots in the country? If yes, kindly provide a detailed response with justifications.

Comments of stakeholders on the Q27

2.395 In response to the Q27, many stakeholders opined that modifications are required to be made in the extant PM-WANI framework to encourage the proliferation of Wi-Fi hotspots in the country. They have opined that connectivity should be mandated for all Tier-1 ISPs and Access Service Providers; there should be no denial of service; the tariff structure once it is notified by TRAI, should be strictly followed; Wi-Fi hotspot proliferation should

be encouraged by way of devising simple procedures, and granting incentives for infrastructure sharing and backhaul connectivity.

2.396 On the other hand, a few other stakeholders have provided an opposite view to the above. They have contended that the public Wi-Fi networks have become less relevant due to several factors including the rapid expansion of 4G and 5G mobile networks, combined with the affordable low data rates offered by TSPs, which have made personal mobile data connections more accessible and reliable for most users; the increasing availability of fiber-to-home broadband connections in urban areas has diminished the need for public Wi-Fi hotspots; mobile devices remain the primary means by which internet access, including Wi-Fi, reaches rural areas.

Analysis of the issues raised through the Q27

2.397 Based on the comments of stakeholders and the available information, the Authority is of view that scheme of PM-WANI has witnessed mixed results so far. In absence of specific inputs from stakeholders, the Authority is of the view that no amendment is required to be made in the PM-WANI framework, at this stage. It is worth noting that the matter of internet tariff, which is being levied by service providers on PDOs, is under examination by the Authority through a separate consultation and has no bearing on the authorisation framework being deliberated in the present consultation process.

O. Captive Authorisations (on case-to-case basis)

2.398 Through the reference dated 21.06.2024, the DoT requested the Authority to provide its recommendations on the terms and conditions including fees and charges for authorisations to provide telecommunication services as per the provisions of the Telecommunications Act 2023.

2.399 In the list of extant licenses/ registration provided by DoT along with its reference letter dated 21.06.2024, DoT has included an authorisation namely -

Captive Authorisations (on case-to-case basis). The Government has been granting captive authorisations basis on a case-to-case. Generally, such authorisations permit captive users to establish point-to-point connectivity.

2.400 Considering that these are isolated captive networks, there may be a need to subject such authorisations to a lighter regulatory framework.

2.401 In this background, through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following questions:

Q28. What should be the broad framework including the specific terms and conditions that should be made applicable for captive authorisations, which are issued on a case-to-case basis? Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q28

2.402 A broad summary of comments of stakeholders for captive authorisations (on case-to-case basis) is given below:

- (a) In case of captive authorization, the provisions of Section 3(1) of the Telecommunication Act, 2023 will not apply as the telecom network is not being established to provide telecommunication services to any end users. Thus, any network not used by the public at large, and captive in nature should be permitted with simplified registration and not under authorization.
- (b) The framework of captive services (not using licensed spectrum) which are not for resale or sale direct to the public should be excluded from requiring authorisations to promote innovation and competition.
- (c) Digital services have become ubiquitous worldwide, enhancing ease of living and supporting government initiatives. However, the growing interplay between digital applications and technologies has led to exponentially growing computational demands, resulting in multinational digital services providers relying on interconnected backend data centers and operations and control centers (DCOCs). India's UL framework

prevents non-licensed Digital Enterprises from owning or managing Private Enterprise Networks, hindering ease of doing business, reliance on third-party TSPs, and deterring foreign direct investment. This situation leaves India at a comparative disadvantage, hindering economic growth and employment.

- (d) A light touch regulatory framework should be provided for all licenses, authorizations, registrations etc., and not only to captive authorisations awarded on case-to-case basis. Also, ensuring that such captive authorisations should not impinge upon the rights and scope of service of TSPs.
- (e) For the effective regulation of captive authorizations issued on a case-to-case basis it is crucial to establish a broad framework with specific terms and conditions.

Analysis of the issues raised through the Q28

2.403 The Authority, analysed the comments of the stakeholders and examined the terms and conditions of the existing permission to establish, maintain and operate a captive network that is at present issued by the DoT to the concerned entity.

2.404 The Authority has examined the issue and observed that such permissions have been issued to Government organizations and Government agencies for establishment of optical fiber cable links and microwave links for captive use on a case-to-case basis. As already deliberated in the earlier section in respect of Q22, the Authority is of the view that such captive authorisation should be issued only to the Government organizations and Government agencies on a case-to-case basis for captive use. For other organizations and private agencies, the telecom service providers should provide the service.

2.405 In view of above discussions, **the Authority recommends that the Captive Authorisations (on case-to-case basis) should be issued only to the Government organizations and Government agencies on a case-to-**

case basis for captive use and the recommended terms and conditions for the Captive Authorisations (on case-to-case basis) have been enclosed as Annexure 2.5.4.

P. Changes required in view of the space policy and *any other Policy/ Act*

2.406 DoT reference dated 21.06.2024 has mentioned that the policies/ Acts in related sectors such as Space may have a bearing on the terms and conditions of the service authorisations under the Act. In this regard, it has been observed that the Government of India has formulated the Indian Space Policy 2023 as an overarching, composite, and dynamic framework to implement the reforms in space domain.

2.407 In this background, through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following questions:

Q29. What amendments are required to be incorporated in the terms and conditions of authorisations for providing telecommunications services using satellite-based resources in light of the policy/ Act in the Space Sector? Kindly provide a detailed response with justifications.

Q30. Whether the provisions of any other Policy/ Act in the related sectors need to be considered while framing terms and conditions for the new authorisation regime? If yes, kindly provide a detailed response with justification.

Comments of the Stakeholders on Q29 and Q30

2.408 In response to the Q29, comments received from the stakeholders have been summarized as follows:

- (a) A stakeholder has suggested that satellite terminals should be exempted from individual authorizations to reduce costs and promote service uptake.
- (b) Several stakeholders have proposed that Indian gateways should be allowed to provide feeder-link connectivity to satellites serving customers `outside India, in alignment with Indian Space Policy 2023.
- (c) One of the stakeholders has opined that the new GMPCS authorization should address issues with NGSO satellites. Until then, spectrum should be provisionally allocated to NGSO-based operators, with spectrum charges applicable from the date of assignment as decided under the final policy.
- (d) One of the stakeholders has recommended aligning IN-SPACe guidelines with UL guidelines for surrendering authorizations and streamlining the process by requiring a single clearance mechanism for new applications.
- (e) Another stakeholder has suggested acknowledging the Point of Presence (POP) as the key nodal point in satellite networks, rather than traditional gateways.

2.409 In response to the Q30, comments received from the stakeholders have been summarized as follows:

- (a) One of the stakeholders has opined that the authority should consider the policies of all associated sectors like Space, Broadcasting and Competition law with soft touch regulative approach relying in self-certification by the licensees, less inspections, and audits of network/accounts etc.
- (b) Another stakeholder has suggested that there is a need to harmonize the provisions under the license as also the new authorization framework

with the DPDP Act provisions because DPDP act applies across sectors and according to it transfer of data is permitted except to countries as may be notified by the Central Government. But it contrasts with the provisions under license which prescribe that no user information can be sent outside India.

- (c) One of the stakeholders has suggested the following points:
 - (i) TSPs must align new authorization terms with IT Act provisions on data security, interception, and monitoring to avoid conflicts.
 - (ii) Harmonize authorization terms with Digital Personal Data Protection Act, 2023 (DPDPA) requirements on user consent and data transfer to ensure regulatory consistency.
 - (iii) Align UL content prohibitions and tracing requirements with the IT Act for regulatory clarity.

Analysis of the issues raised through the Q29 and Q30

2.410 As per the Indian Space Policy-2023, the Indian National Space Promotion & Authorisation Centre (IN-SPACe) shall function as an autonomous Government organization, mandated to promote, hand-hold, guide and authorize space activities in the country. For this purpose, IN-SPACe shall periodically issue guidelines and procedures, that would among other things promote ease of doing business.

2.411 IN-SPACe shall accord authorizations, *inter-alia*, for the following space activities:

- (a) The establishment and/ or operations of space object(s) [which includes communication satellites].
- (b) Use of Space objects for communication/ broadcast services to or from Indian Territory in coordination with other concerned Departments of Government of India. Use of authorized space object(s):
 - (i) For broadcast services shall be governed by the rules, regulations & policies of the Ministry of Information and Broadcasting (MoIB)

- (ii) For telecommunication services shall be governed by the rules, regulations and policies of the Department of Telecommunications (DoT), Ministry of Communications.

2.412 The Indian Space Policy-2023 further provides that New Space India Limited (NSIL), as the Public Sector Undertaking under DoS, shall:

- (a) Be responsible for commercialising space technologies and platforms created through public expenditure.
- (b) Manufacture, lease, or procure space components, technologies, platforms and other assets from the private or public sector, on sound commercial principles.
- (c) Service the space-based needs of users, whether Government entities or NGEs, on sound commercial principles.

2.413 In short, IN-SPACe shall accord authorization for the establishment and/ or operations of space-based object(s) (which include communication satellites). The use of authorized space object(s) for telecommunication services shall be governed by the rules, regulations and policies of DoT.

2.414 In view of the above provisions of the Indian Space Policy 2023, the Authority noted that IN-SPACe shall accord authorization for the establishment and operations of space-based objects, while the use of authorized space objects for providing telecommunication services shall be governed by the rules, regulations and policies of DoT. The terms and conditions for the use of satellites for the provision of satellite-based telecommunication services have already been recommended in earlier sections in respect of satellite-based telecommunication service authorisation.

2.415 The following specific conditions have also been included while recommending terms and conditions, for Satellite-based Telecommunication Services authorisation, in respect of the use of space segment:

Authorised Entity can use space segment of satellite system as per following conditions:

- (a) The Authorised Entity shall obtain necessary clearances from the Central Government.*
- (b) The required satellite capacity (space segment) shall be obtained by the Authorised Entity from Department of Space (DoS)/NSIL or space segment provider duly authorized by DoS/IN-SPACe on terms and conditions as applicable.*
- (c) The space segment charges will be payable to DoS/NSIL or space segment provider as applicable.*
- (d) All types of satellite viz. Geo Stationary Orbit (GSO) and Non-GSO (NGSO) satellites are permitted to be used for providing satellite based telecommunication services.*

2.416 In respect of the comments of stakeholders that Indian gateways should be allowed to provide feeder-link connectivity to satellites serving customers outside India, in alignment with Indian Space Policy 2023, the Authority has already recommended in an earlier section to permit the Authorised Entity to use its Satellite Earth Station Gateway facility established in India for providing services in the foreign countries after obtaining permission from the Central Government.

2.417 In respect to the comments of stakeholders regarding harmonization with DPDP Act, 2023, the Authority has noted the following section of the Digital Personal Data Protection Act, 2023:

Section 16

- (1) The Central Government may, by notification, restrict the transfer of personal data by a Data Fiduciary for processing to such country or territory outside India as may be so notified.*
- (2) Nothing contained in this section shall restrict the applicability of any law for the time being in force in India that provides for a higher degree of*

protection for or restriction on transfer of personal data by a Data Fiduciary outside India in relation to any personal data or Data Fiduciary or class thereof.

2.418 In view of the above provisions, the Authority is of the view that the Central Government may specify additional sector-specific user data protection, if so desired. The data related to telecommunication service user as well as service provider are important and a higher degree of protection or restriction on transfer of data can be notified by the Central Government.

Q. Migration of the existing service licensees to the new authorisation regime

2.419 The DoT, through the background note to the reference dated 21.06.2024, has conveyed, *inter-alia*, that-

"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."

2.420 The extant Guidelines for Grant of Unified License also permitted the migration/renewal of existing licenses. The guidelines also provided the conditions for the migration and a procedure for the migration of existing licensees.

2.421 In this background, through the Consultation Paper dated 11.07.2024, the Authority solicited views of stakeholders on the following set of questions:

Q31. What conditions should be made applicable for the migration of the existing licensees to the new authorisation regime under the

Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Q32. What procedure should be followed for the migration of the existing licensees to the new authorisation regime under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q31

2.422 A broad summary of the comments of the stakeholders on the Q31 is given below:

- (a) Voluntary Migration: Migration to the new authorisation regime should be voluntary, either at the expiration of existing licenses or at the licensee's discretion. Forced migration should be avoided, and providers should be encouraged but not compelled to migrate. Mandatory migration should only apply at the time of renewal. The terms and conditions should ensure a smooth transition for those opting to migrate, without disadvantaging those who choose not to.
- (b) Entry Fee: No additional entry fee should be charged when transitioning from standalone licenses to Unified Licenses or renewing authorizations under the Unified License. A pro rata refund of the entry fee may be considered to avoid confusion and litigation. Migration should not impose additional financial burdens on service providers.
- (c) Level Playing Field: A level playing field should be maintained between old licenses and new authorisations. The principle of "no worse off" should be ensured, preventing any disparity between licensees who migrate and those who do not. Migration should not affect pending litigations or existing rights. No excessive conditions or fees should be imposed for voluntary migration.
- (d) Continuity and Technical Upgrades: Existing licensees must ensure continuity of services during the migration process. Licensees may need to upgrade infrastructure to meet the new authorization regime's

requirements, including ensuring the security and privacy of their services and infrastructure.

Comments of stakeholders on the Q32

2.423 A broad summary of comments of stakeholders on the Q32 is given below:

- (a) The migration should be based on simple application-based procedure.
- (b) The procedure should ensure a transparent and orderly migration process by effectively communicating new requirements through formal notifications and information sessions.

Analysis of the issues raised through the Q31 and Q32

2.424 The sub section (1) and (2) of Section 60 of the Telecommunications Act, 2023 are reproduced below:

"60. (1) Subject to the other provisions of this section, the enactments namely, the Indian Telegraph Act, 1885, and the Indian Wireless Telegraphy Act, 1933, are hereby repealed.

(2) Notwithstanding the repeal of the provisions aforesaid, anything done or any action taken including any grant of license, registration or assignment, any order, or proceeding, pending or ongoing, under the repealed provisions shall be deemed to have been done or taken under this Act, and the provisions of this Act shall have effect in relation thereto."

2.425 In essence, Section 60(2) of the Telecommunications Act, 2023 provides that all licenses/ authorizations/ registration etc. which were granted under the Indian Telegraph Act, 1885 shall be deemed to have been granted under the Telecommunications Act, 2023 and the provisions of the Telecommunications Act, 2023 shall have effect in relation thereto.

2.426 Regarding the submission that the service providers must be encouraged to migrate to new regime of Authorisations, which should be voluntary, it is noted that section 3(6) of the Telecommunications Act, 2023 provides that-

"(6) A licence, registration, permission, by whatever name called, granted prior to the appointed day under the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933, in respect of provision of telecommunication services or telecommunication network—

(a) where a definite validity period is given, 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; or

(b) where a definite validity period is not given, shall be entitled to continue to operate on the terms and conditions of such licence or registration or permission for a period of five years from the appointed day, or to migrate to such terms and conditions of the relevant authorisation, as may be prescribed."

2.427 In short, in accordance with the section 3(6) of the Telecommunication Act, 2023, an entity holding a licence, registration, permission, etc. granted under the Indian Telegraph Act, 1885 will be entitled to continue to operate under the terms and conditions under such licence or registration or permission. Alternatively, it will also be entitled to migrate to such terms and conditions of the relevant authorisation, as may be prescribed, under Telecommunications Act, 2023.

2.428 Considering the provisions of Section 60 read with Section 3(6) of the Telecommunications Act, 2023, all conditions involving two or more authorised entities such as cross-holding restrictions, interconnection, infrastructure sharing, NSO-VNO relation, agreement requirement for IFMC etc. will apply on both types of entities viz. –

- (a) the entities which will be granted authorisations under the Telecommunications Act, 2023, and
- (b) the entity holding a licence, registration, permission, etc. granted under the Indian Telegraph Act, 1885.

- 2.429 Further, to ensure smooth migration, the process for migration and related terms and conditions should be well defined. The Authority is of the view that the eligibility conditions, which have been recommended for the grant of new authorisation(s) to new applicants, should also be made applicable to the existing entities which intend to migrate to the new authorisation framework under the Telecommunications Act, 2023. However, at the time migration to the new authorisation framework, the requirement of meeting with the net-worth criteria should not be made applicable, in line with the scheme under the extant licensing regime.
- 2.430 The Authority is of the view that for the service authorisations under the Telecommunications Act, 2023, which correspond to the existing license/ registration/ permission etc. under the extant licensing regime, the entities holding the license/ registration/ permission etc. under the extant licensing regime should be allowed to migrate to the corresponding service authorisation under the Telecommunications Act, 2023.
- 2.431 The Authority is also of the view that for the license/ registration/ permission etc. under the extant licensing regime whose scope has been merged with another license/ registration/ permission etc. and a new merged service authorisation has been introduced under the Telecommunications Act, 2023, the entities holding such license/ registration/ permission etc. should be permitted to migrate to the new merged service authorisation under the Telecommunications Act, 2023.
- 2.432 It is worth noting that in the new authorisation framework, the service area for Category-C authorisation has been defined as 'Sub-circle' (i.e. up to 4 Districts in a Telecom Circle /Metro area). Any existing entity, which is holding Category 'C' license (or an Access Service Category 'B' license) for upto 4 Districts in a Telecom Circle/ Metro Area, should be permitted to migrate to the relevant service authorisation for Category-C. However, an existing entity, which is holding Category 'C' license (or an Access service category 'B' license) for more

than 4 Districts in a Telecom Circle/ Metro area, should be permitted to migrate to the relevant service authorisation for the Telecom Circle/ Metro area.

2.433 The Authority has already recommended in an earlier section that a new Unified Service authorisation should be introduced under the Telecommunications Act, 2023. One of the key objectives for introducing Unified Service authorisation is to provide flexibility to an entity holding Unified Service authorisation to carry its traffic at the National level. The Authority is of the view that an existing licensee having Access Service authorisations under Unified License/ UASL for at least 50% of the total number of Telecom Circles/ Metros Areas (i.e., Access Service authorisations for 11 or more Telecom Circles/ Metro Areas), should be permitted to migrate to the Unified service authorisation.

2.434 Further, in an earlier section of these recommendations, the Authority has already recommended that an entity should not hold more than one service authorisation for a given service in a given service area. Therefore, the Authority is of the view that upon migration to a service authorisation, any other service authorisation/ license held by such entity, whose scope of service and service area, in entirety, is included in the migrated service authorisation, should be treated as subsumed in the migrated service authorisation and it should cease to exist.

2.435 Further, the Authority is of the opinion that on migration, Service Authorisation(s) should be valid for the prescribed validity period for the respective service authorisation(s) from the effective date of Authorisation, irrespective of the validity period of the License/ authorisation already held. However, in case an existing Licensee is holding spectrum, the treatment of the spectrum held by it should be governed by the provisions under Section 4(8) and 4(9) of the Telecommunications Act, 2023.

2.436 The issues w.r.t. processing fee and treatment of entry fee on migration to the Service Authorisation(s) granted under the Telecommunications Act, 2023 have

been examined in the subsequent section deliberating financial conditions of the authorisations.

2.437 In view of the above, **the Authority recommends that-**

- (a) The eligibility conditions, which have already been recommended for the grant of new authorisation(s) to new applicants, should also be made applicable to the existing entities which intend to migrate to the new authorisation framework under the Telecommunications Act, 2023. However, at the time of migration to the new authorisation framework, the requirement of meeting with the net-worth criteria should not be made applicable.**
- (b) For service authorisations introduced under the Telecommunications Act, 2023 which correspond to the existing license/ registration/ permission etc. under the extant licensing regime, the entities holding the license/ registration/ permission etc. under the extant licensing regime should be allowed to migrate to the corresponding service authorisation under the Telecommunications Act, 2023.**
- (c) For the license/ registration/ permission etc. under the extant licensing regime whose scope has been merged with another license/ registration/ permission etc. and a new merged service authorisation has been introduced under the Telecommunications Act, 2023, the entities holding such license/ registration/ permission etc. should be permitted to migrate to the new merged service authorisation under the Telecommunications Act, 2023.**
- (d) In the new authorisation framework, the service area for Category-C has been defined as 'Sub-circle' (i.e. up to 4 Districts in a Telecom Circle /Metro area). Any existing entity, which is holding Category 'C' license (or an Access Service Category 'B'**

license) for upto 4 Districts in a Telecom Circle/ Metro Area, should be permitted to migrate to the relevant service authorisation for Category-C. However, an existing entity, which is holding Category 'C' license (or an Access service category 'B' license) for more than 4 Districts in a Telecom Circle/ Metro area, should be permitted to migrate to the relevant service authorisation for the Telecom Circle/ Metro area.

- (e) An existing licensee having Access Service authorisations for at least 50% of the total number of Telecom Circles/ Metros Areas (i.e., Access Service authorisations under Unified License/ UASL for 11 or more Telecom Circles/ Metro Areas), should be permitted to migrate to the Unified service authorisation.
- (f) Upon migration to a service authorisation, any other service authorisation/ license held by such entity, whose scope of service and service area, in entirety, is included in the migrated service authorisation, should be treated as subsumed in the migrated service authorisation and it should cease to exist.
- (g) On migration, Service Authorisation(s) shall be valid for the prescribed validity period for the respective service authorisation(s) from the effective date of Authorisation, irrespective of the validity period of the License/authorisation already held. However, in case an existing Licensee is holding spectrum, the treatment of the spectrum held by it should be governed by the provisions under Section 4(8) and 4(9) of the Telecommunications Act, 2023.
- (h) The recommendations w.r.t. processing fee and treatment of entry fee on migration to the Service Authorisation(s) granted under the Telecommunications Act, 2023 are available in the subsequent section.
- (i) The detailed terms and conditions for migration to the Service Authorisation(s) to be granted under the Telecommunications

Act, 2023 have been included in the Telecommunications (Grant of Service Authorisations) Rules, enclosed as Annexure-2.2.

R. Need for new guidelines for Merger, demerger or acquisition, or other forms of restructuring under the Telecommunications Act, 2023

2.438 Through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following question:

Q33. Do you agree that new guidelines for the transfer/ merger of authorisations under the Telecommunications Act, 2023 should be formulated after putting in place a framework for the authorisations to be granted under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.

Comments of stakeholders on the Q33

2.439 In response to the Q33, some stakeholders have opined that the new guidelines for the transfer/ merger of authorisations under the Telecommunications Act, 2023 should be formulated after putting in place a framework for the authorisations to be granted under the Telecommunications Act, 2023. On the other hand, a few other stakeholders have suggested that there is no need for formulating guidelines for the transfer/ merger of authorisations under the Telecommunications Act, 2023. Such stakeholders provided the following arguments in the support of their viewpoint:

- (a) After paying the market price for the administratively allocated spectrum, transfer/ merger of Authorisation should be permitted subject to the approval of NCLT and the new entity taking over all present and future liabilities.
- (b) There is no requirement of putting in place any guidelines for mergers/ transfers. The merger/ transfer of authorisation should be permitted subject to the approval of NCLT and new entity taking over all present and future liabilities.

Analysis of the issues raised through the Q33

2.440 The Authority notes that Section 3(5) of the Telecommunications Act 2023 provides that:

“(5) 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.”

2.441 In view of the above provision of the Telecommunications Act, 2023, the terms and conditions for the merger, demerger or acquisition, or other forms of restructuring of the authorised entity will be governed by the rules which will be made under Section 3(5) of the Telecommunications Act 2023. It is worth mentioning that at present, the transfer and merger of licenses are governed through the guidelines issued by DoT on the subject 'Guidelines for Transfer/Merger of various categories of Telecommunication service licenses/authorisation under Unified License (UL) on compromises, arrangements and amalgamation of the companies' dated 20.02.2014. Based on a reference received from the DoT, the Authority has sent Recommendations on 'Reforming the Guidelines for Transfer/Merger of Telecom Licenses' dated 21.02.2020 to the DoT. The said recommendations are under consideration of the DoT and are yet to be implemented by the DoT. The Authority is of the view that the Central Government may consider making use of the aforementioned Recommendations on 'Reforming the Guidelines for Transfer/Merger of Telecom Licenses' dated 21.02.2020 while framing the rules under Section 3(5) of the Telecommunications Act, 2023.

S. Need to formulate guidelines for deciding on the types of violations of terms and conditions falling under each category as defined in the Second Schedule of the Telecommunications Act, 2023

2.442 Through the Consultation Paper dated 11.07.2024, the Authority solicited comments of stakeholders on the following questions:

Q34. Whether there is a need to formulate guidelines for deciding on the types of violations of terms and conditions which would fall under each category as defined in the Second Schedule of the Telecommunications Act, 2023? If yes, kindly provide a detailed response with justifications.

Q35. Are there any other inputs/ suggestions relevant to the subject? Kindly provide a detailed response with justifications.

2.443 In response to the Q34, a few stakeholders opined the need to formulate guidelines for deciding on the types of violations of terms and conditions which would fall under each category as defined in the Second Schedule of the Telecom Act. They have suggested that the rules made in this regard should provide some examples of 'violations' and their categorization which can give clarity to the authorized entities for compliance purposes and help in establishing standards and maintaining consistency in imposition of penalties for specific types of violations. On the other hand, many other stakeholders contended that no such guidelines are required to be formulated, stating that a separate consultation on the Telecommunications (Adjudication and Appeal) Rules, 2024 by the DoT is already in progress.

2.444 As the Central Government has already issued draft Telecommunications (Adjudication and Appeal) Rules, 2024 for a public consultation, the Authority is of the view that no recommendations are required to be given on this aspect.

2.445 The Authority perused the comments received from stakeholders in response to the Q35 (any other inputs/ suggestions relevant to the subject) and observed no relevant inputs from stakeholders.

2.446 The Authority, through these recommendations, has, for the sake of completeness, included the security conditions also in the terms and conditions of various service authorisations under the new authorisation framework. These

security conditions are, generally, in line with the conditions already in force on the extant licenses/ authorisations/ registrations etc. The Authority is of the view that the Central Government may evaluate the security conditions included in the terms and conditions of various authorisations, and make appropriate changes in the security conditions, as deemed fit.

Chapter III: Examination of Financial Aspects

A. Introduction

- 3.1 In the evolving landscape of telecommunications, establishing robust financial conditions is crucial for the sustainable growth and development of the sector. Financial conditions such as application processing fees, entry fees, and bank guarantees play a pivotal role in shaping the competitive environment, ensuring that only serious and capable players enter and remain in the market. These conditions serve not only as a safeguard against non-serious entities but also as a mechanism to foster innovation and investment, thereby driving the overall progress of the industry.
- 3.2 Optimally determining these financial conditions is essential to strike a balance between encouraging new entrants and maintaining a level playing field for existing service providers. An overly stringent financial requirement might stifle innovation and limit the entry of new players, while overly lenient conditions could lead to market saturation with non-viable entities. Therefore, careful consideration and analysis are necessary to set these conditions at levels that promote healthy competition, incentivize long-term investment, and ensure the financial stability of the sector.
- 3.3 Particular emphasis has been placed on determining financial conditions for authorisations where two existing authorisations have been merged, as well as authorisations where the scope has been significantly enhanced. In these cases, the financial requirements need to reflect the broader responsibilities and potential market impact of the service providers. This chapter outlines the recommended financial conditions, including application processing fees, entry fees, bank guarantees, and authorisation fees, which have been established

to support the sustainable growth of the telecommunications sector while ensuring a level playing field.

B. Main Service Authorisations

- 3.4 The questions 36, 37, 38, 39, 40 and 41 were raised in the consultation paper, for seeking comments of stakeholders on the amount of application processing fees, entry fees, provisions of bank guarantees, definitions of GR, ApGR and AGR, rate of authorisation fee, minimum equity and networth of the authorised entity, with regard to the merged/clubbed/new service authorisations.

Q36. In case it is decided to introduce a unified service authorisation for the provision of end-to-end telecommunication services with pan-India service area, what should be the: -

(i) Amount of application processing fees

(ii) Amount of entry fees

(iii) Provisions of bank guarantees

(iv) Definitions of GR, ApGR and AGR

(v) Rate of authorisation fee

(vi) Minimum equity and networth of the Authorised entity

Please support your response with proper justification.

Q37. In case it is decided to enhance the scope of Internet Service authorisation as indicated in the Q7 above, what should be the:

(i) Amount of application processing fees

(ii) Amount of entry fees

(iii) Provisions of bank guarantees

(iv) Definitions of GR, ApGR and AGR

(v) Rate of authorisation fee

(vi) Minimum equity and networth of the Authorised entity

Please support your response with proper justification.

Q38. In case it is decided to merge the scopes of the extant NLD Service authorisation and ILD Service authorisation into a single authorisation namely Long Distance Service authorisation under the Telecommunications Act, 2023, what should be the: -

(i) Amount of application processing fees

(ii) Amount of entry fees

(iii) Provisions of bank guarantees

(iv) Definitions of GR, ApGR and AGR

(v) Rate of authorisation fee

(vi) Minimum equity and networth of the Authorised entity

Please support your response with proper justification.

Q39. In case it is decided to merge the scopes of the extant GMPCS authorisation and Commercial VSAT CUG Service authorisation into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023, what should be the:

-

(i) Amount of application processing fees

(ii) Amount of entry fees

(iii) Provisions of bank guarantees

(iv) Definitions of GR, ApGR and AGR

(v) Rate of authorisation fee

(vi) Minimum equity and networth of the Authorised entity

Please support your response with proper justification.

Q40. In case you are of the opinion that there is a need for clubbing the scopes of some other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations, what should be the:

(i) Amount of application processing fees

(ii) Amount of entry fees

- (iii) Provisions of bank guarantees*
 - (iv) Definitions of GR, ApGR and AGR*
 - (v) Rate of authorisation fee*
 - (vi) Minimum equity and networth of the Authorised entity*
- Please support your response with proper justification.*

Q41. In case you are of the opinion there is a need to introduce certain new authorisations or sub-categories of authorisations under the Telecommunications Act, 2023, what should be the: -

- (i) Amount of application processing fees*
 - (ii) Amount of entry fees*
 - (iii) Provisions of bank guarantees*
 - (iv) Definitions of GR, ApGR and AGR*
 - (v) Rate of authorisation fee*
 - (vi) Minimum equity and networth of the Authorised entity*
- Please support your response with proper justification.*

- 3.5 The questions 42, 43 and 44 were raised in the consultation paper, for seeking comments of stakeholders on the amount of application processing fees, entry fees, provisions of bank guarantees, and other financial conditions for the various service authorisations including VNOs, other than the merged/clubbed/new service authorisations, as cited above.

Q42. What should be the amount of application processing fees for the various service authorisations including VNOs, other than the merged/clubbed/new service authorisations? Please provide your response for each of the service authorisation separately.

Q43. Whether the amount of entry fee and provisions for bank guarantee for various service authorisations including VNOs, other than the merged/clubbed/ new service authorisations, should be:

- i. kept the same as existing for the various service authorisations under the UL/UL(VNO) license*
- ii. kept the same as recommended by the Authority for the various service authorisations under the UL/UL(VNO) license, vide its Recommendations dated 19.09.2023*
- iii. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees*

Please support your response with proper justification separately for each authorisation.

Q44. Whether there is a need to review any of the other financial conditions for the various service authorisations including VNOs, other than the merged/clubbed/new service authorisations? Please provide your response for each service authorisation separately with detailed justification.

i) Unified Service and Unified Service (VNO) Authorisations

a) Entry fee for Unified and Unified Service (VNO) Authorisations

Comments of the stakeholders

- 3.6 Many stakeholders have favored that entry fee should be determined in line with TRAI's recommendations of "Rationalisation of entry fee and bank guarantee" dated 19.09.2023.
- 3.7 Some stakeholders have stated that entry fee should be kept same as currently applicable entry fee.
- 3.8 Some stakeholders have stated that entry fee should be abolished.

Analysis

- 3.9 As per extant license conditions, there is provision for a lumpsum entry fee if an entity applies for all authorisations under UL and similarly for UL(VNO).

- 3.10 It was noted by the Authority in its recommendations dated 19.09.2023 that there is a provision of one-time payment of Rs.15 crore under UL (All services) and 7.5 crore under UL(VNO) (All services), for all the authorisations under the respective licences. However, this ceiling is applicable only if the licensee applies for all the authorisations simultaneously. In case, the licensee applies for authorisations in a sequential manner under UL & UL(VNO), it pays around twice the one-time payment prescribed for UL and UL(VNO).
- 3.11 The Authority was of the view that this approach does not seem to be rational, as licensees applying for all the authorisations at one time will be paying a lower entry fee than licensees applying for a limited number of authorisations, and then expanding their authorisations.
- 3.12 Accordingly, the Authority recommended that the existing ceiling of Rs. 15 crore and Rs. 7.5 crore should be removed for both UL as well as UL(VNO). It was further recommended that the entry fee for all authorisations should be equal to the summation of entry fee for individual authorisations. The Authority also recommended in its recommendations dated 19.09.2023 that there should no requirement of an Entry Fee at the time of renewal of license.
- 3.13 In line with the recommendations made by the Authority on 19.09.2023, the Authority is of the view that the entry fee for Unified Service Authorisation at National level should approximate the total sum of the entry fees for the individual authorisations included under the Unified Service Authorisation and similarly for Unified Service (VNO) Authorisation at National level.
- 3.14 Accordingly, **the Authority recommends the following:**
- (a) Entry Fee for Unified Service Authorisation and Unified Service (VNO) Authorisation should be equal to Rupees Twelve crore and Rupees Three crore respectively.**

(b) Entry fee should be levied only at the time of entry and not at the time of renewal of Unified Service Authorisation and Unified Service (VNO) Authorisation.

b) Bank Guarantee for Unified and Unified (VNO) Service Authorisations

Comments of the stakeholders

- 3.15 Many stakeholders have stated that bank guarantee must be removed from all authorisations.
- 3.16 Some stakeholders have stated that bank guarantee should be determined in line with TRAI's recommendations of "Rationalization of entry fee and bank guarantee" dated 19.09.2023.

Analysis

- 3.17 As per the extant licensing conditions, the Financial Bank Guarantee for the initial year is Rs. 8.8 crore and the Performance Bank Guarantee is Rs. 44 crore under UL (All services). On the other hand, in case of UL (VNO) (All services), the Financial Bank Guarantee for the initial year is Rs. 4.4 crore and there is no provision of Performance Bank Guarantee for VNOs.
- 3.18 In its recommendations dated 19.09.2023, the Authority recommended merger of both the bank guarantees. For the initial year, the Authority recommended Rs. 44 crore as the merged Bank Guarantee for UL (All services) and Rs. 4.4 crore for UL (VNO) (All services).
- 3.19 Further, the Authority recommended that this merged Bank Guarantee for the initial year will remain valid for only one year. For subsequent years, the amount of the Bank Guarantee should be the higher of the initial year BG or

20% of the estimated sum payable (comprising of license fees for two quarters and other dues not otherwise secured).

- 3.20 As such, according to TRAI's recommendations, the initial BG is generally relevant only for the first year. In subsequent years, the BG to be submitted depends on license fees and, consequently, the Adjusted Gross Revenue (AGR) of the service provider. The initial year BG serves as a "floor" BG as in the subsequent years, the bank guarantee depends mainly on the revenue potential of the authorisation. In this scenario, the bank guarantee in subsequent years is expected to reflect the revenue potential of the various authorisations included under the Unified Service authorisation.
- 3.21 In light of the above, the Authority is of the view that any modification in the amount of the initial year bank guarantee is not necessary for Unified Service Authorisation and Unified (VNO) Service Authorisation operating at a National level.
- 3.22 Accordingly, **the Authority recommends the following:**
- (a) For the initial year, the amount of Bank Guarantee (BG) should be Rs. 44 crore for Unified Service Authorisation and Rs. 4.4 crore for Unified (VNO) Service Authorisation .**
 - (b) For the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
 - (c) The Bank Guarantee should be submitted to securitize the authorisation fee and other dues not otherwise securitized, to cover the violation of conditions of authorisation and to ensure the performance under authorisation/regulations including compliance of instructions issued by the Central Government /TRAI from time to time.**

(d) The Bank Guarantee should be subject to periodic review on six-monthly basis by Central Government.

(e) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Terms and Conditions for Telecommunication (Main Service Authorisation) Rules.

c) Minimum Equity and Minimum Networth for Unified Service and Unified Service (VNO) Authorisations

Comments of the stakeholders

3.23 Some stakeholders have stated that Minimum equity and Minimum networth should be same as currently applicable requirements.

3.24 Other stakeholders have stated that there should be no minimum net worth requirement.

Analysis

3.25 The following table highlights, minimum equity and minimum net worth requirement for all services under UL & UL-VNO: -

Table 3.1

License	Minimum Equity (Rs. in crore)	Minimum Networth (Rs. in crore)
Unified License (All services)	25	25
Unified License (VNO) (All services)	10	10

3.26 The Authority is of the view that there is a need for only serious players to apply for a Unified Service authorisation. As such, the Minimum Equity and Minimum Networth requirements may be kept the same those presently for a Unified License (All services) and Unified (VNO) License (All services).

3.27 Accordingly, **the Authority recommends the following:**

Service Authorisation	Minimum Equity (Rs. in crore)	Minimum Networth (Rs. in crore)
Unified Service Authorisation	25	25
Unified Service (VNO) Authorisation	10	10

ii) **Internet Service Authorisation**

a) **Entry Fee for Internet Service and Internet Service (VNO) Authorisations**

Comments of the stakeholders

3.28 Many stakeholders have stated that entry fee should be determined in line with the TRAI's recommendations dated 19.09.2023.

3.29 Some stakeholders have stated that entry fee should be the same as current amount of entry fee.

3.30 Some other stakeholders have stated that there should be nil or minimal possible entry fee.

Analysis

3.31 The following table highlights the present as well as the entry fee recommended by the Authority vide Recommendations dated 19.9.2023 for ISP authorisations, including VNOs:

Table 3.2

Service	Present Entry Fee (Rs. in lakh)	Recommended (on 19.09.2023) Entry Fee (Rs. in lakh)
Internet Category-A (National Area)	30	10
Internet Category-B (Telecom circle/Metro Area)	2	0.5 0.25 (J&K and NE)
Internet Category-C (SSA)	0.2	Nil
Internet Category-A (VNO) (National Area)	15	5
Internet Category-B (VNO) (Telecom circle/Metro Area)	1	0.25 0.125 (J&K and NE)
Internet Category-C (VNO) (SSA)	0.1	Nil

3.32 The Authority vide its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023 recommended for a reduction in entry fee for these authorisations, the reasons for which have been briefly explained below:

- Internet Category-C operate in a limited area and in terms of revenue generation this segment is relatively small.
- High concentration was observed in Internet Category-B and it was stated that competition in this segment needs to be promoted and entry fee reduction may prove to be a positive step in this regard.
- Based on the above recommended entry fee for Internet Category-B, the total entry fee for an Internet Category-B service provider operating in all 22 LSAs sums up to Rs. 10.5 Lakh. In order to maintain parity between Category-B and Category-A service providers, the entry fee of Rs.10 Lakh for a Category-A license was recommended.

- 3.33 The inclusion of provisioning of private leased circuits and VPNs within its service area by an ISP will broaden the scope of the authorisation and expand the market size as well. Consequently, it appears rational to increase the entry fee to deter non-serious entrants.
- 3.34 It was argued by some of the stakeholders that by providing leased circuits and VPNs, an ISP may become capable of competing with a National Long Distance Operator (NLDO). However, since the entry requirements for an ISP are lower than those for an NLDO, this could result in an uneven playing field between the two. Nonetheless, it is important to note that the new authorisation framework allows an ISP to provide only leased circuits and VPNs, not carriage calls/services.
- 3.35 As per the data reported to TRAI, carriage calls account for more than 60% of an NLDO's revenue, suggesting that the issue of an uneven playing field may not be significant.
- 3.36 It has been noted by the Authority in its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023 that fixed costs act as an entry barrier by itself. Additionally, a portion of these fixed costs is sunk, which may serve as an exit barrier and potentially discourage non-serious entrants. Setting a high entry fee in such a market will increase the cost of entry and thereby act as a constraint to effective competition.
- 3.37 Moreover, a significant rise in entry fee may be detrimental to the interest of prospective entrants not intending to provide private leased circuits and VPNs.
- 3.38 In light of the above, **the Authority recommends the following:**
- (a) Entry Fee for Internet Category-B Service Authorisation should be Rupees One Lakh for each telecom/ metro area except for J&K and North-East where the entry fee should be Rupees Fifty thousand.**

(b) Entry Fee for Internet Category-B (VNO) Service Authorisation should be Rupees Fifty thousand for each telecom/ metro area except for J&K and North-East where the entry fee should be Rupees Twenty five thousand.

3.39 Based on the above recommended entry fee for Internet Category-B, the total entry fee for an Internet Category-B service provider operating in all 22 LSAs sums up to Rs. 21 Lakh.

3.40 In order to maintain parity between Internet Category-A and Internet Category-B service providers, **the Authority recommends the following:**

(a) Entry Fee for Internet Category-A Service Authorisation should be Rupees Twenty Lakh.

(b) Entry Fee for Internet Category-A (VNO) Service Authorisation should be Rupees Ten Lakh.

3.41 As mentioned earlier, Internet Category-C operate in a limited area and in terms of revenue prospects this segment is relatively small. As per the proposed authorisation regime, the Service Area for Category-C authorisation shall be at Sub-Circle level. Category-C shall be entitled to provide service in four (4) revenue districts within a Telecom Circle/Metro area. If the authorised entity desires to provide service beyond these four (4) districts in a Telecom Circle/ Metro Area, the Authorised Entity shall be required to migrate to Category-B authorisation in the same Telecom Circle/Metro area.

3.42 In light of the above, **the Authority recommends that the Entry Fee for Internet Category-C Service Authorisation and Internet Category-C (VNO) Service Authorisation should be 'Nil'.**

3.43 **The Authority further recommends that for Internet Category A, B & C and Internet Category A, B & C (VNO) Service Authorisations, the**

Entry Fee should be levied only at the time of entry and not at the time of renewal of the authorisation.

b) Bank Guarantee for Internet Service and Internet Service (VNO) Authorisations

Comments of the stakeholders

- 3.44 Majority of stakeholders have stated that provisions of BGs should be determined in line with TRAI's recommendations dated 19.09.2023.
- 3.45 Some stakeholders have stated that the current applicable provisions for BGs should continue.
- 3.46 One stakeholder has stated that Bank guarantee must be removed from all authorisations.

Analysis

- 3.47 Presently, the initial year Financial Bank Guarantee (FBG) and Performance Bank Guarantee (PBG) and the merged initial year BG as recommended by the Authority in its recommendations dated 19.09.2023 are tabulated below:

Table 3.3

Service	Present PBG (Rs.in lakh)	Present FBG (Rs in lakh)	Recommended (on 19.09.2023) Merged BG (Rs. in lakh)
Internet Category-A (National Area)	40	2	40
Internet Category-B (Telecom circle/Metro Area)	2	0.2	2
Internet Category-C (SSA)	0.1	0.02	0.1
Internet Category-A (VNO) (National Area)	Nil	1	1
Internet Category-B (VNO) (Telecom circle/Metro Area)	Nil	0.10	0.10
Internet Category-C (VNO) (SSA)	Nil	0.01	0.01

- 3.48 As has been noted earlier, the initial year bank guarantee only serves as a "floor" bank guarantee for subsequent years. As in these years, the bank guarantee depends mainly on the revenue potential of the authorisation. In this scenario, the bank guarantee in subsequent years is expected to reflect the revenue potential of the Internet authorisation, post expansion of its scope. In light of the same, the Authority is of the view that any significant modification in the amount of the initial year bank guarantee is not required.

3.49 Accordingly, **the Authority recommends the following:**

- (a) For initial year, the amount of Bank Guarantee (BG) should be as given below:**

Service Authorisation	Amount of BG for the initial year (Rs. in lakh)
Internet Category-A (National Area)	40
Internet Category-B (Telecom circle/Metro Area)	2
Internet Category-C (Sub-Circle)	0.1
Internet Category-A (VNO) (National Area)	1
Internet Category-B (VNO) (Telecom circle/Metro Area)	0.10
Internet Category-C (VNO) (Sub-circle)	0.01

- (b) For the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
- (c) The Bank Guarantee should be submitted to securitize the authorisation fee and other dues not otherwise securitized, to cover the violation of conditions of authorisation and to ensure the performance under authorisation/regulations including compliance of instructions issued by the Central Government /TRAI from time to time.**
- (d) The Bank Guarantee should be subject to periodic review on six-monthly basis by the Central Government.**

(e) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Terms and Conditions for Telecommunication (Main Service Authorisation) Rules.

c) Minimum equity and Minimum networth for Internet Service and Internet Service (VNO) Authorisations

Comments of the stakeholders

3.50 Some stakeholders have stated that Minimum equity and Minimum networth of Internet Service Authorisation should be same as currently applicable requirement.

Analysis

3.51 Under the current Unified Licensing framework, there is no requirement for minimum equity and minimum net worth for Internet Category A, B & C service authorisation.

3.52 In its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023, the Authority in general noted that entry fees, along with minimum equity and net worth requirements, serve as barriers to entry to deter non-serious players.

3.53 Given the expanded scope of Internet service authorisation, one barrier to entry i.e. the entry fee has already been increased. The Authority sees no benefit in further tightening other barriers such as minimum equity and net worth requirements.

3.54 Therefore, **the Authority recommends that the Minimum equity and Minimum networth requirements for Internet Category A, B & C**

Service Authorisation and Internet (VNO) Category A, B & C Service Authorisation should remain unchanged at Nil.

iii) Long Distance and Satellite-based Telecommunication Service Authorisations

a) Entry fee for Long Distance Service Authorisation

Comments of the stakeholders

3.55 Majority of stakeholders have stated that entry fee should be determined in line with TRAI's recommendations dated 19.09.2023.

3.56 One stakeholder favored existing applicable entry fee.

Analysis

3.57 The following table highlights the present as well as the entry fee recommended by the Authority for National Long Distance (NLD) and International Long Distance (ILD) authorisations:

Table 3.4

Service	Present Entry Fee (Rs. in crore)	Recommended (on 19.09.2023) Entry Fee (Rs. in crore)
NLD (National Area)	2.50	0.50
ILD (National Area)	2.50	0.50

3.58 The Authority vide its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023 recommended for a reduction in entry fee for these authorisations, the reasons for which have been briefly explained below:

- NLD and ILD segments are capital intensive and huge investments are required in optical fibre, cable landing stations etc. may itself act as a force to deter non-serious entry.
- Entry fee reduction may prove to be a positive step in enhancing competition in these segments.
- The Government in the past has reduced entry fee for these segments, taking a view that the reduction would promote growth and enhance competition.
- Increased competition in NLD segment may also lower the cost for ISPs that lease/acquire bandwidths from NLDOs, leading to further benefits due to linkage effect.
- With the increase in the Data centers, increasing competition in the NLD segment is essential as increased competition may lead to lower prices for services such as bandwidth and connectivity as well as improvement in quality of service.

3.59 The Authority has recommended an entry fee of Rs. 50 Lakh per telecom circle for access service. It was noted that NLD and ILD services have a narrow scope relative to access service and are also smaller in market size and accordingly the authority recommended an entry fee of Rs. 50 Lakh for a national level NLD and ILD license.

3.60 It is pertinent to mention that the merger of the National Long Distance (NLD) and International Long Distance (ILD) authorisations is expected to broaden the scope of the combined authorisation and expand the size of the market in post-merger. Consequently, it appears rational to increase the entry fee to deter non-serious entrants.

3.61 The service provider under the Long Distance Service authorisation can also separately provide cable landing station service. As a result, it is fair to say that there has been a significant enhancement in the overall scope compared to the individual National Long Distance (NLD) and International Long

Distance (ILD) authorisations currently available under the Unified License (UL).

3.62 In view of the above, **the Authority recommends the following:**

(a) The Entry Fee for Long Distance Service Authorisation should be Rupees One crore.

(b) The Entry Fee for Long Distance Service Authorisation should be levied only at the time of entry and not at the time of renewal of the authorisation.

b) Entry fee for Satellite-based Telecommunication Service Authorisation

Comments of the stakeholders

3.63 One stakeholder stated that entry fee should be reduced proportionately as recommended by TRAI on 19.09.2023.

Analysis

3.64 The following table highlights the present as well as the entry fee recommended by the Authority for GMPCS and VSAT authorisations: -

Table 3.5

Service	Present Entry Fee (Rs. in crore)	Recommended (on 19.09.2023) Entry Fee (Rs. in crore)
GMPCS	1.00	1.00
VSAT	0.30	0.30

3.65 The Authority vide its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023 recommended for no change in entry fee

for GMPCS and VSAT authorisations, the reasons have been briefly explained below:

- VSAT in combination with Internet authorisation can be used to provide space-based communication services, including satellite broadband services
- In future, the GMPCS segment is expected to expand for the provision of satellite broadband services
- In order to ensure a level-playing field between the prospective entrants in this authorisation and the entrants who have acquired this authorisation in the very recent past, the entry fee for GMPCS was kept the same as present.
- Due to similar reasoning, status quo was maintained in case of entry fee for VSAT.

3.66 The Authority has recommended that the entry fee should be levied solely at the time of entry and not during the renewal of the license. Thus, any modification to the entry fee would only affect prospective entrants and may impact entities willing to migrate from existing regime to new regime.

3.67 TRAI in its Recommendations of License Fee and Terms and Conditions of the License Agreement for GMPCS Service dated 15th November 1999 recommended an entry fee of Rs. One crore.

3.68 TRAI vide its Recommendation on Fresh Licenses for VSAT Service dated 18.10.2000 recommended an entry fee of Rs. 30 Lakh considering the fact that VSAT service is limited to Closed User Groups (CUGs) and its entry fee should not be higher than the entry fee for the other satellite based commercial service i.e. GMPCS.

3.69 Similar to the merger of NLD and ILD authorisations, the merger of Global Mobile Personal Communications by Satellite (GMPCS) and Very Small Aperture Terminal (VSAT) authorisations is anticipated to expand the scope of

the combined authorisation. In this context, setting an entry fee between Rs. 30 lakhs and Rs. 1 crore may have varying impacts on prospective entrants, as discussed below:

- **Benefits:** This fee structure would benefit entrants intending to provide both FSS and MSS.
- **Detriments:** It could be a heavier financial burden on those who plan to offer only FSS(VSAT-based) in the near future.
- **Future benefits for entrant presently offering one service:** Since the entry fee would be a one-time payment, new entrants can expand their services in the future without incurring additional levies.

3.70 As such, the interests of an entrant who intends to offer only FSS (especially pure VSAT service) in the near future involve a trade-off. Therefore, it is essential to set an entry fee after conducting a time-based analysis, balancing the increase in entry costs against the present and future gains.

3.71 The primary reason for recommending the existing entry fee of Rs. 1 crore for GMPCS was to ensure a level playing field between prospective entrants and those who have recently acquired this authorisation. However, under the merged authorisation (GMPCS and VSAT), there will likely be two broad categories of prospective entrants:

1. **Prospective entrants intending to offer FSS (pure VSAT services):** These services primarily involve providing data connectivity between various sites within India's territorial boundaries using VSATs, targeting users belonging to a Closed User Group (CUG).
2. **Prospective entrants offering all types of mobile services:** This includes voice and non-voice messages, data services and internet connectivity etc.

3.72 It is fair to assume that market, target market segments, business models, and other parameters of prospective entrants intending to offer only pure

VSAT services can be distinct from those of existing GMPCS players, rendering the issue of maintaining a level playing field trivial.

- 3.73 The Authority recommended for significant reduction in entry fee even for larger authorisations like Access service, NLD and Internet Category-A etc. The VSAT service, has a relatively narrower scope and smaller market. Significantly increasing the entry fee for FSS (pure VSAT) service providers, may disincentivize them and act as a constraint to competition.
- 3.74 The Authority is of the view that the entry fee for the Satellite-based Telecommunication Service authorisation should be set within a range that accounts for the unique characteristics of the services provided. It should ensure that the fee is not prohibitive for prospective entrants, particularly those focusing on only FSS (pure VSAT services). Additionally, the fee should consider future prospects, including potential growth in the market size and financial parameters of the satellite service market.
- 3.75 The present entry fee for an ISP Category-A license is Rs 30 lakh. However, the Authority in its recommendation dated 19.09.2023 recommended an entry fee of Rs 10 lakh for the same.
- 3.76 As per the extant conditions, VSAT licensee after obtaining Internet license may use same Hub station and VSAT (remote station) to provide Internet service directly to the subscribers. Consequently, to offer Internet services, a VSAT licensee is presently required to pay an additional entry fee for obtaining an Internet license. However, under the proposed authorisation regime, an authorized entity can provide Internet services without needing an ISP license.
- 3.77 In view of the above, **the Authority recommends the following:**
(a) Entry Fee for Satellite-based Telecommunication Service Authorisation should be Rupees Fifty lakh.

(b) Entry fee for Satellite-based Telecommunication Service Authorisation should be levied only at the time of entry and not at the time of renewal of authorisation.

c) Entry fee for Long Distance Service (VNO) and Satellite-based Telecommunication Service (VNO) Authorisations

3.78 The Authority in its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023 was of the view that authorisations such as Access service, NLD, ILD, GMPCS and VSAT have a prominent role to play in the expansion of data services. The enhanced competition and growth of VNOs, especially in these segments is expected to increase broadband penetration and adoption of broadband services, and increase the rural tele-density, thereby contributing significantly to the Digital India program. Accordingly, the entry fee for these authorisations was set at 25% of the entry fee of their corresponding UL counterparts.

3.79 In light of the above, **the Authority recommends the following:**

- (a) Entry fee for Long Distance Service (VNO) Authorisation should be Rupees Twenty five lakh.**
- (b) Entry fee for Satellite-based Telecommunication Service (VNO) Authorisation should be Rupees Twelve lakh and fifty thousand.**
- (c) The Entry fee for Long Distance Service (VNO) and Satellite-based Telecommunication Service (VNO) Authorisations should be levied only at the time of entry and not at the time of renewal of authorisation.**

d) Bank Guarantee for Long Distance Service, Satellite-based Telecommunication Service, Long Distance Service (VNO), Satellite-based Telecommunication Service (VNO) Authorisations

Comments of the stakeholders

- 3.80 Some stakeholders stated that TRAI's recommendations dated 19.09.2023 should be implemented in this regard.
- 3.81 Other stakeholders stated that the requirement for BGs should be done away with.

Analysis

- 3.82 The existing FBG and PBG and the merged initial year BG as recommended by the Authority in its recommendations dated 19.09.2023 are tabulated below:

Table 3.6

Service	Present PBG (Rs.in crore)	Present FBG (Rs in crore)	Recommended (on 19.09.2023) Merged BG (Rs. in crore)
Under Unified License			
NLD	0.50	1.00	1.00
ILD	0.50	1.00	1.00
GMPCS	0.50	0.20	0.50
VSAT	0.10	0.06	0.10
Under Unified (VNO) License			
NLD	-	0.50	0.50
ILD	-	0.50	0.50
GMPCS	-	0.10	0.10
VSAT	-	0.03	0.03

- 3.83 To analyze the required amount of merged Bank Guarantee (BG) for the initial year following the merger of NLD & ILD and GMPCS & VSAT authorisations, it is important to consider the following paras:
- 3.84 As per current licensing conditions, the Performance Bank Guarantee deposited in the initial year must be maintained and kept valid by the licensee throughout the entire term of the license agreement. The Authority vide its recommendations dated 19.09.2023 recommended that the merged BG for the initial year is valid for only one year. For subsequent years, the amount of the Bank Guarantee should be the higher of the initial year BG or 20% of the estimated sum payable (comprising license fees for two quarters and other dues not otherwise secured).
- 3.85 Therefore, in view of TRAI's recommendations, the initial BG is generally relevant only for the first year. In subsequent years, the BG to be submitted depends on license fees and, consequently, the Adjusted Gross Revenue (AGR) of the service provider. The initial year BG serves as a "floor" BG in subsequent years. It is reasonable to assume that the merger's impact may be reflected in revenue and subsequently, the license fee, hence significant modifications or increases in the initial year BG are not typically necessary.
- 3.86 The Authority in its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023, cited the following: -
- "The telecom industry is in a state of continuous evolution with a robust growth trend. The constant changes in the telecom ecosystem, including the rapid pace of technological advancement, cause frequent disruptions forcing the incumbent service providers to adapt and affect all embracing changes in business strategy and operational models. The constant change and consequent disruption opens up the possibility of entry of new service providers, many a times with a new business strategy. Therefore, the growth of the telecom industry and economy depends on the seriousness of the service providers."*

It is, therefore, important to have some sort of a mechanism to guard against the vagaries of the telecom market. Having Bank Guarantees has been such a time-tested mechanism.”

3.87 A prospective entrant initially planning to offer solely FSS (pure VSAT services) might consider expanding its scope in the future and offer mobile satellite services. Therefore, it is crucial to deter non-serious entry in this segment. Increasing the bank guarantee from the present levels may strike the right balance between deterring non-serious entrants and ensuring effective competition.

3.88 The Authority in its recommendation dated 19.09.2023 used the following formula for recommending initial year merged BG:

Initial year merged BG = Max {Initial year FBG, Initial year PBG} for the
respective authorisations

3.89 A similar formula may be applied for recommending initial year BG for the merged authorisations as follows:

Initial year BG for merged authorisation = Max {Initial year BG of
authorisation 1, Initial year BG of authorisation 2}

3.90 Considering the above, **the Authority recommends the following:**

- (a) For the initial year, the amount of Bank Guarantee (BG) should be as given below:**

Service authorisations	Recommended BG for the initial year (Rs. in crore)
Long Distance Service Authorisation	1.00
Satellite-based Telecommunication Service Authorisation	0.50
Long Distance (VNO) Service Authorisation	0.50
Satellite-based Telecommunication (VNO) Service Authorisation	0.10

- (b) For the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
- (c) The Bank Guarantee should be submitted to securitize the authorisation fee and other dues not otherwise securitized, to cover the violation of conditions of authorisation and to ensure the performance under authorisation/regulations including compliance of instructions issued by the Central Government /TRAI from time to time.**
- (d) The Bank Guarantee should be subject to periodic review on six-monthly basis by Central Government.**
- (e) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Terms and Conditions for Telecommunication (Main Service Authorisation) Rules.**

e) **Minimum Equity and Minimum Network for Long Distance Service, Satellite-based Telecommunication Service, Long Distance Service (VNO) and Satellite-based Telecommunication Service (VNO) Authorisations**

Comments of the stakeholders

- 3.91 Some stakeholders have stated that minimum equity and minimum network should be same as currently applicable requirements.
- 3.92 Others have stated that there should be no minimum net worth requirement for terrestrial authorisations.

Analysis

- 3.93 The following table highlights the present minimum equity and minimum net worth requirements for the following licenses:

Table 3.7

Authorisation	Minimum equity (Rs. in crore)	Minimum Network (Rs. in crore)
Under Unified License		
NLD	2.5	2.5
ILD	2.5	2.5
GMPCS	2.5	2.5
VSAT	Nil	Nil
Under Unified License (VNO)		
NLD	1.0	1.0
ILD	1.0	1.0
GMPCS	1.0	1.0
VSAT	Nil	Nil

- 3.94 Considering the merger of authorisations, entry conditions such as entry fee, initial year BG have been adjusted to account for the impact of the merger.

Therefore, the Authority is of the view that significant changes in minimum network and equity may not be necessary.

3.95 Regarding the merger of National Long Distance (NLD) and International Long Distance (ILD) Service Authorisations, entry conditions such as Entry Fee has been adjusted to reflect the impact of the merger. Currently, the Minimum Equity and Minimum Network requirements for both NLD and ILD are similar. Therefore, the Authority is of the view that substantial adjustments to the Minimum Network and Equity requirements for Long Distance Service Authorisation may not be necessary.

3.96 However, on the aspect of the merger of GMPCS and VSAT, as highlighted above in para 3.72 and 3.73 above, the entry barriers should not be prohibitive and should not disincentivize entry, particularly for smaller players solely focussing on FSS(Pure VSAT) service. Moreover, presently also there is significant difference between the Minimum Equity and Network requirements for GMPCS and VSAT authorisations. Consequently, the Authority is of the view that the Minimum Equity and Network requirements for the merged authorisation, namely Satellite-based Telecommunication Service Authorisation, should be set below the current level of 2.5 crore each for GMPCS.

- 3.97 Accordingly, **the Authority recommends the following Minimum Equity and Minimum Networth requirements for Long Distance and Satellite Telecommunication Service Authorisations:**

Service Authorisation	Minimum Equity (Rs. in crore)	Minimum Networth (Rs. in crore)
Long Distance Service Authorisation	2.50	2.50
Satellite-based Telecommunication Service Authorisation	1.00	1.00
Long Distance (VNO) Service Authorisation	1.00	1.00
Satellite-based Telecommunication (VNO) Service Authorisation	0.50	0.50

iv) Various other service authorisations

Comments of stakeholders

- 3.98 Majority of stakeholders have stated that Entry fee and BGs should be determined in line with TRAI's recommendations dated 19.09.2023.
- 3.99 Some stakeholders have favored that entry fee should be kept at the existing level as in the UL/UL-VNO license.
- 3.100 Few stakeholders have favoured reduction/removal in both entry fee and BG.

Analysis

- 3.101 Department of Telecommunications (DoT) vide its letter dated 3rd March 2022 (Annexure-I) sent a reference to Telecom Regulatory Authority of India (hereinafter referred to as "the Authority") under clause 11(1) (a) of the TRAI Act, 1997 (as amended) on 'Rationalization of Entry Fees and Bank Guarantees in Unified License (UL)/ Unified License (Virtual Network Operators) License' stating: -

"As per the current Unified License (UL)/ Unified License (Virtual Network Operator) regime, there is a provision of different Entry Fees and two separate bank guarantees (BGs) i.e. Financial Bank Guarantee (FBG) and Performance Bank Guarantee (PBG) for each service authorisation.

- 3.102 The Department was of the view that the Entry Fees should be reduced and made uniform across all authorisations. In case of BGs, both FBG & PBG should be merged and amount of single BG may be prescribed for each authorisation.
- 3.103 Therefore, TRAI is requested to submit its recommendations under section 11(1)(a) of TRAI Act, 1997 (as amended) on this issue".
- 3.104 Authority released the Consultation Paper (CP) on 'Rationalization of Entry Fee and Bank Guarantees' on 26th July 2022 covering the subject including the issues of rationalization of entry fee, merger of bank guarantees and prescribing a single amount of BG for different authorisations/ licenses/ registrations/ permissions etc.
- 3.105 Based on the written submission of the stakeholders, the discussions in the OHD, and the analysis undertaken by the Authority, the issues have been examined and Authority gave its final recommendations on the aforementioned subjects vide its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023.

a) Entry fee

- 3.106 The method for arriving at rationalized entry fee for each authorisation was arrived by the Authority after considering the relevant market conditions such as the number of licensees, level of competition, capital requirements to operate, and other financial and market parameters.
- 3.107 The method of rationalization is based on various authorisation-specific parameters such as number of players, level of competition, the specific nature of the segment, financial and market parameters etc. The choice of the parameters as well as weight given to each parameter, for arriving at the rationalized value of entry fee was determined after detailed analysis.
- 3.108 For major UL VNO authorisations, the Authority was of the view that authorisations such as Access service, NLD, ILD, GMPCS and VSAT have a prominent role to play in the expansion of data services. The enhanced competition and growth of VNOs, especially in these segments is expected to increase broadband penetration and adoption of broadband services, and increase the rural tele-density, thereby contributing significantly to the Digital India program. Accordingly, the entry fee for these authorisations was set at 25% of entry fee of their corresponding UL counterparts
- 3.109 The Authority has recently recommended a rationalized value for the entry fee, and it is reasonable to assume that there have been no significant changes in the authorisation-specific parameters on which the entry fee was based. Additionally, no new mergers or clubbing have occurred within these authorisations, so the scope, market size, and other related factors remain constant. Accordingly, the Authority is of the view that the Entry Fee for Access Service, Access Service (VNO), M2M WAN Service, M2M WAN Service (VNO) and Access Service Category C (VNO) Service Authorisation may be kept the same as was recommended in 2023.

3.110 In light of the above, **the Authority recommends the following:**

(a) The amount of Entry Fee should be as given below:

Service Authorisations	Recommended Entry fee (Rs. In lakh)
Access Service (Telecom circle/ Metro Area)	50.00 (25 for NE & J&K)
Access Service (VNO) (Telecom circle/ Metro Area)	12.50 (6.25 for NE & J&K)
M2M WAN Category-A (National Area)	Nil
M2M WAN Category-B (Telecom circle/ Metro Area)	
M2M WAN Category-C (Sub-circle)	
M2M WAN Category-A (VNO) (National Area)	
M2M WAN Category-B (VNO) (Telecom circle/ Metro Area)	
M2M WAN Category-C (VNO) (Sub-circle)	
Access Service Category C (VNO) (Sub-circle)	

(b) The Entry Fee for Access Service, Access Service (VNO), Access Service Category C (VNO), M2M WAN Service and M2M WAN Service (VNO) Authorisations should be levied at the time of entry and not at the time of renewal in case of authorisation.

b) Bank Guarantee

- 3.111 In 2023, the Authority took a view that merging of bank guarantee will not only encourage ease of doing business but will also help the licensees to make investments towards maintaining and improving their existing networks, thereby ushering the growth of the telecommunication sector and improve the quality of service.
- 3.112 As such, the Authority made recommendations regarding merging of Financial Bank Guarantee and Performance Bank Guarantee into a single merged Bank Guarantee wherein the amount and related conditions of this merged bank guarantee for Access Service, Access Service (VNO), M2M WAN Service, M2M WAN Service (VNO) and Access Service Category C (VNO) Service Authorisation were recommended.
- 3.113 The Authority has recently recommended the amount of bank guarantee and there have been no significant changes in the authorisation-specific parameters of these Service Authorisations. Hence, the Authority is of the view that amount of Bank Guarantee for Access Service, Access Service (VNO), M2M WAN Service, M2M WAN Service (VNO) and Access Service Category C (VNO) Service Authorisation may be kept the same as was recommended in 2023.

3.114 Accordingly, **the Authority recommends the following:**

(a) For the initial year, the amount of Bank Guarantee (BG) should be as given below:

Service Authorisations	Recommended BG for the initial year (Rs. In lakh)
Access Service (National level)	200
Access Service (VNO) (National level)	20
M2M WAN Category-A (National Area)	40
M2M WAN Category-B (Telecom circle/ Metro Area)	2
M2M WAN Category-C (Sub-circle)	0.10
M2M WAN Category-A (VNO) (National Area)	1
M2M WAN Category-B (VNO) (Telecom circle/ Metro Area)	0.10
M2M WAN Category-C (VNO) (Sub-circle)	0.01
Access Service Category C (VNO) (Sub-circle)	0.2

(b) For the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).

(c) The Bank Guarantee should be submitted to securitize the authorisation fee and other dues not otherwise securitized, to

cover the violation of conditions of authorisation and to ensure the performance under authorisation/regulations including compliance of instructions issued by the Central Government /TRAI from time to time.

(d) The Bank Guarantee should be subject to periodic review on six-monthly basis by Central Government.

(e) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Terms and Conditions for Telecommunication (Main Service Authorisation) Rules.

v) Application processing fee

Comments of the stakeholders

3.115 Some stakeholders have stated that application processing fee should be either nil or very minimal.

3.116 Many stakeholders have favored existing application processing fees for Unified Services and other authorisations.

Analysis

3.117 Recently, DOT vide its orders dated 18.04.2023 has prescribed an application processing fee of Rs. 1,00,000 for obtaining all services under UL and UL(VNO) and uniform application processing fee of Rs. 10,000 for individual authorisation(s) under UL and UL(VNO). As favored by many stakeholders, the Authority is of the view that there is no requirement of changing the recently prescribed application processing fee.

3.118 In view of the above, **the Authority recommends that the application processing fee should be Rupees One lakh each for both Unified Service Authorisation and Unified Service (VNO) Authorisation.**

3.119 **The Authority further recommends that the application processing fee should be Rupees Ten thousand for the following Service Authorisations:**

- (a) Access Service Authorisation and Access Service (VNO) Authorisation.**
- (b) Internet Service Authorisation and Internet Service (VNO) Authorisation.**
- (c) Long Distance Service Authorisation and Long Distance Service (VNO) Authorisation.**
- (d) Satellite-based Telecommunication Service Authorisation and Satellite-based telecommunication Service (VNO) Authorisation.**
- (e) M2M WAN Service Authorisation and M2M WAN service (VNO) Authorisation.**
- (f) Access services Category C VNO Service Authorisation.**

vi) Definitions of Gross Revenue (GR), Applicable Gross Revenue (ApGR) and Adjusted Gross Revenue (AGR)

Comments of stakeholders

a) Gross Revenue (GR)

3.120 A majority of stakeholders have proposed that Gross Revenue (GR) should be strictly defined as revenue earned from licensed telecom services under the respective service authorisations.

3.121 Few stakeholders have advocated for excluding miscellaneous terms to ensure clarity. According to them, this approach aims to streamline revenue calculation and ensure that only relevant revenues are considered.

3.122 Some stakeholders highlighted the lack of clear definitions separating telecom and non-telecom activities. They have recommended issuing a precise definition to clearly delineate telecom activities and allow for deductions related to non-licensed revenues to prevent ancillary revenues from being erroneously included in GR, thereby impacting license fees. According to these stakeholders, the current method of including all gross revenues and subsequently deducting non-telecom revenues complicates the revenue-sharing process.

b) Applicable Gross Revenue (ApGR):

3.123 A number of stakeholders stated that since the proposed definition of GR includes only licensed services provided under the scope of respective service authorisations, therefore, the concept and provision of ApGR is not required. They propose that ApGR should be eliminated as it create unnecessary complexity.

3.124 A few stakeholders noted that non-licensed telecom activities—such as sales of handsets or terminal equipment, OTT subscriptions, and management support charges—remain part of AGR. This inclusion unfairly affects revenue calculations. They advocate for a comprehensive list of “Other Income” to exclude unrelated revenues, such as capital receipts and scrap sales, from AGR.

c) Adjusted Gross Revenue:

3.125 The majority of stakeholders emphasize avoiding double levies on authorisation fees. They support allowing deductions for payments made to other telecom operators for bandwidth or leased lines. This is to prevent double counting, where charges received from other operators are counted as GR by the recipient, and thus leading to double levies on the license fee.

- 3.126 One stakeholder suggested allowing deductions on an accrual basis rather than on an actual basis to align revenue recognition with accounting principles, thereby matching expenses with the revenues they generate.
- 3.127 For arriving at Adjusted Gross Revenue (AGR), some stakeholders suggest several specific exclusions from Gross Revenue (GR). These exclusions include PSTN/PLMN/GMPCS-related call charges for Access Services and Audiotex, roaming revenue passed on to other telecom service providers for Internet Services and M2M, and charges paid to other telecom service providers for ILD/NLD services. Additionally, they propose excluding charges paid to Network Service Operators (NSOs) for access charges, bandwidth, leased lines, and other related services for Virtual Network Operator (VNO) services.
- 3.128 Several stakeholders pointed that Goods and Service Tax (GST) paid, if included in GR, should also be excluded. One stakeholder suggested that AGR for VNOs should reflect total billed revenue for telecom services minus GST paid and charges to NSOs.

d) Rate of Authorisation Fee:

- 3.129 Regarding the rate of authorisation fee for a unified service authorisation for pan-India telecommunication services, many stakeholders have recommended a reduction in the fee compared to the existing License Fee (LF) regime. Several stakeholders advocate that the authorisation fee should be simplified and reduced to 3% of Gross Revenue (GR), excluding charges paid to other licensed service providers. This fee should include 2% allocated for the USO fund.
- 3.130 One stakeholder suggested that the new authorisation framework should include only administrative costs, reduction in the fee from the current 3% to between 0.5% and 1% of Adjusted Gross Revenue (AGR).
- 3.131 A majority of stakeholders have called for a decrease in the authorisation fee from 3% to 1% of AGR. They argue that this reduction would align with global

best practices and only cover the administrative costs associated with managing the authorisation/license. One stakeholder argued that with the government now generating substantial revenue from spectrum auctions, stakeholders believe that the license fee should be rationalized to reflect administrative expenses alone.

- 3.132 Some stakeholders have proposed a tiered approach for authorisation fees based on AGR, suggesting authorisation fee as Nil for AGR less than 25 crore, 1% of AGR for AGR Rs. 25 crore to Rs. 50 crore, 2% of AGR for Rs. 50 crore To Rs. 100 crore and 3% of AGR for more than Rs. 100 crore of AGR.

e) USO Fund:

- 3.133 Regarding the Universal Service Obligation Fund (USOF) levy, a few stakeholders have recommended delinking the USOF levy (currently at 5%) from the authorisation/license fee (3%). The majority have advocated for the abolition of the USOF levy altogether or, at the very least, suspension until the unutilized corpus is fully utilized. One stakeholder suggested that the USOF levy should be made inversely proportional to the rural coverage achieved by the service provider to incentivize increased rural service coverage. One stakeholder proposed reducing the USOF levy to 1% or suspending it until the current balance is used. Another stakeholder suggested a 2% USOF fee in the event of a merger between NLD and ILD operations.

Analysis with respect to Definitions of GR, ApGR, AGR:

- 3.134 As noted by the Authority in its consultation paper on 'Definition of Revenue Base (AGR) for the Reckoning of Licence Fee and Spectrum Usage Charges' dated 31.07.2014, the total revenue of a licensee company means the sum of revenue from operations (including other operating revenue) and other income. In view of the specific definitions given to GR (and AGR) under the licences granted to TSPs, the total revenue of a company shown in its Profit & Loss statement may not match the GR reported by the licensee for the purpose of calculating LF. The variation could be because

(1) the company may possess multiple licences and the inter licence revenue transactions are eliminated while calculating total revenue for reporting in the financial statements;

(2) where a company is engaged in other businesses in addition to providing telecom services, the total revenue of the company depicted in the Profit & Loss account will include revenue from all businesses of the company including telecom services.

3.135 Considering the same, the Authority recommended a new concept of Applicable Gross Revenue and a new format was proposed in the TRAI's Recommendation, 2015. After several discussions, the Union Cabinet the AGR reforms in the Telecom sector came into force in 2021, consequently, changes in the definition of AGR have been incorporated based on TRAI's recommendation dated 06.01.2015.

3.136 After examining the comments received from various stakeholders it is noted that stakeholders have questions on the classification of revenue in telecom and non-telecom activities.

3.137 It may be mentioned that the Annual Financial Statements (AFSs) of companies are prepared in accordance with the provisions of IndAS/AS (as may be applicable) as per Companies Act, 2013, and give a fair idea of revenue classification. The revenue of the licensed entity can be classified into two categories namely, Revenue from Operations and Other Income. There is no clear definition of Items required to be classified under Other income as per Companies Act, 2013, AS-9 & Ind AS-18, as its classification depends upon the nature of income. So, in order to avoid any ambiguity in the future a positive list was introduced in TRAI's Recommendation, 2015 as ApGR of the items which will not become part of AGR.

3.138 Further, it is noted that the Department of Telecommunication (DoT) issued a clarification in July, 2023 in response to the issue raised by the stakeholders

regarding "revenue from operations other than telecom activities/ operations stating that:-

"Scope of license clause in the license agreement defines services which can be offered under the license. All activities covered under scope of license will be classified as Telecom activities.

As the nature of non telecom activities will vary between different companies it is not possible to list out non telecom activities."

- 3.139 In light of the above discussion, the need does not arise for separate definitions of telecom and non-telecom activities and hence no separate definitions are required to be issued by the Authority at this stage.

Analysis with respect to rate of Authorisation Fee:

- 3.140 Regarding the rate of license fee, the Authority vide its 2015 Recommendations had recommended that the component of USO levy should be reduced from 5% to 3% of AGR for all licences. With this reduction, the applicable uniform rate of licence fee would become 6% (from the present 8%) of AGR and the 3% of LF that accrues directly to the Government will not change.
- 3.141 In response to the above Recommendations, DoT in 2022 rejected the said Recommendations stating that Government of India has revised and expanded its USOF targets since then. Earlier the target was to provide optical fibre connectivity to 2.5 lakh gram panchayats. The Government is now envisaging to reach 6 lakh villages, which requires USOF funds to be increased rather than decreased.
- 3.142 Considering the above targets of rural connectivity, as envisaged by the Central government, the Authority is of the view that the rate of authorisation fee may continue to be the same as present, without any further change at this stage.

Analysis with respect to Accounting of Deductions:

- 3.143 The Authority in its 2015 Recommendations had recommended that the accounting of deductions of pass through charges from applicable gross revenue (ApGR) to arrive at the relevant revenue base (i.e. AGR) for the computation of LF and SUC should be allowed on an accrual basis. However, in the case of service tax and sales tax/ VAT collected on behalf of the Government, deductions from revenue should be allowed only for the amount actually paid to the Government.
- 3.144 The Authority was of the opinion that allowing Pass Through Charges (PTC) on an accrual basis will not only bring uniformity in the accounting treatment of revenue and PTC but will also aid in proper reconciliation of revenue and LF/ SUC (as prescribed in the licence agreement) with the audited annual accounts of the TSP. Any unclaimed/ outstanding PTC (due to non payment to another TSP) in a quarter, could be claimed in subsequent quarter(s) after making the actual payment. This would not have any effect on Government's revenue, though, in the initial stages, there would be time difference in reckoning of PTC. TSPs also collect taxes (i.e. Service Tax and Sales Tax/ VAT) on behalf of the Government. The PTC against taxes collected on behalf of Government should be allowed only on an actual payment basis so that there is no impediment to the amount of taxes payable to the Government. Allowing pass through for Government taxes on actual/ paid basis will not only ensure timely payment but would also encourage TSPs for early discharge of their liabilities.
- 3.145 The same was not accepted by the DoT stating that the pass through charges are allowed as deductions on actually paid basis for the sake of simplicity, verifiability and transparency. DoT further informed that this has been the Government stance before the Hon'ble Supreme Court and has been upheld by way of various Hon'ble Supreme Court judgements.

3.146 It is also noted by the Authority that allowing deductions on actually paid basis is a practise followed across many government departments that collect taxes and levies.

3.147 Thus, the Authority is of the view that considering DOT's justification, the existing licensing regime wherein deductions from revenue are allowed on actually paid basis/actually passed on to other TSPs and revenue is accounted for on an accrual basis may continue.

Analysis with respect to permissible deductions from Gross Revenue and treatment of expenses:

3.148 The stakeholders have made similar submissions regarding double levies, and allowing deductions on input services, in the past consultation exercises of the Authority also. However, the submissions made have not been accepted by the Authority.

3.149 In its Recommendations of 2015, the issues regarding permissible deductions from Gross Revenue and treatment of expenses was analysed wherein many stakeholders had been demanding that all inter-TSP payments for availing input services by one TSP from another TSP should be allowed for deduction from GR to arrive at AGR. They had argued that all these charges are essentially incurred in providing services to customers and passed on to other TSPs (provider TSP) out of the revenue received from the customers. They had further stated that the present definition of PTC, where these inter-TSP payments are not allowed as deductions, results in the double levy of LF on the same amount. It had been argued that the GR of the recipient TSP includes the payment received from another TSP in lieu of providing input services and LF has to be paid on this revenue. Therefore, the TSP making payment for input services should be permitted to deduct these as PTC from its GR.

3.150 The Authority had noted that, in the case of LF that is levied on (adjusted) GR of TSPs, amounts paid to other TSPs in lieu of input services provided by them

are in the nature of expenses and cannot be construed as PTC except where defined (IUC, roaming charges, etc.). If amounts paid for input services are allowed as PTC, potentially all costs can be claimed as PTC.

3.151 Further, the Authority was of the view that the items such as Leased Line/bandwidth Charges, Port Charges, Cable Landing Station Charges, Sharing of Infrastructure Service are basically expenditure related to effective network operation. These are items of costs that are paid on a fixed monthly/yearly/per connection charges and are not incidental to the carriage of calls on per call basis like interconnection usage charges/roaming charges. PTC by definition is that part of revenue collected from the customer and passed on to another TSP; however, the costs linked to effective network functioning are not linked to the revenue collected from the customer on behalf of another TSP. Hence, the Authority was of the view that these items should not qualify for recognition as items of PTC to arrive at AGR. Accordingly, with regard to the said items, the Authority recommended no change in the existing definition of pass through charges (i.e. deductions) under different licences to arrive at AGR for the computation of LF and SUC.

3.152 In view of the above, **the Authority recommends the following:**

- (a) The extant definitions of Gross Revenue (GR), Applicable Gross Revenue (ApGR) and Adjusted Gross Revenue (AGR) for the existing Service Authorisations should continue.**
- (b) In case of merged/ clubbed / new Service Authorisations, the definitions should be aligned accordingly.**
- (c) The applicable definitions for GR, AGR and ApGR have been given under the respective Service Authorisations.**
- (d) The clarification dated 17.07.2023 issued by DOT regarding the definitions of GR and AGR should be considered alongwith the applicable definitions for GR, AGR and ApGR as have been given under the respective Service Authorisations.**

- (e) Any further orders/instructions/clarifications on the definitions of Gross Revenue, Applicable Gross Revenue and Adjusted Gross Revenue may be issued by DOT after obtaining recommendations from TRAI.**

3.153 The Authority further recommends that the rate of Authorisation Fee should be the same as the existing rate of License Fee for the Main Service Authorisations.

3.154 Further, the Authority reiterates the Recommendations made vide its Recommendation no. 6.83 on 'Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed' dated 31.08.2021.

The same is reproduced as below: -

"(i) Under the prevailing licensing framework, Internet Service and Access Service licensees are authorized to provide fixed-line broadband services to individual customers. Therefore, to accelerate the growth of fixed-line broadband services in the country, these categories of licensees should be eligible for incentives.

(ii) For any licensee to avail the proposed incentives, a net increase of minimum 15% in working fixed-line broadband subscribers on year-on-year basis in the respective License Service Area (LSA) should be the eligibility criterion.

Provided that minimum 20% of the targeted increase in number of working fixed-line broadband subscribers in the current quarter in the respective License Service Area (LSA) should be achieved through net increase in the rural fixed-line broadband subscribers in that LSA.

Provided further that the condition regarding net increase in the rural fixed-line broadband subscribers mentioned above should not be made applicable in Delhi, Mumbai, and Kolkata service areas.

Provided also that in-line with the License Fee (LF) payment obligations of licensees, the eligibility of individual licensees for incentives should also be assessed on quarterly basis.

(iii) Further, in order to ensure that growth of fixed-line broadband services is spread across the country, Internet Service category 'A' licensee, whose Service Area is spread across the National Area, to avail the proposed

incentives, in addition to the eligibility criterion prescribed in clause (ii) above, should also achieve a net increase of minimum 10% in fixed-line broadband subscribers on year-on-year basis in each Telecom Circle/Metro area (as defined in Annexure-V of the Unified License).

Provided that minimum 20% of the targeted increase in number of working fixed-line broadband subscribers in the current quarter in the respective Telecom Circle/Metro area should be achieved through net increase in the rural fixed-line broadband subscribers in that Telecom Circle/Metro area.

Provided further that the condition regarding net increase in the rural fixed-line broadband subscribers mentioned above should not be made applicable in Delhi, Mumbai, and Kolkata service areas.

(iv) The incentive for eligible licensees should be given in the form of License Fee (LF) exemption on the total revenue as specified in clause (vi) and (viii) below.

(v) In IP (Internet Protocol) world, Broadband, Voice, Video and Value added services move together on fixed line connections. And, in the considered view of the Authority, in the prevailing market conditions, segregation of revenue earned from fixed-line connections into Broadband, Voice, Video and Value-added services categories indisputably is not feasible. Further, the growth of fixed-line broadband services in the country is directly linked to increase in availability of fixed-line connections. Therefore, the proposed incentives should be linked to the revenue earned from fixed-line connections provided to subscribers. It would pose fewer interpretation challenges.

(vi) For an eligible Access Service licensee in any LSA, who is providing the fixed-line broadband services under the Access Service license/authorisation, license fee exemption should be given on the 'Revenue from Wireline Subscribers' booked under "Particular 1 (A)" of the Format of "Statement of Revenue and License Fee" specified for Access Service Providers.

(Note:)

(vii) Specifically in case of the bundled offerings/ packages (i.e. consumer offerings/packages bundling fixed line broadband service, mobile phone service, DTH service, etc.), the exemption of license fee on revenue accruing from fixed line broadband services should be subject to the condition that the licensee shall declare upfront the policy of apportionment of revenue between each of such bundled services in the package prior to

the claim for exemption, and further subject to filing a certificate from cost accountant that the policy of apportionment is broadly proportionate and in line with the costs associated with the provision of the different services that are bundled as a package.

- (viii) For an eligible Internet Service licensee in any LSA, license fee exemption should be given on the 'Revenue from Services' booked under "Particular 1" of the Format of "Statement of Revenue and License Fee" specified for Internet Service Providers.*

(Note:)

- (ix) The eligibility for incentives should be self-assessed by the concerned licensee as per the criterion prescribed in clause (ii) and (iii) above. For this purpose, the licensee should submit the fixed-line broadband subscribers' details, in the 'Format of Statement of Fixed-line Broadband Subscribers' given at Annexure-E, by 15th of the next quarter. Since as per license conditions, licensees are required to pay the License Fee by 25th March for the last quarter of the Financial Year (FY) based on expected revenue, for the last quarter of the FY only, the licensee should be permitted to self-assess its eligibility on the basis of estimated growth in fixed-line broadband subscribers by the end of that quarter. In support of its self-assessment for the last quarter, the licensee should submit by 15th April the actual number of subscribers working as on 31st March in the 'Format of Statement of Fixed-line Broadband Subscribers' given at Annexure-E.*

(Explanation:)

- (x) A robust verification mechanism should be put in place to check the veracity of the working fixed-line broadband subscriber base declared by the eligible licensees. To ensure that each licensee would do the right self-assessment of its eligibility, it would be pertinent to clarify that here working fixed-line broadband subscribers would mean the subscribers who are active and regularly paying their post-paid bills or recharging their prepaid accounts, as per the applicable tariff plan. For this purpose, test users should not be counted as working fixed-line broadband subscribers.*

- (xi) The eligible licensees, based on their self-assessment, should be permitted to claim license fee exemption on the revenues specified in clause (vi) and (viii) above. The license fee exemption claim shall be subject to the verification by the Licensor as per terms and conditions of the license. Such verification and settlement of incentive claims, subject to final assessment and audit of AGR, should be completed within 6 months.*

- (xii) *In cases where a licensee, based on the actual net increase in working subscriber numbers at the end of last quarter of FY fails to meet the eligibility criterion, then it should pay the LF amount duly payable for the last quarter of the FY by 15th April. For any delay, penal interest be levied as per the terms and conditions of the license.*
- (xiii) *To increase supply of fixed-line broadband services in rural and remote areas, Cable Operators, who are keen to deliver broadband services, should be encouraged to establish last-mile linkage network. For this purpose, the Government should impart necessary skills to such Cable Operators and provide soft loans to them on easier terms for establishing last-mile connectivity network in rural and remote areas. As per the extant licensing framework these Cable Operators could work as franchisee of any ISP including BBNL to provide broadband services.*
- (xiv) *To incentivise the initial investment in the last-mile linkage network and support broadband business operations initially, in considered view of the Authority, the Government should notify an interest subvention scheme for Cable Operators registered as Micro and Small size enterprises.*
- (xv) *Initially, the proposed incentive, i.e. license fee exemption, to the eligible licensees should be allowed for a minimum period of five years. The need for incentives beyond initial five years may be reviewed in the fifth year keeping in view the policy priorities and technological developments at that point of time.*
- (Note:)"*

vii) Minimum Authorisation Fee

a) Minimum Authorisation Fee for NSOs and VNOs

3.155 As per the existing licensing framework, an annual license fee as a percentage of AGR is required to be paid by the licensees, service-area wise, for each authorized service from the effective date of the respective authorisation. From the second year of the effective date of respective authorisation, the license fee is subject to a minimum of 10% of the Entry Fee of the respective authorized service and service area.

3.156 In certain authorisations, the Authority vide its recommendations dated 19.09.2023 has recommended "Nil" entry fee, which in turn leads to zero minimum license fee for these authorisations.

3.157 To handle this issue, for authorisations where 'Nil' entry fee was recommended, the Authority, in its recommendations dated 19.09.2023, further recommended that the minimum license fee of such authorisations will be 10% of the existing entry fee.

3.158 Accordingly, **for Service Authorisations with 'Nil' Entry Fee, the Authority recommends the Minimum Authorisation Fee should be as given below:**

S. No.	Service Authorisation	Minimum Authorisation Fee (Rs. in thousand)
NSOs		
1.	M2M WAN Category-A (National Area)	300
2.	M2M WAN Category-B (Telecom circle/ Metro Area)	20
3.	M2M WAN Category-C (Sub-circle)	2
4.	Internet Category-C (Sub-circle)	2
VNO		
1.	M2M WAN Category-A (National Area)	150
2.	M2M WAN Category-B (Telecom circle/ Metro Area)	10
3.	M2M WAN Category-C	1

	(Sub-circle)	
4.	Internet Category-C (Sub-circle)	1
5.	Access Service Category C (VNO)	16.5

b) Renewal of Authorisation:

3.159 The Authority, in the preceding paras, has recommended that no Entry Fee should be levied at the time of renewal of service authorisation.

3.160 Now, the question arises that at the time of renewal, what should be the entry fee for the purpose of calculation of minimum authorisation fee. For this, the Authority is of the view that entry fee for the purpose of calculation of minimum authorisation fee should be same as that paid at the time of initial entry.

3.161 Accordingly, **the Authority recommends that at the time of renewal of Service Authorisation, the Minimum Authorisation Fee should be equal to 10% of Entry Fee of the respective authorised service and service area, initially paid.**

3.162 **The Authority further recommends that for authorisations with 'Nil' Entry Fee, the Minimum Authorisation Fee at the time of renewal of authorisation should be as given at para 3.158 above.**

C. Other Auxiliary/ Captive Service Authorisations

3.163 The questions 45,46, 47, 48 and 49 were raised in the consultation paper, for seeking comments of stakeholders with regard to existing standalone license/ authorisations/ registrations/ permission.

Q45. In case it is decided to merge the scopes of the extant IP-I Registration and the Digital Connectivity Infrastructure Provider (DCIP) authorisation into a single authorisation under the Telecommunications Act, 2023, what should be the: -

- i. Amount of application processing fees*
- ii. Amount of entry fees*
- iii. Any other Fees/Charge*
- iv. Minimum equity and networth etc. of the Authorised entity.*

Please support your response with proper justification.

Q46. For MNP license and CMRTS authorisation, should the amount of entry fee and provisions of bank guarantees be:

- i. kept same as existing for the respective license/authorisation.*
- ii. kept the same as recommended by the Authority vide its Recommendations dated 19.09.2023*
- iii. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees*

Please support your response with proper justification separately for each authorisation.

Q47. For other standalone licenses/ registrations/ authorisations/ permissions, should the existing framework for financial conditions be continued? Please provide detailed justification.

Q48. If answer to question above is no, what should be the new/revised financial requirement viz. bank guarantee/ entry fee/ processing fee/ authorisation fees/ registration fees or any other charge/ fees? Please provide detailed justification in support of your response for each other license/ registration/ authorisation/ permission separately.

Q49. In case of the merged M2M-WPAN/WLAN service authorisation, what should be the processing fees or any other applicable fees/ charges. Please support your response with proper justification.

Comments of the stakeholders

- 3.164 Majority of stakeholders have favoured that amount of entry fee and provision of bank guarantee should be in line with TRAI recommendations dated 19.09.2023 on the subject.
- 3.165 One stakeholder stated that amount of entry fee and provision of bank guarantee should be as minimal as possible.
- 3.166 One stakeholder stated that BGs should be abolished for all authorisations.
- 3.167 A few stakeholders are of the view that there is no need to club the scopes of any other authorisation. There is no need to club the scopes of M2MSP and WPAN/WLAN Connectivity Provider registrations. However, if it is decided to club the M2M-WPAN/WLAN service authorisation, the processing fee which is the same for both individual authorisations at present should be retained. Any other applicable fees/charges should be the sum of the respective fees/charges under the individual authorisations.
- 3.168 Some stakeholders have submitted that the processing fee should be minimal to cover administrative charges for processing the application considering the fact the M2M sector is presently at a nascent stage and need many reforms for ensuring orderly growth of the sector.
- 3.169 One of the stakeholders has suggested that no further processing fee should be charged in case of merger, it is one-time administrative activity. It is in the interest of the Government too. Processing fee to be charged only once and if it is already paid then no further processing fee should be charged.

- 3.170 Another stakeholder is of the opinion that the processing fee should be nominal/nil, or it should be as per the TRAI's recommendation on "Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023".

Analysis

- 3.171 As discussed at para 1.20 of Chapter I of these recommendations, Mobile Number Portability (MNP), IP-I Registration and the Digital Connectivity Infrastructure Provider (DCIP) authorisations will be dealt with in a separate recommendation.

i) **Application processing fee for Auxiliary and Captive Service Authorisations:**

- 3.172 Presently, Captive VSAT providers are required to pay an application processing fee of Rs 25,000 along with this an entry fee of Rs 15 lakh is also levied on the Captive VSAT licensees. The CMRTS providers are also required to pay application processing of Rs. 20,000 along with license fee.
- 3.173 For the authorisations under the UL license, DOT vide its orders dated 18.04.2023 has reduced the application processing fee for PMRTS and Audio Conferencing/ Audiotex/ Voice mail from Rs. 15,000 to Rs. 10,000.
- 3.174 Considering the limited scope and captive nature of CMRTS and Captive VSAT and taking note of the fact that other financial conditions viz. Entry Fee, License Fee, Bank Guarantee etc. are also applicable on these authorisations, the Authority is of the view that the application processing fee for CMRTS and Captive VSAT FSS service authorisations should be reduced to Rs. Ten thousand. However, for other service authorisations since other financial conditions are not applicable, the Authority is of the view that any change in application processing fee is not required.

3.175 In light of the above, **the Authority recommends the following:**

Service Authorisations	Application processing fee (in Rupees)
PMRTS Authorisation (Telecom circle/ Metro Area)	10,000
Enterprise Communication Service Authorisation	10,000
MNP Service Authorisation	Nil
IFMC Service Authorisation	50,000
PM-WANI Service Authorisation	Nil
Sale/ rent of international roaming SIM card authorisation	5,000
M2M, WLAN and WPAN Service Authorisation	5,000
Data Connectivity Between Air-To-Ground Service Authorisation	10,000
CMRTS Authorisation	10,000
Captive FSS through VSAT Authorisation	10,000
CNPN Service Authorisation	50,000
Captive authorisations granted on case-to-case basis	Nil

ii) **Entry fee for PMRTS, Enterprise Communication, CMRTS and Captive VSAT FSS Service Authorisations**

3.176 The entry for PMRTS, Audio Conferencing/ Audiotex/ Voice mail (now Enterprise Communication) and Captive VSAT service authorisations have been recently recommended by the Authority vide its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023.

3.177 Based on the reasons as mentioned in paras 3.106 to 3.109 above, **the Authority recommends the following:**

(a) The amount of Entry Fee for the following Service Authorisations should be as given below:

Service Authorisations	Recommended Entry fee (Rs. in lakh)
PMRTS Service Authorisation	0.2
Enterprise Communication Service Authorisation	Nil
CMRTS Service Authorisation	Nil
Captive VSAT FSS Service Authorisation	7.5

(b) The Entry Fee for PMRTS Service Authorisations, Enterprise Communication Service Authorisations, CMRTS Service Authorisations and Captive VSAT FSS Service Authorisation should be levied at the time of entry and not at the time of renewal.

iii) Bank Guarantee for PMRTS, Enterprise Communication, CMRTS and Captive VSAT FSS Service Authorisations

3.178 The amount/provisions/conditions for bank guarantee for PMRTS, Audio Conferencing/ Audiotex/ Voice mail (now Enterprise Communication), Captive VSAT and CMRTS authorisations have been recently recommended by the Authority vide its Recommendations on Rationalization of Entry Fee and Bank Guarantees dated 19.09.2023.

3.179 Based on the reasons mentioned in para 3.111 to 3.112 above, **the Authority recommends the following:**

- (a) For the initial year, the amount of Bank Guarantee (BG) should be as given below:**

Service Authorisation	Recommended BG for the initial year (Rs. in lakh)
PMRTS Service Authorisation	0.2
Enterprise Communication Service Authorisation	2
Captive VSAT FSS Service Authorisation	3
CMRTS Service Authorisation	0.2

- (b) The Bank Guarantee should be subject to periodic review on six-monthly basis by DoT.**
- (c) In case of PMRTS Service Authorisation and Enterprise Communication Service Authorisation, for the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
- (d) For Captive VSAT FSS Service Authorisation, for the subsequent years, the amount of BG shall be equivalent to 20% of the estimated sum payable annually towards authorisation fee.**
- (e) For CMRTS Service Authorisation, for the subsequent years, the amount of BG shall be equivalent to 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**

(f) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Conditions of the respective Service Authorisations.

iv) Other Financial conditions of PMRTS, CMRTS, Enterprise Communication and Captive VSAT FSS Service Authorisations

3.180 A consultation paper on Review of Terms and Conditions of PMRTS and CMRTS Licenses was issued by the Authority on 29.08.2023.

3.181 Dealing with the financial aspects related to PMRTS and CMRTS the following question was raised in the Consultation paper (CP): -

Q26. Is there a need to review the license fee prescribed for PMRTS/CMRTS? Please justify your answer. If yes, please suggest detailed methodology for arriving at the license fees for PMRTS/CMRTS with justification.

Comments received from stakeholders

3.182 Some stakeholders have stated that there is no need to review the license fee prescribed for PMRTS, given the size of the industry. However, they have suggested reviewing the license fee prescribed for CMRTS for ensuring a level playing field. Regarding CMRTS they have stated that a Minimum license fee should be as prescribed for a specific service area not exceeding 30 Kms where coverage is desired.

3.183 Another set of stakeholders have stated that there is no need to review the license fee specifically for CMRTS and PMRTS. It has been stated that all the licensees involved in communication services should have uniform license fee i.e. 8% presently and if there is any reduction to the licensee fee of 8%, it should be applied uniformly to all authorisations under Unified Licenses as well as other licensees involved in communication services.

3.184 One stakeholder has stated that the license fee for PMRTS/CMRTS should be NIL. It has stated that PMRTS/CMRTS is a specialized service and used by institutional clients only. Services are used for mission critical voice communication, by certain selected segments. PMRTS/CMRTS operators do not have the same economies of scale as commercial mobile service providers, as their networks are typically smaller and more complex. PMRTS/CMRTS sector is facing increasing competition from other technologies, such as voice over IP (VoIP) and 4G/5G mobile. Lowering license fee would make it more attractive for businesses to invest in PMRTS/CMRTS network.

Analysis

a) Definition of GR, ApGR and AGR for PMRTS and Enterprise Communications service authorisations

3.185 Regarding the definitions of GR, ApGR and AGR, the Recommendations with detailed justifications have been given at paras 3.134 to 3.139, and paras 3.143 to 3.151 above. The same will be applicable in the case of PMRTS and Enterprise Communications Service Authorisations also.

b) Authorisation Fee for PMRTS, Enterprise communication and Captive VSAT FSS Service Authorisations

3.186 The Authority vide its Recommendations on Licensing framework for Audio Conferencing, Audiotex, Voice Mail Services dated 16.12.2016 recommended the following:

The annual licence fee for the recommended Audio Conferencing/ Audiotex/Voice Mail Service authorisation should be made same as that in other licence authorisations in the Unified Licence (which is presently 8% of Adjusted Gross Revenue; inclusive of USO levy which is presently 5% of AGR).

- 3.187 Under the current licensing framework, PMRTS Authorisation and Enterprise Communication Service Authorisation (Audio Conferencing, Audiotex, and Voice Mail Services) are included in the Unified License, with a license fee of 8% of AGR being levied on them. It is important to note that the license fee of 8% comprises of Universal Service Obligation Fund (USOF) levy of 5%. Further, paras 3.140 to 3.142 above may also be referred to in this regard.
- 3.188 Initially, for standalone Voicemail/Audiotext/UMS licenses there was a provision of no license fee. However, this clause was amended by DoT order dated 30.12.2021 and a license fee of 8% of Adjusted Gross Revenue, inclusive of USO levy which is presently 5% of AGR, was imposed on these licenses as well.
- 3.189 As mentioned in para 2.53 of these recommendations, the Authority is of the view that considering the nature of services, different types of telecommunications services need to be treated differently and the level of regulation required for the services which are primary telecommunication services involving the establishment and operation of network for provision of public service at large, may not be required for the services not offered to the public at large. Regarding the rate of Authorisation Fee for the PMRTS and Enterprise Service Authorisations, the Authority is of the opinion that at this stage, it does not propose any change in the rate of Authorisation Fee. Consideration of any change will require more detailed examination which can be taken up separately, if required.
- 3.190 The Authority has recommended the Entry Fee for Enterprise Communication Service Authorisation as Nil at para 3.177 of this Chapter. As per existing practice, for the purpose of calculating minimum license fee, the license fee is subject to a minimum of 10% of the Entry Fee from the second year of the effective date of respective authorisation. Accordingly, for the purpose of calculating Minimum Authorisation Fee in case of Enterprise Communication Service Authorisation, the Authority is of the view that the minimum amount

should be set at Rupees One Lakh i.e. 10% of 10 Lakh [existing Entry Fee of Audio Conferencing/ AudioTex/ VoiceMail license].

3.191 For Captive VSAT CUG license, the annual license fee is Rs. 10,000/- per annum per VSAT multiplied by total number of VSATs installed.

3.192 Accordingly, **the Authority recommends that Authorisation Fee should be the same as the existing License Fee for PMRTS Service Authorisation, Enterprise Communication Service Authorisation and Captive VSAT FSS Authorisation.**

3.193 **The Authority further recommends that for the purpose of calculating Minimum Authorisation Fee, the minimum amount should be Rs. One Lakh for Enterprise Communication Service Authorisation.**

c) Authorisation Fee for CMRTS Service Authorisation

3.194 In case of CMRTS, except for the agencies working for public service such as Police, Fire and Government Security, all other types of licensees are required to pay annual license fee on the basis of the number of terminals deployed. The License Fee for CMRTS systems is Rs. 300/- (Rupees three hundred only) per annum per terminal subject to a minimum of Rs. 25,000/- (Rupees twenty five thousand only) per annum per licensed area.

3.195 Now, DoT vide its reference dated 02.06.2022 on seeking Recommendations of TRAI w.r.t. Review of Terms and Conditions for issue of licenses to PMRTS and CMRTS (consultation paper issued on 29.8.2023), forwarded some representations from stakeholders, wherein a concern has been raised by the stakeholders that during initial period of Metro rail project radio terminal utilization is very less and therefore minimum annual charges may be levied

based on actual radio terminal utilization in place of existing minimum of Rs. 25,000 per annum per licensed area.

- 3.196 As per extant conditions under Unified License, an Entry Fee of Rs. 50,000 per LSA is levied for PMRTS authorisation. Based on this Entry Fee, the minimum license/authorisation fee (i.e. 10% of the entry fee) for PMRTS authorisation comes out to Rs 5,000 per annum per licensed area.
- 3.197 It must be noted that PMRTS is a commercial mobile trunked radio service whereas CMRTS is utilized for captive purpose only. However, the minimum annual license fee for CMRTS is higher than PMRTS. Thus, it seems rational that the minimum authorisation fee for CMRTS may be reduced, especially during the initial years of the CMRTS authorisation.
- 3.198 Therefore, **the Authority recommends that in case of CMRTS Service Authorisation, except for the agencies working for public service such as Police, Fire and Government Security, all other types of authorised entities should pay annual authorisation fee on the basis of the number of terminals deployed as follows:**

For the first 3 years:

The Authorisation Fee for CMRTS systems should be Rupees Three hundred per annum per terminal subject to a minimum of Rupees Five thousand per annum per authorised service area.

For the remaining period of the authorisation:

The Authorisation Fee for CMRTS systems should be Rupees Three hundred per annum per terminal subject to a minimum of Rupees Twenty five thousand per annum per authorised service area.

D. Formats of Statement of Revenue

i) Requirement of Affidavit

- 3.199 In the consultation paper, question no. 50 was raised to seek comments from the stakeholders as to whether the affidavit presently being submitted by the operators be replaced with self-certificate.

Q50. In the interest of ease of doing business, is there a need to replace the Affidavit to be submitted with quarterly payment of license fee and spectrum usage charges with a Self-Certificate (with similar content)? Please justify your response.

Comments of the stakeholders

- 3.200 A majority of stakeholders advocated for replacing the affidavit with a self-certificate, arguing that the affidavit adds little value given the comprehensive annual audit process already in place. Stakeholders emphasized that the annual audit of Adjusted Gross Revenue (AGR), certified by statutory auditors, sufficiently addresses the need for verifying license fee liabilities. They argued that quarterly affidavits are redundant, as the final assessment is based on audited annual AGRs.
- 3.201 A few stakeholders contend that both the affidavit and the proposed self-certificate would not significantly enhance the process or add value, hence, advocated completely removing the affidavit requirement without replacing it with a self-certificate. Further, they have pointed out that Aadhaar-based verification already ensures authenticity at the time of submission, making additional documentation unnecessary.
- 3.202 Another set of stakeholders stated that transitioning from affidavits to self-certification would simplify procedures, reduce paperwork, and align with

international best practices. They highlighted that online payment systems and digital submissions have already automated much of the compliance process, making traditional affidavits obsolete.

Analysis

- 3.203 The Authority examined the comments received from stakeholders and observed that majority of service providers are in favour of replacing the affidavit requirement with a self-certificate, while making payment of license fees and spectrum usage charges.
- 3.204 The Authority in its Recommendations on 'Ease of Doing Business in Telecom and Broadcasting Sector' dated 02.05.2023 has taken note of some of the extant guidelines which prescribe the requirement of submitting 'Affidavits'. With regard to UL license, it was noted that the license agreement for Unified License states that the quarterly payment shall be made with an affidavit as at Annexure-A of the respective chapter of service authorisation together with a statement of revenue share and license fee separately for each service and service area. The Authority recommended that Affidavits prescribed in the extant guidelines and application formats, if any, should be abolished and replaced with self-certificates. The said Recommendation was made as a step to reap the benefits of 'Single Window System' in telecom sector.
- 3.205 The Authority is of the view that in the interest of enhancing ease of doing business and in line with its earlier Recommendations of 2023, the affidavit may be replaced with a self-certificate. A self-certificate would serve a similar function to the affidavit, affirming that the information submitted is accurate and complete, but with a simplified procedural requirement.
- 3.206 The Authority is of the view that replacing the Affidavit with a Self-Certificate (with similar content) will promote ease of doing business. The format for Self-Certificate will be as prescribed under financial conditions of respective service authorisations. This self-certificate needs to be duly e-verified by the

authorised representative of the company through e-sign/ digital signature. The adoption of e-signed/ digitally signed self-declaration mechanism, will expedite the submission process and reduce the time and effort currently expended in obtaining notarized affidavits. The Self-Certificate shall be e-verified by the authorised representative of the company through e-sign/ digitally signed.

3.207 Thus, **the Authority recommends the following:**

- (a) The Authorised Entity should submit a Self-Certificate duly e-signed/ digitally signed, by the authorised representative of the company.**
- (b) The proforma for the Self-Certificate in respect of Main Service Authorisations has been prescribed under the Financial Terms and Conditions of Telecommunication (Main Service Authorisation) Rules.**
- (c) The proforma for the Self-Certificate in respect of PMRTS Service Authorisation and Enterprise Communication Service Authorisation has been prescribed under the respective Service Authorisations.**

ii) **Formats of Statement of Revenue**

3.208 With respect to the formats of Statement of Revenue, the following questions, 51 to 56, were raised in the consultation paper for seeking comments of the stakeholders:

Q51. Is there a need to revise/ modify/simplify any of the existing formats of Statement of Revenue Share and License Fee for each license/authorisation (as detailed at Annexure 3.2)? In case the answer to the question is yes, please provide the list of items to be included or to be deleted from the formats alongwith detailed justification for the inclusion/deletion.

Q52. In case of a unified service authorisation for the provision of end-to-end telecommunication services with pan-India service area, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Q53. In case the scope of Internet Service authorisation is enhanced, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Q54. In case of merged extant NLD Service authorisation and ILD Service authorisation into a single authorisation namely Long Distance Service authorisation, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Q55. In case of merged extant GMPCS authorisation and Commercial VSAT CUG Service authorisation into a single authorisation namely Satellite-based Telecommunication Service authorisation, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Q56. In case you have proposed to club the scope of some of other authorisations OR introduce certain new authorisations/ sub-categories of authorisations, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.

Comments of the stakeholders

- 3.209 One stakeholder has stated that the formats of Statement of Revenue and License Fees were comprehensively updated in 2021 following Cabinet reforms and the current formats effectively cover all necessary details related to Gross Revenue, Applicable Gross Revenue, and Adjusted Gross Revenue, hence, no further revisions are necessary at this time.

- 3.210 Some stakeholders indicated a need to revise and simplify the formats for the Statement of Revenue Share and License Fee. They have suggested eliminating the Adjusted Gross Revenue (ApGR) provisions, arguing that the Reconciliation Statement already fulfils the purpose of ApGR by detailing Gross Revenue, Non-Telecom Revenue, and Other Income. This would align the formats with updated definitions of Gross Revenue under various service authorisations.
- 3.211 Some stakeholders advocated for a clearer and more streamlined format. They emphasized the importance of defining key terms such as revenue, license fee, and other critical elements to avoid ambiguity. They have also suggested eliminating redundant data fields, manual calculations, and overly detailed subcategories to make the formats user-friendly and efficient.
- 3.212 Another stakeholder has suggested implementing simplified statements of revenue and license fees, including a sub-section for AGR related to wireless services to improve clarity and efficiency.
- 3.213 For a unified service authorisation covering end-to-end telecommunication services, stakeholders recommended a straightforward format focusing on relevant financial details. The format should capture Gross Revenue from authorized telecom activities, detail allowable deductions such as charges to other entities, and calculate the license fee on Net Revenue. Non-relevant details, like ApGR, should be excluded to reduce complexity and enhance clarity.
- 3.214 For the merged Long Distance Service authorisation, stakeholders recommended a revised format that clearly distinguishes between NLD and ILD revenue. The format should include detailed revenue breakdowns for both services.
- 3.215 Regarding the merger of GMPCS and Commercial VSAT CUG authorisations into a single Satellite-based Telecommunication Service authorisation,

stakeholders proposed a format that provides a detailed breakdown of revenues from both services. They recommended distinct calculations for GMPCS and VSAT services, with clear definitions and adjustments for each type.

- 3.216 For the introduction of new or merged authorisations, stakeholders recommended that the Statement of Revenue Share and License Fee formats be revised to include detailed revenue breakdowns for each authorisation.

Analysis

- 3.217 The Authority examined the comments received from the stakeholders and is of the view that there is a need to revise/ modify the existing formats of the Statement of Revenue Share and License Fee for each service authorisation especially with regard to the merged/ clubbed service authorisations.
- 3.218 While taking cognizance of the comments received from stakeholders, the Authority has revised the formats of Statement of Revenue and the updated formats have been included in the respective service authorisations.
- 3.219 The formats have been revised/ simplified in order to streamline compliance, remove redundancy and remove obsolete items. The Goods and Services Tax (GST) is being billed, collected, and remitted to the Government has been excluded from the Statement of Revenue. This change is intended to simplify the reporting process. Further, taking into account the online submission of Statement of Revenue through SARAS portal, the requirement for filing previous and cumulative amount of Revenue has also been deleted from the formats.
- 3.220 The revisions are intended to simplify the formats, eliminate redundancy, and ensure that the revised formats are aligned with the scope of service authorisations granted under the Telecommunications (Grant of Service

Authorisations) Rules, 2024. These revised formats of Statement of Revenue have been Annexed to the respective service authorisations.

- 3.221 In view of the above, **the Authority recommends that the Statement of Revenue are required to be submitted by the Authorised Entities, as per the revised Formats of Statement of Revenue, specified under the respective Service Authorisations.**

E. Other issues

i) Norms:

Q57. Whether there is a need to review/ simplify the norms for the preparation of annual financial statements (that is, the statements of Revenue and License Fee) of the various service authorisations under UL, UL(VNO) and MNP licenses? Please give detailed response with proper justification for each authorisation/license separately.

- 3.222 A majority of stakeholders highlighted the need for a comprehensive review and simplification of norms related to the preparation of annual financial statements, particularly the Adjusted Gross Revenue (AGR) statements for various service authorisations under UL and UL-VNO licenses.

Analysis

- 3.223 As per UL and UL (VNO) license conditions, the quarterly financial statements i.e. the Statement of Revenue are required to be prepared following certain norms. DoT has prescribed separate norms for each of the service authorisations under UL and UL (VNO) licenses.
- 3.224 In view of the comments received from the stakeholders, the Authority is of the view that general/ uniform norms may be prescribed for all the service authorisations.

3.225 By adopting a uniform set of financial reporting norms, the Authority aims to simplify compliance requirements across all service authorisations. This approach will foster consistency in financial reporting across various types of authorisations and bring clarity.

3.226 In view of the above, **the Authority recommends the following:**

a) A uniform set of norms for the preparation of Statement of Revenue which have been prescribed as under:

- i. The norms for Main Service Authorisations have been prescribed under the Financial Terms and Conditions of Telecommunication (Main Service Authorisation) Rules.**
- ii. The norms for PMRTS Service Authorisation and Enterprise Communication Service Authorisation have been prescribed under the Financial Conditions of respective Service Authorisations.**

ii) Migration:

Q58. In case of migration, how the entry fee already paid by the company be calculated/ prescribed for the relevant authorisation(s)? Please provide detailed justification in support of your response.

Q59. Should the application processing fee be applicable in case of migration. In case the response is yes, what should be amount of application processing fee? Please give reason(s) in support of your answer.

Comments of stakeholders on migration:

3.227 Majority of stakeholders have stated that no EF should be applicable since the existing licensees have already paid entry fee.

3.228 Some stakeholders further stated that if there is an overall reduction in the EF for obtaining a new license under the proposed regime, the benefit should also be extended to the existing licensees, to maintain a level playing field and

in case migration extends the life of these authorisations, then an EF may be charged subject to pro-rata rebate calculated on an old EF for remainder life.

- 3.229 One stakeholder stated that entry fees already paid by the service providers should be adjusted on a pro rata basis based on remaining tenure of license.
- 3.230 Majority of stakeholders stated that no application fees shall be levied.
- 3.231 Some stakeholders stated that nominal application fees of INR 50,000 should be levied in case of migration.

Analysis:

- 3.232 In its Recommendations on the Rationalization of Entry Fees and Bank Guarantees dated September 19, 2023, the Authority stated that an entry fee is a fixed, one-time payment that prospective entrants must make to enter a market. These fees are typically non-refundable.
- 3.233 It was also recommended that entry fees should be charged only at the time of entry and not at the time of license renewal.
- 3.234 In light of this, the Authority is of the view that the same condition should apply to migration as well. Existing operators should not be required to repay the full entry fee. If the entry fee for an authorisation exceeds the amount already paid by the operator, only the balance amount should be levied. Moreover, since the operators have already paid the application processing fee at the time of entry, Existing operators should not be required to repay the application processing fee while migrating.
- 3.235 The Authority is of the view that the minimum Authorization Fee for an old licensee migrating to new regime shall be calculated based on the Entry Fee as recommended by the Authority under the new service authorisation regime.

3.236 Accordingly, **in case of migration of the licensees of the old regime to the new authorisation framework, the Authority recommends the following:-**

- (a) There should be no requirement of application processing fee**
- (b) In case of migration to the new Service Authorisation, the differential Entry Fee i.e. the Entry Fee applicable for the Service Authorisation in which the Authorised Entity is getting migrated minus the sum of Entry fee already paid by the Licensee in the old regime for the Service Authorisation(s) getting migrated shall be levied.**
- (c) In cases where the Entry Fee already paid by the Licensees of the old regime exceeds the Entry Fee to be paid now for migration to new authorisation framework, there will be no refund of the Entry Fee.**
- (d) The Minimum Authorisation Fee for an old licensee migrating to new regime shall be calculated based on the Entry Fee specified under the new regime. For migrating licensee, for authorisations with 'Nil' Entry Fee, the Minimum Authorisation Fee shall be as prescribed under the new service authorisation.**

iii) Security Interest:

Q60. What should be terms and conditions of security interest which Government may prescribe? Please provide detailed response.

Q61. Whether there are any other issues/ suggestions relevant to the fees and charges for the authorisations to provide telecommunication services? The same may be submitted with proper explanation and justification.

Comments of stakeholders

3.237 One of the stakeholders suggested that the existing provisions of the Insolvency & Bankruptcy Code, 2016 provide a mechanism for addressing

government dues in the event of insolvency, as IBC 2016 provides sufficient safeguards.

- 3.238 One of the stakeholders is in favour of creating security interest against spectrum to secure borrowings suggesting modifications in it viz. in case of default, the lenders should be given preference over spectrum under Tripartite agreement, lender can monetise the spectrum charge by sale of spectrum, no fees should be charged by DoT in case of spectrum sale by lender to recover their dues, there should be flexibility in creating security interest for specific spectrum band.
- 3.239 Some stakeholders have mentioned minimal security requirements for security interest, except allowing only trusted sources equipment.

Analysis

- 3.240 The UASL license had the provision of a Tripartite agreement between the licensor, licensee and the lending bank / institution, that gave a comfort to the credit lending institution. It was also designed in a manner that it gave protection to the dues of the government in the eventuality of recovery in the case of default by an operator / licensee.
- 3.241 Further to delinking of spectrum from the license in UL, DoT vide 1-11/2015-LFP-I/TPA dated 03/10/2016 has allowed the service providers to keep the rights to use the Access Spectrum as security to obtain financial assistance from the lenders. This agreement also provides first charge to the dues of government in case of default by licensee.
- 3.242 Since then, the Insolvency and Bankruptcy code has been introduced and all default / insolvency cases are being decided under the said law and the dues are treated according to the provisions laid under the new law. As such, the dues under the license agreement are presently treated as that of operational

creditors and the priority is lower than that of financial creditors in the prescribed waterfall mechanism of IBC.

3.243 The circumstances under which the Tripartite Agreement was envisaged earlier has also undergone changes as mentioned below:

(i) In the 2010 auction, there was no provision of installments and bid amount had to be paid upfront. Subsequent auctions also had a significant amount of bid amount as upfront payment.

(ii) Payments terms have been significantly eased for auctions held in 2022 and 2024. There is no stipulation requiring for large upfront payment and the option for making payment in 20 equal annual instalments is also being provided.

(iii) DoT has not provided the facility of a Tripartite Agreement in the NIA of 2022 and 2024 auctions.

3.244 Further, the matter of whether spectrum is to be treated as an asset under IBC is under litigation in the Hon'ble Supreme Court's Aircel case (CA 6546/2021).

3.245 The authorised entities obtain License/Authorisation from DoT and also allotment of the right to use of spectrum. The rest of the assets are of the entity holding the authorisation and in case of default the banks have provisions under SARFAESI Act and IBC 2016 for recovery of dues.

3.246 In case of license and right to use spectrum as the matter is sub-judice, it is felt that the outcome of the civil appeal of DoT pending in Hon'ble SC be awaited to have clarity in framing terms and conditions of security interest.

3.247 Accordingly, **the Authority is of the view that DoT may suitably frame the terms and conditions related to security interest after obtaining the recommendations from TRAI, if necessary.**

Chapter IV: Summary of Recommendations

- A. Broad Framework for Authorisations to be Granted Under Section 3(1) of the Telecommunications Act, 2023

4.1 The Authority recommends that-

- (a) The Central Government should grant Service Authorisation under section 3(1) of the Telecommunications Act, 2023 instead of entering into an agreement with the entity.**
- (b) For any change(s) in the terms and conditions of the Authorisation, except for the reason of the interest of the security of the State, the Central Government should seek TRAI's recommendations.**

[Para 2.26]

4.2 The Authority recommends that the service authorisations to be granted under Section 3(1)(a) of the Telecommunications Act, 2023 should be organized in the following manner:

- (a) Main service authorisations**
- (b) Auxiliary service authorisations**
- (c) Captive service authorisations**

[Para 2.65]

4.3 The Authority recommends that in respect of each main service authorisation, there should be an option for obtaining the authorisation for the provision of service as a Virtual Network Operator (VNO).

[Para 2.66]

4.4 The Authority recommends that the Rules under Section 3(1)(a) of the Telecommunications Act, 2023 should be organized in the manner given below:

- (a) Telecommunications (Grant of Service Authorisations) Rules**
- (b) Telecommunications (Main Service Authorisations) Rules**
- (c) Separate rules for each auxiliary service authorisation**
- (d) Separate rules for each captive service authorisation**

[Para 2.67]

4.5 The Authority recommends that-

- (a) The Telecommunications (Grant of Service Authorisations) Rules should contain the terms and conditions for the grant of various service authorisations under Section 3(1)(a) of the Telecommunications Act, 2023. In this regard, the Authority recommends the terms and conditions which should be included in the Telecommunications (Grant of Service Authorisations) Rules, enclosed as Annexure-2.2.**
- (b) Each service authorisation to be granted by the Central Government under Section 3(1)(a) of the Telecommunications Act, 2023 should be in the form of an authorisation document, containing the essential elements of the service authorisation. The format for the authorisation document is included in Annexure-2.1.**
- (c) The detailed terms and conditions should be prescribed through the rules notified under Section 3(1)(a) of the Telecommunications Act, 2023.**

[Para 2.68]

4.6 The Authority recommends that –

- (a) the Telecommunications (Main Service Authorisations) Rules should cover the terms and conditions for providing services under the main authorisations, such as access service, internet service, long distance service, satellite-based telecommunication service, M2M WAN service etc.**

- (b) The service authorisations under the category of main service authorisations, should be granted in the role of Network Service Operator (NSO) or Virtual Network Operator (VNO), based on the request of the applicant. The service authorisation granted in the role of NSO should authorise the entity to deploy a full-scale network as well as to provide services as per the scope of the service authorisation. On the other hand, the service authorisation granted in the role of VNO should authorise the entity to provide services as per the scope of the service authorisation by using the network services of its parent NSO.**
- (c) While granting a service authorisation to an entity in the role of VNO, the word VNO should be inserted within the name of service authorisation. On the other hand, while granting a service authorisation to an entity in the role of NSO, the name of the service authorisation should remain unchanged.**
- (d) There should be specific terms and conditions to be applicable on the VNOs under each main service authorisation, which should be made applicable over and above the terms and conditions of the service authorisation. In this regard, the Authority recommends the terms and conditions which should be included in the Telecommunications (Main Service Authorisations) Rules, as enclosed as Annexure-2.3.**

[Para 2.69]

- 4.7 The Authority recommends that in respect of each auxiliary service Authorisation, a separate rule containing the terms and conditions for the provision of respective auxiliary services such as PMRTS, M2M and WLAN/ WPAN connectivity service, IFMC, etc. should be formulated. In this regard, the Authority recommends the terms and conditions which should be included in the respective rules for the provision of auxiliary services, as enclosed as Annexure-2.4.1 to 2.4.8.**

[Para 2.70]

4.8 The Authority recommends that in respect of each captive service Authorisation, a separate rule containing the terms and conditions for the provision of respective captive services such as CMRTS, CNPN, Captive VSAT CUG etc. should be formulated. In this regard, the Authority recommends the terms and conditions which should be included in the respective rules for the provision of captive services, as enclosed as Annexure-2.5.1 to 2.5.4.

[Para 2.71]

4.9 The Central Government may issue instructions/ directions/ orders/ guidelines under the Rules notified under the Telecommunications Act, 2023.

[Para 2.72]

4.10 The Authority recommends that any person may, without a service authorisation, establish, operate, maintain, or expand telecommunication network (not being a wireless telecommunication network) within the limits of a single building, compound or estate, provided that no part of such telecommunication network should pass over or under a public road.

[Para 2.73]

4.11 The Authority recommends that-

(a) An authorised entity should not be permitted to hold more than one service authorisation for a given telecommunication service in a given service area issued under Section 3(1)(a) of the Telecommunications Act, 2023.

(b) Further, in case an authorised entity, which already holds a service authorisation in a service area under the Telecommunications Act, 2023 or a license under the Indian Telegraph Act, 1885, decides to obtain another service authorisation, whose scope of service and service area(s)

includes the scope of service and service area(s) under the service authorisation/ license already held by such entity, in entirety, then such service authorisation/ license already held by the authorised entity should be treated as subsumed in the new service authorisation and it should cease to exist.

[Para 2.75]

- B. Need for a single authorisation for the provision of end-to-end telecommunication services

4.12 The Authority recommends that-

- (a) In addition to the service specific authorisations, a Unified Service authorisation should be introduced with the National level service area. The scope of Unified Service authorisation should include the provision of main telecommunication services namely, Access Service, Internet Service, Long Distance Service, Satellite-based Telecommunication Service, and M2M WAN Service.**
- (b) An authorised entity holding the Unified Service authorisation should have complete flexibility to carry its own traffic within its service area i.e. at National level.**
- (c) The Unified Service authorised entity should be permitted to-**
 - (i) Deploy any of its equipment anywhere in India. However, authorised entity should make arrangements for provisioning of lawful interception and monitoring facilities in the respective State/ Union Territories for meeting the specified security conditions. Similarly, the connectivity to disaster management platform and PSAP should remain at the State/ UT Level.**
 - (ii) Interconnect with other eligible authorised entities for handing/ taking over the PSTN, PLMN and GMPCS telephony traffic at any mutually agreed location, failing**

which, the interconnection should take place at the point of interconnection(s), as specified in the TRAI's interconnection regulations.

- (iii) At this stage, the assignment of access spectrum, backhaul spectrum and numbering resource should continue to be assigned at the Telecom Circle/ Metro level.**
- (iv) The recommendations w.r.t. financial conditions for Unified Service authorisation are available in the subsequent section of these recommendations.**
- (d) The detailed terms and conditions for Unified service authorisation to be included in the Telecommunications (Main Service Authorisations) Rules, are enclosed as Annexure-2.3.**
- (e) To reap full-scale benefits of Unified Service authorisation, the Authority recommends that the Central Government should enable a roadmap for having a truly single pan-India network for providing all types of telecommunication services. The roadmap should provide a glide path leading to financial accounting and reporting, assignment of numbering resources, assignment of spectrum at a National level for Unified Service authorised entity.**

[Para 2.104]

C. Need for enhancing the scope under the Internet Service Authorisation

4.13 The Authority recommends that the scope of Internet Service authorisation under the Telecommunications Act, 2023 should also include the provision of Domestic Leased Circuits (DLCs)/ Virtual Private Networks (VPNs). In other words, an authorised entity, having an authorisation to provide Internet Service under the

Telecommunications Act, 2023 should be permitted to also provide Domestic Leased Circuits (DLCs)/ Virtual Private Networks (VPNs).

[Para 2.116]

4.14 The Authority recommends that

- (a) The Service Area for Category-C authorisation shall be at 'Sub-circle' level.**
- (b) A 'Sub-circle' should comprise of up to four (4) revenue districts within a Telecom Circle/ Metro area.**
- (c) While applying for the service authorisation, the applicant entity should have the flexibility to provide details of one or more (up to 4) districts in a Telecom Circle/ Metro and during the currency of the authorisation, the authorised entity can expand in more (up to 4) districts in the relevant Telecom Circle/ Metro after giving a prior intimation to the Central Government.**
- (d) In case the Authorised Entity intends to provide services in more than four districts (sub-circle) in a Telecom Circle/ Metro Area, it should obtain Category-B Authorisation for that Telecom Circle/ Metro area.**

[Para 2.119]

D. Need for reducing the number of authorizations or adding new authorisations

4.15 The Authority recommends the following:

- (a) The scope of the extant NLD service and ILD service authorisations should be merged into a single Long Distance Service Authorisation.**
- (b) The scope of Long Distance service Authorisation should include establishment of Cable Landing Station (CLS) for submarine cable for both national and international long-distance services.**
- (c) The detailed terms and conditions for the Long Distance Service Authorisation have been included in the terms and conditions for**

Telecommunications (Main Service Authorisations) Rules placed at Annexure-2.3.

[Para 2.143]

4.16 The Authority recommends the following:

- (a) The scope of the extant GMPCS service authorization and Commercial VSAT CUG Service authorization should be merged into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023.**
- (b) The scope of the Satellite-based Telecommunication Service authorisation should include both GMPCS and VSAT based FSS. The Authorised Entity may choose to provide any or all the services permitted under the scope of Satellite-based Telecommunication Service authorisation.**
- (c) The Authorised Entity should be permitted to provide internet service through GMPCS as well as VSAT based FSS.. There should be no need to obtain internet service authorisation separately. However, in case the Authorised Entity provides Internet Services, all the conditions for the provision of Internet services applicable on Internet Service authorised entities shall have to be fulfilled by the Authorised Entity.**
- (d) The Authorised Entity should be permitted to use its Satellite Earth Station Gateway established in India for providing service in foreign countries after obtaining permission from the Central Government.**
- (e) The detailed terms and conditions for the Satellite-based Telecommunications Service Authorisation have been included in the terms and conditions for Telecommunications (Main Service Authorisations) Rules placed at Annexure-2.3.**
- (f) The Authority clarifies that the emergency SOS messaging services via Satellite using MSS frequencies is covered under the**

scope of extant GMPCS authorisation under Unified License as well as under the scope of the recommended Satellite-based Telecommunication Service Authorisation under the Telecommunications Act, 2023.

[Para 2.163]

4.17 The Authority recommends that:

- (a) the M2MSP Registration and WPAN/ WLAN Connectivity Provider Registration under the extant regime should be clubbed together to form a new authorisation namely 'M2M Service and WPAN/ WLAN Connectivity Service' authorisation under the Telecommunications Act, 2023. In this regard, the terms and conditions for M2M Service and WPAN/ WLAN Connectivity Service authorisation are enclosed as Annexure 2.4.3.**
- (b) As Long Distance Service authorisation for both NSO and VNO has already been recommended by the Authority in an earlier section of these recommendations, separate VNO authorisations for (i) NLD Service (ii) ILD Service, and (iii) Resale of IPLC Service would not be required any longer and hence should not be included in the new authorisation framework under the Telecommunications Act, 2023.**
- (c) As Satellite-based Telecommunication Service authorisation for both NSO and VNO has already been recommended by the Authority in an earlier section of these recommendations, separate VNO authorisations for (i) Commercial VSAT CUG Service (ii) GMPCS would not be required any longer and hence should not be included in the new authorisation framework under the Telecommunications Act, 2023.**

[Para 2.171]

- E. Need for any change in the terms and conditions of respective Service Authorisation with respect to the corresponding terms and conditions under Unified Licensing (UL)

4.18 The Authority recommends that the following should be included in the terms and conditions of the Telecommunication (Main Service Authorisation) Rules:

- (a) For providing the service, use of Non-Terrestrial Network (NTN) shall be permitted to the Access Service authorised entity and Unified Service authorised entity.**
- (b) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.**
- (c) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal made under the Telecommunications Act, 2023.**
- (d) An authorised entity providing telecommunication services shall establish an online mechanism to enable users to register any grievance pertaining to the telecommunication service, and redressal of such grievances, in such manner as may be prescribed.**
- (e) The Authorised Entity may share its own active and passive infrastructure for providing services authorised to it under any other authorisation issued by the Central Government.**
- (f) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery**

and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under its authorisation(s) with all other eligible authorised entities.

- (g) **Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated under its authorisation(s) with all other eligible authorised entities as per the scope of their services. However, the sharing of core network elements shall not be done if the number of independent core networks held by the licensees for the concerned telecommunication service is reduced to less than two by such sharing.**
- (h) **Sharing of the Lawful Interception System (LIS) held by an Authorised Entity with other authorised entities is allowed with the permission of the Central Government on a case-to-case basis.**
- (i) **For sharing of infrastructure as per the above conditions, mutual agreements may be entered amongst the eligible authorised entities.**
- (j) **The Central Government may provide for such security interest which an authorised entity may provide to lenders financing such entities on such terms and conditions of such security interest, which will be governed by the Rules notified by the Central Government under section 45 of the Telecommunications Act, 2023.**
- (k) **The Authorised Entity shall be liable to pay the Financial Disincentives (FD) imposed by TRAI for violation of the TRAI's regulations/ orders/ directions. In case the Authorised Entity fails to pay the FD amount to TRAI and if TRAI advises so, the Central Government shall recover the amount from the Bank Guarantees furnished by the Authorised Entity to the Central Government under any Authorisation. The decision of the TRAI regarding the imposition of Financial Disincentives and amount**

thereof shall be final and will be subject to the appeal as per the provisions of TRAI Act, 1997.

- (l) The Authorised Entity shall comply with the terms and conditions of the Authorisation and shall be bound by the regulations/ orders/ directions issued by TRAI in respect of ensuring compliance of the terms and conditions of the Authorisation under the provisions of TRAI Act.
- (m) The Authorised Entity having Unified Service Authorisation can provide the service(s) permitted under the scope of Unified Service Authorisation, only under its Unified Service Authorisation and not under any other authorisation/ license.
- (n) The Authorised Entity having Access Service Authorisation can provide the service(s) permitted under the scope of Access Service Authorisation, only under its Access Service Authorisation and not under any other authorisation/ license.
- (o) The Service Area for M2M WAN Service Category-C authorisation shall be 'Sub-circle'. The Sub-circle shall mean up to four districts within a Telecom Circle/ Metro Area. The Authorised Entity shall be permitted to choose any four districts in the Telecom Circle/ Metro Area. In case an Authorised Entity with Category-C authorisation intends to provide M2M WAN Service beyond four districts in a Telecom Circle/ Metro Area, it shall have to migrate to Category-B authorisation in the Telecom Circle/ Metro Area.
- (p) The M2M WAN Service Authorised Entity can deploy Subscription Manager-Secure Routing (SM-SR) for over-the-Air (OTA) profile subscription management of M2M eSIMs.
- (q) The M2M WAN Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, shall not refuse integration of its SM-SR with the SM-DP of eligible authorised entities, whose profiles are to be added in such M2M eSIMs, upon the request of the

concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service.

- (r) The M2M WAN Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, should mandatorily facilitate switching of its SM-SR with the SM-SR of another entity, eligible to hold SM-SR in India, upon the request of the concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service . Such SM-SR switching should be carried out as per the GSMA's specifications and should be completed within a period of six months from the date of receipt of the formal request from the concerned authorised entity providing M2M Service and WLAN/ WPAN Connectivity Service.**

[Para 2.196]

4.19 The Authority recommends that the Electro Magnetic Field (EMF) Norms, the accuracy of mobile user's location details, the process of Calling Line Identification Restriction (CLIR), Spectrum Cap, and the conditions for provision of IPTV by eligible authorised entities etc. should be provided by the Central Government by issuing suitable directions/ orders/ instructions/ guidelines/ norms.

[Para 2.197]

4.20 The Authority recommends that -

- (i) Central Government may take up the issue with the concerned security agencies and may explore a mechanism to suitably compensate the service providers towards fulfilling the additional security related requirements.**
- (ii) Except for disaster related messages, the concerned Government agency should devise a mechanism to suitably compensate the service providers for dissemination of the public broadcast messages.**

[Para 2.202]

- F. Need for any change in the terms and conditions of respective Service Authorisation with respect to the corresponding terms and conditions under Unified Licensing (VNO)

4.21 The Authority recommends that:

- (a) The period of validity of the VNO authorisations should be 20 years.**
- (b) The VNO Authorised Entity should be permitted to obtain IP Addresses and domain names either from its parent NSO(s) or directly from the Internet registry.**
- (c) Within Access Service authorisation, there should be two VNO authorisations, namely, Access Service VNO at Telecom Circle/ Metro Area level, and Access Service Category-C VNO authorisation at Sub-circle level. An entity holding Access Service Category-C VNO authorisation can provide only wireline access service at the Sub-circle level. The Sub-circle should mean up to four districts within a Telecom Circle/ Metro Area. The Access Service Category-C VNO Authorised Entity should be permitted to choose any four districts in the Telecom Circle/ Metro Area. In case an Access Service Category-C VNO Authorised Entity intends to provide wireline access service beyond four districts in a Telecom Circle/ Metro Area, it should obtain an Access Service VNO authorisation in the Telecom Circle/ Metro Area.**

[Para 2.214]

- G. Need for service-specific parenting of VNOs to NSOs

4.22 The Authority recommends that-

- (a) Under the new authorization framework, the parenting of VNOs should be service-specific and not authorisation specific. In other words, a VNO holding an authorisation for providing a**

specific service in a service area should be permitted to get parented to any NSO, which is authorised to provide such service in the service area, irrespective of the authorisation held by such NSO.

- (b) If an ISP-VNO authorised entity gets parented to a Satellite-based Telecommunication Service Authorised Entity, the conditions applicable on Satellite-based Telecommunication Service VNO Authorised Entity for the provision of Internet Service will also apply on the ISP-VNO.**
- (c) The VNO shall be liable to pay AGR-based spectrum charges at the same rate as applicable on its parent NSO for the relevant portion of its AGR.**

[Para 2.233]

H. Need for changes in the terms and conditions of respective Service Authorisation with respect to the corresponding terms and conditions under Standalone authorisations

4.23 The Authority recommends that:

- (a) The authorised entity providing Satellite-based Telecommunication Service should be permitted to provide the satellite-based connectivity for IFMC services and the IFMC providers should be allowed have mutual commercial arrangement with such entities for provision of IFMC services.**
- (b) The scope of IFMC service authorisation should be expanded to cover the Continental Shelf and the Exclusive Economic Zone of India.**
- (c) The scope of the extant M2M Service registration and M2M WPAN/ WLAN Connectivity Service Registration should be merged into a single authorisation namely - M2M Service and M2M WPAN/ WLAN Connectivity Service Authorisation and it**

should be included in the Category of Auxiliary Service Authorisations.

- (d) The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity can deploy Subscription Manager-Secure Routing (SM-SR) for over-the-Air (OTA) profile subscription management of M2M eSIMs.**
- (e) The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, shall not refuse integration of its SM-SR with the SM-DP of eligible authorised entities, whose profiles are to be added in such M2M eSIMs, upon the request of the concerned M2M Service and WLAN/ WPAN Connectivity Service Provider.**
- (f) The M2M Service and M2M WPAN/ WLAN Connectivity Service Authorised Entity, whose SM-SR controls M2M eSIMs in India, should mandatorily facilitate switching of its SM-SR with the SM-SR of another entity, eligible to hold SM-SR in India, upon the request of the concerned authorised entity. Such SM-SR switching should be carried out as per the GSMA's specifications and should be completed within a period of six months from the date of receipt of the formal request from the concerned authorised entity.**
- (g) The scope of Audio Conferencing/Audiotex/Voice Mail service authorisation should be enhanced to include Cloud based EPABX service also. Further, as these services are being provided, generally, to the enterprise customers, the name of the authorisation should be changed to Enterprise Communication Service Authorisation, and it should be included in the category of Auxiliary Service authorisations.**
- (h) The conditions related to infrastructure sharing, as included in the main service authorisations, should also be included in all the authorisations coming under the category of Auxiliary Service Authorisations.**

- (i) Terms and conditions of authorisation for sale/ rent of International Roaming SIM Cards/ Global Calling Cards of Foreign operators in India should be light-touch and the authorisation should be granted online with digitally signed auto-generated authorisation.**
- (j) Suitably incorporating above recommendations, the terms and conditions of the respective authorisations under the category of Auxiliary Service have been recommended and enclosed as Annexure 2.4.1 to 2.4.8.**

[Para 2.255]

I. Other issues raised through separate DoT's References

- (i) Data Communication Service Between Aircraft and Ground Stations Provided by Organizations Other Than Airports Authority of India**

4.24 The Authority recommends that the data communication services between aircraft and ground stations provided by organizations other than Airports Authority of India should be regulated through a 'light touch' auxiliary service authorisation under Section 3(1)(a) of the Telecommunications Act, 2023. The service authorisation may be termed as Data Communication Service Between Aircraft and Ground Stations Authorisation (in short, "DCSBAGS Authorisation").

[Para 2.286]

4.25 The Authority recommends that the service area of the DCBAGS Authorisation should be at the National level.

[Para 2.290]

4.26 The Authority recommends that-

- (a) The period of validity of the DCBAGS Authorisation should be kept as 20 years from the effective date of the Authorisation.**
- (b) The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the period of validity of the**

Authorisation, upon the request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy.

- (c) No Entry Fee should be levied at the time of renewal of the Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.**

[Para 2.294]

4.27 The Authority recommends that:

- (a) The Authorised Entity should be permitted to provide DCSBAGS on a non-exclusive basis to airline operators, and air navigation service providers such as Airports Authority of India. The DCSBAGS involves the exchange of data between aircraft and ground stations for the purpose of air traffic management (ATM) and airline operational communication (AOC) using Very High Frequency (VHF) spectrum allocated for Aeronautical Mobile (R) Service.**
- (b) The Authorised Entity may establish one or more ground stations in India. However, the Authorised Entity shall have to separately obtain frequency assignment and SACFA clearance from the Central Government before establishing any ground station in the country.**
- (c) The Authorised Entity should not be permitted to connect its telecommunication network, deployed under the Authorisation, to public networks.**
- (d) Under the Authorisation, the Authorised Entity, should not be permitted to provide any telecommunication/ broadcasting service, other than the DSCBAGS, which requires a separate service authorisation from the Central Government.**

Illustration: The Authorised Entity should not be permitted to provide in-flight and maritime connectivity (IFMC) service to passengers on-board the aircraft.

- (e) The Authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required as per Section 4 of the Telecommunications Act, 2023. Upon obtaining frequency spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable on the Authorised Entity along with the terms and conditions of the Authorisation.**

[Para 2.298]

4.28 The Authority recommends that the technical conditions on the DCSBAGS Authorisation should cover, *inter-alia*, the following conditions:

- (a) The Authorised Entity shall utilize any type of equipment and products that meets TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standards, the Authorised Entity may utilize only those equipment and products which meet the relevant standards set by international standardization bodies such as ICAO, ITU, ETSI, IEEE, ISO, IEC etc.; or set by international fora, such as 3GPP, IETF, MEF, WiMAX, Wi-Fi, IPTV, IPv6 etc. as recognized by TEC or ICAO and subject to modification/adaptation, if any, as may be prescribed by TEC or ICAO from time to time.**
- (b) At the time of assignment of frequency spectrum, the Central Government may prescribe specific technical conditions including technology to be used in the telecommunication network deployed by the Authorised Entity under the Authorisation.**

- (c) The Authorised Entity shall comply with the regulations on Quality of Service (QoS) as may be prescribed by TRAI. Any failure on the part of the Authorised Entity to adhere to the standards of QoS prescribed by TRAI is liable to be treated as a breach of terms and conditions of the Authorisation.

[Para 2.302]

4.29 The Authority recommends that the operating conditions on the DCSBAGS Authorisation should cover, *inter-alia*, the following conditions:

- (a) The Authorised Entity shall be responsible for installation, proper upkeep, and maintenance of the Applicable System to be established under the Authorisation.
- (b) The Authorised Entity shall ensure the protection of privacy of communication and ensure that any unauthorized interception of messages does not take place.
- (c) Any dispute, with regard to the provision of service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this aspect to all before providing the service. In no case, the Central Government shall bear any liability or responsibility in the matter. The Authorised Entity shall keep the Central Government and TRAI indemnified for all claims, cost, charges, or damages in the matter.
- (d) Upon assignment of frequency to the Authorised Entity by the Central Government for any ground station, the Authorised Entity shall roll out the network at the ground station within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network at any ground station, for which frequency spectrum has been assigned by the Central Government, shall mean installation and commissioning of the ground station.

- (e) For verification of the installation and commissioning of any ground station, the Authorised Entity shall register with the LSA Field Unit of the Department of Telecommunications (DoT), as per the procedure prescribed by the Central Government. The date of registration by the LSA Field Unit of the DoT shall be treated as the date of meeting the roll-out obligations at the ground station in case of a successful verification of the roll-out of the network at the ground station. If the verification of the roll out fails, the Authorised Entity shall re-register with the LSA Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by the LSA Field Unit of the DoT shall be treated as the date of meeting the roll out obligation subject to a successful verification. If the network at a ground station is rolled out after the expiry of the due date, such delay in the rollout of the network shall entail a recovery of Liquidated Damages (LD):**

Provided that if the roll out of the network at a ground station is completed within 30 calendar days of the expiry of the due date, the Central Government shall accept the roll out of the network at a ground station without levying any LD charges.

- (f) In case the Authorised Entity fails to roll out the network at a ground station within the prescribed period, the Central Government shall be entitled to recover LD charges @ ₹ 10,000/- (Rupees ten thousand only) per month of delay subject to a maximum amount of ₹ 2.4 lakh. For the delay of more than 24 months, the frequency assignment at the ground station may be withdrawn in addition to the imposition of the maximum amount of LD. For calculation of the delay in compliance of roll out obligations, a month shall mean one calendar month and any extra day shall be counted as full month for the purpose of the recovery of LD.**

- (g) The Central Government or its authorised representative shall have the right to access and inspect sites and telecommunication equipment used by the Authorised Entity for providing DCSBAGS.**
- (h) The Authorised Entity shall not cause or allow to cause harmful interference to other authorised users of radio spectrum.**
- (i) For the elimination of harmful interference, the Authorised Entity shall abide by all instructions and orders issued by the Government.**
- (j) Common Signaling Channel: In accordance with the clause 4.1.3.3 of Volume V (Aeronautical Radio Frequency Spectrum Utilization) of Annex 10 to the Convention on International Civil Aviation (Aeronautical Telecommunications), the frequency 136.975 MHz is reserved on a worldwide basis to provide a common signaling channel (CSC) to the VHF digital link (VDL). The use of the said frequency shall be on a sharing basis in India. However, the assignment of frequency spectrum shall be governed by Section 4 of the Telecommunications Act, 2023 and the rules made thereunder.**

[Para 2.306]

4.30 The Authority recommends that the security conditions under DCSBAGS authorisation should cover, *inter-alia*, the following conditions:

- (a) The Authorised Entity shall be completely and totally responsible for the security of its network.**
- (b) The Authorised Entity shall meet the instructions/ directions of the Central Government issued from time to time in the interest of national security as per the relevant sections of the Telecommunication Act, 2023.**
- (c) The Authorised Entity shall abide by the instructions issued by the Central Government on the security aspects related to the establishment and operation of ground station near Line of**

Control (LOC), Line of Actual Control (LAC) and International Border.

- (d) As per Section 21(f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.**

[Para 2.310]

4.31 The Authority recommends that-

- (a) Minimum Equity and Minimum Net worth: There shall be no requirement of minimum equity and minimum net worth in respect of DCSBAGS authorisation.**
- (b) Application Processing Fee: A non-refundable processing fee of Rs. 10,000/- (Rupees Ten thousand only) shall be paid for the grant of DCSBAGS authorisation.**
- (c) Entry Fee: A non-refundable one-time Entry Fee of Rs. 1,00,000/- (Rupees One lakh only) shall be paid for the grant of DCSBAGS authorisation. No entry fee should be levied at the time of renewal of DCSBAGS authorisation.**
- (d) Authorisation Fee: Only a token Authorisation Fee of Re. one (1) per annum should be levied on the DCSBAGS Authorised Entity.**
- (e) Bank Guarantees: No Bank Guarantee should be required to be obtained from the DCSBAGS Authorised Entity.**

[Para 2.315]

4.32 The Authority recommends that only the companies registered under the Indian Companies Act should be eligible to apply for grant of DCSBAGS License.

[Para 2.321]

4.33 The Authority recommends the terms and conditions to be included in the Telecommunication (Authorisation for Data Communication Service Between Aircraft and Ground Stations) Rules, 2024 enclosed as Annexure 2.4.7.

[Para 2.325]

(ii) PMRTS and CMRTS Authorisations

4.24 The Authority recommends that –

- (a) Under the Telecommunications Act, 2023, the public mobile radio trunking services should be regulated through a standalone auxiliary service authorisation, namely Public Mobile Radio Trunking Service Authorisation (in short, PMRTS Authorisation).**
- (b) The period of validity of the PMRTS Authorisation should be 20 years.**
- (c) The Service Area of the PMRTS Authorisation should be the Telecom Circle/ Metro area.**
- (d) The Scope of service under the PMRTS Authorisation should be to provide Public Mobile Radio Trunking Service (PMRTS) on a non-exclusive basis in the designated Service Area. 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;**

- (ii) The pair of frequencies is allocated on placement of call request and returned to the pool on completion of call; and
 - (iii) Communication usually takes place through a repeater station (also called base station). Once a user is assigned a channel (a pair of frequencies) by the system, no one else can interfere with the communication.
- (e) For providing the service, the PMRTS Authorised Entity should utilize any type of equipment and product that meets TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standard, the PMRTS Authorised Entity may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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.
- (f) The PMRTS Authorised Entity should comply with the regulations on Quality of Service (QoS), as may be prescribed by TRAI. Failure on the part of the Authorised Entity to adhere to the regulations on QoS prescribed by TRAI should be liable to be treated as breach of terms and conditions of Authorisation.
- (g) There should be no interconnection between two separately authorised PMRTS systems.
- (h) Inter-site connectivity should be permitted to the PMRTS Authorised Entity between its own sites within the Service Area.
- (i) The PMRTS Authorised Entity should be permitted to have connectivity with PSTN/ PLMN subject to the following conditions:
 - (i) PSTN/ PLMN connectivity (outgoing only) should be limited to one PSTN/ PLMN line for Five (5) RF Channels

- (of 25 KHz each) for analogue system from only one authorised entity having authorisation to provide Access Service in the Service Area.
- (ii) PSTN/ PLMN connectivity (outgoing only) should be limited to a 30 channel E-1/ PRI/ SIP link for digital system up to 10,000 users and thereafter, an additional 30 channel E-1/ PRI/ SIP link for each additional 10,000 customers or part thereof, only with one authorised entity having authorisation to provide Access Service.
 - (iii) Incoming PSTN/ PLMN connectivity should be prohibited to the PMRTS Authority Entity.
- (j) PMRTS Authorised Entity should be allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.
 - (k) PMRTS Authorised Entity should be allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.
 - (l) A provision should be included in the terms and conditions of the PMRTS Authorisation that the Authorised Entity would have to separately obtain an assignment of spectrum for the city/ town, where it intends to provide PMRTS. However, there should be no need to obtain a separate wireless operating authorisation (WOA) for this purpose.
 - (m) Upon assignment of frequency to the Authorised Entity by the Central Government in any city/ town, the Authorised Entity should roll out the network within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network in any city/ town, for which frequency has been

assigned by the Central Government, shall mean installation and commissioning of the Applicable System including at least one Base Station (Fixed Station) in the city/ town.

- (n) For verification of the commissioning of the Applicable System, the PMRTS Authorised Entity should register with the LSA Field Unit of the DoT, as per the procedure prescribed by the Central Government. Date of registration by the LSA Field Unit of the DoT should be treated as the date of commissioning in case of successful verification of the rollout of the network. If the verification of the roll out of the network fails, then the PMRTS Authorised Entity should re-register with the LSA Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by the LSA Field Unit of the DoT should be treated as the date of meeting the roll out obligation subject to successful verification. If the network is rolled out after the expiry of the due date, such delay in the rollout of network should entail recovery of Liquidated Damages (LD) under this condition:**

Provided further that if the rollout of the network is effected within 30 calendar days of the expiry of the due date then the Central Government should accept the rollout of network without levy of LD charges.

- (o) In case the PMRTS Authorised Entity fails to rollout the network within the period prescribed, the Central Government should be entitled to recover LD charges @ ₹ 10,000/- (Rupees Ten thousand only) per month of delay subject to a maximum amount of ₹ 2.4 lakh. For the delay of more than 24 months, in addition to imposition of maximum amount of LD, the frequency assignment may be withdrawn. The bank guarantee (BG) should be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. The Authorised Entity, on such occasions, should**

restore the partially encashed bank guarantee to the full amount. Any failure to do so should amount to a violation of the terms and conditions of the PMRTS Authorisation. For calculation of delay in compliance of roll out obligations, the month should mean one calendar month and any extra day should be counted as full month for the purpose of recovery of liquidated damages.

[Para 2.357]

4.25 The Authority recommends that –

- (a) Under the Telecommunications Act, 2023, the captive mobile radio trunking services should be regulated through a standalone captive service authorisation, namely Captive Mobile Radio Trunking Service Authorisation (in short, CMRTS Authorisation).**
- (b) The period of validity of the CMRTS Authorisation should be 20 years.**
- (c) The Service Area of the CMRTS Authorisation should be location specific.**
- (d) The PMRTS Authorised Entity should be permitted to provide Captive Mobile Radio Trunking Service i.e., Mobile Radio Trunking Service for only captive use. It should not be permitted to provide Mobile Radio Trunking Service (MRTS) to any other entity. Only real-time voice and message communication among the users of the CMRTS service should be permitted.**
- (e) For providing the Service, the CMRTS Authorised Entity should utilize any type of equipment and product that meets TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standard, the CMRTS Authorised Entity may utilize only those equipment and products which meet the relevant**

standards set by International standardization bodies, such as, ITU, 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 to time.

- (f) There should be no interconnection between two separately authorised CMRTS systems.**
- (g) Inter-site connectivity should be permitted to the CMRTS Authorised Entity between its own sites within the Authorised Service area.**
- (h) The CMRTS Authorised Entity should be permitted to have connectivity with PSTN/ PLMN subject to the following conditions:**
 - (i) PSTN/ PLMN connectivity (outgoing only) should be limited to one PSTN/ PLMN line for Five (5) RF Channels (of 25 KHz each) for analogue system from only one authorised entity having authorisation to provide Access Service in the Service Area.**
 - (ii) PSTN/ PLMN connectivity (outgoing only) should be limited to a 30 channel E-1/ PRI/ SIP link for digital system up to 10,000 users and thereafter, one additional 30 channel E-1/ PRI/ SIP link for each additional 10,000 customers or part thereof, only with one authorised entity having authorisation to provide Access Service.**
 - (iii) Incoming PSTN/ PLMN connectivity should be prohibited to the CMRTS Authority Entity.**
- (i) CMRTS Authorised Entity should be allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.**

- (j) CMRTS Authorised Entity should be allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.**
- (k) A provision should be included in the terms and conditions of the CMRTS Authorisation that the CMRTS Authorised Entity would have to separately obtain an assignment of spectrum for the Service Area where it intends to provide CMRTS. However, there should be no need to obtain a separate wireless operating authorisation (WOA) for this purpose.**
- (l) Upon assignment of frequency to the CMRTS Authorised Entity by the Central Government in the Service Area, the CMRTS Authorised Entity should roll out the network within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network in the Service Area, for which frequency has been assigned by the Central Government, should mean installation and commissioning of the Applicable system including at least one Base Station (Fixed Station) in the Service Area.**
- (m) For verification of the commissioning of the Applicable System, the CMRTS Authorised Entity should register with the LSA Field Unit of the DoT, as per the procedure prescribed by the Central Government. Date of registration by the LSA Field Unit of the DoT should be treated as the date of commissioning in case of successful verification of the roll out of the network. If the verification of the roll out of the network fails, then the Authorised Entity should re-register with the LSA Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by the LSA Field Unit of the DoT should be treated as the date of meeting the roll out obligation subject to successful verification. If the network is rolled out after the**

expiry of the due date, such delay in rollout of network should entail recovery of Liquidated Damages (LD) under this condition:

Provided further that if the rollout of the network is completed within 30 calendar days of the expiry of the due date then the Central Government shall accept the rollout of network without levy of LD charges.

- (n) In case the CMRTS Authorised Entity fails to rollout the network within the period prescribed, the Central Government should be entitled to recover LD charges @ ₹ 10,000/- (Rupees Ten thousand only) per month of delay subject to a maximum amount of ₹ 2.4 lakh. For the delay of more than 24 months, in addition to imposition of maximum amount of LD, the frequency assignment may be withdrawn. The bank guarantee (BG) should be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. The CMRTS Authorised Entity, on such occasions, should restore the partially encashed bank guarantee to the full amount. Any failure to do so should amount to violation of the terms and conditions of the Authorisation. For calculation of delay in compliance of roll out obligations, the month should mean one calendar month and any extra day shall be counted as full month for the purpose of recovery of liquidated damages.**

[Para 2.364]

4.26 The Authority recommends the terms and conditions to be included in the Telecommunication (Public Mobile Radio Trunking Service Authorisation) Rules enclosed as Annexure 2.4.1.

[Para 2.370]

4.27 The Authority recommends the terms and conditions to be included in the Telecommunication (Captive Mobile Radio Trunking Service Authorisation Authorisation) Rules enclosed as Annexure 2.5.1.

[Para 2.371]

J. Ease of doing business

4.28 The Authority recommends that the Government should take an early decision on the TRAI's Recommendations on Ease of Doing Business in Telecom and Broadcasting Sectors dated 02.05.2023.

[Para 2.385]

K. Need for Changes in the provisions related to the ownership of network under the Telecommunications Act, 2023

4.29 The Authority recommends that the authorised entities should be permitted to take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

(a) All security related compliances shall be the responsibility of the Authorised Entity.

(b) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication

equipment and telecommunication services only from trusted sources.

- (c) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.**
- (d) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.**

[Para 2.391]

4.30 The Authority recommends that the authorised entities should ensure that-

- (a) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire from cloud service providers, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation.**
- (b) The associated data/ information is stored in India.**

[Para 2.392]

L. Captive Authorisations (on case-to-case basis)

4.31 The Authority recommends that the Captive Authorisations (on case-to-case basis) should be issued only to the Government organizations and Government agencies on a case-to-case basis for captive use and the recommended terms and conditions for the Captive Authorisations (on case-to-case basis) have been enclosed as Annexure 2.5.4.

[Para 2.405]

M. Migration of the existing service licensees to the new authorisation regime

4.32 The Authority recommends that-

- (a) The eligibility conditions, which have already been recommended for the grant of new authorisation(s) to new applicants, should also be made applicable to the existing entities which intend to migrate to the new authorisation framework under the Telecommunications Act, 2023. However, at the time of migration to the new authorisation framework, the requirement of meeting with the net-worth criteria should not be made applicable.**
- (b) For service authorisations introduced under the Telecommunications Act, 2023 which correspond to the existing license/ registration/ permission etc. under the extant licensing regime, the entities holding the license/ registration/ permission etc. under the extant licensing regime should be allowed to migrate to the corresponding service authorisation under the Telecommunications Act, 2023.**
- (c) For the license/ registration/ permission etc. under the extant licensing regime whose scope has been merged with another license/ registration/ permission etc. and a new merged service authorisation has been introduced under the Telecommunications Act, 2023, the entities holding such license/ registration/ permission etc. should be permitted to migrate to the new merged service authorisation under the Telecommunications Act, 2023.**
- (d) In the new authorisation framework, the service area for Category-C has been defined as 'Sub-circle' (i.e. up to 4 Districts in a Telecom Circle /Metro area). Any existing entity, which is holding Category 'C' license (or an Access Service Category 'B' license) for upto 4 Districts in a Telecom Circle/ Metro Area,**

should be permitted to migrate to the relevant service authorisation for Category-C. However, an existing entity, which is holding Category 'C' license (or an Access service category 'B' license) for more than 4 Districts in a Telecom Circle/ Metro area, should be permitted to migrate to the relevant service authorisation for the Telecom Circle/ Metro area.

- (e) An existing licensee having Access Service authorisations for at least 50% of the total number of Telecom Circles/ Metros Areas (i.e., Access Service authorisations under Unified License/ UASL for 11 or more Telecom Circles/ Metro Areas), should be permitted to migrate to the Unified service authorisation.**
- (f) Upon migration to a service authorisation, any other service authorisation/ license held by such entity, whose scope of service and service area, in entirety, is included in the migrated service authorisation, should be treated as subsumed in the migrated service authorisation and it should cease to exist.**
- (g) On migration, Service Authorisation(s) shall be valid for the prescribed validity period for the respective service authorisation(s) from the effective date of Authorisation, irrespective of the validity period of the License/authorisation already held. However, in case an existing Licensee is holding spectrum, the treatment of the spectrum held by it should be governed by the provisions under Section 4(8) and 4(9) of the Telecommunications Act, 2023.**
- (h) The recommendations w.r.t. processing fee and treatment of entry fee on migration to the Service Authorisation(s) granted under the Telecommunications Act, 2023 are available in the subsequent section.**
- (i) The detailed terms and conditions for migration to the Service Authorisation(s) to be granted under the Telecommunications**

Act, 2023 have been included in the Telecommunications (Grant of Service Authorisations) Rules, enclosed as Annexure-2.2.

[Para 2.437]

N. Financial Aspects

4.33 The Authority recommends the following:

- (a) Entry Fee for Unified Service Authorisation and Unified Service (VNO) Authorisation should be equal to Rupees Twelve crore and Rupees Three crore respectively.**
- (b) Entry fee should be levied only at the time of entry and not at the time of renewal of Unified Service Authorisation and Unified Service (VNO) Authorisation.**

[Para 3.14]

4.34 The Authority recommends the following:

- (a) For the initial year, the amount of Bank Guarantee (BG) should be Rs. 44 crore for Unified Service Authorisation and Rs. 4.4 crore for Unified (VNO) Service Authorisation .**
- (b) For the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
- (c) The Bank Guarantee should be submitted to securitize the authorisation fee and other dues not otherwise securitized, to cover the violation of conditions of authorisation and to ensure the performance under authorisation/regulations including compliance of instructions issued by the Central Government /TRAI from time to time.**
- (d) The Bank Guarantee should be subject to periodic review on six-monthly basis by Central Government.**

- (e) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Terms and Conditions for Telecommunication (Main Service Authorisation) Rules.

[Para 3.22]

4.35 The Authority recommends the following:

Service Authorisation	Minimum Equity (Rs. in crore)	Minimum Networth (Rs. in crore)
Unified Service Authorisation	25	25
Unified Service (VNO) Authorisation	10	10

[Para 3.27]

4.36 The Authority recommends the following:

- (a) Entry Fee for Internet Category-B Service Authorisation should be Rupees One Lakh for each telecom/ metro area except for J&K and North-East where the entry fee should be Rupees Fifty thousand.
- (b) Entry Fee for Internet Category-B (VNO) Service Authorisation should be Rupees Fifty thousand for each telecom/ metro area except for J&K and North-East where the entry fee should be Rupees Twenty five thousand.

[Para 3.38]

4.37 The Authority recommends the following:

- (a) Entry Fee for Internet Category-A Service Authorisation should be Rupees Twenty Lakh.
- (b) Entry Fee for Internet Category-A (VNO) Service Authorisation should be Rupees Ten Lakh.

[Para 3.40]

4.38 The Authority recommends that the Entry Fee for Internet Category-C Service Authorisation and Internet Category-C (VNO) Service Authorisation should be 'Nil'.

[Para 3.42]

4.39 The Authority further recommends that for Internet Category A, B & C and Internet Category A, B & C (VNO) Service Authorisations, the Entry Fee should be levied only at the time of entry and not at the time of renewal of the authorisation.

[Para 3.43]

4.40 The Authority recommends the following:

- (a) For initial year, the amount of Bank Guarantee (BG) should be as given below:**

Service Authorisation	Amount of BG for the initial year (Rs. in lakh)
Internet Category-A (National Area)	40
Internet Category-B (Telecom circle/Metro Area)	2
Internet Category-C (Sub-Circle)	0.1
Internet Category-A (VNO) (National Area)	1
Internet Category-B (VNO) (Telecom circle/Metro Area)	0.10
Internet Category-C (VNO) (Sub-circle)	0.01

- (b) For the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
- (c) The Bank Guarantee should be submitted to securitize the authorisation fee and other dues not otherwise securitized, to cover the violation of conditions of authorisation and to ensure the performance under authorisation/regulations including compliance of instructions issued by the Central Government /TRAI from time to time.**
- (d) The Bank Guarantee should be subject to periodic review on six-monthly basis by the Central Government.**
- (e) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Terms and Conditions for Telecommunication (Main Service Authorisation) Rules.**

[Para 3.49]

4.41 The Authority recommends that the Minimum equity and Minimum networth requirements for Internet Category A, B & C Service Authorisation and Internet (VNO) Category A, B & C Service Authorisation should remain unchanged at Nil.

[Para 3.54]

4.42 The Authority recommends the following:

- (a) The Entry Fee for Long Distance Service Authorisation should be Rupees One crore.**
- (b) The Entry Fee for Long Distance Service Authorisation should be levied only at the time of entry and not at the time of renewal of the authorisation.**

[Para 3.62]

4.43 The Authority recommends the following:

- (a) Entry Fee for Satellite-based Telecommunication Service Authorisation should be Rupees Fifty lakh.**
- (b) Entry fee for Satellite-based Telecommunication Service Authorisation should be levied only at the time of entry and not at the time of renewal of authorisation.**

[Para 3.77]

4.44 The Authority recommends the following:

- (d) Entry fee for Long Distance Service (VNO) Authorisation should be Rupees Twenty five lakh.**
- (e) Entry fee for Satellite-based Telecommunication Service (VNO) Authorisation should be Rupees Twelve lakh and fifty thousand.**
- (f) The Entry fee for Long Distance Service (VNO) and Satellite-based Telecommunication Service (VNO) Authorisations should be levied only at the time of entry and not at the time of renewal of authorisation.**

[Para 3.79]

4.45 The Authority recommends the following:

- (a) For the initial year, the amount of Bank Guarantee (BG) should be as given below:**

Service authorisations	Recommended BG for the initial year (Rs. in crore)
Long Distance Service Authorisation	1.00
Satellite-based Telecommunication Service Authorisation	0.50

Long Distance (VNO) Service Authorisation	0.50
Satellite-based Telecommunication (VNO) Service Authorisation	0.10

- (b) For the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).
- (c) The Bank Guarantee should be submitted to securitize the authorisation fee and other dues not otherwise securitized, to cover the violation of conditions of authorisation and to ensure the performance under authorisation/regulations including compliance of instructions issued by the Central Government /TRAI from time to time.
- (d) The Bank Guarantee should be subject to periodic review on six-monthly basis by Central Government.
- (e) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Terms and Conditions for Telecommunication (Main Service Authorisation) Rules.

[Para 3.90]

4.46 The Authority recommends the following Minimum Equity and Minimum Networth requirements for Long Distance and Satellite Telecommunication Service Authorisations:

Service Authorisation	Minimum Equity (Rs. in crore)	Minimum Networth (Rs. in crore)
Long Distance Service Authorisation	2.50	2.50

Satellite-based Telecommunication Service Authorisation	1.00	1.00
Long Distance (VNO) Service Authorisation	1.00	1.00
Satellite-based Telecommunication (VNO) Service Authorisation	0.50	0.50

[Para 3.97]

4.47 The Authority recommends the following:

(a) The amount of Entry Fee should be as given below:

Service Authorisations	Recommended Entry fee (Rs. In lakh)
Access Service (Telecom circle/ Metro Area)	50.00 (25 for NE & J&K)
Access Service (VNO) (Telecom circle/ Metro Area)	12.50 (6.25 for NE & J&K)
M2M WAN Category-A (National Area)	Nil
M2M WAN Category-B (Telecom circle/ Metro Area)	
M2M WAN Category-C (Sub-circle)	
M2M WAN Category-A (VNO) (National Area)	
M2M WAN Category-B (VNO) (Telecom circle/ Metro Area)	
M2M WAN Category-C (VNO)	

(Sub-circle)	
Access Service Category C (VNO) (Sub-circle)	

- (b) The Entry Fee for Access Service, Access Service (VNO), Access Service Category C (VNO), M2M WAN Service and M2M WAN Service (VNO) Authorisations should be levied at the time of entry and not at the time of renewal in case of authorisation.

[Para 3.110]

4.48 The Authority recommends the following:

- (a) For the initial year, the amount of Bank Guarantee (BG) should be as given below:

Service Authorisations	Recommended BG for the initial year (Rs. In lakh)
Access Service (National level)	200
Access Service (VNO) (National level)	20
M2M WAN Category-A (National Area)	40
M2M WAN Category-B (Telecom circle/ Metro Area)	2
M2M WAN Category-C (Sub-circle)	0.10
M2M WAN Category-A (VNO) (National Area)	1
M2M WAN Category-B (VNO) (Telecom circle/ Metro Area)	0.10

M2M WAN Category-C (VNO) (Sub-circle)	0.01
Access Service Category C (VNO) (Sub-circle)	0.2

- (b) For the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
- (c) The Bank Guarantee should be submitted to securitize the authorisation fee and other dues not otherwise securitized, to cover the violation of conditions of authorisation and to ensure the performance under authorisation/regulations including compliance of instructions issued by the Central Government /TRAI from time to time.**
- (d) The Bank Guarantee should be subject to periodic review on six-monthly basis by Central Government.**
- (e) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Terms and Conditions for Telecommunication (Main Service Authorisation) Rules.**

[Para 3.114]

4.49 The Authority recommends that the application processing fee should be Rupees One lakh each for both Unified Service Authorisation and Unified Service (VNO) Authorisation.

[Para 3.118]

4.50 The Authority further recommends that the application processing fee should be Rupees Ten thousand for the following Service Authorisations:

- (a) Access Service Authorisation and Access Service (VNO) Authorisation.**

- (b) Internet Service Authorisation and Internet Service (VNO) Authorisation.**
- (c) Long Distance Service Authorisation and Long Distance Service (VNO) Authorisation.**
- (d) Satellite-based Telecommunication Service Authorisation and Satellite-based telecommunication Service (VNO) Authorisation.**
- (e) M2M WAN Service Authorisation and M2M WAN service (VNO) Authorisation.**
- (f) Access services Category C VNO Service Authorisation.**

[Para 3.119]

4.51 The Authority recommends the following:

- (a) The extant definitions of Gross Revenue (GR), Applicable Gross Revenue (ApGR) and Adjusted Gross Revenue (AGR) for the existing Service Authorisations should continue.**
- (b) In case of merged/ clubbed / new Service Authorisations, the definitions should be aligned accordingly.**
- (c) The applicable definitions for GR, AGR and ApGR have been given under the respective Service Authorisations.**
- (d) The clarification dated 17.07.2023 issued by DOT regarding the definitions of GR and AGR should be considered alongwith the applicable definitions for GR, AGR and ApGR as have been given under the respective Service Authorisations.**
- (e) Any further orders/instructions/clarifications on the definitions of Gross Revenue, Applicable Gross Revenue and Adjusted Gross Revenue may be issued by DOT after obtaining recommendations from TRAI.**

[Para 3.152]

4.52 The Authority further recommends that the rate of Authorisation Fee should be the same as the existing rate of License Fee for the Main Service Authorisations.

[Para 3.153]

4.53 The Authority reiterates the Recommendations made vide its Recommendation no. 6.83 on 'Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed' dated 31.08.2021.

[Para 3.154]

4.54 For Service Authorisations with 'Nil' Entry Fee, the Authority recommends the Minimum Authorisation Fee should be as given below:

S. No.	Service Authorisation	Minimum Authorisation Fee (Rs. in thousand)
NSOs		
1.	M2M WAN Category-A (National Area)	300
2.	M2M WAN Category-B (Telecom circle/ Metro Area)	20
3.	M2M WAN Category-C (Sub-circle)	2
4.	Internet Category-C (Sub-circle)	2
VNO		
1.	M2M WAN Category-A (National Area)	150
2.	M2M WAN Category-B (Telecom circle/ Metro Area)	10
3.	M2M WAN Category-C	1

	(Sub-circle)	
4.	Internet Category-C (Sub-circle)	1
5.	Access Service Category C (VNO)	16.5

[Para 3.158]

4.55 The Authority recommends that at the time of renewal of Service Authorisation, the Minimum Authorisation Fee should be equal to 10% of Entry Fee of the respective authorised service and service area, initially paid.

[Para 3.161]

4.56 The Authority further recommends that for authorisations with 'Nil' Entry Fee, the Minimum Authorisation Fee at the time of renewal of authorisation should be as given at para 3.158 above.

[Para 3.162]

4.57 The Authority recommends the following:

Service Authorisations	Application processing fee (in Rupees)
PMRTS Authorisation (Telecom circle/ Metro Area)	10,000
Enterprise Communication Service Authorisation	10,000
MNP Service Authorisation	Nil
IFMC Service Authorisation	50,000
PM-WANI Service Authorisation	Nil

Sale/ rent of international roaming SIM card authorisation	5,000
M2M, WLAN and WPAN Service Authorisation	5,000
Data Connectivity Between Air-To-Ground Service Authorisation	10,000
CMRTS Authorisation	10,000
Captive FSS through VSAT Authorisation	10,000
CNPN Service Authorisation	50,000
Captive authorisations granted on case-to-case basis	Nil

[Para 3.175]

4.58 The Authority recommends the following:

- (a) The amount of Entry Fee for the following Service Authorisations should be as given below:

Service Authorisations	Recommended Entry fee (Rs. in lakh)
PMRTS Service Authorisation	0.2
Enterprise Communication Service Authorisation	Nil
CMRTS Service Authorisation	Nil
Captive VSAT FSS Service Authorisation	7.5

- (b) The Entry Fee for PMRTS Service Authorisations, Enterprise Communication Service Authorisations, CMRTS Service Authorisations and Captive VSAT FSS Service Authorisation should be levied at the time of entry and not at the time of renewal.

[Para 3.177]

4.59 The Authority recommends the following:

- (a) For the initial year, the amount of Bank Guarantee (BG) should be as given below:**

Service Authorisation	Recommended BG for the initial year (Rs. in lakh)
PMRTS Service Authorisation	0.2
Enterprise Communication Service Authorisation	2
Captive VSAT FSS Service Authorisation	3
CMRTS Service Authorisation	0.2

- (b) The Bank Guarantee should be subject to periodic review on six-monthly basis by DoT.**
- (c) In case of PMRTS Service Authorisation and Enterprise Communication Service Authorisation, for the subsequent years, the amount of Bank Guarantee should be higher of the initial year BG or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
- (d) For Captive VSAT FSS Service Authorisation, for the subsequent years, the amount of BG shall be equivalent to 20% of the estimated sum payable annually towards authorisation fee.**
- (e) For CMRTS Service Authorisation, for the subsequent years, the amount of BG shall be equivalent to 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).**
- (f) The BG should be subject to the detailed provisions/ conditions that have been included in the Financial Conditions of the respective Service Authorisations.**

[Para 3.179]

4.60 The Authority recommends that Authorisation Fee should be the same as the existing License Fee for PMRTS Service Authorisation, Enterprise Communication Service Authorisation and Captive VSAT FSS Authorisation.

[Para 3.192]

4.61 The Authority further recommends that for the purpose of calculating Minimum Authorisation Fee, the minimum amount should be Rs. One Lakh for Enterprise Communication Service Authorisation.

[Para 3.193]

4.62 The Authority recommends that in case of CMRTS Service Authorisation, except for the agencies working for public service such as Police, Fire and Government Security, all other types of authorised entities should pay annual authorisation fee on the basis of the number of terminals deployed as follows:

For the first 3 years:

The Authorisation Fee for CMRTS systems should be Rupees Three hundred per annum per terminal subject to a minimum of Rupees Five thousand per annum per authorised service area.

For the remaining period of the authorisation:

The Authorisation Fee for CMRTS systems should be Rupees Three hundred per annum per terminal subject to a minimum of Rupees Twenty five thousand per annum per authorised service area.

[Para 3.198]

4.63 The Authority recommends the following:

- (a) The Authorised Entity should submit a Self-Certificate duly e-signed/ digitally signed, by the authorised representative of the company.**
- (b) The proforma for the Self-Certificate in respect of Main Service Authorisations has been prescribed under the Financial Terms and Conditions of Telecommunication (Main Service Authorisation) Rules.**
- (c) The proforma for the Self-Certificate in respect of PMRTS Service Authorisation and Enterprise Communication Service Authorisation has been prescribed under the respective Service Authorisations.**

[Para 3.207]

4.64 The Authority recommends that the Statement of Revenue are required to be submitted by the Authorised Entities, as per the revised Formats of Statement of Revenue, specified under the respective Service Authorisations.

[Para 3.221]

4.65 The Authority recommends the following:

- a) A uniform set of norms for the preparation of Statement of Revenue which have been prescribed as under:**
 - i. The norms for Main Service Authorisations have been prescribed under the Financial Terms and Conditions of Telecommunication (Main Service Authorisation) Rules.**
 - ii. The norms for PMRTS Service Authorisation and Enterprise Communication Service Authorisation have been prescribed under the Financial Conditions of respective Service Authorisations.**

[Para 3.226]

4.66 In case of migration of the licensees of the old regime to the new authorisation framework, the Authority recommends the following:-

- (a) There should be no requirement of application processing fee**
- (b) In case of migration to the new Service Authorisation, the differential Entry Fee i.e. the Entry Fee applicable for the Service Authorisation in which the Authorised Entity is getting migrated minus the sum of Entry fee already paid by the Licensee in the old regime for the Service Authorisation(s) getting migrated shall be levied.**
- (c) In cases where the Entry Fee already paid by the Licensees of the old regime exceeds the Entry Fee to be paid now for migration to new authorisation framework, there will be no refund of the Entry Fee.**
- (d) The Minimum Authorisation Fee for an old licensee migrating to new regime shall be calculated based on the Entry Fee specified under the new regime. For migrating licensee, for authorisations with 'Nil' Entry Fee, the Minimum Authorisation Fee shall be as prescribed under the new service authorisation.**

[Para 3.236]

4.67 The Authority is of the view that DoT may suitably frame the terms and conditions related to security interest after obtaining the recommendations from TRAI, if necessary.

[Para 3.247]

Annexures

Annexure 1.1: DoT's reference dated 21.06.2024

F. No. 20-1350/2024 AS-I (Vol.-II)
Government of India
Ministry of Communications
Department of Telecommunications
(Access Service Division)
20-Ashoka Road, New Delhi-110001

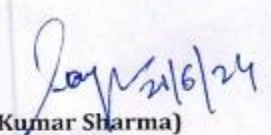
Dated: 21.06.2024

Subject: Seeking recommendations of TRAI on terms and conditions, including fees or charges, for authorisation to provide telecommunication services as per the provisions of the Telecommunications Act 2023 - regarding

The Telecommunications Act, 2023 has been published in the Official Gazette of India. It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint. Section 3(1)(a) of the Act 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. A background note on related aspects in this regard including relevant sections of the new Act that may have bearing on the terms and conditions of authorisations is attached as Annexure to this reference.

2. In this regard, under Section 11(1)(a) of the TRAI Act, 1997 (as amended), TRAI is requested to provide its recommendations within 60 days of receipt of this reference on terms and conditions, including fees or charges, for authorisation to provide telecommunication services as per the provisions of the Telecommunications Act 2023.

3. This has the approval of the competent authority.


(Sanjeev Kumar Sharma)
Deputy Director General (AS)
Phone: 23036918

To,
The Secretary
Telecom Regulatory Authority of India
7th Floor, Tower-F,
World Trade Centre, Nauroji Nagar,
New Delhi: 110029

Background Note

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
 - x. Machine to Machine (M2M) Service authorisation under UL and UL-VNO
 - xi. M2M Service Provider registration
 - xii. WPAN/WLAN Connectivity Providers Registration
 - xiii. Resale of IPLC Service authorisation under UL-VNO
 - xiv. Access Service Category-B authorisation under UL-VNO
 - xv. CNPN Authorisation
 - xvi. CMRTS Authorisation
 - xvii. Rules for In-Flight and Maritime Connectivity (IFMC) permission
 - xviii. IP-1 Registration
 - xix. NOC for sale/rent of International Roaming SIM Cards
 - xx. Mobile Number Portability (MNP) service license
 - xxi. PM WANI service registration
 - xxii. 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.

Annexure 1.2: The Telecommunications Act, 2023

रजिस्ट्री सं० डी० एल—(एन)04/0007/2003—23

REGISTERED NO. DL—(N)04/0007/2003—23



भारत का राजपत्र The Gazette of India

सी.जी.-डी.एल.-अ.-24122023-250880

CG-DL-E-24122023-250880

असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 52] नई दिल्ली, रविवार, दिसम्बर 24, 2023/पौष 3, 1945 (शक)
No. 52] NEW DELHI, SUNDAY, DECEMBER 24, 2023/PAUSHA 3, 1945 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 24th December, 2023/Pausha 3, 1945 (Saka)

The following Act of Parliament received the assent of the President on the 24th December, 2023 and is hereby published for general information:—

THE TELECOMMUNICATIONS ACT, 2023

No. 44 OF 2023

[24th December, 2023.]

An Act to amend and consolidate the law relating to development, expansion and operation of telecommunication services and telecommunication networks; assignment of spectrum; and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventy-fourth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Telecommunications Act, 2023.

(2) It extends to,—

(i) the whole of India; and

(ii) to any offence committed or contravention made outside India by any person, as provided in this Act.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the commencement of that provision.

Short title,
extent and
commencement.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) "appointed day" means such date as the Central Government may, by notification appoint under sub-section (3) of section 1;

(b) "assignment" of a radio frequency or radio frequency channel means the permission for a radio station to use a radio frequency or radio frequency channel under specified conditions;

(c) "assignee" means a person holding an assignment of a radio frequency or radio frequency channel under section 4;

(d) "authorisation" means a permission, by whatever name called, granted under this Act for—

(i) providing telecommunication services;

(ii) establishing, operating, maintaining or expanding telecommunication networks; or

(iii) possessing radio equipment;

(e) "authorised entity" means a person holding an authorisation under section 3;

(f) "critical telecommunication infrastructure" means telecommunication networks notified under sub-section (3) of section 22;

(g) "message" means any sign, signal, writing, text, image, sound, video, data stream, intelligence or information sent through telecommunication;

(h) "National Frequency Allocation Plan" means guidelines issued from time to time by the Central Government for the use of the spectrum;

(i) "notification" means a notification published in the Official Gazette and the expression "notified" shall be construed accordingly;

(j) "person" shall include an individual, any company or association or body of individuals, whether incorporated or not, by whatsoever name called or referred to;

(k) "prescribed" means prescribed by rules made under this Act;

(l) "radio equipment" means telecommunication equipment used or capable of use for telecommunication by means of Hertzian or radio waves;

(m) "radio waves" means electromagnetic waves of frequencies propagated in space without any artificial guide;

(n) "Schedule" means a schedule to this Act;

(o) "spectrum" means the range of frequencies of Hertzian or radio waves;

(p) "telecommunication" means transmission, emission or reception of any messages, by wire, radio, optical or other electro-magnetic systems, whether or not such messages have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception;

(q) "telecommunication equipment" means any equipment, appliance, instrument, device, radio station, radio equipment, material, apparatus, or user equipment, that may be or is being used for telecommunication, including software and intelligence integral to such telecommunication equipment; and excludes such equipment as may be notified by the Central Government;

(r) "telecommunication identifier" means a series of digits, characters and symbols, or a combination thereof, used to identify uniquely a user, a

telecommunication service, a telecommunication network, elements of a telecommunication network, telecommunication equipment, or an authorised entity;

(s) "telecommunication network" means a system or series of systems of telecommunication equipment or infrastructure, including terrestrial or satellite networks or submarine networks, or a combination of such networks, used or intended to be used for providing telecommunication services, but does not include such telecommunication equipment as notified by the Central Government;

(t) "telecommunication service" means any service for telecommunication;

(u) "user" means a natural or legal person using or requesting a telecommunication service, but does not include person providing such telecommunication service or telecommunication network.

CHAPTER II

POWERS OF AUTHORISATION AND ASSIGNMENT

3. (1) Any person intending to—

Authorisation.

(a) provide telecommunication services;

(b) establish, operate, maintain or expand telecommunication network; or

(c) possess radio equipment,

shall obtain an authorisation from the Central Government, subject to such terms and conditions, including fees or charges, as may be prescribed.

(2) The Central Government may while making rules under sub-section (1) provide for different terms and conditions of authorisation for different types of telecommunication services, telecommunication network or radio equipment.

(3) The Central Government, if it determines that it is necessary in the public interest so to do, may provide exemption from the requirement of authorisation under sub-section (1), in such manner as may be prescribed.

(4) Any exemption granted prior to the appointed day under the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933 shall continue under this Act, unless otherwise notified by the Central Government.

13 of 1885.
17 of 1933.

(5) 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) A licence, registration, permission, by whatever name called, granted prior to the appointed day under the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933, in respect of provision of telecommunication services or telecommunication network—

13 of 1885.
17 of 1933.

(a) where a definite validity period is given, 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; or

(b) where a definite validity period is not given, shall be entitled to continue to operate on the terms and conditions of such licence or registration or permission for a period of five years from the appointed day, or to migrate to such terms and conditions of the relevant authorisation, as may be prescribed.

(7) Any authorised entity which provides such telecommunication services as may be notified by the Central Government, shall identify the person to whom it provides telecommunication services through use of any verifiable biometric based identification as may be prescribed.

(8) The Central Government may, subject to such terms and conditions, including fees or charges as may be prescribed, allot telecommunication identifiers for use by authorised entities.

(9) The Central Government may allow use of telecommunication identifiers allotted by international bodies which are recognised by the Central Government from time to time.

Assignment
of spectrum.

4. (1) The Central Government, being the owner of the spectrum on behalf of the people, shall assign the spectrum in accordance with this Act, and may notify a National Frequency Allocation Plan from time to time.

(2) Any person intending to use spectrum shall require an assignment from the Central Government.

(3) The Central Government may prescribe such terms and conditions as may be applicable, for such assignment of spectrum, including the frequency range, methodology for pricing, price, fees and charges, payment mechanism, duration and procedure for the same.

(4) The Central Government shall assign spectrum for telecommunication through auction except for entries listed in the First Schedule for which assignment shall be done by administrative process.

Explanation.—For the purposes of this sub-section,—

(a) "administrative process" means assignment of spectrum without holding an auction;

(b) "auction" means a bid process for assignment of spectrum.

(5) (a) The Central Government may, by notification, amend the First Schedule for assignment of spectrum—

(i) in order to serve public interest; or

(ii) in order to perform government function; or

(iii) in cases where auction of spectrum is not the preferred mode of assignment due to technical or economic reasons.

(b) The notification referred to in clause (a) shall be laid before each House of Parliament.

(6) The Central Government, if it determines that it is necessary in the public interest so to do, may exempt,—

(a) from the requirement of assignment under sub-section (2), in such manner as may be prescribed; and

(b) by notification, specific usages within specified frequencies and parameters, from the requirements of sub-section (2).

(7) Any exemption with respect to use of spectrum granted under the Indian Telegraph Act, 1885 and the Indian Wireless Telegraphy Act, 1933 prior to the appointed day, shall continue under this Act, unless otherwise notified by the Central Government. 13 of 1885.
17 of 1933.

(8) Any spectrum assigned through the administrative process prior to the appointed day, shall continue to be valid on the terms and conditions on which it had been assigned, for a period of five years from the appointed day, or the date of expiry of such assignment, whichever is earlier.

(9) Any spectrum assigned through auction prior to the appointed day, shall continue to be valid on the terms and conditions on which it had been assigned.

5. The Central Government may, to enable more efficient use of spectrum, re-farm or harmonise any frequency range assigned under section 4, subject to such terms and conditions, as may be prescribed. Re-farming and harmonisation.

Explanation.—For the purposes of this section,—

(a) "harmonisation" means rearrangement of a frequency range;

(b) "re-farming" means repurposing of a frequency range for a different use, other than that for which it is used by an existing assignee.

6. The Central Government may enable the utilisation of the spectrum in a flexible, liberalised and technologically neutral manner, subject to such terms and conditions, including applicable fees and charges, as may be prescribed. Technologically neutral use of spectrum.

7. (1) The Central Government may, to promote optimal use of the available spectrum, assign a particular part of a spectrum that has already been assigned to an entity, known as the primary assignee, to one or more additional entities, known as the secondary assignees, where such secondary assignment does not cause harmful interference in the use of the relevant part of the spectrum by the primary assignee, subject to such terms and conditions as may be prescribed. Optimal utilisation of spectrum.

(2) The Central Government may, notwithstanding anything contained in any other law for the time being in force, after providing a reasonable opportunity of being heard to the assignee concerned, determines that any assigned spectrum has remained unutilised for insufficient reasons for such period as may be prescribed, terminate such assignment, or a part of such assignment, or prescribe further terms and conditions relating to spectrum utilisation.

8. (1) The Central Government may establish by notification, such monitoring and enforcement mechanism as it may deem fit to ensure adherence to terms and conditions of spectrum utilisation and enable interference-free use of the assigned spectrum. Establishment of monitoring and enforcement mechanism.

(2) The Central Government may permit the sharing, trading, leasing and surrender of assigned spectrum, subject to the terms and conditions, including applicable fees or charges, as may be prescribed.

9. No person shall be entitled to the refund of any fees or charges paid in respect of or under an authorisation or assignment granted under this Act, if such authorisation or assignment is suspended, curtailed, revoked or varied. No refund of fees.

CHAPTER III

RIGHT OF WAY FOR TELECOMMUNICATION NETWORK

10. For the purpose of this Chapter,—

(a) "facility provider" means the Central Government or any authorised entity, including any contractor or sub-contractor or agent working for the Central Government or authorised entity, and shall include their successor or assignee; Definition of terms used in this Chapter.

(b) "public entity" means,—

(i) the Central Government;

(ii) the State Government;

(iii) local authority;

(iv) any authority, body, company or institution incorporated or established by the Central Government or the State Government, or under any statute; or

(v) any non-government entity vested with the ownership, control or management of any public facility or class of public facilities, as may be notified by the Central Government;

(c) "public property" means any property, whether movable or immovable including any machinery, which is owned by, or in the possession of, or under the control or management of any public entity.

Right of way
for
telecommunication
network in
public property.

11. (1) Any facility provider may submit an application to a public entity under whose ownership, control or management, the public property is vested, to seek permissions for right of way for telecommunication network under, over, along, across, in or upon such public property.

(2) On receipt of an application from a facility provider under sub-section (1), the public entity shall, subject to the provisions of sub-section (4), grant permission for all or any of the following acts, namely:—

(a) survey such property for the purpose of assessing the feasibility for establishing telecommunication network; or

(b) enter the property from time to time to establish, operate, maintain, repair, replace, augment, remove or relocate any telecommunication network.

(3) The public entity shall grant permission under sub-section (2) in an expeditious manner and within such timelines as may be prescribed, and subject to such administrative expenses and compensation for right of way, which shall not exceed such amount as may be prescribed.

(4) Any rejection of an application under sub-section (1) shall be based on reasonable grounds to be recorded in writing.

(5) The facility provider shall do as little damage as possible to the public property, and ensure that the functionality and continuity of operations over such public property is not adversely affected, while undertaking any of the activities for which permission has been granted under sub-section (2).

(6) If any damage is caused to the property, the facility provider shall, at the option of the public entity, either,—

(a) restore such property to its state as existed prior to the undertaking of such activities; or

(b) pay compensation for such damage as may be mutually agreed.

(7) The provisions of this section shall be applicable to any public property vested for such projects or class of projects as notified by the Central Government, in respect of which, applications under sub-section (1) shall be made to the public entity granting the concession, contract or permission for such projects.

Right of way
for
telecommunication
network on
property not
covered under
section 11.

12. (1) Any facility provider may submit an application to the person under whose ownership, control or management of property not covered under section 11 is vested, to seek right of way for telecommunication network under, over, along, across, in or upon such property.

(2) On receipt of an application from a facility provider, the person receiving the application may enter into an agreement, specifying consideration as mutually agreed, for—

(a) undertaking surveys as may be required by the facility provider for the purpose of assessing the feasibility for establishing telecommunication network; or

(b) establishing, operating, maintaining, repairing, replacing, augmenting, removing or relocating any telecommunication network by the facility provider.

(3) The facility provider shall do as little damage as possible to the property when undertaking any of the activities for which permission has been granted under sub-section (2).

(4) In case of any damage to the property, the facility provider shall restore such property to its state as existed prior to the undertaking of such activities, failing which the person granting permission under sub-section (2), shall be entitled to compensation as may be mutually agreed, for any such damage.

(5) The Central Government may by rules provide for the procedure to be followed by a facility provider to enter, survey, establish, operate, maintain, repair, replace or relocate the telecommunication network, including the notice period, the manner of issuance of notice, the framework governing objections by owner or occupier of the property, the manner in which such objections would be resolved, and matters relating to the compensation payable for any damage.

(6) If the person under sub-section (2) fails to provide the right of way requested, and the Central Government determines that it is necessary so to do in the public interest, it may, either by itself or through any other authority designated by the Central Government for this purpose, determine that such facility provider shall be permitted the right of way to establish, operate, maintain such telecommunication network, subject to such terms and conditions, including charges for the right of way, and compensation for damage to the property, if any, to be payable to such person as may be prescribed.

13. Any person providing right of way under section 11 or section 12, shall ensure grant of right of way to the facility providers in a non-discriminatory manner and, as far as practicable, on a non-exclusive basis.

Non-discriminatory and non-exclusive grant of right of way.

14. (1) A facility provider shall not have any right, title or interest in the property on which telecommunication network is established, except the right to use the property as provided under section 11 or section 12.

Telecommunication network distinct from property on which it is installed.

(2) The telecommunication network installed on any property, shall not be subject to any claims, encumbrances, liquidation or the like, relating to such property.

(3) The telecommunication network installed on any property, shall not be considered as part of such property, including for the purposes of any transaction related to that property, or any property tax, levy, cess, fees or duties as may be applicable on that property.

(4) Notwithstanding anything contained in any other law for the time being in force, no public entity, except with the permission of an officer authorised by the Central Government for this purpose, shall have the authority to take any coercive action, such as sealing, preventing access, or forcible shutdown of the telecommunication network established by an authorised entity, except where such actions may be necessary to deal with any natural disaster or public emergency.

15. (1) The Central Government may notify infrastructure projects or class of infrastructure projects, whether being developed by a public entity by itself, through a public private partnership or by any other person, that may require establishment of common ducts or conduits or cable corridors, for installation of telecommunication network.

Power of Central Government to establish common ducts and cable corridors.

(2) The telecommunication network referred to in sub-section (1) shall be made available on open access basis to facility providers, subject to such terms and conditions, including fees and charges, as may be prescribed.

Removal,
relocation or
alteration of
telecommunication
network.

16. (1) Where, under section 11 or section 12, telecommunication network has been placed by the facility provider, under, over, along, across, in or upon any property, and any person entitled to do so desires to deal with that property in such a manner so as to render it necessary or convenient that the telecommunication network should be removed or relocated to another part thereof or to a higher or lower level or altered in form, he may require the facility provider to remove, relocate or alter the telecommunication network accordingly.

(2) If compensation has been paid under sub-section (6) of section 11, or sub-section (4) of section 12, such person shall, when making the requisition under sub-section (1), tender to the facility provider the amount requisite to defray the expense of the removal, relocation or alteration on such terms as may be mutually agreed.

(3) If any dispute arises under this Chapter, the matter shall be determined by the authority referred to in sub-section (2) of section 18.

(4) If the facility provider omits to comply with the requisition, the person making such requisition, may apply to the District Magistrate within whose jurisdiction the property is situated, to order the relocation or alteration.

(5) The District Magistrate receiving the application may, at its discretion and for reasons to be recorded in writing, approve or reject such relocation or alteration, subject to such conditions as it determines fit, including the relocation of the telecommunication network to any other part of the property or to a higher or lower level or for the alteration of its form, and the order so made shall be final.

Notice to
facility
provider.

17. (1) Any person desiring to exercise his right to deal with his property in such a manner as is likely to cause damage or to interrupt or interfere with the telecommunication network established under the provisions of this Act, or to interrupt or interfere with telecommunication services, shall give prior notice of such duration and in such manner, as may be prescribed, to the facility provider, the Central Government or to any authority that may be notified by the Central Government.

(2) The facility provider shall respond to such notice with details of such telecommunication network and precautionary measures to be undertaken, within such timelines as may be prescribed.

(3) Where a person referred to in sub-section (1) gives a notice of his exercise of the right relating to his property with the *bona fide* intention of averting imminent danger of personal injury to himself or any other person, such person shall be deemed to have complied with the provisions of the said sub-section.

(4) Any person who fails to comply with the provisions of sub-section (1), or deals with any property in such a manner as is likely to cause, or causes, damage to any telecommunication network, or is likely to interrupt or interfere, or interrupts or interferes with telecommunication services, a District Magistrate may, on the application of the facility provider, order such person to abstain from dealing with such property in such manner for a period not exceeding one month from the date of his order and forthwith to take such action with regard to such property as may be in the opinion of the District Magistrate necessary to remedy or prevent such damage, interruption or interference during such period.

(5) If any dispute arises relating to damages, the matter shall be determined by the authority referred to under sub-section (2) of section 18.

Dispute
resolution
relating to this
Chapter.

18. (1) The District Magistrate, or any other authority as notified by the Central Government, within whose jurisdiction the property is situated, shall have the exclusive powers to resolve any disputes under this Chapter, except for disputes referred to under sub-section (2) of this section.

(2) If any dispute arises relating to compensation under sub-section (6) of section 11, sub-section (2) and sub-section (4) of section 12, and sub-section (5) of section 17, it shall, on an application made for that purpose by either of the disputing parties to the District Judge within whose jurisdiction the property is situated, be determined by him.

(3) Every determination of a dispute by a District Magistrate or District Judge under this section, shall be final.

(4) Nothing in sub-section (3) shall affect the right of any person to recover by suit the whole or any part of any compensation paid by the facility provider, from the person who has received the same.

CHAPTER IV

STANDARDS, PUBLIC SAFETY, NATIONAL SECURITY AND PROTECTION OF TELECOMMUNICATION NETWORKS

19. The Central Government may notify standards and conformity assessment measures in respect of—

Power to notify standards.

(a) telecommunication equipment, telecommunication identifiers and telecommunication network;

(b) telecommunication services, in consonance with any regulations notified by the Telecom Regulatory Authority of India from time to time;

(c) manufacture, import, distribution and sale of telecommunication equipment;

(d) telecommunication security, including identification, analysis and prevention of intrusion in telecommunication services and telecommunication networks;

(e) cyber security for telecommunication services and telecommunication networks; and

(f) encryption and data processing in telecommunication.

20. (1) On the occurrence of any public emergency, including disaster management, or in the interest of public safety, the Central Government or a State Government or any officer specially authorised in this behalf by the Central Government or a State Government, if satisfied that it is necessary or expedient so to do, by notification—

Provisions for public emergency or public safety.

(a) take temporary possession of any telecommunication service or telecommunication network from an authorised entity; or

(b) provide for appropriate mechanism to ensure that messages of a user or group of users authorised for response and recovery during public emergency are routed on priority.

(2) 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 authorised in this behalf by the Central Government or a State Government, may, if satisfied that it is necessary or expedient so to do, in the interest of the sovereignty and integrity of India, defence and security of the State, friendly relations with foreign States, public order, or for preventing incitement to the commission of any offence, subject to such procedure and safeguards as may be prescribed, and for reasons to be recorded in writing, by order—

(a) direct that any message or class of messages, to or from any person or class of persons, to or from any telecommunication equipment or class of telecommunication equipment, or relating to any particular subject, brought for

transmission by, or transmitted or received by any telecommunication service or telecommunication network, shall not be transmitted, or shall be intercepted or detained, or shall be disclosed in intelligible format to the officer mentioned in such order; or

(b) direct that any telecommunication service or class of telecommunication services to or from any person or class of persons, to or from any telecommunication equipment or class of telecommunication equipment, or relating to any particular subject, transmitted or received by any telecommunication service or telecommunication network, shall be suspended.

(3) The 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 clause (a) of sub-section (2).

(4) The action specified under sub-section (1), sub-section (2) and sub-section (3) shall be for such duration and in such manner as may be prescribed.

Measures for
national
security, etc.

21. The Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of the following, namely:—

(a) use of telecommunication equipment, telecommunication services, telecommunication network and telecommunication identifiers;

(b) standards applicable to manufacture, import and distribution of telecommunication equipment;

(c) standards to be adopted by authorised entities or assignees;

(d) procurement of telecommunication equipment and telecommunication services only from trusted sources;

(e) suspension, removal or prohibition of the use of specified telecommunication equipment and telecommunication services from countries or person as may be notified; or

(f) taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.

Protection of
telecommunication
network and
telecommunication
services.

22. (1) The Central Government may by rules provide for the measures to protect and ensure cyber security of telecommunication networks and telecommunication services.

(2) The measures may include collection, analysis and dissemination of traffic data that is generated, transmitted, received or stored in telecommunication networks.

Explanation.—For the purposes of this sub-section, the expression "traffic data" means any data generated, transmitted, received or stored in telecommunication networks including data relating to the type, routing, duration or time of a telecommunication.

(3) The Central Government may, by notification in the Official Gazette, declare any telecommunication network, or part thereof, as Critical Telecommunication Infrastructure, disruption of which shall have debilitating impact on national security, economy, public health or safety.

(4) The Central Government may by rules provide for the standards, security practices, upgradation requirements and procedures to be implemented for such Critical Telecommunication Infrastructure.

23. If it appears necessary or expedient so to do in the public interest, the Central Government may direct any authorised entity to transmit in its telecommunication services or telecommunication network, specific messages, in such manner as may be specified.

Power to give directions.

CHAPTER V

DIGITAL *BHARAT NIDHI*

13 of 1885.

24. (1) The Universal Service Obligation Fund created under the Indian Telegraph Act, 1885, shall, from the appointed day, be the "Digital *Bharat Nidhi*", under the control of the Central Government, and shall be used to discharge functions as set forth in this Act.

Establishment of Digital *Bharat Nidhi*.

(2) Any sums of money attributable to the Digital *Bharat Nidhi* that is paid pursuant to an authorisation under section 3, shall be credited to the Digital *Bharat Nidhi*.

(3) The balance to the credit of the Digital *Bharat Nidhi* shall not lapse at the end of the financial year.

(4) All amounts payable under licences granted prior to the appointed day towards the Universal Service Obligation, shall be deemed to be the amounts payable towards the Digital *Bharat Nidhi*.

25. The sums of money received towards the Digital *Bharat Nidhi* under section 24, shall first be credited to the Consolidated Fund of India, and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, credit such proceeds to the Digital *Bharat Nidhi* from time to time for being utilised exclusively to meet any or all of the following objectives, namely:—

Crediting of sum to Consolidated Fund of India.

(a) support universal service through promoting access to and delivery of telecommunication services in underserved rural, remote and urban areas;

(b) support research and development of telecommunication services, technologies, and products;

(c) support pilot projects, consultancy assistance and advisory support towards provision of service under clause (a) of this section;

(d) support introduction of telecommunication services, technologies, and products.

26. The Digital *Bharat Nidhi* shall be administered in a manner, as may be prescribed.

Administration of Digital *Bharat Nidhi*.

CHAPTER VI

INNOVATION AND TECHNOLOGY DEVELOPMENT

27. The Central Government may, for the purposes of encouraging and facilitating innovation and technological development in telecommunication, create one or more regulatory sandboxes, in such manner, and for such duration, as may be prescribed.

Regulatory sandbox.

Explanation.—For the purposes of this section, the expression "regulatory sandbox" refers to a live testing environment where new products, services, processes and business models which may be deployed, on a limited set of users, for a specified period of time, with certain relaxations from the provisions of this Act.

CHAPTER VII

PROTECTION OF USERS

Measures for protection of users.

28. (1) For the purposes of this section, "specified message" means any message offering, advertising or promoting goods, services, interest in property, business opportunity, employment opportunity or investment opportunity, whether or not—

(a) the goods, services, interest, or opportunity are real; or

(b) it is lawful to acquire such goods, services, property, interest or take up the opportunity.

(2) The Central Government may by rules provide for measures for protection of users, in consonance with any regulations notified by the Telecom Regulatory Authority of India from time to time, including measures such as—

(a) the prior consent of users for receiving certain specified messages or class of specified messages;

(b) the preparation and maintenance of one or more registers, to be called as "Do Not Disturb" register, to ensure that users do not receive specified messages or class of specified messages without prior consent; or

(c) the mechanism to enable users to report any malware or specified messages received in contravention of this section.

(3) An authorised entity providing telecommunication services shall establish an online mechanism to enable users to register any grievance pertaining to the telecommunication service, and redressal of such grievances, in such manner as may be prescribed.

Duty of users.

29. No user shall—

(a) furnish any false particulars, suppress any material information, or impersonate another person, while establishing his identity for availing of telecommunication services; or

(b) fail to share information as required under this Act.

Dispute resolution mechanism to redress user grievances.

30. (1) The Central Government may establish or approve one or more online dispute resolution mechanisms for the resolution of disputes between users and authorised entities providing telecommunication services.

(2) Every authorised entity providing telecommunication services shall participate in the dispute resolution mechanism established under sub-section (1), and shall comply with such terms and conditions of participation in such mechanism as may be prescribed.

(3) This section shall not affect the rights of consumers under the Consumer Protection Act, 2019.

35 of 2019.

CHAPTER VIII

ADJUDICATION OF CERTAIN CONTRAVENTIONS

Definitions of terms used in this Chapter.

31. For the purposes of this Chapter,—

(a) "Adjudicating Officer" means an officer appointed under section 35; and

(b) "Designated Appeals Committee" means the committee appointed under section 36.

Breach of terms and conditions of authorisation or assignment.

32. (1) In case of breach of any of the terms and conditions of authorisation or assignment granted under this Act, the Adjudicating Officer shall, pursuant to an inquiry under the provisions of this Chapter—

(a) pass an order in writing in respect of one or both of the following, namely:—

(i) direct such authorised entity, or assignee to do or abstain from doing any act or thing to prevent such breach or for such compliance;

(ii) impose civil penalties as specified in the Second Schedule; and

(b) make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation or assignment.

(2) The Central Government may, after due consideration of the recommendations of the Adjudicating Officer under clause (b) of sub-section (1), suspend, curtail or revoke the authorisation or assignment, as the case may be, which may be reversed if the substantial violation is remedied to the satisfaction of the Central Government.

(3) While imposing penalties specified in the Second Schedule under this section and section 33, the Adjudicating Officer shall have due regard to the following factors, namely:—

(a) nature, gravity and duration of the contravention, taking into account the scope of the contravention;

(b) number of persons affected by such contravention, and the level of harm suffered by them;

(c) intentional or negligent character of the contravention;

(d) repetitive nature of the contravention;

(e) action taken by the concerned person to mitigate the contravention, including by providing a voluntary undertaking under sub-section (1) or sub-section (2) of section 34;

(f) revenue loss caused to the Central Government;

(g) any aggravating factors relevant to the circumstances of the case, such as the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the contravention; and

(h) any mitigating factors relevant to the circumstances of the case, such as the timely rectification of the contravention, or steps taken for the avoidance of loss as a result of the contravention.

33. (1) The Adjudicating Officer shall, upon receipt of a complaint in such form, manner and accompanied by such fees as may be prescribed, relating to contravention of this Act as specified in the Third Schedule, or *suo motu*, conduct an inquiry under the provisions of this Chapter, pass an order in writing specifying the civil penalty up to an amount as specified in the Third Schedule, payable by the person committing such contravention.

Contraventions
of Act.

(2) The provisions of the Third Schedule shall apply to the abetment of, or attempt to commit, or conspiracy to commit such contravention, as they apply to such contravention.

34. (1) Any authorised entity or assignee committing the contravention as provided under section 32 or under serial No. 4 of the Third Schedule may, prior to any notice or initiation of process of determination of such contravention, submit a voluntary undertaking to the Adjudicating Officer, disclosing such contravention and measures taken or to be taken to mitigate such contravention.

Voluntary
undertaking
for
contraventions.

(2) The acceptance of voluntary undertaking given under sub-section (1), subject to the provisions of sub-section (6), shall constitute a bar on proceedings under this Chapter.

(3) Where the Adjudicating Officer has reasonable grounds to believe that a contravention as provided under section 32 or under serial No. 4 of the Third Schedule may have occurred, then it shall serve a notice to the authorised entity or assignee concerned under the relevant section.

(4) At any time during the process of hearing under sub-section (3), the authorised entity or assignee, may, submit a voluntary undertaking specifying the mitigation measures it proposes to take in respect of such contravention.

(5) The acceptance of the voluntary undertaking submitted under sub-section (4), subject to the provisions of sub-section (6), shall be construed as a mitigation measure and shall be duly considered for the purpose of determination of civil penalties under clause (a) of sub-section (1) of section 32, or under serial No. 4 of the Third Schedule.

(6) The voluntary undertaking under sub-section (1) or sub-section (4) of this section, may include an undertaking to take a specified action within a specified time; an undertaking to refrain from taking a specified action; and an undertaking to publicise the voluntary undertaking.

(7) The Adjudicating Officer may accept the voluntary undertaking under sub-section (1) or sub-section (4), or with the agreement of the authorised entity or assignee providing the voluntary undertaking, vary the terms included in such voluntary undertaking.

(8) When the authorised entity or assignee providing a voluntary undertaking fails to comply with any terms of such undertaking, the Adjudicating Officer may, after giving such authorised entity or assignee a reasonable opportunity of being heard, proceed with imposition of civil penalties specified under the Second Schedule or the Third Schedule, as applicable.

Adjudicating
Officer.

35. (1) For the purposes of this Chapter, the Central Government shall, by an order published in the Official Gazette, appoint any officer of the Central Government not below the rank of Joint Secretary as one or more Adjudicating Officers for holding an inquiry in such manner as may be prescribed.

(2) The Adjudicating Officer may, upon the holding of such inquiry, pass such order as he deems fit in accordance with the provisions of section 32 or section 33.

Designated
Appeals
Committee.

36. (1) The Central Government may, by an order published in the Official Gazette, appoint officers of the Central Government not below the rank of Additional Secretary, as members of one or more Designated Appeals Committee to which any person aggrieved by an order made by the Adjudicating Officer under sub-section (1) of section 32 or under section 33, may prefer an appeal.

(2) Every appeal under sub-section (1) shall be filed within a period of thirty days from the date on which the copy of the order made by the Adjudicating Officer is received by the aggrieved person, and shall be in such form, manner and be accompanied by such fees as may be prescribed.

Process to be
followed by
Adjudicating
Officer and
Designated
Appeals
Committee.

37. (1) The functioning of the Adjudicating Officer and the Designated Appeals Committee shall, as far as possible, be digital by design and they shall function as digital offices and deploy such techno-legal measures as may be prescribed, to enable online process for their functioning.

(2) The Adjudicating Officer and Designated Appeals Committee shall have the same powers as a civil court, and all proceedings before it shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code.

Enforcement.

38. Any order made by the Adjudicating Officer or the Designated Appeals Committee shall be executable in the same manner as if it were a decree of civil court; and such orders shall be deemed to be final decrees under this section on the expiry of the period allowed for preferring an appeal against such orders as provided in section 36 and section 39.

24 of 1997. **39.** Any person aggrieved by an order of the Designated Appeals Committee under section 36, in so far as it pertains to matters under sub-section (1) of section 32, or an order of the Central Government under sub-section (2) of section 32, may prefer an appeal to the Telecom Disputes Settlement and Appellate Tribunal constituted under section 14 of the Telecom Regulatory Authority of India Act, 1997, within a period of thirty days from the date on which a copy of the order is received by such authorised entity or assignee.

Appeals on matters relating to section 32.

40. Any person aggrieved by an order of the Designated Appeals Committee under section 36, in so far as it pertains to matters under section 33, may prefer an appeal to any civil court having jurisdiction over the matter.

Appeals on matters relating to section 33.

41. No civil court shall have jurisdiction in respect of any matter which the Adjudicating Officer, the Designated Appeals Committee, the Central Government or the Telecom Disputes Settlement and Appellate Tribunal are empowered by or under this Chapter to determine.

Jurisdiction of civil court barred.

CHAPTER IX

OFFENCES

42. (1) Whoever provides telecommunication services or establishes telecommunication network without authorisation under sub-section (1) of section 3, or causes damage to critical telecommunication infrastructure shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend up to two crore rupees, or with both.

General provisions relating to offences.

(2) Whoever directly or indirectly or through personation—

(a) gains or attempts to gain unauthorised access to a telecommunication network or to data of an authorised entity or transfers data of an authorised entity; or

(b) intercepts a message unlawfully,

shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend up to two crore rupees, or with both.

Explanation.—For the purposes of this sub-section,—

(i) the expression "personation" shall have the same meaning as assigned to it under section 416 of the Indian Penal Code;

(ii) data of an authorised entity includes call data records, internet protocol data records, traffic data, subscriber data records and the like.

(3) Whoever,—

(a) possesses or uses without an authorisation, any equipment that blocks telecommunication;

(b) uses telecommunication identifiers not allotted or permitted in accordance with sub-sections (8) and (9) of section 3;

(c) tampers with telecommunication identifiers;

(d) possesses radio equipment without an authorisation or an exemption that can accommodate more than specified number of subscriber identity modules;

(e) obtains subscriber identity modules or other telecommunication identifiers through fraud, cheating or personation;

(f) wilfully possesses radio equipment knowing that it uses unauthorised or tampered telecommunication identifiers,

shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend up to fifty lakh rupees, or with both.

(4) Whoever wilfully contravenes any measures specified in the notification on national security under section 21 shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend up to two crore rupees, or with both and the Central Government may, if it deems fit, also suspend or terminate the telecommunication service of such person.

(5) Whoever causes damage to telecommunication network, other than critical telecommunication infrastructure shall be liable for compensation for the damage caused and fine which may extend up to fifty lakh rupees.

(6) Whoever abets any offence, or attempts to commit, or conspires to commit an offence under this Act, shall if the act abetted or conspired is committed in consequence of such abetment or conspiracy, be punished with the punishment provided for the offence.

(7) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences specified under this section shall be cognizable and non-bailable. 2 of 1974.

(8) No court inferior to that of a Chief Metropolitan Magistrate or a Chief Judicial Magistrate of first class shall try any offence punishable under this Act.

Power to search.

43. Any officer authorised by the Central Government in this behalf, may search any building, vehicle, vessel, aircraft or place in which he has reason to believe that any unauthorised telecommunication network or telecommunication equipment or radio equipment in respect of which an offence punishable under section 42 has been committed, is kept or concealed and take possession thereof.

Supply of information to authorised officers.

44. Notwithstanding anything contained in any law for the time being in force, where the Central Government is satisfied that any information, document or record in possession or control of any authorised entity or assignee relating to any telecommunication service, telecommunication network or use of spectrum, availed by any entity or consumer or subscriber is necessary to be furnished in relation to any pending or apprehended civil or criminal proceedings, an officer, specially authorised in writing by the Central Government in this behalf, shall direct such authorised entity or assignee to furnish such information, document or record to him and the authorised entity or assignee shall comply with the direction of such officer.

CHAPTER X

MISCELLANEOUS

Creation of security interests.

45. The Central Government may provide for such security interest which an authorised entity may provide to lenders financing such entities on such terms and conditions of such security interest as may be prescribed.

Certification of person for operation of radio equipment on a vessel or aircraft.

46. The Central Government may grant certification to any person to operate a radio equipment on such class of vessels registered under the Merchant Shipping Act, 1958, aircrafts registered under the Aircraft Act, 1934 and any other category of vessels or vehicles as may be notified by the Central Government, in accordance with such terms and conditions, including applicable fees and charges, as may be prescribed.

44 of 1958.
22 of 1934.

Certification for amateur station operator.

47. The Central Government may by rules provide for the manner of certification of person to install and operate an amateur station and such rules may specify the qualifications and terms and conditions subject to which, a certification for operating an amateur station may be granted, including through conduct of examinations for granting such certification, the fees and charges to be paid thereof, and other connected matters.

Explanation.—For the purposes of this section,—

(a) "amateur services" means radio communication services for the purpose of self-training, intercommunication and technical investigations carried out by amateurs, that is, by duly authorised person interested in radio technique solely with a personal aim and without any pecuniary interest;

(b) "amateur station" means a radio station operated by an amateur for amateur services.

48. No person shall possess or use any equipment that blocks telecommunication unless permitted by the Central Government, or any authority authorised for specific purpose by the Central Government.

Prohibition of use of equipment which blocks telecommunication.

49. (1) The penalties imposed pursuant to the provisions of Chapter VIII or Chapter IX, shall be in addition to, and not in derogation of, any liability in respect of payment of compensation or payment of any fees or charges due by an authorised entity or assignee.

Penalties not to affect other liabilities.

(2) The provisions of this Act are in addition to and without prejudice to any other liability which a person may have incurred under any other law for the time being in force.

50. This Act shall apply to any offence committed or contravention made outside India by any person if the act or conduct constituting such offence or contravention involves a telecommunication service provided in India, or telecommunication equipment or telecommunication network located in India.

Act to apply for offence or contravention committed outside India.

51. No suit, prosecution or other legal proceeding shall lie against the Central Government, the State Government, or any other authority under this Act or any person acting on their behalf, as the case may be, for anything which is done in good faith, or intended to be done in pursuance of this Act or any rule, regulation or order made thereunder.

Protection of action taken in good faith.

52. (1) The provisions of this Act shall be in addition to, and not be construed in derogation of the provisions of any other law, and shall be construed as consistent with such law, for the time being in force.

Consistency with other laws.

(2) If any conflict arises between a provision of this Act and a provision of any other law for the time being in force in the whole of India or restricted to the application within the territory of any State, the provision of this Act shall prevail to the extent of such conflict.

53. The implementation of the Act shall be digital by design and the Central Government shall take any such measures as necessary to enable the digital implementation of the Act.

Implementation of Act.

54. No employee of an authorised entity shall, in any legal proceeding to which such authorised entity is not a party, be compelled to appear as a witness to prove the information contained in any electronic records submitted under sub-section (4) of section 65B of the Indian Evidence Act, 1872, except as required by order of the Court or a Judge made for special cause.

1 of 1872.

Employee of authorised entity not to be compelled to appear as witness.

55. The privilege of the Central Government to grant authorisations or assignment under this Act in the Continental Shelf and the Exclusive Economic Zone of India and the rights of an authorised entity or assignee, as the case may be, shall be subject to the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and applicable international laws as accepted and ratified by India.

80 of 1976.

Rights in Continental Shelf and Exclusive Economic Zone.

56. (1) The Central Government may, by notification, and subject to the condition of previous publication, make rules not inconsistent with the provisions of this Act, to carry out the purposes of this Act.

Power of Central Government to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the terms and conditions, including fees or charges for obtaining authorisation under sub-section (1) of section 3;

(b) the manner of exemption for providing authorisation under sub-section (3) of section 3;

(c) the terms and conditions, including fees and charges, applicable to the original authorised entity that emerges pursuant to any merger, demerger, acquisition, or other forms of restructuring, under sub-section (5) of section 3;

(d) the terms and conditions for migration under sub-section (6) of section 3;

(e) the verifiable biometric based identification to be used by an authorised entity of telecommunication services under sub-section (7) of section 3;

(f) the terms and conditions, including fees or charges for allotment of telecommunication identifiers for use by authorised entities under sub-section (8) of section 3;

(g) the terms and conditions for the assignment of spectrum, including the frequency range, methodology for pricing, price, fees and charges, payment mechanism, duration and procedure under sub-section (3) of section 4;

(h) the manner of exemptions for assignment of spectrum under sub-section (7) of section 4;

(i) the terms and conditions for re-farming and harmonisation under section 5;

(j) the terms and conditions, including applicable fees and charges, and any other relevant condition subject to which the utilisation of the spectrum in a flexible, liberalised and technologically neutral manner under section 6;

(k) the terms and conditions for optimal utilisation of spectrum under sub-section (1) of section 7;

(l) the period of unutilised spectrum for insufficient reasons and further terms and conditions relating to spectrum utilisation under sub-section (2) of section 7;

(m) the terms and conditions, including applicable fees or charges for sharing, trading, leasing and surrender of assigned spectrum, under sub-section (2) of section 8;

(n) the timeline for granting permission for right of way for telecommunication network in public property; and the amount for administrative expenses and compensation for right of way under sub-section (3) of section 11;

(o) the procedure to be followed by a facility provider to enter, survey, establish, operate, maintain, repair, replace or relocate the telecommunication network, including the notice period, the manner of issuance of notice, the framework governing objections by owner or occupier of the property, the manner in which such objections would be resolved, and matters relating to the compensation payable for any damage under sub-section (5) of section 12;

(p) the terms and conditions, including charges for right of way, and compensation for damage to the property, under sub-section (6) of section 12;

(q) the terms and conditions, including fees and charges subject to which the telecommunication network to be made available on open access basis to facility providers under sub-section (2) of section 15;

(r) the procedure and manner for giving prior notice under sub-section (1) of section 17;

(s) the timeline for responding the notice with details of telecommunication network and precautionary measures to be undertaken by the facility provider under sub-section (2) of section 17;

(t) the procedure and safeguards for public emergency or public safety under sub-section (2) of section 20;

(u) the duration and manner of taking action for public emergency or public safety under sub-section (4) of section 20;

(v) the measures to protect and ensure cyber security of, telecommunication networks and telecommunication services under sub-section (1) of section 22;

(w) the standards, security practices, upgradation requirements and procedures to be implemented for the Critical Telecommunication Infrastructure under sub-section (4) of section 22;

(x) the manner for administration of Digital Bharat Nidhi under section 26;

(y) the manner and duration for creating Regulatory Sandbox under section 27;

(z) the measures for protection of users under sub-section (2) of section 28;

(za) the manner for registration of any grievance and redressal of such grievances pertaining to the telecommunication service under sub-section (3) of section 28;

(zb) the terms and conditions for participating in the dispute resolution mechanism under sub-section (2) of section 30;

(zc) the form, manner and fees to be accompanied with the complaint under sub-section (1) of section 33;

(zd) the manner for holding inquiry by the Adjudicating Officer under sub-section (1) of section 35;

(ze) the form, manner and fees for filing an appeal before the Designated Appeals Committee under sub-section (2) of section 36;

(zf) the techno-legal measures for functioning of the Adjudicating Officer and the Designated Appeals Committee under sub-section (1) of section 37;

(zg) the terms and conditions of security interest under section 45;

(zh) the terms and conditions, including applicable fees and charges for granting certificates under section 46;

(zi) the manner of certification, qualification, and terms and conditions, including fees and charges for the examination for amateur station operator under section 47;

(zj) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made by rules.

(3) Every rule made under this Act and amendment to the Schedule made under section 57 shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both

Houses agree in making any modification in the rule or amendment to the Schedule or both Houses agree that the rule or amendment to the Schedule should not be made, the rule or amendment to the Schedule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or amendment to the Schedule.

Power of
Central
Government
to amend
Schedules.

57. (1) Subject to the provisions of this section, the Central Government may, by notification,—

(a) amend the First Schedule;

(b) amend the Second Schedule or the Third Schedule:

Provided that penalty or civil penalty specified in such Schedules shall be not exceeding ten crore rupees.

(2) Any amendment made under sub-section (1) shall have effect as if enacted in this Act and shall come into force on the date of the notification, unless the notification otherwise directs.

Power to
remove
difficulties.

58. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may be necessary or expedient, for removing the difficulty:

Provided that no order shall be made under this section after the expiration of three years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Amendment
to Act 24 of
1997.

59. In the Telecom Regulatory Authority of India Act, 1997,—

(a) in section 2,—

(i) in sub-section (1),—

(A) for clause (e), the following clause shall be substituted, namely:—

'(e) "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;';

7 of 1995.

(B) for clause (ea), the following clause shall be substituted, namely:—

'(ea) "licensor" means the Central Government which grants an authorisation for telecommunication services under the Telecommunications Act, 2023, or registration under the Cable Television Networks (Regulation) Act, 1995 or any other Act for the time being in force;';

7 of 1995.

(C) after clause (j), the following clause shall be inserted, namely:—

'(ja) "telecommunication" shall have the meaning as assigned to it in the Telecommunications Act, 2023;';

(D) for clause (k), the following clause shall be substituted, namely:—

'(k) "telecommunication services" means any service for telecommunication;';

13 of 1885.
17 of 1933.
7 of 1995.

(ii) in sub-section (2), for the words and figures "the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933", the words, figures and brackets "the Telecommunications Act, 2023 or the Cable Television Networks (Regulation) Act, 1995" shall be substituted;

(b) in section 4, for the proviso, the following provisos shall be substituted, namely:—

"Provided that a person who is, or has been, in the service of Government shall not be appointed—

(a) as a Chairperson unless such person has held the post of Secretary to the Government of India or any equivalent post in the Central Government or the State Government; or

(b) as a member unless such person has held the post of Additional Secretary to the Government of India or any equivalent post in the Central Government or the State Government:

Provided further that a person who is, or has been, in a service other than that of Government, shall be appointed—

(a) as a Chairperson if such person has at least thirty years of professional experience and has served as a member of the board of directors or a chief executive of a company in the areas as specified in this section; or

(b) as a Member if such person has at least twenty-five years of professional experience and has served as a member of the board of directors or chief executive of a company in the areas as specified in this section.";

(c) in section 11,—

(i) in sub-section (1),—

13 of 1885.
7 of 1995.

(A) for the words and figures "Indian Telegraph Act, 1885", the words, figures and brackets "Telecommunications Act, 2023 or the Cable Television Networks (Regulation) Act, 1995" shall be substituted;

(B) in the fifth proviso, for the portion beginning with the words "may, within fifteen days from the date of receipt" and ending with the words "take a final decision", the following shall be substituted, namely:—

"shall, within thirty days from the date of receipt of such reference communicate to the Central Government any further recommendations that it may have, after considering the reference made by the Central Government and after receipt of further recommendation if any, the Central Government shall take a final decision.";

(ii) in sub-section (2),—

13 of 1885.
7 of 1995.

(A) for the words and figures "Indian Telegraph Act, 1885", the words, figures and brackets "Telecommunications Act, 2023 or the Cable Television Networks (Regulation) Act, 1995" shall be substituted;

(B) after the proviso, the following proviso shall be inserted, namely:—

"Provided further that the Authority may direct an authorised entity or class of authorised entities providing telecommunication services, to abstain from predatory pricing that is harmful to competition, long term development and the overall health of the telecommunication sector.";

(d) in section 14, in clause (a),—

(i) sub-clause (i) shall be omitted;

(ii) for paragraph (C), the following shall be substituted, namely:—

"(C) any disputes to be adjudicated by the Adjudicating Officer or the Designated Appeals Committee under the Telecommunications Act, 2023;

(iii) after clause (c), the following clause shall be inserted, namely:—

"(d) hear and dispose of appeals under section 39 of the Telecommunications Act, 2023.

Any action instituted under the Telecom Regulatory Authority of India Act, 1997 and pending immediately before the appointed day in the Telecom Disputes Settlement and Appellate Tribunal, shall continue to be heard and disposed of by the Telecom Disputes Settlement and Appellate Tribunal as if this Act had not been passed;"

24 of 1997.

(e) for section 38, the following section shall be substituted, namely:—

"38. The provisions of this Act shall be in addition to the provisions of the Telecommunications Act, 2023 and, in particular, nothing in this Act shall affect any jurisdiction, powers and functions required to be exercised or performed by the appropriate authority in relation to any area falling within the jurisdiction of such authority."

Application of certain laws.

CHAPTER XI

REPEAL AND SAVINGS

Repeal of certain Acts and savings.

60. (1) Subject to the other provisions of this section, the enactments namely, the Indian Telegraph Act, 1885, and the Indian Wireless Telegraphy Act, 1933, are hereby repealed.

13 of 1885.
17 of 1933.

(2) Notwithstanding the repeal of the provisions aforesaid, anything done or any action taken including any grant of license, registration or assignment, any order, or proceeding, pending or ongoing, under the repealed provisions shall be deemed to have been done or taken under this Act, and the provisions of this Act shall have effect in relation thereto.

(3) The provisions of Part-III of the Indian Telegraph Act, 1885 shall continue to apply to all cases pertaining to laying down of transmission lines under section 164 of the Electricity Act, 2003 as if the Indian Telegraph Act, 1885 has not been repealed, and the provisions of Part-III of the Indian Telegraph Act, 1885 shall continue in force with reference to section 164 of the Electricity Act, 2003 till such time as section 164 of the Electricity Act, 2003 is amended.

13 of 1885.
36 of 2003.

- 13 of 1885.
17 of 1933.
- 61.** All rules, orders, made or purported to have been made under the Indian Telegraph Act, 1885 or under the Indian Wireless Telegraphy Act, 1933, shall, in so far as they relate to matters for which provision is made in this Act and are not inconsistent therewith, be deemed to have been made under this Act as if this Act had been in force on the date on which such rules, orders were made, and shall continue in force unless and until they are superseded by any rules made under this Act.
- Existing rules to continue.
- 13 of 1885.
17 of 1933.
- 62.** All acts of executive actions done, decisions taken, actions done, proceedings taken and orders passed, prior to the appointed day, by the Central Government, by any officer of the Central Government, or by any other authority, with respect to assignment of spectrum or provision of telecommunication services, or telecommunication network or establishment of telecommunication infrastructure, in the belief or purported belief that the acts done, decisions taken, actions done, and proceedings taken, were being done, taken or passed under the Indian Telegraph Act, 1885, or the Indian Wireless Telegraphy Act, 1933, shall be as valid and operative as if they had been done, taken or passed in accordance with law; and no suit or other legal proceeding shall be maintained or continued against any person whatsoever, on the ground that any such acts, decisions, proceedings taken were not done or taken in accordance with law.
- Validation of certain acts and indemnity.

THE FIRST SCHEDULE

[See sections 4 (4), (5) and 57(1)]

ASSIGNMENT OF SPECTRUM THROUGH ADMINISTRATIVE PROCESS

1. National security and defence.
2. Law enforcement and crime prevention.
3. Public broadcasting services.
4. Disaster management, safeguarding life and property.
5. Promoting scientific research, resource development, and exploration.
6. Safety and operation of roads, railways, metro, regional rail, inland waterways, airports, ports, pipelines, shipping, and other transport systems.
7. Conservation of natural resources and wildlife.
8. Meteorological department and weather forecasting.
9. Internationally recognised dedicated bands for amateur stations, navigation, telemetry, and other like usages.
10. Use by Central Government, State Governments, or their entities or other authorised entities for safety and operations of mines, ports and oil exploration and such other activities where the use of spectrum is primarily for supporting the safety and operations.
11. Public Mobile Radio Trunking Services.
12. Radio backhaul for telecommunication services.
Explanation.—The term "radio backhaul" shall mean the use of radio frequency only to interconnect telecommunication equipment, other than the customer equipment in telecommunication networks.
13. Community Radio Stations.
14. In-flight and maritime connectivity.
15. Space research and application, launch vehicle operations and ground station for satellite control.
16. Certain satellite-based services such as: Teleports, Television channels, Direct To Home, Headend In The Sky, Digital Satellite News Gathering, Very Small Aperture Terminal, Global Mobile Personal Communication by Satellites, National Long Distance, International Long Distance, Mobile Satellite Service in L and S bands.
17. Use by Central Government, State Governments or their authorised agencies for telecommunication services.
18. Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL).
19. Testing, trial, experimental, demonstration purposes for enabling implementation of new technologies, including for creation of one or more Regulatory Sandboxes.

THE SECOND SCHEDULE

[See sections 32(1) (a) and 34 (8)]

CIVIL PENALTIES FOR BREACH OF TERMS AND CONDITIONS UNDER SECTIONS 32 AND 34.

Categorisation	Civil Penalty
Severe	Up to Rs. 5 Crore
Major	Up to Rs. 1 Crore
Moderate	Up to Rs. 10 lakh
Minor	Up to Rs. 1 lakh
Non-severe	Written warning.

THE THIRD SCHEDULE

[See sections 33(1), (2), 34(1), (3), (5) and 34(8)]

CIVIL PENALTIES FOR CERTAIN CONTRAVENTIONS

Sl. No.	Contravention under the Act	Civil Penalty
1.	(a) Possessing radio equipment without an authorisation or an exemption, except for the offence under clauses (d) and (f) of sub-section (3) of section 42; (b) Use of subscriber identity modules in excess of number notified.	First Offence: Civil penalty up to fifty thousand rupees. Each subsequent offence: Civil penalty up to two lakh rupees for each such instance.
2.	Use by any person or entity of a telecommunication service or telecommunication network knowing or having reason to believe that such telecommunication service or telecommunication network does not have the required authorisation under this Act.	Civil penalty up to ten lakh rupees.
3.	Contravention of the provisions of section 28 (Measures for protection of users).	First Offence: Civil penalty up to fifty thousand rupees. Each subsequent offence: Civil penalty up to two lakh rupees for each such instance, or suspension of telecommunication service, or a combination thereof.
4.	Contravention of any provision of this Act or rules, or any terms or conditions of an assignment or authorisation in relation to any matter under this Act, for which no penalty or punishment is provided elsewhere in this Act.	First Offence: Civil penalty up to twenty-five thousand rupees. Second or subsequent offence: Further Civil penalty up to fifty thousand rupees for every day after the first during which the contravention continues.

S.K.G. RAHATE,
Secretary to the Govt. of India.

Annexure 1.3: DoT's reference dated 12.04.2022

Government of India
Ministry of Communications
Department of Telecommunications
WPC Wing, 20, Asoka Road,
Sanchar Bhawan, New Delhi-110 001

L-14021/01/2021-WF

Dated:12/04/2022

To,

The Secretary
Telecom Regulatory Authority of India
Mahanagar Doordarshan Bhawan,
New Delhi.

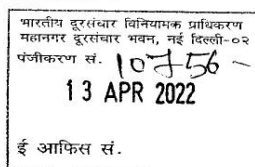
Subject : Request for TRAI recommendation for frequency assignment for Data communication services between aircraft and ground stations for services provided by organisations other than Airports Authority of India.

Sir,

During 2006-2010, this Ministry made frequency assignments to M/s *Société Internationale de Télécommunications Aéronautiques*, (SITA) and M/s Bird Consultancy Services (BCS) to operate VHF Data Communication Link between aircrafts and ground. M/s SITA was assigned 131.725 MHz and 136.975 MHz to operate at 28 airports; and M/s BCS was assigned 131.825 MHz to operate at 04 airports (List of airports attached Annexure-1). The spectrum charges were levied as per Order issued in 1987, and Corrigendum there to issued on 06/05/2003. This order was revised in 2005 and March 2012. (copy of relevant orders are attached as Annexure-2 to 5, respectively).

2. During 2012, M/s BCS; and during 2014-2015 and 2021, M/s SITA; applied to this Ministry to add More stations to their network. M/s SITA applied for 15 additional locations and M/s BCS applied for 10 additional airports in the country (Annexure-6).

3. While processing the applications for additional locations, a concern was raised that the operations by both M/s SITA and M/s BCS were not captive (internal use) in nature, and there could have a commercial angle in the operation that involved



Contd.... 2

a service rendered to airlines operators. A further concern was whether such services, being offered in a sensitive area as civil aviation, should be regulated under any "service license". Accordingly, a letter was written to Directorate General of Civil Aviation (DGCA) on 05.05.2014 and 04.08.2014) (see Annexure 7 and 8) requesting them to inform DOT, mentioning the sensitive nature of the communications that may be involved in these data communications, whether DGCA had given any permission/ authorization to the two organizations to provide Data-based services to airlines at different airports. DGCA was also requested to clarify whether there were any regulatory framework under which such services were mandated to be provided by the two organisations to airlines. DGCA replied on 02.06.2016 (See Annexure 9) that they had not given any permission/authorization to provide data-link services to any organisation as there were no regulations for the same. However, they provided a copy of air safety circular (4 of 2014) dated 05.05.2014 issued by them, (see Annexure 10)) which requires airline operators to use all suitable means to track their aircraft on real-time basis.

3.1 The frequency assignments for the additional locations requested by M/s SITA and M/s BCS were not made by DOT then, however, the existing licenses were not cancelled and were renewed based on request of the applicants. SITA has renewed their licensed up to 2021. However, M/s BCS has not renewed their licenses after 2014.

4. As per information made available to DOT by M/s BCS, both organisations use the assigned radio frequency to provide those services (data based services) to airlines operators which is not already provided by the Airport Authority of India (voice based communication mainly the Air traffic control service, i.e. 'ATC'). Further, as per clarification provided by these organisations, the air-to-ground data link is used to obtain information from aircrafts such as passenger information, aircraft engine parameters, etc. through "Aircraft Communication Addressing and Reporting system (ACAR)", operated under relevant International standards (ARINC etc.). Aeronautical Radio, Incorporated (ARINC), established in 1929, is a major provider of transport communications and systems engineering solutions for eight industries viz. aviation, airports, defense, healthcare, networks, security etc.


5. The VHF data link services consist of the data for the tracking the aircraft for safety of flights. The data includes the position reports, weather updates, engine health messages etc. Considering that VHF Data Link Services to provide ACAR service can be beneficial to track aircrafts on a real-time basis and help investigations/ search and

Contd... 3

- 3 -

rescue operations in the unfortunate event of aviation disaster, TRAI is requested, under the terms of clause 11(1)(a) of TRAI Act, 1997 as amended by TRAI Amendment Act, 2000 to provide recommendation on the following.

- i. An appropriate mechanism to regulate the services provided by these organizations ;
- ii. The manner in which the frequency assignment should be made to these organizations, in light of the supreme Court judgment made in the 2G case in 2012 - to assign radio frequencies only through auction.


(R K Saxena)
Wireless Advisor

Enclosure : Annexure 1 to 10

Annexure 1.4: DoT's reference dated 02.06.2022

Government of India
Ministry of Communications
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road, New Delhi-110001
(Carrier Service Cell)

No. 311-80/2022-CS-I-Policy(part)

Dated: 2nd June, 2022

To

✓ The Secretary
Telecom Regulatory Authority of India,
MTNL Building, Jawahar Lal Nehru Marg,
New Delhi-110002

Subject: Recommendations of TRAI sought in regard to review of terms and conditions for issue licenses for CMRTS and PMRTS.

The Guidelines for PMRTS for Captive and Commercial use were issued on 1st Nov, 2001 (**Annexure-1**) on the basis of TRAI recommendations dated 18.12.2000. The license for commercial use is known as Public Mobile Radio Trunking Service (**PMRTS**) and the license for captive use it is known as Captive Mobile Radio Trunking Services (**CMRTS**). Further recommendations of TRAI regarding the PMRTS was given on 07.01.2003. On the basis of these guidelines of 1st Nov, 2001 and TRAI recommendations dated 07.01.2003, License Agreement for PMRTS and CMRTS were approved in June 2007.

2. Licenses for PMRTS were being issued on the basis of these guidelines by CS division up to 19.08.2013. Thereafter, the PMRTS license was brought under Unified Licensing (**UL**) regime and PMRTS Authorization were issued under the UL guidelines. However, CMRTS license, which is for captive use, was not included in the Unified License and CMRTS licenses continued to be issued on the basis of approved guidelines of 2001 & license agreement of 2007.

3. As per the existing arrangements, licenses have been issued on non-exclusive basis without any limit on number of operators in a service area, as well as the number of licenses that can be obtained by any single operators. The present list of existing PMRTS licenses and CMRTS licenses are enclosed as **Annexure-2** and **Annexure-3** respectively. These licenses were granted for a period of 20 years and extendable by 10 years beyond initial period, at a time.

4. CMRTS license conditions have not been reviewed since 2007 and also not been included in the UL. A copy of the sample CMRTS license agreement as applicable to the existing licensees is enclosed as **Annexure-4**. Further, following amendments of CMRTS license were issued which are placed collectively at **Annexure-5**:-

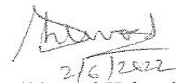
- a. letter No. 311-Misc/2017-CS-I dated 15.03.2021 regarding procurement of telecommunication equipment
- b. letter No. 311-Misc/2017-CS-I dated 06.10.2021 regarding change in interest rate, penalty and interest on penalty and


2/6/22

c. letter No. 311-Misc/2017-CS-I dated 08.10.2021 regarding rationalization of bank guarantees)

5. In this regard, various suggestions/ representations received from PMRTS Licensees and their Association are enclosed at **Annexure-6** and a representation received from a CMRTS licensee is enclosed at **Annexure-7**. Keeping in view the vast changes in the technology and financial aspects during this period and the resultant new user applications, there is a need to review scope and guidelines for PMRTS & CMRTS services and the license conditions.

6. In view of the above, TRAI is requested to give recommendations under clause 11(1)(a) of the TRAI Act, 1997 (as amended) regarding the terms and conditions for issue of fresh licenses for CMRTS and PMRTS services especially w.r.t. technical conditions (viz. connectivity with PSTN, internet, use of digital technology, allocation of spectrum to PMRTS, use of network slicing under 5G etc.) and financial aspects etc. TRAI is also requested to give its view on any other issues considered relevant for CMRTS and PMRTS licenses.



(Sharad Trivedi)

DDG (Carrier Services)

Ph: 011-23710437

Enclosed: Annexures 1 to 7.

Annexure 1.5: DoT's reference dated 07.07.2023

F No. 20-405/2013 AS-I (Vol.-V)(Pt.10)
Ministry of Communications
Department of Telecommunications
(Access Service Wing)
20, Ashoka Road, Sanchar Bhawan, New Delhi

Dated the 7th July 2023

Subject: Seeking recommendations of TRAI on issue of connectivity to Access Service VNOs from more than one NSO -reg.

Department of Telecommunications has examined the issues related to Licensing Reforms on various aspects like Procedural Reforms, Reform for Licensing Terms & Conditions, Compliance Reforms for reducing compliance burden on Telecom Service Providers (TSPs) etc. Following issues/matters amongst them are indicated here to seek recommendations of TRAI:

2. Based on the TRAI's recommendations dated 01.05.2015 on "Introduction of Virtual Network Operators", Department issued guidelines/agreement for Unified License (virtual Network Operator) {UL(VNO)} on 31.05.2016.

3. As per these guidelines, there would not be any restriction on the number of VNO licensees per service area. VNOs are allowed to have agreement with more than one NSO for all services other than Access Service and such services, which need numbering and unique identity of the customer.

4. Department has received representation that Access Service VNOs may also be permitted to take connectivity from more than one NSO in specific conditions. For example:

- i. When an Access Service VNO wants to take connectivity from a NSO for wireline services and another NSO for wireless services (Eg. A case when Access Service VNO takes connectivity from a NSO who is providing only wireline services in that area then such VNO has no option for providing wireless services in that area due to existing restrictions.)
- ii. Access Service VNOs who intends to provide wireline services only, may require to take connectivity from more than one NSOs. For example, a case, when an Access Service VNO takes connectivity from a NSO for wireline services, but that NSO may not have services in some other areas within the LSA where the VNO wants to provide its services. In such case, the VNO may be permitted to take connectivity from more than one NSOs for wireline line service.

5. Accordingly, recommendations of TRAI are sought on following issues:

- i. Appropriate number of NSOs with whom VNOs having Access Service

authorization and providing wire line services can be permitted to take connectivity in a LSA.

- ii. VNOs having Access Service authorization and providing both wireless and wire line services can be permitted to take connectivity from one NSO for wireless services and other NSO for wire line services in a LSA.

6. In this regard, TRAI is requested to kindly examine above issues and submit its recommendations under Section 11 (1) (a) of TRAI Act, 1997 (as amended).

7. This has the approval of competent authority.



(S. K. Singhal) 8/7/23

Deputy Director General (AS)

Phone: 23036918

To

The Secretary
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg (Old Mint Road)
New Delhi - 110002.

Annexure 2.1: Format for Authorisation Document

Department of Telecommunications

Section 3 (1)(a) of the Telecommunications Act 2023

... or (VNO) Service Authorisation

1. In exercise of the powers conferred by Section 3(1)(a) of the Telecommunications Act, 2023, I, ... (name and Designation), Department of Telecommunications, ... (address) acting on behalf of the President of India, grant a(n) ... (name of the Authorisation) to ... (name of applicant), ... (address) (hereinafter in this document referred to as the 'Authorised Entity').
2. This service authorisation shall be governed by the provisions of the Telecommunications Act, 2023, the Telecom Regulatory Authority of India Act, 1997 and Information Technology Act, 2000 as modified or replaced from time to time or any other relevant Act and the rules made thereunder. This service authorisation shall be governed by, *inter-alia*, (names of applicable rules).
3. **The salient terms of this authorisation are given below:**
 - (a) Effective Date of the authorisation: ... (to be specified)
 - (b) Period of Validity of the authorisation: ... years from the effective date unless revoked earlier for reasons specified in ... (names of applicable rules).
 - (c) Service Area of the authorisation: ... (to be specified)
 - (d) Scope of Service: ... (to be specified)
 - (e) Authorisation Fee, other charges and bank guarantees: Authorised Entity shall pay to the Central Government Authorisation Fee and other charges to the Central Government in accordance with the provisions of the ... (names of applicable rules).

- (f) Non-exclusivity clause: This authorisation has been granted on non-exclusive basis and additional authorisations may be issued in the Service Area from time to time in future without any restriction on number of authorised entities with same or different entry conditions.
- (g) This authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorized Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum and the provisions of the relevant Notice Inviting Application (NIA) document for the auction of spectrum, if spectrum is obtained through auction, will also apply on this authorisation.

Date:

Signature of the representative of the Central Government: ...

(On behalf of the President of India)

Annexure 2.2: Terms and Conditions to be included in the Telecommunication (Grant of service Authorisations) Rules

INDEX

Chapter 1: Authorisation Framework

Chapter 2: Terms and Conditions for the grant of Main Service Authorisations

Chapter 3: Terms and Conditions for the grant of Auxiliary Service Authorisations

Chapter 4: Terms and Conditions for the grant of Captive Service Authorisations

Chapter 1: Authorisation Framework

1. Service authorisations under section 3(1) of the Telecommunications Act, 2023 shall be granted to provide telecommunication services as per the scope of the respective service authorisations under following three broad categories, in the applicable service areas, which could be on National Level, Telecom Circle/ Metro Area Level, Sub-circle Level or location specific:
 - (a) Main service authorisations
 - (b) Auxiliary service authorisations
 - (c) Captive service authorisations
2. The service authorisations under the category of main service authorisations, will be granted in the role of Network Service Operator (NSO) or Virtual Network Operator (VNO), based on the request of the applicant. The service authorisation granted in the role of NSO will authorise the entity to provision a full-scale network as well as for delivery of services. On the other hand, the service authorisation granted in the role of VNO will authorise the entity to use the network services of its NSO for the delivery of services. A VNO is primarily a service delivery operator. VNOs are treated as extensions of NSOs. VNOs are allowed to install all network equipment other than the equipment for interconnecting with the network of other NSOs.
3. In short, the service authorisations under main service authorisations, could be granted with the scope of NSO or VNO, based on the request of the applicant. Also, the intent is that an entity who desires to deploy a full-scale network and provide services, should apply for relevant authorisation in the role of NSO.
4. The list of main service authorisations to be granted under the Telecommunications Act 2023, along with applicable service areas, broad scope(s) and validity period is given below:

Table 1.1: List of main service authorisations, broad scope of service and applicable service areas

S.No.	Service authorisation under the Telecommunication Act, 2023	Broad scope of service (For details, Rules may be referred to)	Service Area(s) for NSO	Service Area(s) for VNO
1.	Unified Services	All services permitted under the service authorisations at S.No. 2 to 6 of this table	National	National

2.	Access Service	<p>(a) Transmission, emission or reception of voice and non-voice message, including video.</p> <p>(b) Internet access service, Internet Telephony and IPTV</p> <p>(c) Leased circuits and Virtual Private Network</p> <p>(d) Captive network as a service</p> <p>(e) M2M services</p> <p>(f) Audio Conferencing/ Audiotex/ Voice Mail Services/ Cloud-based EPABX service</p>	(i) Telecom Circle/ Metro Area	<p>(i) Telecom Circle/ Metro Area for Access Service VNO</p> <p>(ii) Sub-circle (up to 4 Districts in a Telecom Circle/Metro) for Access service VNO category-C – scope of service includes only wireline access service</p>
3.	Internet Service	<p>(a) Internet access service and IPTV</p> <p>(b) Internet Telephony through Public Internet using Personal Computers (PC) or IP based Customer Premises Equipment (CPE)</p> <p>(c) Leased circuits and Virtual Private Network</p> <p>(d) Install operate and commission International Internet Gateway in the service area, which may be used to sell international internet bandwidth to other authorised internet service providers.</p>	<p>(i) National</p> <p>(ii) Telecom Circle/ Metro Area</p> <p>(iii) Sub-Circle (up to 4 Districts in a Telecom Circle/Metro)</p>	<p>(i) National for Internet service VNO category-A</p> <p>(ii) Telecom Circle/ Metro Area for Internet service VNO category-B</p> <p>(iii) Sub-circle (up to 4 Districts in a Telecom Circle/ Metro) for Internet service VNO category-C</p>
4.	Long Distance Service	(a) Carry switched bearer telecommunication traffic	National	National

		(b) Domestic Leased Circuit and/ or Virtual Private Network (c) Long distance voice service through Calling Cards (d) International Private leased Circuit (IPLC)/ International Bandwidth (e) Cable Landing Station for Submarine Cable System		
5.	Satellite-based telecommunication services	(a) VSAT based FSS (b) GMPCS	National	National
6.	Machine to Machine (M2M) WAN Service	Machine to Machine (M2M) service through wired or wireless media	(i) National (ii) Telecom Circle/ Metro Area	(i) National for M2M WAN service VNO for category-A (ii) Telecom Circle/ Metro Area for M2M WAN service VNO for category-B (iii) Sub-circle (upto 4 Districts in a Telecom Circle/ Metro) for M2M WAN service VNO for category-C

5. Considering that there are certain overlaps in the set of services under various authorisations and service area(s), an entity holding a VNO authorisation for a service

in a service area shall be allowed to have agreement with an NSO having authorisation to provide such service in such service area, under the scope of VNO Authorised Entity of the service authorisation held by the NSO. However, the scope of service shall be governed through the service authorisation held by the VNO Authorised Entity. For instance, (i) VNO with Internet category-B service or category-C service authorisation shall also be permitted to have an agreement with an NSO with access service authorisation in the relevant service area. To elaborate, the following table lists the NSO authorised entities with whom each VNO authorised entity can enter into arrangements.

Table 1.2: List of NSO authorised entities with whom each VNO authorised entity can enter into arrangements

S. No.	VNO Authorised Entity	NSO authorised entities
(i)	Unified Services	Unified Service
(ii)	Access Service	(a) Unified Service (b) Access Service for relevant service area
(iii)	Access Category-C Service	(a) Unified Service (b) Access Service for the relevant service area
(iv)	Internet Category-A Service	(a) Unified Service (b) Internet category-A service (c) Satellite-based telecommunication services
(v)	Internet Category-B service	(a) Unified Service (b) Access Service for the relevant service area (c) Internet category-A service (d) Internet access service category 'B' for the relevant service area (e) Satellite-based telecommunication services
(vi)	Internet Category-C Service	(a) Unified Service (b) Access Service for the relevant service area (c) Internet category-A service (d) Internet category-B or category-C for the relevant service area

		(e) Satellite-based telecommunication services
(vii)	Long Distance Service	(c) Unified Service (d) Long Distance Service
(viii)	Satellite-based telecommunication services	(a) Unified Service (b) Satellite-based telecommunication services
(ix)	Machine to Machine (M2M) WAN category-A Service	(a) Unified Service (b) Satellite-based telecommunication services (c) M2M WAN category-A service
(x)	Machine to Machine (M2M) WAN category-B Service	(a) Unified Service (b) Access Service for the relevant service area (c) Satellite-based telecommunication services (d) M2M WAN category-A service (e) M2M WAN category-B for the relevant service area
(xi)	Machine to Machine (M2M) WAN category-C Service	(a) Unified Service (b) Access Service for the relevant service area (c) Satellite-based telecommunication services (d) M2M WAN category-A service (e) M2M WAN category-B or category-C for the relevant service area

Notes:

(i) If an ISP-VNO Authorised Entity gets parented to a Satellite-based Telecommunication Service Authorised Entity, the conditions applicable on Satellite-based Telecommunication Service VNO Authorised Entity for the provision of Internet Service, shall also apply on the ISP-VNO.

(ii) In case of provision of service by VNO involving use of spectrum of its parent NSO, the VNO shall be liable to pay AGR-based spectrum charges at the same rate as applicable on its parent NSO for the relevant portion of its AGR.

6. The Entity with service authorisation for VNO shall be allowed to have agreements with more than one NSO for all services other than wireless access service. 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/ Central

Government shall have the right to intervene in the matter as and when required to protect the interest of consumers of telecom sector.

7. The list of auxiliary service authorisations to be granted under the Telecommunications Act 2023, along with applicable service areas and broad scope(s) is given below:

Table 1.3: List of auxiliary service authorisations, applicable service areas, and broad scope of service

S.No.	Service authorisation under the Telecommunication Act, 2023	Service Area	Broad scope of service (For details, authorisation Rules may be referred to)
1.	Public Mobile Radio Trunking Service	Telecom Circle/Metro	Public Mobile Radio Trunking Service
2.	Enterprise Communication Service Authorisation	National	Audio Conferencing/ Audiotex/ Voice Mail/ Cloud based EPABX services to the subscribers using Network resources of relevant Authorised Entity
3.	M2M Service and WPAN/ WLAN Connectivity Service Authorisation	National	(a) Provision of M2M services, to third parties using telecom resources obtained from authorised entities having authorisation under the category of main service authorisation. (b) to provide M2M connectivity by using Wireless Personal Area Network (WPAN) and/ or Wireless Local Area Network (WLAN) using assignment-exempt spectrum.
4.	Prime Minister Wi-Fi Access Network Interface (PM WANI) PDOA Service Authorisation	National	Aggregator of Public Data Office (PDOs) under the framework of PM-WANI and perform the functions relating to Authorisation and Accounting

5.	Prime Minister Wi-Fi Access Network Interface (PM WANI) APP Service Authorisation	National	To develop an App to register users and discover WANI compliant Wi-Fi hotspots in the nearby area and display the same within the App for accessing the internet service
6.	In-flight and Maritime Connectivity (IFMC) service	(a) On ships within Indian territorial waters, Continental Shelf, and Exclusive Economic Zone of India*, and (b) On aircraft within or above India or Indian territorial waters, Continental Shelf, and Exclusive Economic Zone of India*	Wireless voice/ non-voice messages including video and data services on ships and aircrafts
7.	Data Communication Service between Aircraft and Ground Stations	National service area for ground station; and On aircraft within or above India or Indian territorial waters, Continental Shelf, and Exclusive Economic Zone of India*	Provision of data Communication between Aircrafts and ground stations to airline operators and air navigation service providers such as Airports Authority of India
8.	Sale/ Rent of International Roaming SIM Cards of Foreign Operators in India	National	Selling or renting of Subscriber Identity Module (SIM) owned by Foreign Cellular Mobile Service Providers to any person in India intending to visit abroad for a specified duration and use the International roaming facility

* The rights of an authorised entity in the Continental Shelf, and Exclusive Economic Zone of India shall be subject to the Territorial Waters, Continental Shelf, Exclusive

Economic Zone and other Maritime Zones Act, 1976, and applicable international laws as accepted and ratified by India.

8. The list of Captive service authorisations to be granted under the Telecommunications Act 2023, along with applicable service areas and broad scope(s) is given below:

Table 1.4: List of Captive service authorisations, applicable service areas, and broad scope of service

S.No.	Service authorisation under the Telecommunication Act, 2023	Service Area	Broad scope of service (For details, authorisation Rules may be referred to)
1.	Captive Mobile Radio Trunking Service (CMRTS)	Location as specified in the authorisation	Captive Mobile Radio Trunking Service
2.	Captive Non Public Network (CNPN)	Valid within such locations in India where the Authorised Entity is occupant of the geographical areas	Establish indoor/ within premise wireless Captive Non-Public Network for the own use
3.	Captive VSAT CUG	National	Data connectivity between various sites scattered throughout India using VSATs for the own use. However, these sites should form part of a CUG.
4.	Captive Authorisation (case to case basis)	Specified geographies	To establish captive telecommunication network including microwave links and optical fibre cable links

9. In accordance with the section 3(6) of the Telecommunication Act, 2023, all existing entities authorised through different instruments i.e., license, registration, permission, authorisation, by whatever name called granted under the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933, for provision of telecommunication services be entitled to migrate to the Service Authorisations granted under the Telecommunications Act, 2023.

10. However, in case an entity decides to continue under its existing license/ registration/ permission/ authorisation as per the section 6 of the Telecommunications Act, 2023, all conditions involving two or more authorised entities such as cross-holding restrictions, interconnection, infrastructure sharing, NSO-VNO relation, agreement requirement for IFMC etc. will apply on both types of entities viz. –
 - (a) the entities which will be granted authorisations under the Telecommunications Act, 2023, and
 - (b) the entity holding a licence, registration, permission, etc. granted under the Indian Telegraph Act, 1885.
11. An authorised entity shall not be permitted to hold more than one service authorisation for a given telecommunication service in a given service area. Further, in case an authorised entity, which already holds a service authorisation in a service area under the Telecommunications Act, 2023 or a license under the Indian Telegraph Act, 1885, decides to obtain another service authorisation, whose scope of service and service area(s) encompasses the scope of service and service area(s) of the service authorisation/ license already held by such entity, in entirety, then such service authorisation/ license already held by the authorised entity shall be treated as subsumed in the new service authorisation and it shall cease to exist.

Chapter 2: Terms and Conditions for the grant of Main Service authorisations

1. Validity Period

The validity period of the main service authorisations (both NSO and VNO) shall be 20 years from the effective date of the authorisation unless revoked earlier for reasons as specified.

2. Eligibility conditions

- (1) To apply for any main service authorisation, the applicant must be a Company registered under the Indian Companies Act, 2013 (as amended from time to time). However, for obtaining authorisation for Access Service – VNO with service area of sub-circle (upto 4 Districts in a Telecom Circle/Metro Area), the applicant can also be a partnership firm, or an organization registered under Shop and Establishment Act or a legal person.
- (2) Financial Conditions: for obtaining any main service authorisations, Applicant Entity shall have—
 - (a) Minimum paid up equity capital equal to the sum of the Paid up Equity Capital required for each Service authorisation and service area applied (including the service authorisations already held) by the applicant entity as per **Annexure- I**. The applicant entity shall maintain the required minimum paid up equity during the currency of authorisation.
 - (b) Minimum Networth equal to the sum of the network required for each Service authorisation and service area applied (including the service authorisations already held) by the applicant entity as per Annexure-I. Net worth shall be as defined in the Companies Act, 2013 and as amended from time to time. The network of promoters/ equity shareholders shall not be counted for determining the network of the applicant entity. While counting the network, 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. The Network shall be certified by the Companies Secretary or Statutory Auditor. In case the applicant entity is not covered under the Indian Companies Act, 2013 and as amended from time to time, the network shall be as certified by the Chartered Accountant/ Cost Accountant.
- (3) Foreign Direct Investment Norms:
 - (a) The Foreign Direct Investment (FDI) is permitted up to 100% of equity under Automatic route subject to the observance of terms and conditions of

the Authorisation, as notified by the Central Government from time to time, by Authorised Entity as well as investors.

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 a subsequent change in beneficial ownership will also require Government approval.
 - (iii) Both direct and indirect foreign investment in the Authorised Entity shall be counted for the purpose of calculating total FDI.
 - (iv) The Authorised Entity/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government of India. While approving the investment proposals, the Government may take into account security concerns.
 - (v) FDI shall be subject to laws of India and not the laws of the foreign country/ countries. The Authorised Entity shall comply with the relevant provisions of FDI policy of the Government of India and such modifications to the policy as may be issued from time to time.
 - (vi) The words mentioned hereinabove such as FDI, foreign equity, investment companies, Automatic route, Government route, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.
- (b) The applicant entity shall declare the Indian & Foreign equity structure (both direct and indirect) in the applicant entity.

3. Equity holding in other companies:

- (1) In the event of holding/ obtaining Access spectrum, no Authorised Entity or its promoter(s) directly or indirectly shall have any beneficial interest in another Authorised Entity holding "Access Spectrum" in the same service area. For the purpose of this clause:
- (a) Promoter shall mean legal entity other than Central Government, financial institutions and scheduled banks, which hold 10% or more equity in the Authorised Entity.
 - (b) Beneficial interest shall mean holding of any equity directly or indirectly

including through chain of companies in the Authorised Entity.

Any arrangement contrary to the above shall be made consistent with the above stipulations within a period of one year from the date of grant of service authorisation.

- (2) The above provisions for the restriction of equity cross holding shall also 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) and 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.
- (3) No entity authorised to provide Unified Service/ Access Service/ Satellite-based telecommunication service/ Long distance service granted under the Telecommunications Act, 2023 shall hold any equity, directly or indirectly, in the Authorised Entity for Mobile Number Portability (MNP) Service Provider.

4. Provision of Telecommunication services using satellite media: In case of provision of services by the Authorised Entity through the satellite media, the Authorised Entity shall abide by the prevalent Government Rules, orders, directions, guidelines or regulations on the subject including Indian space policy, etc. For use of space segment and setting up of the Earth Station etc. the Authorised Entity shall also obtain clearance from SATCOM Monitoring Center (SMC), apart from obtaining SACFA clearance. The clearance from other authorities, as may be applicable, shall also be obtained by the Authorised Entity.

5. Security conditions

- (1) The Chief Officer in charge of technical network operations and the Chief Security Officer/Chief Information Security Officer, and in-charge of GMSC, MSC, Soft-Switch, Central Database, ILD Gateway, VSAT Hub, INSAT MSS-R Hub, PMRTS Central/Base Station, Satellite Earth Station Gateway, Switches and System Administrators shall be resident Indian citizen. 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 Authorised Entity. All foreign personnel likely to be deployed by the Authorised Entity for installation, operation and maintenance of the Authorised Entity's network shall also be security cleared by the Government of India prior to their deployment. The security clearance will be obtained from the Ministry of Home Affairs, Government of India, who will follow standard drill in the matter.

- (2) The Central Government shall have the right to take over the Service, equipment and networks of the Authorised Entity or revoke/ terminate/ suspend the Authorisation either in part or in whole of the Service area in the interest of national security or in case of emergency or war or low intensity conflict or any other eventuality in public interest as declared by the Government of India. Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the Authorised Entity without loss of time and shall be strictly complied with. Further, the Central Government reserves the right to keep any area out of the operation zone of the service if implications of security so require.

Provided any taking over or suspension of authorisation, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of Authorisation validity period or expansion of area in different corner or reduction of duly payable fee. However, the Authorisation Fee payable to the Central Government will not be required to be paid for the period for which the operation of the authorisation remains suspended in whole.

6. Application processing Fee, Entry Fee, and bank guarantees

Details of the non-refundable application processing fee, Entry Fee, and bank guarantees are available in Annexure-I.

7. Process of application to obtain the service authorisation and other related conditions

- (1) The eligible applicant entity shall submit the application through online portal.
- (2) While submitting an application, the applicant entity can simultaneously apply for different service authorisations in various service areas.
- (3) For any main service authorisations (NSO or VNO as the case may be), where service area is permitted as 'sub-circle' (upto 4 districts in a Telecom Circle/Metro), any entity cannot hold more than one such service authorisation in a Telecom Circle/ Metro Area. In case an entity with 'sub-circle' service area intends to expand its services beyond 4 districts in a Circle/ Metro, it will have to apply for service authorisation for the entire Telecom Circle/Metro service area.
- (4) The applicant company shall pay non-refundable processing fee as prescribed in Annexure-I along with the application for issue/ renewal of service authorisation through Non Tax Receipt Portal (NTRP) of Government of India, <https://bharatkosh.gov.in>.

- (5) Grant of authorisation to the applicant shall be on the basis of the claims, representations and submissions made by the applicant as duly certified by the Company Secretary/Statutory Auditor and authorized Director of the Company or and in case the Authorised Entity is not covered under the Indian Companies Act, 2013, documents certified by the Chartered Accountant/ Cost Accountant. The applicant is therefore advised to ascertain their eligibility for the authorisations applied for with utmost care and diligence. The application shall be decided, so far as practicable, within 60 days of the submission of the application complete in all respect and the applicant company shall be informed accordingly. In case the applicant is eligible for the grant of authorisation, a Demand Letter will be issued through the online portal requesting the applicant to deposit non-refundable entry Fee and submit the bank guarantees/ other documents within the specified period as mentioned in the Demand Letter failing which the demand letter may be treated as withdrawn at the expiry of the permitted period. The details of entry fee and bank guarantee are available at Annexure-I.
- (6) In respect of Satellite-based Telecommunication Service authorisation, the issuance of the demand letter shall be subject to security clearance of the proposal by an Inter-Ministerial Committee for Satellite Network Clearance (IMC-SNC), also known as Apex Committee.
- (7) In case an Authorised Entity having Unified Service authorisation or Access Service authorisation proposes to provide satellite-based telecommunication services, as per the scope of service of the authorisation held by it, the same shall be subject to security clearance of the proposal by IMC-SNC.
- (8) In case the applicant is found to be ineligible for the grant of authorisation sought by the applicant, the applicant shall be informed accordingly through the online portal.
- (9) The grant of authorisation would be subject to fulfillment of all requirements under the application including the fulfilment of eligibility conditions and compliance of the demand letter by the applicant. If deemed expedient, the Central Government may seek clarification before rejecting the application.
- (10) For the grant of service authorisation, a unique authorisation number will be generated in the format depicting type of authorisation, authorised service, and service area.
- (11) If at any time, any averments made or information furnished for obtaining the authorisation is found incorrect, the application and the authorisation if granted thereto on the basis of such application, may invite penalties and/ or cancellation as may be deemed fit by the Central Government.

8. Non-exclusivity clause

The service authorisations will be granted on a non-exclusive basis i.e. without any restriction on the number of entrants for provision of any service in the Service Area as applicable.

9. Grant of Service Authorisation

Upon fulfilment of the requisite conditions, authorisation will be granted in format given at **Appendix**.

10. Assignment and use of Spectrum:

Grant of service authorisation does not confer any right to assignment and use of spectrum for which separate specific Frequency Assignment shall be required from the Central Government. The Central Government shall assign spectrum as per rules prescribed under section 4 of the Telecommunications Act, 2023.

11. Authorisation Fee

- (1) In addition to the Entry Fee, an annual Authorisation fee as a percentage of Adjusted Gross Revenue (AGR) shall be paid by the Authorised entity service-area wise, for each authorised service from the effective date of the respective authorisation. The authorisation fee shall be 8% of the AGR, inclusive of the money attributable to Digital Bharat Nidhi which is presently 5% of AGR

Provided that from the Second Year of the effective date of respective authorisation, the Authorisation fee shall be subject to a minimum of 10% of the Entry Fee of the respective authorised service and service area as in Annexure – I. In case of renewal, the authorisation fee shall be subject to a minimum of 10% of the Entry Fee, of the respective authorised service and service area, initially paid.

Provided that for service authorisations with 'Nil' entry fee, the minimum authorisation fee is as given in Table 2.1 below:

Table 2.1: Minimum Authorisation Fee

Sl. No.	Service Authorisation	Minimum Authorisation Fee (Rs. in thousand)
NSO		
1.	M2M -WAN Category-A Service Authorisation	300
2.	M2M -WAN Category-B Service Authorisation	20
3.	M2M -WAN Category-C Service Authorisation	2.0
4.	Internet Category-C Service Authorisation	2.0
VNO		
1.	M2M -WAN Category-A Service Authorisation	150
2.	M2M -WAN Category-B Service Authorisation	10
3.	M2M -WAN Category-C Service Authorisation	1.0
4.	Internet Category-C Service Authorisation	1.0
5.	Access Category-C Service	16.5

Provided that for authorisations with 'Nil' entry fee, the minimum authorisation fee at the time of the renewal of authorisation should be same as at Table 2.1 given above.

- (2) In case the Authorised entity obtains access spectrum for operation of any authorised service in a service area, a 'presumptive AGR' for that authorised service and service area shall be arrived at in accordance with the relevant provisions or conditions of the Notice Inviting Application (NIA) document of the auction of spectrum or conditions of spectrum allotment/LoI as the case may be. The Authorisation Fee based on presumptive AGR shall be applicable from the date of issue of Letter of Intent earmarking such spectrum or the effective date of the authorisation, whichever is later. The authorised entity shall, in such cases, pay the authorisation fee on the presumptive AGR or actual AGR or the minimum authorisation fee referred to in condition, whichever is higher.

In case, the Authorised Entity obtains spectrum for any service and service area in different bids, the total presumptive AGR shall be the sum of the presumptive AGRs calculated on the basis of the respective Bid amounts as prescribed in the respective NIA or conditions of spectrum allotment/LoI as the case may be.

Provided that, for the spectrum obtained through auctions conducted by the Central Government, the presumptive AGR for Access services shall be equal to

5% of sum of the total bid amount by the authorised entity for the respective Service Area.

- (3) The Central Government reserves the right to modify the above-mentioned Authorisation fee as percentage of AGR any time during the currency of the Authorisation.

12. Migration of the licensees of the old regime in the new authorisation framework

- (1) The entities holding licenses/ authorisations/ permissions etc. by whatever name called under the extant Indian Telegraph Act, 1885 and the Wireless Telegraphy Act, 1833 who intend to migrate to the regime of service authorisations granted Under the Telecommunications Act, 2023, shall be eligible to migrate to the respective service authorisations (NSO/ VNO), as per the table given below, subject to the fulfilment of the eligibility conditions other than network requirement:

Table 2.2: Existing Licensees eligible to migrate to service authorisations under the Authorisation framework granted under the Telecommunications Act, 2023.

S.No.	Service authorisation under the Telecommunication Act, 2023	Existing Authorised Entity eligible to migrate
1.	Unified Services	Entity with Access Service authorisation in 11 or more Telecom Circles/ Metros
2.	Access Service	Entity with Access Service authorisation for the relevant service area
3.	Internet Service	Entity with Internet Service authorisation for relevant service area
4.	Long Distance Service	Entity with NLD or ILD or both authorisations
5.	Satellite-based Telecommunication services	Entity with GMPCS Authorisation or Commercial VSAT CUG or both authorisations
6.	Machine to Machine (M2M) WAN Service	Entity with Machine to Machine (M2M) service authorisation

Note: An entity presently operating under Category-C in more than 4 Districts in a Telecom Circle/ Metro area, will be allowed to migrate to Category-B authorisation for the same service in the relevant Telecom Circle/ Metro.

- (2) The procedure for the migration of existing licensees is as follows: -
- (a) On migration, Authorisation shall be valid for the prescribed validity period for the respective service authorisations from the effective date of Authorisation, irrespective of the validity period of the License/authorisation already held.
 - (b) On migration to a service authorisation under the Telecommunications Act, 2023, all the existing licenses/ authorisations held by such entity, scope of which is covered under the migrated service authorisation, shall be treated as subsumed in the migrated service authorisation. For instance, if an entity holding authorisation for access services in all 22 LSAs and also holding Internet as well as NLD service authorisation migrates to Unified Service Authorisation, all its existing licenses/ authorisations i.e. Access services, Internet service and NLD service authorisations, will be subsumed in the unified service authorisation and the same shall cease to exist.
 - (c) On migration, the Authorised Entity shall be liable to pay the differential entry fee i.e. Entry Fee applicable for the service authorisation in which the Authorised Entity is getting migrated minus the sum of Entry fee already paid by the licensee in the old regime for the service authorisation(s) getting migrated. However, no Entry Fee refund shall be made by the Central Government.
 - (d) The Minimum Authorisation Fee for an old licensee migrating to new regime shall be calculated based on the Entry Fee specified under the new regime. For migrating licensee, for authorisations with 'Nil' Entry Fee, the Minimum Authorisation Fee shall be as prescribed under the new service authorisation.
 - (e) After migration, the terms and conditions of the service authorisation granted under the Telecommunications Act, 2023 shall be applicable, however, roll out obligations and any other relevant liabilities including financial dues and treatment of violations for the pre-migration period and imposition of penalty thereof, if any, associated with the existing Licenses/ spectrum shall remain applicable under the terms of existing license even after migration to the service authorisation granted under the Telecommunications Act, 2023.

- (f) In case an existing Licensee, holding access spectrum acquired through auction or for which market determined price has been paid, migrates to the service authorisation granted under the Telecommunications Act, 2023, such spectrum shall continue to be valid till its validity on the terms and conditions on which it had been assigned.
- (g) In case an existing Licensee, holding administratively assigned spectrum including backhaul spectrum, migrates to the service authorisation granted under the Telecommunications Act, 2023, such spectrum shall continue to be valid on the terms and conditions on which it had been assigned, for a period of five years from the appointed day of section 4(8) of the Telecommunications Act, 2023, or the date of expiry of such spectrum, whichever is earlier.
- (h) The Resource, Coverage test certificates issued to existing licensees as a part of compliance to roll-out obligations, extant permissions for deployment for Foreign Nationals and other permissions such as for remote access, gateways, etc. will get reassigned/ revalidated to the respective authorisations under the service authorisation granted under the Telecommunications Act, 2023 for that service areas unless any specific situation requires a review. This shall be subject to realization of charges/ fees, if any, for each resource as applicable in conformity with the extant guidelines/ instructions.

Resources shall mean Mobile Country Code (MCC), Mobile Network Code (MNC), Access Codes, Signaling Points Codes (SPC), Service Control Points (SCP) codes, Location Routing Number (LRN), and Telemarketers Numbers, clearances from SATCOM Monitoring Center (SMC), Standing Advisory Committee for Frequency Allocation (SACFA) clearances, and such other assignments/ clearances/ permissions/ approvals

13. Other Conditions

Any applicant who has been issued a Lol for grant of a License in the existing regime prior to issue of these Rules, shall be considered for grant of the service authorisation granted under the Telecommunications Act, 2023 with applicable terms and Conditions for the relevant authorisation, subject to acceptance of the Applicant entity. In such cases, the processing fee/entry fee already paid shall be adjusted.

Chapter 3: Terms and Conditions for the Grant of Auxiliary Service Authorisations

1. Validity Period

The auxiliary service authorisations shall be valid for a period as given below unless revoked earlier for reasons as specified.

Table 3.1: Validity Period for Auxiliary Service Authorisations

S.No.	Service authorisation under the Telecommunication Act, 2023	Validity Period of the authorisation
1.	Public Mobile Radio Trunking Service	20 years
2.	Enterprise Communication Service Authorisation	20 years
3.	M2M, WLAN and WPAN Service Authorisation	20 years
4.	Prime Minister Wi-Fi Access Network Interface (PM WANI) PDOA Service Authorisation	20 years
5.	Prime Minister Wi-Fi Access Network Interface (PM WANI) APP Service Authorisation	20 years
6.	In-flight and Maritime Connectivity (IFMC) service	20 years
7.	Data Communication Service between Aircraft and Ground Stations	20 years
8.	Sale/ Rent of International Roaming SIM Cards of Foreign Operators in India	10 years

2. Eligibility conditions

(1) Eligibility conditions to apply for Auxiliary Service Authorisation shall be:

Table 3.2: Eligibility Conditions for Auxiliary Service Authorisations

S.No.	Service authorisation under the Telecommunication Act, 2023	Eligibility to apply for authorisation
1.	Public Mobile Radio Trunking Service	Company registered under the Indian Companies Act, 2013
2.	Enterprise Communication Service Authorisation	Company registered under the Indian Companies Act, 2013

3.	M2M Service and WPAN/ WLAN Connectivity Service Authorisation	Company registered under the Indian Companies Act, 2013 or any LLP (Limited Liability Partnership) registered under LLP Act-2008 or a partnership firm or a proprietorship
4.	Prime Minister Wi-Fi Access Network Interface (PM WANI) PDOA Service	Company registered under the Indian Companies Act, 2013
5.	Prime Minister Wi-Fi Access Network Interface (PM WANI) APP Service	Company registered under the Indian Companies Act, 2013
6.	In-flight and Maritime Connectivity (IFMC) service	Company registered under the Indian Companies Act, 2013, by entering into commercial agreements with authorised entities Or any Indian airlines company or foreign airlines company having permission to enter Indian airspace by the Directorate General of Civil Aviation, by entering into commercial agreements with authorised entities; Or any Indian shipping company or foreign shipping company whose vessels or ships call Indian ports or transit Indian territorial waters and intend to carry out communication for non-GMDSS (Global Maritime Distress and Safety System) [routine] or for commercial purpose, by entering into commercial agreements with authorised entities Or An entity authorised to provide (i) Access services, or (ii) Internet services on National level, and also having satellite gateway earth station in case connectivity through satellite is used. (For details, authorisation Rules may be referred to.)
7.	Data Communication Service between	Company registered under the Indian Companies Act, 2013

	Aircraft and Ground Stations	
8.	Sale/ Rent of International Roaming SIM Cards of Foreign Operators in India	Company registered under the Indian Companies Act, 2013

(2) Foreign Direct Investment Norms:

- (a) The Foreign Direct Investment (FDI) is permitted up to 100% of equity under Automatic route subject to the observance of terms and conditions of the Authorisation, as notified by the Central Government from time to time, by Authorised Entity as well as investors.

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 a subsequent change in beneficial ownership will also require Government approval.
- (iii) Both direct and indirect foreign investment in the Authorised Entity shall be counted for the purpose of calculating total FDI.
- (iv) The Authorised Entity/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government of India. While approving the investment proposals, the Government may take into account security concerns.
- (v) FDI shall be subject to laws of India and not the laws of the foreign country/ countries. The Authorised Entity shall comply with the relevant provisions of FDI policy of the Government of India and such modifications to the policy as may be issued from time to time.
- (vi) The words mentioned hereinabove such as FDI, foreign equity, investment companies, Automatic route, Government route, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.

However, the above FDI norms shall not apply to a foreign airlines/ shipping company seeking IFMC Authorisation.

- (b) The applicant entity shall declare the Indian & Foreign equity structure (both direct and indirect) in the applicant entity.

3. Security conditions

- (1) The Central Government shall have the right to take over the Service, equipment and networks of the Authorised Entity or revoke/terminate/suspend the Authorisation either in part or in whole of the Service area in the interest of national security or in case of emergency or war or low intensity conflict or any other eventuality in public interest as declared by the Government of India. Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the Authorised Entity without loss of time and shall be strictly complied with. Further, the Central Government reserves the right to keep any area out of the operation zone of the service if implications of security so require. Provided any taking over or suspension of authorisation, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of Authorisation validity period or expansion of area in different corner or reduction of duly payable fee. However, the Authorisation Fee payable to the Central Government will not be required to be paid for the period for which the operation of the authorisation remains suspended in whole.
- (2) For detailed conditions, applicant may refer to the Authorisation Rules on the DoT website <www.dot.gov.in>.

4. Application processing Fee, Entry Fee, and bank guarantees

Details of the non-refundable application processing fee, Entry Fee, and bank guarantees are available in Annexure-I.

5. Process of application to obtain the service authorisation and other related conditions

- (1) The eligible applicant entity shall submit the application through online portal.
- (2) Government/ private organizations offering public utility services or private organizations offering services to its customers, by using Audio Conferencing/ Audiotex services or services through IVRS (providing information on automatic basis, booking or complaint services, etc.), are not required to obtain any authorisation for provision of such services. However, service providers providing Audio Conferencing/ Audiotex/ Voice Mail/ cloud based EPABX service on commercial basis, to other entity/ entities, will be required to obtain an Authorisation.

- (3) The applicant for 'M2M Service and WPAN/ WLAN Connectivity Service Authorisation' shall also provide the details of location of their IT setup/ core network at the time of seeking authorisation.
- (4) The applicant company shall pay non-refundable processing fee as prescribed in Annexure-I along with the application for issue/ renewal of service authorisation through Non Tax Receipt Portal (NTRP) of Government of India, <https://bharatkosh.gov.in>.
- (5) Grant of authorisation to the applicant shall be on the basis of the claims, representations and submissions made by the applicant as duly certified by the Company Secretary/Statutory Auditor and authorized Director of the Company or and in case the Authorised Entity is not covered under the Indian Companies Act, 2013, documents certified by the Chartered Accountant/ Cost Accountant. The applicant is therefore advised to ascertain their eligibility for the authorisations applied for with utmost care and diligence.
- (6) In regard to service authorisations for (i) PMRTS, (ii) Enterprise Communication Service, and (iii) Data Communication Service between Aircraft and Ground Stations, in case the applicant is found eligible for grant of authorisation, a Demand Letter will be issued through the online portal requesting the applicant to deposit non-refundable entry Fee and submit the bank guarantees/ other documents within the specified period as mentioned in the Demand Letter failing which the Demand Letter may be treated as withdrawn at the expiry of the permitted period. The details of entry fee and bank guarantee are available at Annexure-I.
- (7) In regard to service authorisations other than those mentioned in (7) above, if the application is found in order in all respects, the Central Government shall grant the service authorisation to the applicant.
- (8) In case the applicant is found to be ineligible for the grant of authorisation sought by the applicant, the applicant shall be informed accordingly through the online portal.
- (9) The grant of authorisation would be subject to fulfillment of all requirements under the application, meeting eligibility conditions, and compliance of the Demand Letter (if applicable) by the applicant. If deemed expedient, the Central Government may seek clarification before rejecting the application.
- (10) For grant of service authorisation, a unique authorisation number will be generated in the format depicting type of authorisation, authorised service, and service area.

(11) If at any time, any averments made or information furnished for obtaining the authorisation is found incorrect, the application and the authorisation if granted thereto on the basis of such application, may invite penalties and/or cancellation as may be deemed fit by the Central Government.

6. Non-exclusivity clause

The service authorisations will be granted on a non-exclusive basis i.e. without any restriction on the number of entrants for provision of any service in the Service Area as applicable.

7. Grant of Service Authorisation

Upon fulfilment of requisite conditions, authorisation will be granted in format given at **Appendix**.

8. Assignment and use of Spectrum

Grant of service authorisation does not confer any right to assignment and use of spectrum for which separate specific Frequency Assignment shall be required from the Central Government. The Central Government shall assign spectrum as per rules prescribed under section 4 of the Telecommunications Act, 2023.

9. Authorisation Fee

Authorisation Fee shall be applicable to each Auxiliary Service Authorisation as per the table given below:

Table 3.3: Authorisation Fee applicable for Auxiliary Service authorisations

S. No.	Authorisation	Authorisation Fee
1.	PMRTS Authorisation	@ 8% of AGR
2.	Enterprise Communication Service Authorisation	@ 8% of AGR Provided that from the Second Year of the effective date of respective authorisation, the Authorisation fee shall be subject to a minimum of Rs. 1,00,000/- In case of renewal, the authorisation fee shall be subject to a minimum of Rs. 1,00,000/-.
3.	IFMC Service Authorisation	Re 1 per annum
4.	PM-WANI PDOA Service Authorisation	NIL

5.	PM-WANI APP Service Authorisation	NIL
6.	M2M Service, WLAN and WPAN Connectivity Service Authorisation	NIL
7.	Data Communication Service between Aircraft and Ground Stations	Re 1 per annum
8.	Sale/ Rent of International Roaming SIM Cards of Foreign Operators in India	NIL

10. Migration of the licensees of the old regime in the new authorisation framework

- (1) The entities holding licenses/ authorisations/ permissions etc. by whatever name called under the Indian Telegraph Act, 1885 who intend to migrate to the regime of service authorisations granted Under the Telecommunications Act, 2023, shall be eligible to migrate to the respective service authorisation(s) in respective service area(s), subject to fulfilment of the eligibility conditions.

An entity with M2M Service provider registration and/or WLAN/ WPAN connectivity provider registration may migrate to 'M2M Service and WPAN/ WLAN Connectivity Service Authorisation'.

- (2) The procedure for migration of existing licensees is as follows: -
- (a) On migration, Authorisation shall be valid for the prescribed validity period for the respective service authorisations from the effective date of grant of Authorisation, irrespective of the validity period of the License/authorisation already held.
 - (b) On migration to 'M2M Service and WPAN/ WLAN Connectivity Service Authorisation' under the Telecommunications Act, 2023, any/ both the registrations held by such entity, shall be treated as subsumed in the migrated service authorisation and the same shall cease to exist.
 - (c) On migration the Authorised Entity shall be liable to pay the differential entry fee i.e. Entry Fee applicable for the service authorisation in which the Authorised Entity is getting migrated minus the sum of Entry fee already paid by the licensee in the old regime for the service authorisation(s) getting migrated. However, no Entry Fee refund shall be made by the Central Government.
 - (d) The Minimum Authorisation Fee for an old licensee migrating to new regime shall be calculated based on the Entry Fee specified under the new regime.

Provided that for Audio Conferencing/ Audiotex/ Voicemail licensee migrating to Enterprise Communication Service Authorisation, the Minimum Authorisation Fee should be Rs. 1 lakh.

- (e) The Minimum Authorisation Fee for an old licensee migrating to new regime shall be calculated based on the Entry Fee specified under the new regime. For migrating licensee, for authorisations with 'Nil' Entry Fee, the Minimum Authorisation Fee shall be as prescribed under the new service authorisation.
- (f) After migration, the terms and conditions of the service authorisation granted under the Telecommunications Act, 2023 shall be applicable, however, roll out obligations and any other relevant liabilities including financial dues and treatment of violations for the pre-migration period and imposition of penalty thereof, if any, associated with the existing Licenses/spectrum shall remain applicable under the terms of existing license even after migration to the service authorisation granted under the Telecommunications Act, 2023.
- (g) In case an existing Licensee, holding administratively assigned spectrum including backhaul spectrum, migrates to the service authorisation granted under the Telecommunications Act, 2023, such spectrum shall continue to be valid on the terms and conditions on which it had been assigned, for a period of five years from the appointed day of section 4(8) of the Telecommunications Act, 2023, or the date of expiry of such spectrum, whichever is earlier.
- (h) The Resource, test certificates issued to existing licensees as a part of compliance to roll-out obligations, extant permissions for deployment for foreign nationals and other permissions such as for remote access, will get reassigned/ revalidated to the respective authorisations under the service authorisation granted under the Telecommunications Act, 2023 for that service areas unless any specific situation requires a review. This shall be subject to realization of charges/ fees for each resource as applicable in conformity with the extant guidelines/ instructions.

Resources shall mean clearances from SATCOM Monitoring Center (SMC), Standing Advisory Committee for Frequency Allocation (SACFA) clearances and such other clearances/ permissions/ approvals.

11. Other Conditions

Any applicant who has been issued a Lol for grant of a License in the existing regime prior to issue of these Rules, shall be considered for grant of the service authorisation

granted under the Telecommunications Act, 2023 with applicable terms and Conditions for the relevant authorisation, subject to acceptance of the Applicant entity. In such cases, the processing fee/entry fee already paid shall be adjusted.

Chapter 4: Terms and Conditions for the grant of Captive Service Authorisations

1. Validity Period

The Captive service authorisations shall be valid for a period of 20 years unless revoked earlier for reasons as specified in the Authorisation.

2. Eligibility conditions

(1) Eligibility conditions to apply for Captive Service Authorisation shall be:

Table 4.1: Eligibility to apply for Captive Service authorisations

S.No.	Service authorisation under the Telecommunication Act, 2023	Eligibility to apply for authorisation
1.	Captive Mobile Radio Trunking Service (CMRTS)	Company registered under the Indian Companies Act, 2013 Or Government Department/ Government organizations
2.	Captive Non Public Network (CNPN)	Company registered under the Indian Companies Act, 2013 Or Government Department/ Government organizations
3.	Captive VSAT CUG	Company registered under the Indian Companies Act, 2013 or Government Department/ Government organizations
4.	Captive Authorisation (case to case basis)	Government Department/ Government organizations

(2) Foreign Direct Investment Norms:

(a) The Foreign Direct Investment (FDI) is permitted up to 100% of equity under Automatic route subject to the observance of terms and conditions of the Authorisation, as notified by the Central Government from time to time, by Authorised Entity as well as investors.

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 a subsequent change in beneficial ownership will also require Government approval.
 - (iii) Both direct and indirect foreign investment in the Authorised Entity shall be counted for the purpose of calculating total FDI.
 - (iv) The Authorised Entity/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government of India. While approving the investment proposals, the Government may take into account security concerns.
 - (v) FDI shall be subject to laws of India and not the laws of the foreign country/ countries. The Authorised Entity shall comply with the relevant provisions of FDI policy of the Government of India and such modifications to the policy as may be issued from time to time.
 - (vi) The words mentioned hereinabove such as FDI, foreign equity, investment companies, Automatic route, Government route, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.
- (b) The applicant entity shall declare the Indian & Foreign equity structure (both direct and indirect) in the applicant entity.

3. Security conditions

- (1) The Central Government shall have the right to take over the Service, equipment and networks of the Authorised Entity or revoke/terminate/suspend the Authorisation either in part or in whole of the Service area in the interest of national security or in case of emergency or war or low intensity conflict or any other eventuality in public interest as declared by the Government of India. Provided any taking over or suspension of authorisation, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of Authorisation validity period or expansion of area in different corner or reduction of duly payable fee.
- (2) For further details and other conditions, the applicant may refer to the Authorisation Rules on the DoT website <www.dot.gov.in>.

4. Application processing Fee, Entry Fee, and bank guarantees

Details of the non-refundable application processing fee, Entry Fee, and bank guarantees are available in Annexure-I.

5. Process of application to obtain the service authorisation and other related conditions

- (1) The eligible applicant entity shall submit the application through online portal.
- (2) The applicant company shall pay non-refundable processing fee as prescribed in Annexure-I along with the application for issue/ renewal of service authorisation through Non Tax Receipt Portal (NTRP) of Government of India, <https://bharatkosh.gov.in>.
- (3) The grant of authorisation to the applicant shall be on the basis of the claims, representations and submissions made by the applicant as duly certified by the Company Secretary/Statutory Auditor and authorized Director of the Company or and in case the Authorised Entity is not covered under the Indian Companies Act, 2013, documents certified by the Chartered Accountant/ Cost Accountant. The applicant is therefore advised to ascertain their eligibility for the authorisations applied for with utmost care and diligence.
- (4) In regard to service authorisation for (i) Captive VSAT CUG, and (ii) CMRTS, in case the applicant is found eligible for grant of authorisation, a Demand Letter will be issued through the online portal requesting the applicant to deposit non-refundable entry Fee (if applicable) and submit the bank guarantees / other documents within the specified period as mentioned in the Demand Letter failing which the Demand Letter may be treated as withdrawn at the expiry of the permitted period. The details of entry fee and bank guarantee are available at Annexure-I.
- (5) In regard to service authorisations other than those mentioned in (4) above, if the application is found in order in all respects, the Central Government shall grant the service authorisation to the applicant.
- (6) In case the applicant is found to be ineligible for the grant of authorisation sought by the applicant, the applicant shall be informed accordingly through the online portal.
- (7) The grant of authorisation would be subject to fulfillment of all requirements under the application, meeting eligibility conditions, and compliance of the Demand Letter (if applicable) by the applicant. If deemed expedient, the Central Government may seek clarification before rejecting the application.

- (8) For grant of service authorisation, a unique authorisation number will be generated in the format depicting type of authorisation, authorised service, and service area.
- (9) If at any time, any averments made or information furnished for obtaining the authorisation is found incorrect, the application and the authorisation if granted thereto on the basis of such application, may invite penalties and/or cancellation as may be deemed fit by the Central Government.

6. Non-exclusivity clause

The service authorisations will be granted on a non-exclusive basis i.e. without any restriction on the number of entrants for provision of any service in the Service Area as applicable.

7. Grant of Service Authorisation

Upon fulfilment of requisite conditions, authorisation will be granted in format given at **Appendix.**

8. Assignment and use of Spectrum

Grant of service authorisation does not confer any right to assignment and use of spectrum for which separate specific Frequency Assignment shall be required from the Central Government. The Central Government shall assign spectrum as per rules prescribed under section 4 of the Telecommunications Act, 2023.

9. Authorisation Fee

Authorisation Fee shall be applicable to each Captive Service Authorisation as per the table given below:

Table 4.2: Authorisation Fee for Captive Service authorisations

S. No.	Authorisation	Authorisation Fee
1.	CMRTS Authorisation	<p>For the first 3 years:</p> <p>The Authorisation Fee for CMRTS systems shall be Rs. 300/- per annum per terminal subject to a minimum of Rs. 5,000/- per annum per service area.</p> <p>For the remaining period of the Authorisation:</p> <p>The Authorisation Fee for CMRTS systems should be Rs. 300/- per annum per terminal subject to a minimum of Rs. 25,000/- per annum per service area.</p>
2.	Captive VSAT CUG service Authorisation	@ Rs. 10,000/- per VSAT terminal
3.	CNPN Service Authorisation	NA
4.	Captive Authorisation (case to case basis)	NA

10. Migration of the licensees of the old regime in the new authorisation framework

- (1) The entities holding licenses/ authorisations/ permissions etc. by whatever name called under the extant Indian Telegraph Act, 1885 who intend to migrate to the regime of service authorisations granted Under the Telecommunications Act, 2023, shall be eligible to migrate to the respective service authorisation(s) in respective service area(s), subject to fulfilment of the eligibility conditions.
- (2) The procedure for migration of existing licensees is as follows: -
 - (a) On migration, Authorisation shall be valid for the prescribed validity period for the respective service authorisations from the effective date of grant of Authorisation, irrespective of the validity period of the License/authorisation already held.
 - (b) On migration the Authorised Entity shall be liable to pay the differential entry fee i.e. Entry Fee applicable for the service authorisation in which the

Authorised Entity is getting migrated minus the sum of Entry fee already paid by the licensee in the old regime for the service authorisation(s) getting migrated. However, no Entry Fee refund shall be made by the Central Government.

- (c) In case of migration of existing CMRTS licensees to the new regime, the minimum authorisation fee should be:
 - 1. Rs 5000, for licensees that are operational for less than 3 years from the date of grant of license in the old regime, upto a period till the combined operation under the old and new regime equals 3 years.
 - 2. Rs 25,000 for others.
 - 3. For the purpose of above calculation, operation in the old regime for a part of the year shall be considered as a full year.
- (d) After migration, the terms and conditions of the service authorisation granted under the Telecommunications Act, 2023 shall be applicable, however, obligations and any other relevant liabilities including financial dues and treatment of violations and imposition of penalty thereof, if any, associated with the existing Licenses/spectrum shall remain applicable under the terms of existing license even after migration to the service authorisation granted under the Telecommunications Act, 2023.
- (e) In case an existing Licensee, holding administratively assigned spectrum including backhaul spectrum, migrates to the service authorisation granted under the Telecommunications Act, 2023, such spectrum continue to be valid on the terms and conditions on which it had been assigned, for a period of five years from the appointed day of section 4(8) of the Telecommunications Act, 2023, or the date of expiry of such spectrum, whichever is earlier.
- (f) The Resource, Coverage test certificates issued to existing licensees as a part of compliance to roll-out obligations, extant permissions for deployment for Foreign Nationals and other permissions such as remote access will get reassigned/ revalidated to the respective authorisations under the service authorisation granted under the Telecommunications Act, 2023 for that service areas unless any specific situation requires a review. This shall be subject to realization of charges/ fees for each resource as applicable in conformity with the extant guidelines/instructions.

Resources shall mean Mobile Network Code (MNC), clearances from SATCOM Monitoring Center (SMC), Standing Advisory Committee for Frequency Allocation (SACFA) clearances and such other assignments/ clearances/ permissions/ approvals.

11. Other Conditions

Any applicant who has been issued a Lol for grant of a License in the existing regime prior to issue of these Rules, shall be considered for grant of the service authorisation granted under the Telecommunications Act, 2023 with applicable terms and Conditions for the relevant authorisation, subject to acceptance of the Applicant entity. In such cases, the processing fee/entry fee already paid shall be adjusted.

Appendix: Format for service authorisation document

Department of Telecommunications

Section 3 (1)(a) of the Telecommunications Act 2023

... or (VNO) Service Authorisation

1. In exercise of the powers conferred by Section 3(1)(a) of the Telecommunications Act, 2023, I, ... (name and Designation), Department of Telecommunications, ... (address) acting on behalf of the President of India, grant a(n) ... (name of the Authorisation) to ... (name of applicant), ... (address) (hereinafter in this document referred to as the 'Authorised Entity').
2. This service authorisation shall be governed by the provisions of the Telecommunications Act, 2023, the Telecom Regulatory Authority of India Act, 1997 and Information Technology Act, 2000 as modified or replaced from time to time or any other relevant Act and the rules made thereunder. This service authorisation shall be governed by, *inter-alia*, (names of applicable rules).
3. **The salient terms of this authorisation are given below:**
 - (a) Effective Date of the authorisation: ... (to be specified)
 - (b) Period of Validity of the authorisation: ... years from the effective date unless revoked earlier for reasons specified in ... (names of applicable rules).
 - (c) Service Area of the authorisation: ... (to be specified)
 - (d) Scope of Service: ... (to be specified)
 - (e) Authorisation Fee, other charges and bank guarantees: Authorised Entity shall pay to the Central Government Authorisation Fee and other charges to the Central Government in accordance with the provisions of the ... (names of applicable rules).
 - (f) Non-exclusivity clause: This authorisation has been granted on non-exclusive basis and additional authorisations may be issued in the Service Area from time to time in future without any restriction on number of authorised entities with same or different entry conditions.

- (g) This authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorized Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum and the provisions of the relevant Notice Inviting Application (NIA) document for the auction of spectrum, if spectrum is obtained through auction, will also apply on this authorisation.

Date:

Signature of the representative of the Central Government: ...

(On behalf of the President of India)

Annexure-I: Details of Application processing fee, Minimum Equity, Minimum Networth, Entry Fee, and Bank Guarantee

Table-I: Details of Minimum Equity, Minimum Networth for various service authorisations

Sl. No.	Category of service authorisations	Service Authorisation (NSO)	Minimum Equity (Rs. in crore)	Minimum Networth (Rs. in crore)
1.	Main Service Authorisations (NSO)	Unified Service Authorisation (National Area)	25.00	25.00
2.		Access Service Authorisation (Telecom circle/ Metro Area)	2.50	2.50
3.		Internet Category-A Service Authorisation (National Area)	Nil	Nil
4.		Internet Category-B Service Authorisation (Telecom circle/ Metro Area)	Nil	Nil
5.		Internet Category-C Service Authorisation (Sub-circle)	Nil	Nil
6.		Long Distance Service Authorisation (National Area)	2.50	2.50
7.		Satellite-based telecommunication Service Authorisation (National Area)	1.00	1.00
8.		M2M -WAN Category-A Service Authorisation (National Area)	Nil	Nil
9.		M2M -WAN Category-B Service Authorisation (Telecom circle/ Metro Area)	Nil	Nil
10.		M2M -WAN Category-C Service Authorisation (Sub-circle)	Nil	Nil
11.	Main Service Authorisations (VNO)	Unified Service Authorisation (National Area)	10.00	10.00
12.		Access Service Authorisation (Telecom circle/ Metro Area)	1.00	1.00
13.		Access Service Category-B Service Authorisation	Nil	0.05
14.		Internet Category-A Service Authorisation (National Area)	Nil	Nil
15.		Internet Category-B Service Authorisation (Telecom circle/ Metro Area)	Nil	Nil
16.		Internet Category-C Service Authorisation (Sub-circle)	Nil	Nil
17.		Long Distance Service Authorisation (National Area)	1.00	1.00
18.		Satellite-based Telecommunication Service Authorisation (National Area)	0.50	0.50
19.		M2M -WAN Category-A Service	Nil	Nil

		Authorisation (National Area)		
20.		M2M -WAN Category-B Service Authorisation (Telecom circle/ Metro Area)	Nil	Nil
21.		M2M -WAN Category-C Service Authorisation (Sub-circle)	Nil	Nil
22.		PMRTS Authorisation (Telecom circle/ Metro Area)	Nil	Nil
23.		Enterprise Communication Service Authorisation	Nil	Nil
24.		IFMC Service Authorisation	Nil	Nil
25.		PM-WANI PDOA Service Authorisation	Nil	Nil
26.		PM-WANI APP Service Authorisation	Nil	Nil
27.		M2M Service and WLAN/ WPAN Connectivity Service Authorisation	Nil	Nil
28.		Data Communication Service between Aircraft and Ground Stations	Nil	Nil
29.		Sale/ Rent of International Roaming SIM Cards of Foreign Operators in India	Nil	Nil
30.		CMRTS Authorisation	Nil	Nil
31.		Captive VSAT CUG Authorisation	Nil	Nil
32.		CNPN Service Authorisation	Nil	Nil
33.		Captive Authorisation (case to case basis)	Nil	Nil

Table-II: Details of Application Processing Fee, Entry Fee and Bank Guarantee for various service authorisations

Sl. No.	Category of service authorisations	Service Authorisation	Application Processing Fee (Rs. in crore)	Entry Fee (Rs. in crore)	Bank Guarantee (Rs. in crore)
1.		Unified Service Authorisation (National Area)	0.010	12.00	44
2.		Access Service Authorisation (Telecom circle/ Metro Area)	0.001	0.50 (0.25 for NE & J&K)	2.00
3.		Internet Category-A Service Authorisation (National Area)	0.001	0.200	0.40
4.		Internet Category-B Service Authorisation (Telecom circle/ Metro Area)	0.001	0.01 (0.005 for NE & J&K)	0.02

5.		Internet Category-C Service Authorisation (Sub-circle)	0.001	Nil	0.001
6.		Long Distance Service Authorisation (National Area)	0.001	1.00	1.00
7.		Satellite-based telecommunication Service Authorisation (National Area)	0.001	0.50	0.50
8.		M2M -WAN Category-A Service Authorisation (National Area)	0.001	Nil	0.40
9.		M2M -WAN Category-B Service Authorisation (Telecom circle/ Metro Area)	0.001	Nil	0.02
10.		M2M -WAN Category-C Service Authorisation (Sub-circle)	0.001	Nil	0.001
11.	Main Service Authorisations (VNO)	Unified Service Authorisation (National Area)	0.010	3.00	4.4
12.		Access Service Authorisation (Telecom circle/ Metro Area)	0.001	0.125 (0.0625 for NE & J&K)	0.20
13.		Access Category-C Service Authorisation	0.001	Nil	0.002
14.		Internet Category-A Service Authorisation (National Area)	0.001	0.100	0.01
15.		Internet Category-B Service Authorisation (Telecom circle/ Metro Area)	0.001	0.005 (0.0025 for NE & J&K)	0.001
16.		Internet Category-C Service Authorisation (Sub-circle)	0.001	Nil	0.0001
17.		Long Distance Service Authorisation (National Area)	0.001	0.25	0.50
18.		Satellite-based Telecommunication Service Authorisation (National Area)	0.001	0.125	0.10
19.		M2M -WAN Category-A Service Authorisation (National Area)	0.001	Nil	0.01

20.		M2M -WAN Category-B Service Authorisation (Telecom circle/ Metro Area)	0.001	Nil	0.001
21.		M2M -WAN Category-C Service Authorisation (Sub-circle)	0.001	Nil	0.0001
22.	Auxiliary Service Authorisation	PMRTS Authorisation (Telecom circle/ Metro Area)	0.001	0.002	0.002
23.		Enterprise Communication Service Authorisation	0.001	Nil	0.02
24.		IFMC Service Authorisation	0.005	Nil	Nil
25.		PM-WANI PDOA Service Authorisation	Nil	Nil	Nil
26.		PM-WANI APP Service Authorisation	Nil	Nil	Nil
27.		M2M Service and WLAN/ WPAN connectivity Service Authorisation	0.0005	Nil	Nil
28.		Data Communication Service between Aircraft and Ground Stations	0.001	0.01	Nil
29.		Sale/ Rent of International Roaming SIM Cards of Foreign Operators in India	0.0005	Nil	Nil
30.		CMRTS Authorisation	0.001	Nil	0.002
31.	Captive Service Authorisations	Captive VSAT CUG Authorisation	0.001	0.075	0.03
32.		CNPN Service Authorisation	0.005	Nil	Nil
33.		Captive Authorisation (Case to case basis)	Nil	Nil	Nil

Annexure: Service area (Telecom Circles/Metros) and the areas covered by them for the purpose of Authorisation

Sl. No.	Name of Service Area	Areas covered
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 and Telangana state.
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 th 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 Union Territory of Jammu & Kashmir and Union Territory 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 th 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.	Odisha Service Area	Entire area falling within the State of Odisha.
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 puducherry.
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 th 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 Puducherry 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 cellular operators at the time of grant of cellular Licenses in Metro cities.
3. The definition of local areas with regard to the above service area is as per the definition applicable to Cellular Mobile Service Licenses as in the year 1994 & 1995, when those Licenses were granted to them. This is in accordance with respective Gazette Notification for such local areas wherever issued and as per the statutory definition under Rule 2 (w) Indian Telegraph Rules 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued.

**Terms and Conditions to be included in the
Telecommunication (Main Service Authorisation) Rules**

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Part-I: Common terms and conditions of Main Service Authorisations

Chapter-I:

General Conditions

1. Foreign Direct Investment Norms

- (1) The Foreign Direct Investment (FDI) is permitted up to 100% of equity under Automatic route subject to the observance of terms and conditions of the Authorisation, as notified by the Central Government from time to time, by Authorised Entity as well as investors.

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

- (a) 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.
- (b) 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. (a) above, such a subsequent change in beneficial ownership will also require Government approval.
- (c) Both direct and indirect foreign investment in the Authorised Entity shall be counted for the purpose of calculating total FDI.
- (d) The Authorised Entity/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government of India. While approving the investment proposals, the Government may take into account security concerns.
- (e) FDI shall be subject to laws of India and not the laws of the foreign country/ countries. The Authorised Entity shall comply with the relevant provisions of FDI policy of the Government of India and such modifications to the policy as may be issued from time to time.
- (f) The words mentioned hereinabove such as FDI, foreign equity, investment companies, Automatic route, Government route, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.

2. Equity holding in other companies:

- (1) In the event of holding/ obtaining Access spectrum, no Authorised Entity or its promoter(s) directly or indirectly shall have any beneficial interest in another

Authorised Entity holding "Access Spectrum" in the same service area. For the purpose of this clause:

- (a) A promoter shall mean legal entity other than Central Government, financial institutions and scheduled banks, which hold 10% or more equity in the Authorised Entity.
 - (b) Beneficial interest shall mean holding of any equity directly or indirectly including through a chain of companies in the Authorised Entity.
Any arrangement contrary to the above shall be made consistent with the above stipulations within a period of one year from the date of the grant of service authorisation.
- (2) The above provisions for restriction of equity cross holding shall also 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 the case of VNOs parented to the same NSO.
- (3) No entity authorised to provide telecommunication services in the country (viz. Unified Service/ Access Service/ Satellite-based telecommunication service/ Long distance service) granted authorisation under the Telecommunications Act, 2023 shall hold any equity, directly or indirectly, in the Authorised Entity for MNPSP.

3. Creation of Security Interest

The Central Government may provide for such security interest which an authorised entity may provide to lenders financing such entities on such terms and conditions of such security interest, which will be governed by the Rules notified by the Central Government under section 45 of the Telecommunications Act, 2023.

4. Renewal of Authorisation:

- (1) The Central Government may renew, if deemed expedient, the period of Authorisation by a term equivalent to the validity of the authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.
- (2) No entry fee shall be levied at the time of renewal of Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.

- (3) At the time of expiry of the Authorisation, the continuity of spectrum held by the Authorised Entity, if any, shall be governed by the terms and conditions of assignment of such spectrum.

5. Modifications in the Terms and Conditions of Authorisation

- (1) The Central Government may, at any time, amend the rules containing the terms and conditions of the Authorisation, if in the opinion of the Central Government 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 Telecommunication.
- (2) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.

6. Non-exclusive Clause:

The Authorisation shall be granted on a non-exclusive basis and additional authorisations may be issued in the Service Area from time to time in future without any restriction on the number of authorised entities with the same or different entry conditions.

7. Restrictions on 'Transfer of Authorisation'

- (1) The Authorised Entity shall not, without the prior written consent of the Central Government 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-authorise 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 Authorised Entity, the Authorised Entity may appoint or employ franchisee, agents, distributors and employees.
- (2) The Central Government shall have the right to direct the authorised entity 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 Central Government in this regard shall be final and binding and, in any case, the Authorised Entity shall bear all liabilities in the matter and keep the Central Government indemnified for all claims, cost, charges or damages in this respect.

- (3) Mergers, demergers or acquisitions, or other forms of restructuring, as well as transfer of Authorisation shall be subject to the Rules notified under section 3(5) of the Telecommunications Act, 2023.
- (4) Further, the Authorised Entity may transfer or assign the Authorisation with prior written approval of the Central Government, in the following circumstances, and if otherwise, no compromise in competition occurs in the provisions of Telecommunication Services:
 - (a) When transfer or assignment is requested in accordance with the Rules on creation of security Interest notified by the Central Government under section 45 of the Telecommunications Act, 2023;
or
 - (b) Whenever amalgamation or restructuring i.e. merger or demerger is sanctioned and approved by the Tribunal as per the law in force; in accordance with the provisions; more particularly Sections 230 to 233 of Companies Act, 2013; provided that scheme of amalgamation or restructuring is formulated in such a manner that it shall be effective only after the written approval of the Central Government for transfer/merger of Authorisations as per the Rules notified under section 3(5) of the Telecommunications Act, 2023.

8. Provision of Service:

- (1) The Authorised Entity shall make its arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary infrastructure, equipment and systems, treatment of user complaints, issue of bills to its users, collection of revenue, attending to claims and damages arising out of its operations etc. However, the Authorised Entity may share the infrastructure as permitted under the operating conditions.
- (2) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

- (a) All security related compliances shall be the responsibility of the Authorised Entity.
 - (b) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (c) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (d) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (3) The Authorised Entity shall ensure that-
- (a) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire from cloud service providers, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (b) The associated data/ information also should be stored in India.
- (4) For provision of the service, the Authorised Entity may appoint or employ franchisees, agents, distributors and employees.
- (5) The Authorised Entity shall intimate to the Central Government well in advance before the proposed date of commencement of any telecommunication service in any Service Area containing the details of network and required facilities for monitoring of the service installed by the Authorised Entity.
- (6) The Authorised Entity shall intimate to the Central Government and TRAI of the commencement of telecommunication service within 15 days of such commencement.
- (7) The provision of satellite-based telecommunication services as permitted under the scope of various Authorisations shall be subject to security clearance of the proposal by an Inter-Ministerial Committee for Satellite Network Clearance (IMC-SNC).
- (8) Compliance to the scope of the authorisation and requisite monitoring facilities, wherever applicable, shall be demonstrated to the Central Government within 90 days from the date of commencement of service by the Authorised Entity.

- (9) For enrolling test users in its network before the commercial launch of services for testing purposes, the Authorised Entity shall follow the applicable directions/ orders/ instructions/ guidelines/ norms issued by the Central Government.

9. Reporting Requirement w.r.t. eligibility conditions:

- (1) The Authorised Entity shall submit a compliance report regarding compliance of FDI norms and security conditions on the 1st day of January of every year to the Central Government in Proforma as may be specified from time to time. This is to be certified by the Company Secretary or Statutory Auditor, countersigned by duly authorized Director of the authorised entity.
- (2) The Authorised Entity shall also ensure that any change in shareholding shall be subject to all applicable statutory permissions under Laws of India.
- (3) Change in the name of Authorised Entity, as per the provisions of the Indian Companies Act, 2013 shall have to be intimated to the Central Government in writing along with certified copy of the name change certificate within 30 days from the date of issue of such certificate by Registrar of Companies. In case the Authorised Entity is not covered under the Indian Companies Act, 2013, the change in the name of the Authorised Entity shall be as certified by the Chartered Accountant/ Cost Accountant.
- (4) The Authorised Entity shall maintain the minimum paid up equity during the currency of Authorisation, as prescribed in the Rules for Grant of Authorisation. The Authorised Entity shall declare and submit a compliance report on minimum paid up equity requirement on 1st day of January of every year to the Central Government in Proforma as may be specified from time to time. This is to be certified by the Company Secretary or Statutory Auditor, countersigned by duly authorized Director of the Authorised Entity. In case the Authorised Entity is not covered under the Indian Companies Act, 2013, the paid-up equity shall be as certified by the Chartered Accountant/ Cost Accountant.

10. Requirement to furnish information:

- (1) The Authorised Entity shall furnish to the Central Government/ TRAI, on demand in the manner and as per specified timelines such documents, accounts, estimates, returns, reports or other information in accordance with the directions/ orders/ instructions/ guidelines as may be prescribed or as directed from time to time. The Authorised Entity shall also submit information to TRAI as per any order or direction or regulation issued from time to time

under the provisions of the TRAI Act, 1997 as amended from time to time or modified statute.

- (2) Any change in the details (such as ownership, address, contact details, etc.), provided by the applicant during obtaining the Authorisation, are required to be intimated through the online portal within 15 days of such change.

11. Penalty, Suspension, Surrender, Termination/ Revocation of Authorisation:

- (1) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (2) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal made under the Telecommunications Act, 2023.
- (3) The Central Government may, after due consideration of the recommendations of the Adjudicating Officer, suspend, curtail or revoke the authorisation, which may be reversed if the substantial violation is remedied to the satisfaction of the Central Government.
- (4) For this purpose, the Central Government shall issue a show cause notice of 21 days to the Authorised Entity. If the Central Government decides to revoke the service Authorisation, the same will be effective from the 61st calendar days from the date of issue of such termination/revocation order. The Authorised Entity shall be required to give notice of at least 30 Calendar days to its users within this period of revocation order.
- (5) The Authorised Entity aggrieved by an order of the Designated Appeals Committee under section 36 of the Telecommunications Act, 2023, in so far as it pertains to matters under sub-section (1) of section 32 of the Telecommunications Act, 2023, or an order of the Central Government under sub-section (2) of section 32 of the Telecommunications Act, 2023, may prefer an appeal to the Telecom Disputes Settlement and Appellate Tribunal constituted under section 14 of the Telecom Regulatory Authority of India Act, 1997, within a period of thirty days from the date on which a copy of the order is received by such authorised entity or assignee.
- (6) In case of suspension or termination/revocation of the Authorisation, the Central Government may also impose a financial penalty not exceeding the amount as provided in Second Schedule of the Telecommunications Act, 2023

for each service per service area for violation of terms and conditions of the Authorisation.

- (7) The Authorised entity may surrender the authorisation by giving notice of at least 60 Calendar days in advance. In that case it shall also notify all its users by sending a 30 Calendar days' notice to each user. The Authorised Entity shall pay all fees payable by it till the date on which the surrender of the authorisation becomes effective. The effective date of such surrender shall be 61st Calendar days counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.
- (8) It shall be the responsibility of the Authorised entity 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 Rules for Adjudication. The Authorised entity 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.

12. Compliance to the terms and conditions of the Authorisation

The Authorised Entity shall comply with the terms and conditions of the Authorisation and shall be bound by the regulations/ orders/ directions issued by TRAI in respect of ensuring compliance of the terms and conditions of the Authorisation under the provisions of TRAI Act.

13. Actions pursuant to Revocation of Authorisation:

- (1) In case the Central Government decides to revoke the Authorisation, the Central Government shall proceed in accordance with the terms and conditions provided in the rules for security interest notified under Telecommunications Act, 2023 provided by the Central Government. In cases where no such security interest is provided by the Central Government, the action will be taken as per the Condition given below.
- (2) On revocation or surrender or cancellation of the Authorisation due to reasons whatsoever or expiry of the Authorisation, the relevant Bank Guarantee(s) shall be released to the Authorised Entity only after ensuring clearance of all dues, which the Authorised Entity is liable to pay to the Central Government. In case of failure of the Authorised Entity to pay the amounts due to the Central Government, 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 Central Government without any further communication to the Authorised Entity.

14. Action pursuant to violation of TRAI's regulations, orders and directions:

- (1) The Authorised Entity shall be liable to pay the Financial Disincentives (FD) imposed by TRAI for violation of TRAI's regulations/ orders/ directions. In case the Authorised Entity fails to pay the FD amount to TRAI and if TRAI advises so, the Central Government shall recover the amount from the Bank Guarantees furnished by the Authorised Entity to the Central Government under any Authorisation.
- (2) The decision of the TRAI regarding the imposition of Financial Disincentives and amount thereof shall be final and will be subject to the appeal as per the provisions of TRAI Act, 1997.

15. Force- Majeure:

- (1) If at any time, during the continuance of the Authorisation, the performance in whole or in part, by the Authorised Entity, of any obligation under the Authorisation 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 Authorised Entity), 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 Authorised Entity to the Central Government, within 21 Calendar days from the date of occurrence thereof, the Central Government will, by reason of such event, neither revoke the Authorisation, nor claim any damages against the Authorised Entity, in respect of such non-performance or delay in performance:
Provided that 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 Central Government 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.
- (2) However, the Force Majeure events noted above will not in any way cause extension in the period of the Authorisation. 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 Central Government, at its discretion based on circumstances of the EVENT.

- (3) The Authorised Entity shall not be entitled to claim any damages against the Central Government for non-performance or delay in performance of the Central Government's obligations by reason of the EVENT.

16. Set Off:

- (1) In the event any sum of money or claim becomes recoverable from or payable by Authorised Entity to the Central Government either against the Authorisation 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 Authorised Entity under the Authorisation.
- (2) The aforesaid sum of money payable to the Authorised Entity shall include any Security/ Bank Guarantee which can be converted into money.
- (3) After exercising the right of set off, the Central Government shall inform the Authorised Entity of the action taken.

17. Way Leave:

The Authorised Entity shall make its own arrangements for Right of Way (RoW) as per the rules notified under Chapter III of the Telecommunications Act, 2023.

18. Other Conditions:

- (1) The Authorised Entity shall be bound by these rules, the terms and conditions contained in the Authorisation document, instructions, as issued by the Central Government, and the orders/ directions/ regulations of TRAI as per the provisions of the TRAI Act, 1997, as amended from time to time.
- (2) The statutory provisions and the rules made under the Telecommunications Act, 2023 or TRAI Act, 1997 or Information Technology Act, 2000, and any other relevant Act shall govern the provisions of service under the Authorisation. Any other rule/ order/ regulation/ direction passed under these statutes shall be binding on the Authorised Entity.

Chapter-II

Commercial Conditions

The Authorised Entity will charge the tariffs for the Service as per the Tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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

19. FEES PAYABLE:

(1) Application processing fee:

A non-refundable application processing fee shall be paid for each Service Authorisation as per **Table-II of Annexure-1.3.5**.

(2) Entry Fee:

A one-time non-refundable Entry Fee for each Service Authorisation shall be paid as per **Table-II of Annexure-1.3.5**. No entry fee shall be levied at the time of renewal of service authorisation.

(3) Authorisation Fee:

- (a) In addition to the Entry Fee, an annual Authorisation fee as a percentage of Adjusted Gross Revenue (AGR) shall be paid by the Authorised entity service area wise, for each authorised service from the effective date of the respective authorisation. The authorisation fee shall be 8% of the AGR, inclusive of the money attributable to Digital Bharat Nidhi which is presently 5% of AGR.

Provided that from the Second Year of the effective date of respective authorisation, the Authorisation fee shall be subject to a minimum of 10% of the Entry Fee of the respective authorised service and service area as in **Table-II of Annexure-1.3.5**. In case of renewal of the Authorisation, the authorisation fee shall be subject to a minimum of 10% of the Entry Fee, of the respective authorised service and service area, initially paid.

Provided that for service authorisations with 'Nil' entry fee, the minimum authorisation fee is as given in **Table** below:

Table: Minimum Authorisation Fee

Sl. No.	Service Authorisation	Minimum Authorisation Fee (per annum) (Rs. in thousand)
NSO		
1.	M2M WAN Service Authorisation (Category-A)	300
2.	M2M WAN Service Authorisation (Category-B)	20
3.	M2M WAN Service Authorisation (Category-C)	2.0
4.	Internet Service Authorisation (Category-C)	2.0
VNO		
1.	M2M WAN Service Authorisation (Category-A)	150
2.	M2M WAN Service Authorisation (Category-B)	10
3.	M2M WAN Service Authorisation (Category-C)	1.0
4.	Internet Service Authorisation (Category-C)	1.0
5.	Access Services Authorisation (Category-C)	16.5

Provided that for authorisations with 'Nil' entry fee, the minimum authorisation fee at the time of renewal of authorisation should be same as at Table above.

- (b) In case the Authorised entity obtains access spectrum for operation of any authorised service in a service area, a 'presumptive AGR' for that authorised service and service area shall be arrived at in accordance with

the relevant provisions or conditions of the Notice Inviting Application (NIA) document of the auction of spectrum or conditions of spectrum allotment/LoI as the case may be. The Authorisation Fee based on presumptive AGR shall be applicable from the date of issue of Letter of Intent earmarking such spectrum or the effective date of the authorisation, whichever is later. The authorised entity shall, in such cases, pay the authorisation fee on the presumptive AGR or actual AGR or the minimum authorisation fee referred in condition 19(3)(a), whichever is higher.

In case, the authorised obtains spectrum for any service and service area in different bids, the total presumptive AGR shall be the sum of the presumptive AGRs calculated on the basis of the respective Bid amounts as prescribed in the respective NIA or conditions of spectrum allotment/LoI as the case may be.

Provided that, for the spectrum obtained through auctions conducted by the Central Government, the presumptive AGR for Access services shall be equal to 5% of sum of the total bid amount by the authorised entity for the respective Service Area.

- (c) The Central Government reserves the right to modify the above-mentioned Authorisation fee as a percentage of AGR at any time during the currency of the Authorisation after obtaining recommendations from TRAI.

(4) Spectrum Related Charges:

- (a) In case the Authorised entity obtains spectrum, the authorised entity shall pay spectrum related charges, including payment for allotment and use of spectrum, as per provisions specified in the relevant Notice Inviting Application (NIA) document of the auction of spectrum or conditions of spectrum allotment/ LoI/ directions/ instructions of the Central Government in this regard.
- (b) The spectrum-related charges shall be payable in addition to the Authorisation fee.

(5) Space Segment Charges:

In the case of Satellite-based telecommunication service, the space segment charges will be payable to Department of Space (DoS)/space segment provider as applicable or any other rates/charges decided by the Central Government from time to time.

(6) Definition of Gross Revenue, Applicable Gross Revenue (ApGR) and Adjusted Gross Revenue (AGR):

- (a) The Gross Revenue, Applicable Gross Revenue and Adjusted Gross Revenue for the purpose of calculation of Authorisation fee for different

service authorisations are defined under the specific terms and conditions of the respective service authorisations.

- (b) The definitions of Gross Revenue, Applicable Gross Revenue and Adjusted Gross Revenue may be read along with the instructions/ orders/ clarifications issued by the Central Government from time to time.
- (c) Any further instructions/ orders/ clarifications may be issued by DOT after obtaining recommendations from TRAI.

(7) Schedule of payment of Authorisation fee:

- (a) The Authorisation Fee shall be payable in four quarterly installments during each financial year commencing 1st of April.
- (b) The quarter in which the effective date of authorisation falls, shall end on the usual end date of that quarter for the purpose of authorisation fee. The quarters where the minimum authorisation fee or authorisation fee based on presumptive AGR becomes applicable, and the last quarter of the authorisation period, may not be of full three months, but of part period only.

[Explanation:

- (i) For authorisation with effective date on 13th July, the quarter will end on 30th September.
 - (ii) In such case the minimum authorisation fee would become applicable w.e.f. 13th of July next year and the quarter shall end on the following 30th September.]
- (c) The minimum authorisation fee or the authorisation fee based on presumptive AGR, as may be applicable, as per conditions 19(3)(a) and 19(3)(b), for the above part-periods, shall be charged on pro-rata basis, based on actual number of days in the part period of the Quarter.
- (d) Authorisation Fee shall be payable in four quarterly installments during each financial year (FY). Quarterly installment of authorisation fee for the first three quarters of a financial year shall be paid within 15 days of the completion of the relevant quarter. The AGR based Authorisation Fee shall be paid by the Authorised entity on the basis of revenue on accrual basis for the quarter, self-certified by a representative of the Authorised entity. However, for the last quarter of the financial year, the Authorised entity shall pay the Authorisation Fee by 25th March on the basis of expected revenue for the quarter, subject to a minimum payment equal to the revenue share payable for the previous quarter.

- (e) The Authorised entity shall adjust and pay the difference between the advance payment made and actual amount duly payable for the last quarter of financial year within 15 days of the end of the quarter.
- (f) The quarterly payment shall be made with a Self-Certificate as at **Annexure-1.3.1** given below, together with a Statement of Revenue separately for each service and service area in the Proforma prescribed at **Appendix-II to Annexure 1.3.1 in each** of the respective service authorisation. The Self-Certificate shall be e-verified by the authorised representative of the company through e-sign/ digitally signed. The aforesaid quarterly STATEMENTS of each year shall be required to be audited by the Auditors (hereinafter called Authorised entity's Auditors) appointed by the Authorised entity under Section 224 of the Companies' Act, 2013. The report of the Auditor should be in the prescribed form as per **Appendix-I to Annexure-1.3.1** given below.
- (g) Any delay in payment of Authorisation Fee or any other dues payable under the Authorisation, beyond the stipulated period will attract interest at a rate which will be 2% above the one year Marginal Cost of Lending Rate (MCLR) of State Bank of India existing as on the beginning of the Financial Year (namely 1st April) in respect of the Authorisation fees or any other dues pertaining to the said Financial Year. The interest shall be compounded annually. A part of the month shall be reckoned as a full month for the purpose of calculation of interest. A month shall be reckoned as an English calendar month.
- (h) Final adjustment of the Authorisation fee for the year shall be made on or before 30th June of the following year, based on the gross revenue figures, the minimum Authorisation Fee or the Authorisation fee based on Presumptive AGR, which shall be submitted by the Authorised entity, duly certified by the AUDITORS of the Authorised entity in accordance with the provision of the Companies' Act, 2013.
- (i) A reconciliation between the figures appearing in the quarterly statements submitted in terms of the Condition 19(7)(d) above with those appearing in annual accounts shall be submitted along with a copy of the published annual accounts and audit report within 7 (seven) Calendar days of the date of signing of the audit report. The annual financial account and the statement as prescribed above shall be prepared following the norms as prescribed in **Annexure-1.3.2** given below. The statements and accounts submitted shall be assessed and verified by the Central Government and through its units namely Offices of Controller of

Communication Accounts in respective service areas, as may be notified from time to time.

- (j) All the charges relating to spectrum shall be payable at such time(s) and in such manner as prescribed from time to time by the Central Government.
- (k) All sums becoming due and payable as mentioned in this Authorisation shall be paid by the Authorised entity, service and service area wise, through e-transfers or through demand draft or Pay Order payable at New Delhi drawn on any Scheduled Bank, in favour of the Pay & Accounts Officer (HQ), DOT or at the designated office of the Controller of Communication Accounts in service areas as may be designated by the Central Government from time to time.
- (l) The Authorised entity shall separately pay the access charges for carriage of calls originating in its network but carried and terminated in the other Telecom Service Providers' networks. The Authorised entity shall also separately pay charges for network resources obtained by the Authorised entity from other Authorised service providers. This will be governed by mutual agreement and/ or determination of TRAI, if any.

(8) BANK GUARANTEE:

- (a) The Authorised entity shall submit Bank Guarantee in prescribed format at **Annexure-1.3.3** given below, separately for each service authorisation and service area, before grant of the Authorisation or subsequent authorisation of service(s), as the case may be, valid for one year, from any Scheduled Bank or Public Financial Institution duly authorised to issue such Bank Guarantee
- (b) This Bank Guarantee should be submitted to securitize the Authorisation fee and other dues not otherwise securitized, to cover the violation of terms and conditions and to ensure the performance under service authorisation /regulations including compliance of instructions issued by the Central Government / TRAI from time to time. The term "other dues not otherwise securitized" includes the dues arising out of penalties/ financial disincentives imposed by the Central Government / TRAI.
- (c) For the initial year, the amount of Bank Guarantee should be as prescribed in Table-II of Annexure-**1.3.5**. For the subsequent years, the amount of Bank Guarantee shall be higher of the initial year Bank Guarantee or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).
- (d) In order to enhance the Ease of Doing Business, Electronic Bank Guarantee shall be submitted across various Service Authorisations.

- (e) The Bank Guarantee shall be subject to periodic review on six monthly basis by the Central Government and shall be kept valid by the authorised entity during the entire currency of the Authorisation.
- (f) The Authorised entity, on its own, shall extend the validity period of the Bank Guarantees at least one month prior to date of its expiry without any demand or notice from the central Government on year to year basis. Any failure to do so, shall amount to violation of the terms of the authorisation and entitle the Central Government to encash the Bank Guarantees and to convert into a cash security without any reference to the Authorised entity at his risk and cost. No interest or compensation whatsoever shall be payable by the Central Government on such encashment.
- (g) Where the Bank Guarantees have been encashed partially, the authorised entity on such occasions shall restore the encashed guarantees to the full amount. Any failure to do so shall amount to a violation of the terms and conditions of the authorisation.
- (h) Without prejudice to its rights of any other remedy, including those under Section 32 of the Act, the Central Government may encash the Bank Guarantee in case of following:
 - (i) Non-payment of authorisation fee or any other fee/charges payable under the Rules of the authorisation.
 - (ii) In case of any breach in terms & conditions of the authorisation by the authorised entity.
 - (iii) Non-payment of dues arising out of penalties/ financial disincentives imposed by the Central Government/ TRAI.

(9) Preparation of Accounts:

- (a) The Authorised entity will draw, keep and furnish independent accounts for each service and service area and shall fully comply with any order, direction or regulation as may be issued by TRAI and rules/instructions/directions as are issued by the Central Government from time to time.
- (b) The Authorised entity shall be obliged, in respect of each authorised service and service area separately, to:
 - i. Compile and maintain accounting records, sufficient to show and explain its transactions in respect of each completed quarter of the Authorisation period or of such lesser periods as the Central Government may specify, fairly presenting the costs (including

- capital costs), revenue and financial position of the Authorised entity's business under the Authorisation including a reasonable assessment of the assets employed in and the liabilities attributable to the Authorised entity's business, as well as, for the quantification of Revenue or any other purpose.
- ii. Procure in respect of each of those accounting statements prepared in respect of a completed financial year, a report by the Authorised entity's Auditor in the format prescribed by the Central Government, stating inter-alia whether in his opinion the statement is adequate for the purpose of this condition and thereafter deliver to the Central Government a copy of each of the accounting statements not later than three months at the end of the accounting period to which they relate.
 - iii. Send to the Central Government a self-certified statement, by authorised representative of the company, containing a full account of Revenue as defined in condition 19(6) for each quarter separately along with the payment for the quarter.
 - iv. Furnish to the Central Government full detail of inter-operator settlement of accounts e.g. pass through charges, usage of network and facilities, domestic and international roaming including details of the settlement regime through accounting rate or any other mechanism, etc. All bilateral settlements including those between the ILD service provider and other foreign partners (carriers) shall be through normal banking channel in a transparent manner.
- (c) The Central Government or the TRAI, as the case may be, shall have a right to call for and the Authorised entity shall be obliged to supply and provide for examination any books of accounts that the Authorised entity may maintain in respect of the business carried on to provide the service(s) under the Authorisation at any time without recording any reasons thereof.
 - (d) The Authorised Entity shall invariably preserve all billing and all other accounting records (electronic as well as hard copy) for a period of three years from the date of publishing of duly audited & approved Accounts of the company and any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give a cause for cancellation of the Authorisation.
 - (e) The records of the Authorised entity will be subject to such scrutiny as may be prescribed by the Central Government so as to facilitate

independent verification of the amount due to the Central Government as its share of the revenue.

- (f) The assessment of authorisation fee/ any other charges shall be carried out by the Central Government as per the procedure notified from time to time.
- (g) The Central Government may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order Audit of the accounts of the Authorised entity by appointing Auditor at the cost of the Authorised entity and such auditor(s) shall have the same powers which the statutory auditors of the company enjoy under Section 227 of the Companies Act, 2013. The remuneration of the Auditors, as fixed by the Central Government, shall be borne by the Authorised entity.
- (h) The Central Government may also get conducted a 'Special Audit' of the Authorised entity company's accounts/records by "Special Auditors", the payment for which at a rate as fixed by the Central Government, shall be borne by the Authorised entity. This will be in the nature of auditing the audit described in para 19(9)(g) above. The Special Auditors shall also be provided the same facility and have the same powers as of the companies' auditors as envisaged in the Companies Act, 2013.
- (i) The Authorised entity shall be liable to prepare and furnish the company's annual financial accounts according to the accounting norms and principles prescribed and the directions given by the Central Government or the TRAI, as the case may be, from time to time.
- (j) The Central Government, to ensure proper and correct assessment, verification and settlement of revenue share paid, can, if deemed necessary, add, modify, alter, substitute and amend whatever stated in this Condition. The Authorised entity shall comply with the instructions/directions issued in this regard from time to time.

Annexure 1.3.1

Self Certificate

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

2. That I amof (Name of the Authorised entity), Authorised entity of Service inService Area and I am duly authorised by the resolutions dated Passed by Board of Directors of the Company to furnish self-certificate on behalf of(Name of the Authorised entity).

3. That in compliance of Condition No..... of the Authorisation No. granted by the Central Government, for payment of Authorisation fee, a payment of Rs. (Rupees is being made for the periodto The details of calculation of 'revenue' are as per **Annexure----** (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 Authorised entity.

Authorised representative

Appendix-I to Annexure-1.3.1

Format of Auditor's Report on Statement of Revenue

To

The Board of Directors

.....

.....

We have examined the attached Statement of Revenue of(the name of the Authorised Entity) 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 of the Authorised entity 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 Authorised entity to the Government, in terms of the Authorisation No..... granted by the Central Government.

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. 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 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)

NORMS FOR PREPARATION OF STATEMENT OF REVENUE

- Statement of Revenue shall be prepared separately for each telecom service authorisation operated by the Authorised entity.
- 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 should be shown separately under any other/ miscellaneous revenue.
 - (c) Any non-refundable deposits collected from the users/franchisees to the extent these are credited to P&L Account for the year should be shown under Non-refundable deposits from users.
- 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 without any netting off.
- Security or any other Deposits taken from the user 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 not be included in the Statement of Revenue.
- Details of Income from sales of goods shall be furnished indicating the income shall be shown under Income from trading activity
- 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 expenditure that has been set off against corresponding income.
- In case of bundled services, separate records for itemized bills should be maintained

Proforma for 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 _____ Service Authorisation for _____ Service Area to M/s _____ of _____ (hereinafter called 'the Authorised entity') to establish, maintain and operate the authorised service(s) (hereinafter called 'the Service') in the Service Area as per Letter of Intent no. _____ dated _____ (hereinafter called 'the said Authorisation') on the terms and conditions contained in the said Authorisation, 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 Authorised entity 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 Authorised entity hereby irrevocably and unconditionally guarantee to the Authority that the Authorised entity shall pay all the dues, including but not limited to, the Authorisation fee and other charges etc., to the Authority and that the Authorised entity shall render all necessary and efficient services which may be required to be rendered by the Authorised entity in connection with and/or for the performance of terms and conditions of the said Authorisation and further guarantees that the service which shall be provided by the Authorised entity under the said Authorisation, shall be actually performed in accordance with the terms & conditions of the Authorisation to the satisfaction of the Authority.

1. 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 Authorised entity to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of Authorisation, or any breach by the said Authorised entity of the terms and conditions contained in the said Authorisation, pay all the above mentioned fees, dues and charges or any part thereof within the periods stipulated in the Authorisation.

2. We, the Bank, hereby in pursuance of the terms of the said Authorisation,

absolutely, irrevocably and unconditionally guarantee 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 Authorised entity to pay any fees or charges or any part thereof in terms of the said Authorisation and to secure due and faithful performance by the Authorised entity of all his/their obligations under the said Authorisation.

3. We, the Bank hereby also undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Authority stating that the amount claimed is due by way of loss or damage caused or would be caused to or suffered by the Authority by reason of breach by the said Authorised entity of any of the terms or conditions contained in the said Authorisation or by reason of the Authorised entity's failure to perform any of its obligations under the said Authorisation.
4. We, the bank, do hereby declare and agree that the decision of the authority as to whether authorised entity has failed to pay the said authorisation fees or any other fees or charge or any part thereof payable under the said Authorisation, whether the Authorised entity has failed to or neglected to perform or discharge his duties and obligations under the terms and conditions of the Authorisation as aforesaid and/or whether the service is free from deficiencies and defects and is in accordance with or not of the terms & conditions of the said Authorisation and as to the amount payable to the Authority by the Bank as to the amount payable to the Authority by the Bank hereunder shall be final and binding on the Bank.
5. We, the bank, do hereby declare and agree that:
 - (a) the Guarantee herein contained shall remain in full force and effect for entire currency of the Authorisation 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 Authorised entity 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 Authorised entity 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 Authorised entity 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 Authorised entity or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said Authorised entity 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 Authorised entity 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 Authorised entity.

- 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 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 Central Government, any notice for invocation, sent by Central Government 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 Authorised entity, namely_____ (to be designated by the bank at station/city prescribed by the Central Government) 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.....

.....

.....

Annexure-1.3.4

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 authorisation fee.</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, Authorised Entity 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, Authorised Entity accepts refundable deposits from users, telecom vendors and other Authorised Entities. 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 authorisation fee. However, interest earned on refundable deposits from users, telecom vendors and other Authorised Entities shall</p>

		<p>be considered in ApGR for the purpose of computation of authorisation fee. Also, any refundable deposit received by the Authorised Entity 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 Authorised Entity 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 authorisation fee.</p>
d.	Gains from Foreign Exchange rates fluctuations	<p>Foreign Exchange differences arise when actual rates at the time of settlement differs from those at which they were initially recorded in the books. The provisions contained in the Accounting Standard-11 require a notional entry for exchange differences in respect of liabilities at the closing date of the AFSs. The foreign exchange gains reflected in the profit and loss statement of Authorised Entity 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 authorisation fee.</p>

e.	Income from property rent	<p>Authorised Entity may rent or lease part of their properties and earn revenue in the form of rent. Some Authorised Entity 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 authorisation fee. 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 authorisation fee.</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 Authorised Entity. Receipt of insurance claim from insurance company shall not be part of ApGR for the purpose of computation of authorisation fee.</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 authorisation fee.</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 authorisation fee.</p>
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Annexure-1.3.5

Details of Application processing fee, Minimum Equity, Minimum Network, Entry Fee, and Bank Guarantee

Table-I: Details of Minimum Equity, Minimum Network for various service authorisations

Sl. No.	Category of service authorisations	Service Authorisation (NSO)	Minimum Equity (Rs. in crore)	Minimum Network (Rs. in crore)
1.	Main Service Authorisations (NSO)	Unified Service Authorisation (National Area)	25.00	25.00
2.		Access Service Authorisation (Telecom circle/ Metro Area)	2.50	2.50
3.		Internet Service Authorisation (Category-A) (National Area)	Nil	Nil
4.		Internet Service Authorisation (Category-B) (Telecom circle/ Metro Area)	Nil	Nil
5.		Internet Service Authorisation (Category-C) (Sub-circle)	Nil	Nil
6.		Long Distance Service Authorisation (National Area)	2.50	2.50
7.		Satellite-based telecommunication Service Authorisation (National Area)	1.00	1.00
8.		M2M -WAN Service Authorisation (Category-A) (National Area)	Nil	Nil
9.		M2M -WAN Service Authorisation (Category-B) (Telecom circle/ Metro Area)	Nil	Nil
10.		M2M -WAN Service Authorisation (Category-C) (Sub-circle)	Nil	Nil
11.		Unified Service Authorisation (National Area)	10.00	10.00

12.	Main Service Authorisations (VNO)	Access Service Authorisation (Telecom circle/ Metro Area)	1.00	1.00
13.		Access Service Authorisation (Category-C) (Sub-circle)	Nil	0.05
14.		Internet Service Authorisation (Category-A) (National Area)	Nil	Nil
15.		Internet Service Authorisation (Category-B) (Telecom circle/ Metro Area)	Nil	Nil
16.		Internet Service Authorisation (Category-C) (Sub-circle)	Nil	Nil
17.		Long Distance Service Authorisation (National Area)	1.00	1.00
18.		Satellite-based Telecommunication Service Authorisation (National Area)	0.50	0.50
19.		M2M WAN Service Authorisation (Category-A) (National)	Nil	Nil
20.		M2M WAN Service Authorisation (Category-B) (Telecom circle/ Metro Area)	Nil	Nil
21.		M2M WAN Service Authorisation (Category-C) (Sub-circle)	Nil	Nil

Table-II: Details of Application Processing Fee, Entry Fee and Bank Guarantee for various service Authorisations

Sl. No.	Category of service authorisations	Service Authorisation	Application Processing Fee (Rs. in crore)	Entry Fee (Rs. in crore)	Bank Guarantee (Rs. in crore)
1.	Main Service Authorisations (NSO)	Unified Service Authorisation (National Area)	0.010	12.00	44
2.		Access Service Authorisation (Telecom circle/ Metro Area)	0.001	0.50 (0.25 for NE & J&K)	2.00
3.		Internet Service Authorisation (Category-A) (National Area)	0.001	0.200	0.40
4.		Internet Service Authorisation (Category-B) (Telecom circle/ Metro Area)	0.001	0.01 (0.005 for NE & J&K)	0.02
5.		Internet Service Authorisation (Category-C) (Sub-circle)	0.001	Nil	0.001
6.		Long Distance Service Authorisation (National Area)	0.001	1.00	1.00
7.		Satellite-based telecommunication Service Authorisation (National Area)	0.001	0.50	0.50
8.		M2M -WAN Service Authorisation (Category-A) (National Area)	0.001	Nil	0.40
9.		M2M -WAN Service Authorisation (Category-	0.001	Nil	0.02

		B) (Telecom circle/ Metro Area)			
10.		M2M -WAN Service Authorisation (Category- C) (Sub-circle)	0.001	Nil	0.001
11.	Main Service Authorisations (VNO)	Unified Service Authorisation (National Area)	0.010	3.00	4.4
12.		Access Service Authorisation (Telecom circle/ Metro Area)	0.001	0.125 (0.0625 for NE & J&K)	0.20
13.		Access Service Authorisation (Category-C)(Sub-circle)	0.001	Nil	0.002
14.		Internet Service Authorisation (Category- A) (National Area)	0.001	0.100	0.01
15.		Internet Service Authorisation (Category- B) (Telecom circle/ Metro Area)	0.001	0.005 (0.0025 for NE & J&K)	0.001
16.		Internet Service Authorisation (Category- C) (Sub-circle)	0.001	Nil	0.0001
17.		Long Distance Service Authorisation (National Area)	0.001	0.25	0.50
18.		Satellite-based Telecommunication Service Authorisation (National Area)	0.001	0.125	0.10
19.		M2M -WAN Service Authorisation (Category- A) (National Area)	0.001	Nil	0.01
20.		M2M -WAN Service Authorisation (Category-	0.001	Nil	0.001

		B) (Telecom circle/ Metro Area)			
21.		M2M -WAN Service Authorisation (Category- C) (Sub-circle)	0.001	Nil	0.0001

Chapter IV

Technical Conditions

- 1.** The Authorised Entity may provide telecommunication services using any technology as per prescribed standards in the service area as per scope of services under the Authorisation(s). However, in case the Authorised Entity obtains spectrum, the use of technology will also be governed by the terms and conditions of the assignment of spectrum.
- 2.** The Authorised Entity shall provide the details of the technology proposed to be deployed for operation of the service, to the Central Government.
- 3.** For providing the Service, the Authorised Entity shall utilize any type of equipment and product that meet TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standard, the Authorised Entity may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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.
- 4.** The Authorised Entity shall adhere to the National Fundamental Plans like National Numbering Plan, National Frequency Allocation Plan and any other plan(s), as applicable to the respective service authorisation, issued by Central Government. The Central Government reserves the right to modify any of the National Fundamental Plans.
- 5.** The user terminals (fixed/ mobile terminals/ Customer Premises Equipment etc.) deployed in the network shall meet TEC standards, wherever specified as mandatory by the Central Government from time to time and in the absence of mandatory TEC standard, the Authorised Entity may deploy user 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/adaptation, if any, as may be prescribed by TEC from time to time. Only such category of user terminals as has been granted such a certificate shall be brought into and operated within India.

6. The Authorised Entity shall be responsible to ensure that the user terminal (fixed/ mobile terminals/ Customer Premises Equipment etc.) is operated in accordance with the terms and conditions of the Authorisation and the associated rules and relevant instructions/ directions/ orders issued by Central Government/ TRAI.
7. The Authorised Entity shall have the right to undertake the sale, hire, purchase, lease or rent of the user terminals (fixed/ mobile terminals/ Customer Premises Equipment etc.). Users shall be given the option to obtain the user terminals from any source meeting the standards prescribed in Clause 5 above.

8. Compliance to Directions/ Instructions:

- (1) Norms on Electromagnetic Field Exposure (EMF) by Base Stations: In case the Authorised Entity installs base stations for providing the service, the Authorised Entity shall comply with the instructions/ directions/ guidelines issued by Central Government on EMF exposure norms from time to time.
- (2) The Authorised Entity shall adopt Renewable Energy Technologies (RETs) for powering the telecom network, deploy energy efficient equipment and reduce the carbon footprint as per directions/ instructions/ guidelines issued in this regard by Central Government/ TRAI from time to time.
- (3) The Authorised Entity shall adhere to the directions/ instructions/ guidelines issued by Central Government 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.

9. The Applicable System:

In the process of operating the services, the Authorised Entity shall be responsible for:

- (a) the proper upkeep and maintenance of the Applicable System;
- (b) meeting the criteria of performance of the Applicable System; and
- (c) conforming to the Quality-of-Service (QoS) norms.

10. Quality of Service:

- (1) The Authorised Entity shall comply with the standard of Quality of Service (QoS) as may be prescribed by TRAI.
- (2) The Authorised Entity shall be responsible for: -

- (a) Design and implementation of the network, *inter-alia*, including redundancies for power, transmission links, equipment, geo-redundancies etc., as per standards prescribed by the Central Government or relevant international standards to achieve the prescribed end-to-end quality of service performance;
- (b) Maintenance of network performance to meet quality of service standards;
- (c) Implementation of online QoS monitoring and reporting system and processes following quality management best practices for continuous improvement of QoS;
- (d) Providing effective channel(s) of communication to its users for registering complaints and grievances in a user-friendly manner and reasonable resolution thereof; and
- (e) Keeping record of performance against the prescribed QoS standards, which will be produced before the Central Government/ TRAI as and when, in whatever form, required.

11. Engineering Details:

- (1) The Authorised Entity shall furnish complete technical details of the Applicable System to the Central Government or its authorised representative(s), in such a manner and at such times as may be required.
- (2) The Authorised Entity shall supply all tools, test instruments and other accessories to the testing party of the Central Government for conducting tests at any time during the currency of the Authorisation.

12. Network Interconnection:

- (1) Interconnection amongst the networks of Authorised Entities shall take place as provided in the terms and conditions specific to the Service Authorisation/ applicable rules. In such cases the conditions of interconnections as specified below shall be applicable:
 - (a) Transmission links for interconnection shall meet relevant standards or Interface Requirements (IR) issued by TEC from time to time.
 - (b) Interconnection between the networks of different authorised entities for carrying circuit switched traffic shall be as per national standards of CCS No.7 and carrying IP based traffic as per Telecom Engineering Centre (TEC) standards as amended from time to time by Telecom Engineering Centre (TEC) and also subject to technical feasibility and technical integrity of the networks and shall be within the overall framework of interconnection regulations/ directions/ orders issued by the TRAI from

time to time. For inter-networking between circuit switched and IP based network, the Authorised Entity shall install Media Gateway Switch. Further, the Central Government may direct the Authorised Entity to adopt any other technical standards issued by TEC on interconnection related issues.

- (c) The Authorised Entity shall interconnect with other authorised entities at the Points of Interconnection (POI) subject to compliance of regulations, directions or determinations issued by TRAI from time to time. The interconnection agreements between the eligible authorised entities and the charges for accessing other networks for inter-network calls shall conform to the regulations, directions or determinations issued by TRAI from time to time.
- (2) The provision of any equipment and its installation for the purpose of interconnection shall conform to TRAI's regulations and directions issued from time to time. Failure on part of the Authorised Entity to adhere to the regulations, directions and determinations of TRAI on interconnection, and charges for accessing other networks for inter-network calls is liable to be treated as breach of terms and conditions of Authorisation.
- (3) In case of revocation of the Authorisation of any Authorised Entity, the interconnection with such entity shall have to be withdrawn within one hour of the receipt of intimation or within such time as directed by the Central Government in writing.

13. Interface:

- (1) The Authorised Entity shall operate and maintain its network conforming to the technical standards prescribed by Central Government/ TRAI in respect of Network-Network Interface.
- (2) For providing the service, the Authorised Entity shall use equipment which is compatible with other authorised entities' equipment to which the Authorised Entity's Applicable Systems are to be interconnected.
- (3) The network resources including the cost of upgrading/ modifying interconnecting networks to meet the service requirements of the Authorised Entity will be mutually negotiated with other authorised entities keeping in view the regulations and directions issued by the TRAI from time to time.

14. Disaster/ Emergency/ Public Utility Services:

The Authorised Entity 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 the Central Government in this

regard from time to time. The Authorised Entity 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 the Central Government.

Chapter V:

Operating Conditions

1. User Registration and Provision of Service:

- (1) The Authorised Entity shall register demand/ request for telecommunication service without any discrimination from any applicant, at any place in the service area for the service(s) authorised and provide the service, unless otherwise directed by the Central Government.
- (2) The Authorised Entity shall not in any manner discriminate between users and provide services on the same commercial principle. The Authorised Entity shall clearly define the scope of Service to the user(s) at the time of entering into contract with such user(s). Before commencement of Service in an area, the Authorised Entity shall notify and publicise the address/ URL where any user can register demand/ request for Telecom Service. Any change of this address/ URL shall be duly notified by the Authorised Entity.
Provided that nothing contained herein will affect or prejudice the rights of the Authorised Entity to carry out a check on credit worthiness of applicants for its services.
- (3) The Authorised Entity shall widely publicise provision of service and shall not refuse registration of demand in the service areas in which the Authorised Entity has commenced services. In case the provision of telecommunication service to an applicant is not feasible for technical or other reasons beyond the control of Authorised Entity, then the Authorised Entity shall intimate users regarding the same and shall endeavour to make arrangement for providing telecommunications service within a reasonable time.
- (4) The Authorised Entity shall ensure continuity of services to its users unless authorisation is revoked or suspended by the Central Government for any reason whatsoever.
- (5) The Authorised Entity may discontinue any of the service(s), under a Service Authorisation to its users, by giving notice to the Central Government and TRAI of at least 60 calendar days in advance with reasons. In that case, it shall also notify all its users by sending a 30 calendar days' notice to each of them, clearly stating the options available to users including that of MNP also.

The balance amount including security deposit paid by the user, if any, available with the Authorised Entity shall be refunded to the user within a period of 30 days. The effective date of discontinuity of Service will be 61st Calendar days counted from the date of receipt of such notice by the Central Government. The Central Government reserves the right to reject such request, if 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 a change of technology. In that case the above condition shall also apply.

- (6) It shall be the responsibility of the Authorised Entity to issue or cause to be issued bills to its users for use of the service. The Authorised Entity shall maintain such records to produce itemised billing information. The billing system of the Authorised Entity shall be able to generate the billing information, in adequate detail, to ensure satisfaction of the users about the genuineness of the bill. The directions of TRAI, from time to time, in this regard shall apply.
- (7) The Authorised Entity shall offer regular itemised billing to its users wherever applicable. In every case the Authorised Entity shall be responsible to its users and shall ensure fulfillment of the obligations in this regard. The Authorised Entity shall also maintain necessary records for the billing cycles as specified by the Central Government or TRAI from time to time.
- (8) All complaints of users in this regard will be addressed/ handled as per the orders or regulations or directions issued by the Central Government or TRAI from time to time.
- (9) The Authorised Entity providing telecommunication services shall establish an online mechanism to enable users to register any grievance pertaining to the telecommunication service, and redressal of such grievances, in such a manner as may be prescribed by the Central Government under Section 28(3) of the Telecommunications Act, 2023.
- (10) The Authorised Entity's contractual obligations to eligible authorised entities and entities not requiring authorisation under the Section 3(3) of the Telecommunications Act, 2023 will include terms and conditions under which the Service may be obtained, utilised and terminated. However, the Authorised

Entity while providing the resources shall satisfy itself that such entities are eligible to obtain that resource.

- (11) The Authorised Entity shall notify in writing all the policies 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 Central Government or TRAI from time to time.
- (12) The Authorised Entity shall not permit service to eligible authorised entities under Section 3 of the Telecommunications Act, 2023, whose authorisation is either revoked or suspended or not in operation at any point of time.

The Authorised Entity shall immediately disconnect/ sever connectivity, with the entities with whom the connectivity already exists, upon receipt of any reference from the Central Government. Disconnection shall be made effective within one hour or within such time as directed by the Central Government in writing, after receiving a reference from the Central Government in this regard.

- (13) Any dispute with regard to the provision of Service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this to all before providing the Service. And in no case, the Central Government shall bear any liability or responsibility in the matter. The Authorised Entity shall keep the Central Government and TRAI indemnified for all claims, costs, charges or damages in the matter.

2. Obligations imposed on the Authorised Entity:

- (1) The provisions of the Telecommunications Act, 2023, shall be applicable to the Authorised Entity. Relevant sections of the Information Technology Act, 2000 as amended from time to time or any other relevant Act may also be applicable to the Authorised Entity.
- (2) The Authorised Entity shall furnish all necessary means and facilities as required for the application of provisions of Section 20(2) of the Telecommunications Act, 2023 whenever occasion so demands. Nothing provided and contained anywhere in the Authorisation shall be deemed to affect adversely anything provided or laid under the provisions of the Telecommunications Act, 2023 or any other law on the subject in force.

3. Right to inspect:

The Central Government or its authorized representative, shall have the right to access and inspect sites and telecommunication equipment used for extending the Service. The Authorised Entity will provide the necessary facilities for monitoring of the system in the Authorised Service Area, as required by the Central Government or its authorized representative(s). The inspection will ordinarily be carried out after reasonable notice except in circumstances when giving such a notice will defeat the very purpose of the inspection.

4. Infrastructure Sharing:

- (1) The Authorised Entity may share its own active and passive infrastructure for providing services authorised to it under any other authorisation issued by the Central Government.
- (2) The Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under its authorisation(s) with all other eligible authorised entities.
- (3) The Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated under its authorisation(s) with all other eligible authorised entities as per the scope of their services.
- (4) Sharing of the Lawful Interception System (LIS) held by an Authorised Entity with other authorised entities is allowed with the permission of the Central Government on a case-to-case basis.
- (5) Additional terms and conditions for sharing of infrastructure may be applicable as per the respective service Authorisations.
- (6) For sharing of infrastructure as per the above conditions, mutual agreements may be entered into amongst the eligible authorised entities.

5. Location of Network Elements:

- (1) The Authorised Entity shall provide location details of all network elements including switching centres, transmission centres, along with routing details, network operation & control/ management Centre, equipment details, network topology, Base Stations, end to end connectivity, Cable routes and capacity

along with GIS mapping and any other detail as may be required by the Central Government from time to time. Any network resource including the bandwidth/ leased line/ VPN either owned or taken on lease/ hire shall be treated as part of the network of the Authorised Entity.

- (2) Any installation of equipment or execution of project in areas which are notified as sensitive from security point of view and amended from time to time by the Central Government, shall be taken up only after the approval from the Central Government.
- (3) The Central Government 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 Central Government.

6. Confidentiality of information:

- (1) The Authorised Entity shall not employ bulk encryption equipment in its network. The Central Government or officers specially designated for the purpose may evaluate any encryption equipment connected to the Authorised Entity's network. However, the Authorised Entity shall have the responsibility to ensure protection of privacy of communication and to ensure that any unauthorized interception of a MESSAGE does not take place.
- (2) Subject to the terms and conditions of the Authorisation, the Authorised Entity 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 endeavours to secure that:
 - (a) No person acting on behalf of the Authorised Entity or the Authorised Entity 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.

- (3) The Authorised Entity shall take necessary steps to ensure that the Authorised Entity and any person(s) acting on its behalf observe confidentiality of user information.
- (4) The Authorised Entity shall, prior to commencement of Service, confirm in writing to the Central Government that the Authorised Entity has taken all necessary steps to ensure that it and its employees shall observe confidentiality of user information.
- (5) The use of encryption by the user shall be governed by the Government Policy/ rules made under the Information Technology Act, 2000.

7. Satellite System:

For providing services under its scope of service, the Authorised Entity can use the space segment of all types of satellite systems viz. Geo Stationary Orbit (GSO) and Non-GSO (NGSO) satellites. For the use of the space segment of the satellite systems the following conditions shall apply:

- (a) Clearances shall be obtained by the Authorised Entity from the Central Government.
- (b) The required satellite capacity (space segment) shall be obtained by the Authorised Entity from the Department of Space (DoS)/ NSIL or space segment provider duly authorized by DoS/ IN-SPACe on terms and conditions as applicable.
- (c) The space segment charges will be payable to DoS/ NSIL or space segment provider, as applicable.
- (d) The Authorised Entity shall follow the guidelines/ directions/ instructions/ orders issued by Central Government from time to time for establishing satellite-based communication network(s).

8. Interconnection of VNOs with NSOs as per mutual agreement

- (1) Resources required for interconnecting the network of the VNO Authorised Entity to the network of NSOs authorised by the Central Government, including time frame for provision of the same, will be mutually agreed.
- (2) It would not be mandatory for an NSO to provide time-bound access to a VNO, rather, it would be left to the mutual agreement between an NSO and a VNO.

Chapter VI:

Security Conditions

- 1.** The Authorised entity shall meet the instructions/directions of the Central Government issued from time to time in the interest of national security as per relevant sections of Telecommunication Act 2023.
- 2.** The majority Directors on the Board of the Entity shall be Indian citizens. The Authorised Entity shall also ensure compliance of following conditions:
 - (1) 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 on annual basis by Ministry of Home Affairs (MHA). The directions of MHA shall be binding on the Entity.
 - (2) The Chief Officer in charge of technical network operations and the Chief Security Officer/Chief Information Security Officer, and in-charge of Network Elements such as Switches (GMSC, MSC, Soft-Switch, Gateway Switch), Central Database, ILD Gateway, Satellite Hub, GMPCS Gateway, and System Administrators associated with the Authorised Entity shall be resident Indian citizen.
 - (3) The officers/ officials/ Nodal Executives of the Authorised Entity dealing with the lawful interception of messages will be resident Indian citizens.
 - (4) All foreign personnel likely to be deployed by the Authorised Entity for installation, operation and maintenance of its telecom network shall be security cleared by the Government of India prior to their deployment. The security clearance will be obtained from MHA.
- 3.** The Authorised Entity shall identify the person to whom it provides telecommunication services through use of any verifiable biometric based identification as may be prescribed by the Central Government. The Central Government may issue service-wise detailed instructions for enrolment of users and activation of service from time to time.
- 4.** The Authorised Entity shall make it clear to the user that the user will be responsible for proper and *bonafide* use of the service.
- 5.** Format prescribed by the Central Government delineating the details of information required before enrolling a user shall be followed by the Authorised Entity. A photo identification of users shall be pre-requisite before providing the service. The Central

Government may prescribe service-wise detailed instructions for enrolment of users and activation of service from time to time.

6. The Authorised Entity shall activate the Leased Line / Internet Leased Line and International Private Leased Circuit (IPLC) service only after checking the *bonafide* of the User, verifying details as per User Acquisition Form (UAF) and physical inspection of the site. Further, in the case of Leased Line, the reasons for taking the link by the user shall be recorded.
7. The 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 *bonafide* should be carried out for providing such bulk connections. Information about bulk connections shall be forwarded to the respective Field Office of the Central Government and any other officer authorized by the Central Government from time to time as well as all Security Agencies on a monthly basis.
8. Active support must be extended by the Authorised Entity to the respective Field Office of the Central Government for detection of clandestine / illegal telecommunications facilities. For this purpose, names of the Nodal officers & alternate Nodal Officers in respect of each Authorised Service Area as communicated to the Intelligence Agencies for monitoring of telecommunications should also be forwarded to respective Field Office of the Central Government, and any other officer authorized by the Central Government from time to time. The Field Office 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 Field Office will contact the Chief Executive Officer of the Authorised Entity, for such support / coordination.
9. Bulk user's premises should be inspected by the Authorised Entity at regular intervals for satisfying themselves about *bonafide* use of such facilities. A record of such inspection should be maintained and preserved for a minimum of one year, for inspection / verification by the Central Government or a designated officer of the Central Government.
10. Leased circuits/ Virtual PRIVATE networks (VPN) should also be checked/ inspected at regular intervals for their *bonafide* use and to detect any misuse.

- 11.** The Central Government or its representative(s) will have access to the Database relating to the users of the Authorised Entity. The Authorised Entity shall also update the list of its users and make available the same to the Central Government at such intervals as may be prescribed. The Authorised Entity shall make available, at any prescribed instant, to the Central Government or its authorized representative details of the users using the service.
- 12.** The complete list of users shall be made available by the Authorised Entity on their website (having password-controlled access), so that designated Security Agencies are able to obtain the users' list at any time, as per their convenience with the help of the password. The list should be updated on a regular basis. Hard copy as and when required by Security Agencies shall also be furnished.
- 13.** The Authorised Entity shall not transfer the following to any person/place outside India: -
 - (1) Any accounting information relating to user (except for international roaming/ billing) (Note: it does not restrict a statutorily required disclosure of financial nature); and
 - (2) User information (except pertaining to foreign users using Authorised Entity's network while roaming and IPLC users).
- 14.** The Authorised Entity must provide traceable identity of their users. However, in case of providing service to roaming users of foreign Companies, the Authorised Entity shall endeavour to obtain traceable identity of roaming users from the foreign company as a part of its roaming agreement.
- 15.** The Authorised Entity shall be completely and totally responsible for the security of its telecommunication network. The Authorised Entity shall have an 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 such policy. The Authorised Entity shall submit its policy to the Central Government within 90 calendar days from the date of issue of each Authorisation.
- 16.** In furtherance of organizational security policy, the Authorised Entity shall audit its network or get the network audited from a 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 issue of authorisation.

The Authorised Entity is free to engage the service of any agency for this purpose, which is certified to carry out the audit as per applicable ISO standards.

- 17.** The Authorised Entity shall induct 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 applicable ISO/IEC standards, for Information Security Management System against applicable ISO series Standards, Telecom and Telecom related elements against 3GPP security standards, 3GPP2 security standards etc. The certification shall be obtained only from authorized and certified agencies/ labs in India or as may be specified by the Central Government. The copies of test results and test certificates shall be kept by the Authorised Entity for a period of 10 years from the date of procurement of equipment.
- 18.** The Central Government through the designated Authority will have the right to impose conditions for procurement of Telecommunication Equipment on grounds of Defense of India, or matters directly or indirectly related thereto, for national security. The designated Authority for this purpose shall be the National Cyber Security Coordinator. In this regard, the Authorised Entity shall provide any information as and when sought by the Designated Authority.
- 19.** The Designated Authority shall notify the categories of equipment for which the security requirements related to Trusted Sources are applicable. For the said categories of equipment, the 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.
- 20.** The Authorised Entity shall only connect Trusted Products in its network and seek permission from the Designated Authority for upgradation or expansion of existing Network utilizing 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.
- 21.** The Authorised Entity shall follow the measures notified by the Central Government, including through directions, under Section 21 of the Telecommunication Act, 2023 in respect of procurement of Telecommunication equipment and Telecommunication services only from Trusted sources.

- 22.** The Authorised Entity shall comply with the Guidance for Enhanced Supervision and Effective Control of Telecommunication Networks, as per guidelines issued by the Central Government from time to time.
- 23.** The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
- 24.** The Authorised Entity shall include all contemporary security related features and features related to communication security as prescribed under relevant security standards while procuring the equipment and implement all such contemporary features into the network. A list of features, equipments, software etc. procured and implemented shall be kept by the Authorised Entity till they are in use, which may be subjected to inspection and testing as required by the Central Government at any time, in the network or otherwise. at the option of the Central Government.
- 25.** The Authorised Entity shall
- (1) Ensure that all the documentation, including software details are obtained from manufacturer/vendor/supplier in English language.
 - (2) Keep a record of operation and maintenance procedure in the form of a manual;
 - (3) Keep a record of all the operation and maintenance command logs 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;
 - (4) The same information shall be stored/ retained in a non-online mode for the next 24 months. For this purpose, the Authorised Entity shall keep a list of system-user ID linked with name and other details of the system-user duly certified by the system administrator. The system-user list shall be provided to the Central Government or designated Agencies as and when required.
 - (5) Keep a record of all the software updating and changes. The major updating and changes should also be informed to the Central Government within 15 days of completion of such updating and changes.
 - (6) Keep a record of the supply chain of the products (hardware/ software). This should be taken from the manufacturer/ vendor/ supplier at the time of procurement of the products.

- 26.** The Authorised Entity shall create facilities for the monitoring of all intrusions, attacks and frauds on its technical facilities and provide reports on the same as prescribed by the Central Government. Such facilities shall be created within 12 months since the date of the Authorisation and report the same to the Central Government.
- 27.** The Authorised Entity through suitable agreement clauses with vendor shall ensure that the Vendor/ Supplier allow the Entity, the Central Government 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.
- 28.** Suitable agreement clauses with respective vendor/ supplier dealing in hardware, software, design, development, manufacturing facility and supply chain shall be established by the Entity to make prior provision for the inspection related to a security threat.
- 29.** The Central Government may make any of the following suggestions, which help in increasing the security of the telecom network, mandatory whenever deemed necessary to do so. The Authorised Entity
- (1) 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, nonaddressable 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 service continuity and service upgradation should also be suitably included in the agreement, with consequences defined for each party in case of breach, particularly the security breaches.
 - (2) shall build their own capability and capacity to maintain and operate the network, preferably through local maintenance personnel.
- 30.** The precise delineation of geographical borders taken by the Authorised Entity for the purpose of defining service area along International Borders, if any, shall have prior approval of the Central Government. The terrestrial boundaries of India shall be as depicted in the maps issued by Survey of India.

- 31.** The Authorised Entity may be restricted from operating in any sensitive area from the National Security angle, as determined by the Central Government.
- 32.** Depending upon the specific situation to counteract espionage, subversive act, sabotage or any other unlawful activity, necessary facilities shall be provided at the relevant time to the Government.
- 33.** For security reasons, domestic traffic shall not be hauled/ routed to any place outside India. For this purpose, location of satellites serving India for domestic traffic and the domestic submarine cables shall not be treated as outside India.
- 34.** The Authorised Entity shall take adequate and timely measures to ensure that the information transacted through a network by the users is secure and protected.
- 35.** Privacy of communications shall be protected while ensuring that unauthorized interception of messages does not take place.
- 36.** As per Section 21 (f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.
- 37.** The Authorised Entity shall make available on demand to the person authorized by the Central Government, full access to the switching centers, transmission centers, routers and other network elements including equipment installed in user's premises etc. for technical scrutiny and for inspection, which can be visual inspection or an operational inspection.
- 38.** The Central Government through appropriate notification may debar usage of mobile terminals in certain areas in the country. The Authorised Entity shall deny Service in areas specified by designated authority immediately and in any case within six hours on request. The Authorised Entity shall also provide the facility to carry out surveillance of Mobile Terminal activity within a specified area.

- 39.** The Authorised Entity shall 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 years for scrutiny by the Central Government for security reasons and may be destroyed thereafter unless directed otherwise by the Central Government. Central Government may issue directions /instructions from time to time with respect to commercial records / CDR/ IPDR/ EDR.
- 40.** Calling Line Identification (CLI) including Calling Name Presentation (CNAP) facility shall be provided. Calling Line Identification (CLI) including CNAP shall never be tampered with as the same is also required for security purposes and any violation of this amounts to breach of security.
- 41.** The network should also support Malicious Call identification and Centralized Automatic Message Accounting (CAMA).
- 42.** For prevention of spoofed incoming international calls, the Authorised Entity providing international long distance services shall implement the Local International Out Roamer (LIOR) and Central International Out Roamer (CIOR) system as per instructions issued by the Central Government from time to time.
- 43.** The Authorised Entity providing Access Service shall maintain Local International Out Roamer (LIOR) repository which will be updated on real time basis with Indian mobile numbers which are on international roaming. The Authorised entity will also update the Central International Out Roamer (CIOR) system on real time basis and abide by the instructions issued by the Central Government from time to time in this regard.
- 44.** On request of the Central Government or any other agency authorized by the Central Government, the Authorised Entity shall be able to provide the geographical location of any user at a given point of time. In case of terrestrial mobile services, Location details including latitude & longitude of BTS may be provided.
- 45.** The Authorised Entity shall ensure compliance of the follow terms and conditions for Remote Access (RA):
- (1) The Remote Access (RA) to network would be provided only to approved locations abroad through approved location(s) in India. The approval for location(s) would be given by the Central Government after satisfying itself about the appropriateness.

- (2) 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 Central Government may notify from time to time.
 - (3) The Authorised Entity is not allowed to use remote access facility for monitoring of content.
 - (4) Suitable technical device should be made available at Indian end to the designated security agency/ Central Government in which a mirror image of the remote access information is available online for monitoring purposes as per direction of the Central Government from time to time.
 - (5) 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 Central Government or any other agency authorized by the Central Government.
- 46.** In the interests of security, suitable monitoring equipment as per requirement of the Central Government or designated Security Agencies for each type of service shall be provided by the Authorised Entity for monitoring as and when required by the Central Government. The specific orders or directions from the Central Government, issued under such conditions, shall also be applicable.
- 47.** In order to maintain the privacy of voice and/or data, monitoring shall be in accordance with rules in this regard under Section 20(2) of the Telecommunications Act, 2023.
- 48.** The Authorised Entity shall ensure that necessary provision (hardware/ software) is available in their equipment for doing the Lawful interception and monitoring from a centralized location.
- 49.** The Authorised Entity shall familiarize/ train the officers of Central Government and Security Agencies in respect of relevant operations/ features of their systems.
- 50.** For monitoring traffic, the Authorised Entity shall provide access of their network and other facilities as well as to books of accounts to the Security Agencies.
- 51.** The Authorised Entity may, on need basis, provide details of its infrastructure/ network diagram (technical details of the network) only to telecom equipment suppliers/manufacturers and the affiliate/ parents of the Authorised Entity.

Clearance from the Central Government would be required if such information is to be provided to anybody else.

- 52.** Requisite monitoring/interception facilities /equipment for each type of service, shall be provided by the Authorised Entity at its own cost for monitoring as per the requirement specified/notified by the Central Government from time to time.
- 53.** The Central Government may suspend the operation of the Authorisation in whole or in part, at any time, if, in the opinion of the Central Government, 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 Telecommunication. Authorisation Fee payable to the Central Government will not be required to be paid for the period for which the operation of the authorisation remains suspended in whole. Provided that if the situation so warrants, the Central Government may dispense with the issue of notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard.
Provided further that the Central Government 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.
- 54.** The Central Government reserves the right to terminate/revoke/suspend the Authorisation or any authorised service under the 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 Central Government has the right to revoke/suspend the authorisation or any authorised service under the authorisation, in whole or in part, without any notice period.
- 55.** The Central Government reserves the right to take over the services, equipment and networks of the authorised entity in the interest of national security or in the event of national emergency/war or low intensity conflict or similar type of situations or any other eventuality in public interest as declared by the Central Government in full or in part in the Service area. Further, the Central Government reserves the right to keep any area out of the operation zone of the Service if implications of security so require.

- 56.** Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the Authorised Entity without loss of time and shall be strictly complied with Provided any taking over or suspension of service, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of authorisation period or expansion of area in different corner or reduction of duly payable fee.
- 57.** The authorised entity shall not be entitled to the refund of any fees or charges paid in respect of or under an authorisation granted under the Telecommunications Act, 2023, if such authorisation is suspended, curtailed, revoked or varied.
- 58.** 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 dealt with in accordance with the Section 42 of the Telecommunications Act, 2023 and Bhartiya Nyaya Sanhita (BNS). The Authorised Entity must ensure that their services are not used for such purposes.
- 59.** Civil penalty as per the Section 32 (1) of the Telecommunications Act, 2023 will be levied for any security breach which has been caused due to inadvertent inadequacy/inadequacies in precaution on the part of Authorised Entity prescribed under the authorisation.
- 60.** In case of inadequate compliance to the measures prescribed under the Authorisation, act of intentional omissions, deliberate vulnerability left into the equipment or in case of deliberate attempt for a security breach, civil penalty will be decided in accordance with Section 32(1) of the Telecommunications Act, 2023.
- 61.** Besides the penalty, liability and criminal proceedings under the relevant provisions of various Acts such as Telecommunications Act, 2023; Information Technology Act, 2000; Bhartiya Nyaya Sanhita (BNS) Bhartiya Nagrik Suraksha Sanhita (BNSS) etc can be initiated. In such cases, 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 Authorised Entity must include the clause of discretion of blacklisting of vendor or supplier in such cases in the agreement signed with vendors/suppliers.

The Central Government 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 Telecommunications.

62. Application of Telecommunication Act 2023:

The Authorised Entity shall adopt all means and facilitate in every manner the application of the Telecommunication Act 2023 and rules made thereunder.

63. Prohibition of certain activities by the Authorised Entity:

- (1) Carriage of objectionable, obscene, unauthorized or any other content, messages or communications 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 Authorised Entity by the enforcement agencies/ Central Government, the Authorised Entity shall take necessary measures to prevent carriage of such messages in its network immediately.
- (2) The Authorised Entity is obliged to provide, without any delay, all the tracing facilities to trace nuisance, obnoxious or malicious calls, messages or communications transported through his equipment and network, to 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 the Authorised Entity's failure in this regard shall be payable by the Authorised Entity.
- (3) In case any confidential information is divulged to the Authorised Entity for proper implementation of the authorisation, it shall be binding on the Authorised Entity and its employees and servants to maintain its secrecy and confidentiality.
- (4) The Authorised Entity 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.

Part-II: Authorisation specific terms and conditions

Chapter VII:

Unified Service Authorisation

The following specific terms and conditions for Unified Service Authorisation shall be applicable in addition to the common terms and conditions contained in Part-I above

- 1. Period of Authorisation:** The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.
- 2. Service Area:** The Service Area of Unified Service Authorisation shall be at the National level.
- 3. Scope of service:**
 - (1) At a broad level, the scope of Unified Service Authorisation includes the scopes of Access Service Authorisation, Internet Service Authorisation, Long Distance Service Authorisation, Satellite-based Telecommunication Service Authorisation and M2M WAN Service Authorisation. The services under the scope of Unified Service Authorisation can be provided on wireline media, or wireless media. While providing services on wireless media, the Authorised Entity may use terrestrial network, non-terrestrial network, or satellite system. The services may be provided with mobility and/ or fixed wireless access.
 - (2) Specifically, the Authorised Entity may provide services as per the following scope:
 - (a) Transmission, emission or reception of voice and non-voice message, including video.
 - (b) Internet access service, Internet Telephony and IPTV
 - (c) Leased circuits and Virtual Private Networks (VPNs)
 - (d) Captive Non-Public Network (CNPN) as a service to enterprises
 - (e) Machine to Machine (M2M) WAN service
 - (f) Audio Conferencing/ Audiotex/ Voice Mail service/ Cloud-based EPABX Service
 - (g) Install, operate and commission International Internet Gateway (IIG)/ International Long Distance Gateway using satellite or submarine cable

as a medium after obtaining security clearance/ approval from the Central Government

- (h) The Authorised Entity with International Internet Gateway (IIG) may sell international internet bandwidth to other entities authorised to provide Internet Services.
- (i) Carriage of domestic intra-circle and inter-circle switched bearer telecommunication traffic over its network
- (j) Carriage of switched bearer telecommunication traffic over its network for providing connectivity to the networks operated by foreign carriers
- (k) Provision of domestic calling cards and international calling cards for only voice calls
- (l) Offer international bandwidth on lease to other authorised entities who are permitted to have international connectivity under their respective authorisations
- (m) Provide International Private Leased Circuit (IPLC) to the users directly
- (n) Establish Cable Landing Station (CLS) for submarine cable for both national and international long-distance services
- (o) Extend their owned or leased dark fiber pair(s) in the submarine cable from the main CLS to their respective CLS-PoP location
- (p) Provide Global Mobile Personal Communication by Satellite (GMPCS) Service using Mobile Satellite Services (MSS) and Fixed Satellite Services (FSS) [Global Mobile Personal Communications by Satellite (GMPCS) system means "any satellite system (i.e. fixed or mobile, broad-band or narrow-band, global or regional, geo-stationary or non geo-stationary, existing or planned) providing telecommunication services directly to end users from a single or constellation of satellites".]
- (q) Provide VSAT-based Fixed Satellite Services (FSS); user terminal stations on moving platforms (ESIM) are also permitted for provisioning of connectivity subject to compliance with relevant TEC standard(s) and conditions mentioned therein
- (r) For delivery of services, the Authorised Entity may enter into agreements with authorised VNO entities having relevant authorisation.

Except for those services permitted under the scope of this authorisation, the authorisation holder shall not provide any service(s) which require a separate service Authorisation/ license/ permission by the Central Government.

- 4. Assignment and use of spectrum:** The authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum and the provisions of the relevant Notice Inviting Application (NIA) document for the auction of spectrum, if spectrum is obtained through auction, shall also be applicable on the Authorised Entity along with the Service Authorisation.

5. Financial conditions:
Unified Service authorisation-NSO

(1) Gross Revenue:

The Gross Revenue shall include all revenues accruing to the Authorised Entity on account of goods supplied, services provided, use of its resources by others, application fees, installation charges, late fees, sale proceeds of handsets (or any other terminal equipment etc.), revenue on account of interest, dividend, value added services, supplementary services, access or interconnection charges, roaming charges, revenue from permissible leasing of spectrum, revenue from permissible sharing of infrastructure, revenue from sale, lease or renting of bandwidth, and any other miscellaneous revenue, without any set-off for related item of expense etc.

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4.**

(3) 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) PSTN/ PLMN/ GMPCS related call charges (Access Charges) paid to other eligible/entitled Telecommunication service providers within India;
- (b) Roaming revenues passed on to other eligible/entitled telecommunication service providers.
- (c) Charges of pass-through nature passed on to other service providers to whose network, the Authorised Entity's network is interconnected, for carriage of calls.

Unified Service authorisation -VNO

(1) Gross Revenue:

The Gross Revenue shall include all revenues accruing to the Authorised Entity on account of goods supplied, services provided, use of its resources by others, application fees, installation charges, late fees, sale proceeds of handsets (or any other terminal equipment etc.), revenue on account of interest, dividend, value added services, supplementary services, access or interconnection charges, roaming charges, revenue earned from parent NSO(s), revenue from permissible leasing of spectrum, revenue from permissible sharing of infrastructure, revenue from sale, lease or renting of bandwidth, and any other miscellaneous revenue, without any set-off for related item of expense etc.

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4.**

(3) 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 proof of actual payment for the deduction to be allowed.

6. Technical conditions:

The Authorised Entity shall comply with the following technical conditions:

- (1) The Authorised Entity's network shall be compliant with the Regulations/ Directions/ instructions issued by TRAI/ Central Government in respect of Mobile Number Portability (MNP) before commencement of cellular mobile and long distance services.
- (2) The Authorised Entity may deploy any of its equipment anywhere in India. However, the Authorised Entity should make arrangements for provisioning of lawful interception and monitoring facilities in the respective State/ Union Territories for meeting the specified security conditions. Similarly, the connectivity to disaster management platform and PSAP should remain at the State/ UT Level.
- (3) The Authorised Entity will have complete flexibility to carry its own traffic within its service area, i.e. National level.
- (4) The Authorised Entity may interconnect with other eligible authorised entities for handing/ taking over the PSTN, PLMN and GMPSC telephony traffic at any mutually agreed location, failing which, the interconnection should take place

at the point of interconnection(s), as specified in the TRAI's interconnection regulations.

- (5) It shall be mandatory for the Authorised Entity to interconnect to/ provide interconnection to all eligible authorised entities (eligibility shall be determined as per the Authorised Entity's Authorisation and TRAI's determinations/ orders/ regulations issued from time to time) to ensure that the switched bearer traffic is delivered to all destinations.
- (6) The Authorised Entity shall not refuse to interconnect with the other Unified Service authorised entity/ Long Distance authorised entity/ ILD Service provider, having an ILD gateway, directly in situations where point of presence (POP) of Unified Service authorised entity/ Long Distance authorised entity/ ILD Service provider and switches (GMSC/ Transit Switch) of the Authorised Entity are located at the same station. However, the Authorised Entity having an approved ILD gateway will be permitted to directly carry its international traffic under its Unified Service Authorisation.
- (7) The Authorised Entity can provide all the services under its Scope through the same switch.
- (8) The numbering resource allocation will be done at Telecom Circle/ Metro Area level.
- (9) The other technical conditions as applicable for Access Service Authorisation, Internet Service Authorisation, Long Distance Service Authorisation and Satellite-based Telecommunication Service Authorisation shall be applicable for providing the respective services.

7. Operating conditions:

The Authorised Entity shall comply with the following operating conditions:

- (1) The Authorised Entity may enter into mutual commercial agreements for roaming facilities with other authorised entities having Authorisation for Unified Service or Access Service, unless otherwise directed by Central Government, irrespective of spectrum band held or technology deployed by such Authorised Entities.
- (2) The Authorised Entity may also enter into mutual commercial agreements for roaming facilities with other authorised entities having authorisation for providing Internet service (Category-A, Category-B and Category-C) for providing Internet Access Services only.
- (3) Any roaming arrangement shall not entitle the Entity to acquire users in the technology not deployed or for services/ facilities not offered by the Authorised Entity in its network.

- (4) While roaming on other authorised entity's network, the services availed by the user shall be limited to only those services which have been subscribed in its network.
- (5) The Authorised Entity may also enter into agreements with telecom service providers abroad for providing roaming facility to its user unless directed by the Central Government otherwise.
- (6) For providing CNPN as a service to enterprises, the Authorised Entity –
 - (a) may use its network resources (such as through network slicing) over its PLMN, and/ or
 - (b) may establish isolated CNPN for enterprises by using IMT spectrum assigned to it for PLMN.
- (7) While providing CNPN as a service to enterprises, it will be the responsibility of the Licensee to ensure that the prescribed QoS to their customers through public network is maintained.
- (8) The Authorised Entity having Unified Service Authorisation can provide the service(s) permitted under the scope of Unified Service Authorisation, only under its Unified Service Authorisation and not under any other authorisation/ license.
- (9) The Authorised Entity providing voice and non-voice message shall provide independently or through mutually agreed commercial arrangements with other authorised entities all public utility services as well as emergency services including services like police, fire, ambulance in each State/ UT. The Central Government may declare any public utility or emergency number as free service from time to time. While providing access to public utility services/ emergency services/ emergency response services/ services for relief and rescue on occurrence of disaster including police, fire, ambulance etc. as defined from time to time, the Authorised Entity shall take all measures to ensure that such calls/ messages are delivered to the designated control room/ Public Safety Answering Point (PSAP) of the concerned authority, as prescribed from time to time in respect of all State/ UTs.
- (10) The Authorised Entity shall follow the various Disaster Management guidelines and Standard Operating Procedures (SoP) issued by the Central Government from time to time.
- (11) The other operating conditions as applicable for Access Service Authorisation, Internet Service Authorisation, Long Distance Service Authorisation and Satellite-based Telecommunication Service Authorisation shall be applicable for providing the respective services.

8. Security conditions:

The Authorised Entity shall comply with the following security conditions:

- (1) The Authorised Entity shall make arrangements for provisioning of lawful interception and monitoring facilities in the respective State/ Union Territories for meeting the specified security conditions.
- (2) The designated person of the Central/ State Government as conveyed from time to time in addition to the Central Government or its nominee shall have the right to monitor the telecommunication traffic in the network set up by the Authorised Entity. The Authorised Entity should make arrangements for monitoring of traffic by Central Government/ Security Agencies. For establishing connectivity to Centralized Monitoring System (CMS), the Authorised Entity shall provide appropriately dimensioned hardware and bandwidth/ dark fibre up to a designated point as required by Central Government from time to time.
- (3) The other security conditions as applicable for Access Service Authorisation, Internet Service Authorisation, Long Distance Service Authorisation and Satellite-based Telecommunication Service Authorisation shall be applicable for providing the respective services.

9. The Unified Service VNO Authorised Entity shall follow the terms and conditions of the Authorisation along with the specific conditions as given below:

- (1) Network interconnection will be provided by NSO Authorised Entity and not the VNO Authorised Entity. The VNO Authorised Entity will connect to its parent NSO(s) only.
- (2) VNO Authorised Entities are allowed to have agreements with more than one NSO for all services other than wireless access service.
- (3) Spectrum will not be assigned to VNO Authorised Entity. VNO Authorised Entity may establish radio access network as per the mutual agreement with the parent NSO utilizing backhaul Spectrum & Access Spectrum of parent NSO.
- (4) Security conditions will be applicable on VNO Authorised Entity if the network is owned by VNO Authorised Entity.
- (5) However, for the nodes of the VNO Authorised Entity having upstream internet bandwidth from multiple NSO authorised entities, the VNO Authorised Entity may be mandated to install LIM/ LIS at these nodes, as per the requirement of Security Agencies. In such cases, upstream authorised entities may not be required to monitor the internet bandwidth.
- (6) The VNO Authorised Entity's Applicable System/ Service has to be compliant to the scope of the authorisation and requisite monitoring facilities are to be successfully demonstrated by the VNO Authorised Entity, if equipment capable

of monitoring is available with the VNO Authorised Entity otherwise it shall be the responsibility of parent NSO(s).

- (7) The other conditions as applicable for VNO Access Service Authorisation, VNO Internet Service Authorisation, VNO Long Distance Service Authorisation, VNO Satellite-based Telecommunication Service Authorisation and VNO M2M WAN Service Authorisation shall be applicable on Authorised Entity having Unified Service (VNO) Authorisation for providing the respective services.

Appendix-II to Annexure 1.3.1

**Format of Statement of Revenue _____ (Name and address of the
Authorised Entity)**

Unified Service Authorisation No.in.....(Service Area)

Statement of Revenue for the Quarter

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

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
(I)	Revenue from Access Services:	
1	Revenue from Services	
A.	Revenue from wire-line users:	
i.	Rentals	
ii.	Call revenue within service area	
iii.	National LONG DISTANCE CALL revenue	
iv.	International LONG DISTANCE CALL revenue	
v.	Pass thru revenue for usage of other networks	
vi.	Service charges	
vii.	Charges on account of any other value added services, Supplementary Services etc.	
viii.	Any other income / miscellaneous receipt from wireline users.	
B	Revenue from Wireless Services:	
a.	Post paid options:	
i.	Rentals	
ii.	Activation Charges	
iii.	Airtime Revenue	
iv.	Pass through charges	
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.	Pre-paid options:	
i.	Sale of pre-paid SIM cards including full value of all components charged therein.	
ii.	Activation Charges	
iii.	Airtime Revenue	
iv.	Pass through charges	
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 pre-paid options.	
2.	Revenue from roaming.	
i.	Roaming facility revenue from own users.	
ii.	Roaming revenue from own user visiting other networks including STD/ISD/pass thru charges for transmission of incoming call during roaming.	
iii.	Roaming Commission earned.	
iv.	Roaming revenue on account of visiting users from other networks	
v	Any other income/miscellaneous receipt from roaming.	
3.	Income from trading activity	
i.	Sale of handsets	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
4.	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	

5.	Non-refundable deposits from users	
6.	Revenue from franchisees / resellers including all commissions and discounts etc	
7.	Revenue from sharing/ leasing of infrastructure	
8.	Revenue from sale/ lease of bandwidth	
9.	Revenue from other Operators on account of pass through call charges	
10.	Revenue from other Operators on account of provisioning of interconnection	
11.	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
12.	Miscellaneous Revenue	
I(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-12)	
I(BB)	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
I(BB)	Total (1+2+3+4)	
I(CC)	APPLICABLE GROSS REVENUE (ApGR) (I(AA-I(BB))	
I(DD)	DEDUCT:	
1.	PSTN/PLMN/ GMPCS related call charges (Access Charges) paid to other eligible/entitled Telecommunication service providers within India	
2.	Roaming revenues passed on to other eligible/entitled telecommunication service providers	
I(DD)	TOTAL DEDUCTIBLE REVENUE	
I(EE)	ADJUSTED GROSS REVENUE (I(CC)-I(DD))	
(II)	Revenue from Internet Services:	
1	Revenue from services	
A	Revenue from Pure Internet Service (Internet Access and Content Service):	
A1.	Post paid options:	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt from post-paid options.	

A2.	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	Revenue from Internet Telephony Service:	
B1.	Post paid options:	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary Services etc.	
v.	Any other income/ miscellaneous receipt from post-paid options.	
B2.	Pre-paid options:	
i.	Sale of pre-paid option including full value of all components charged therein.	
ii.	Any other income/ miscellaneous receipt from pre-paid options.	
C	Revenue from any other value-added service	
2	Income from trading activity	
i.	Sale of Terminal Equipments	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
3	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
4	Non-refundable deposits from users	

5	Revenue from franchisees /resellers including all commissions and discounts etc.	
6	Revenue from sharing/ leasing of infrastructure	
7	Revenue from sale/ lease renting of bandwidth, links, R&G cases, turnkey projects etc.	
8	Revenue from Roaming	
i.	Roaming facility revenue from own users.	
ii.	Roaming revenue from own user visiting other networks.	
iii.	Roaming Commission earned.	
iv.	Roaming revenue on account of visiting users from other networks.	
v.	Any other income/miscellaneous receipt from roaming	
9	Revenue from IPTV Services	
10	Revenue from other Operators on account of provisioning of interconnection	
11	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
12	Miscellaneous Revenue	
II(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY:(Add 1-12)	
II(BB)	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-	

	1.3.4	
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	
vi.	Bad Debts recovered	
viii.	Excess Provisions written back	
II(BB)	Total (1+2+3+4)	
II(CC)	APPLICABLE GROSS REVENUE (ApGR) (II(AA)-II(BB))	
II(DD)	DEDUCT:	
1.	Roaming revenue passed on to other eligible/entitled telecom service provider.	
II(DD)	TOTAL DEDUCTIBLE REVENUE (1)	
II(EE)	ADJUSTED GROSS REVENUE (II(CC)-II(DD))	
III	Revenue from Long Distance	
1	Revenue from NLD services:	
i.	Revenue from provisioning of NLD service	
ii.	Revenue from supplementary/value added services.	
iii.	Any other income/ miscellaneous receipt.	
2	Revenue from ILD services:	
i.	Revenue from traffic	
ia.	Outgoing traffic revenue	
ib.	Incoming traffic revenue	
ii.	Pass through revenue for usage of other networks	
iii.	Service charges	

iv.	Revenue from supplementary/value added services etc.	
v.	Any other income/ miscellaneous receipt.	
3	Revenue From Calling Cards	
i.	Revenue from sale of calling cards	
ii.	Any other income/Miscellaneous receipt from Calling Cards	
4	Revenue from CLS	
i.	Revenue from provisioning of CLS	
ii.	Any other income/ miscellaneous receipt.	
5	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
6	Non-refundable deposits from users	
7	Revenue from franchisees	
8	Revenue from sharing/leasing of other infrastructure	
9	Revenue from sale/ lease of bandwidth	
10	Revenue from other operators on account of pass thru call charges.	
11	Revenue from other operators on account of provisioning of interconnection	
12	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	

13	Miscellaneous revenue	
III(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY (ADD 1-13)	
III(BB)	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
III(BB)	Total (1+2+3+4)	
III(CC)	APPLICABLE GROSS REVENUE (ApGR) (III(AA)- III(BB))	
III(DD)	DEDUCT:	
1	Revenue of pass-through nature passed on to other service providers.	
III(DD)	TOTAL DEDUCTIBLE REVENUE (1a+1b)	
III(EE)	ADJUSTED GROSS REVENUE (III(CC)- III(DD))	
IV	Revenue from Satellite-based Telecommunication services:	

1	Revenue from VSAT-based FSS services	
i.	Revenue from provisioning of VSAT-based FSS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
2	Revenue from GMPCS services	
i.	Revenue from provisioning of GMPCS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
3	Income from trading activity	
i.	Sale of handsets	
ii.	Sale of accessories, including sim cards, antennas etc.	
iii.	Any other income/miscellaneous receipt from trading activity.	
4	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
5	Non-refundable deposits from users	
6	Revenue from franchisees / resellers including all commissions and discounts etc.	

7	Revenue from sharing/ leasing of infrastructure	
8	Revenue from sale/ lease of bandwidth	
9	Revenue from other Operators on account of pass through call charges	
10	Revenue from other Operators on account of provisioning of interconnection	
11	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
12	Miscellaneous Revenue	
IV(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-12)	
BB)	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	

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	
IV(BB)	Total (1+2+3+4)	
IV(CC)	APPLICABLE GROSS REVENUE (ApGR) (IV(AA)-IV(BB))	
IV(DD)	DEDUCT:	
1	PSTN/PLMN/GMPCS related call charges paid to other eligible/entitled Telecommunication service providers within India	
2	Roaming revenues passed on to other eligible/entitled telecommunication service providers	
IV(DD)	TOTAL DEDUCTIBLE REVENUE (1+2)	
IV(EE)	ADJUSTED GROSS REVENUE (IV(CC)- IV(DD))	

V	Revenue from M2M WAN services:	
1	Revenue from services	
A	Revenue from M2M users:	
i.	Rentals	
ii.	Activation Charges	
iii.	Roaming charges	
iv.	Service charges	
v.	Charges on account of any other value-added services, supplementary services etc.	
vi.	Any other income / miscellaneous receipt from M2M users.	
B	Revenue from any other value-added service	
2	Income from trading activity	
i.	Sale of M2M devices	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
3	Revenue from roaming.	
i.	Roaming facility revenue from own users.	
ii.	Roaming revenue from own user visiting other networks.	
iii.	Roaming Commission earned.	
iv.	Roaming revenue on account of visiting users from other networks	
v.	Any other income/ miscellaneous receipt from roaming.	

4	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
5	Non-refundable deposits from users	
6	Revenue from franchisees /resellers including all commissions and discounts etc.	
7	Revenue from sharing/ leasing of infrastructure	
8	Revenue from other Operators on account of pass-through call charges	
9	Revenue from other Operators on account of provisioning of interconnection	
10	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
11	Miscellaneous revenue	
V(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-11)	
BB)	LESS	

1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
V(BB)	Total (1+2+3+4)	
V(CC)	APPLICABLE GROSS REVENUE (ApGR) (V(AA)-V(BB))	
V(DD)	DEDUCT	
1	PSTN/PLMN/GMPCS related call charges (Access charges) paid to other eligible/ entitled telecom service providers within India	
2	Roaming revenues actually paid to other eligible/ entitled telecom service providers.	
V(DD)	TOTAL DEDUCTIBLE REVENUE (1+2)	

V(EE)	ADJUSTED GROSS REVENUE (V(CC)- V(DD))	
FF	TOTAL ADJUSTED GROSS REVENUE (I(EE) + II(EE) + III(EE) + IV(EE) + V(EE))	
GG	REVENUE SHARE	
(a)	Authorisation Fee @ ____ OF ADJUSTED GROSS REVENUE (FF)	

**Format of Statement of Revenue _____(Name and address of the
Authorised Entity)**

VNO-Unified Service Authorisation No.in.....(Service Area)

Statement of Revenue for the Quarter

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

(AMOUNT IN RUPEES)

	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
I	Revenue from Access services:	
1	Revenue from Services	
A	Revenue from wire-line users:	
i.	Rentals	
ii.	Call revenue	
iii.	Service charges	
iv.	Charges on account of any other value added services, supplementary Services etc.	
v.	Any other income/miscellaneous receipt from wireline users.	
B	Revenue from Wireless Services:	
a.	Post-paid options:	
i.	Rentals	
ii.	Activation Charges	
iii.	Airtime Revenue	
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 postpaid options.	
b.	Pre-paid options:	
i.	Sale of pre-paid SIM cards including full value of all components charged therein.	

ii.	Activation Charges	
iii.	Airtime Revenue	
iv.	Service charges	
v.	Charges on account of any other value added services. Supplementary Services etc.	
vi.	Any other income/ miscellaneous receipt from pre-paid options.	
2.	Income from trading activity	
i.	Sale of handsets	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
3.	Revenue from roaming.	
i.	Roaming facility revenue from own users.	
ii.	Roaming revenue from own user visiting other networks including STD/ISD/pass thru charges for transmission of incoming call during roaming.	
iii.	Roaming Commission earned.	
iv.	Roaming revenue on account of visiting users from other networks	
v.	Any other income/miscellaneous receipt from roaming.	
4.	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
5.	Non-refundable deposits from users	
6.	Revenue from franchisees /resellers including all commissions and discounts etc.	
7.	Revenue from sharing/ leasing of infrastructure	

8.	Revenue from sale/ lease of bandwidth	
9.	Revenue from NSO to Authorised Entity	
10.	Revenue from other Operators on account of provisioning of interconnection	
11.	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
12.	Miscellaneous revenue	
I(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-12)	
I(BB)	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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.	ExcessProvisions written back	
I(BB)	Total (1+2+3+4)	
I(CC)	APPLICABLE GROSS REVENUE (ApGR) I((AA)-I(BB))	

I(DD)	DEDUCT:	
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.	
I(DD)	TOTAL DEDUCTIBLE REVENUE (1+2)	
I(EE)	ADJUSTED GROSS REVENUE (I(CC)- I(DD))	
II	Revenue from Access Services Category-C services:	
1	Revenue from services:	
(i)	Rentals	
(ii)	Call revenue	
(iii)	Service charges	
(iv)	Charges on account of any other value-added services, Supplementary Services etc.	
(v)	Any other income / miscellaneous receipt from wireline users.	
2	Revenue from sharing/ leasing of infrastructure	
3	Revenue from sale/ lease of bandwidth	
4	Revenue from NSO to Authorised Entity	
5	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
6	Miscellaneous Revenue	

II(AA)	GROSS REVENUE of the Authorised Entity: (Add 1-6)	
II(BB)	Less	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
II(BB)	Total BB (1+2+3+4):	
II(CC)	APPLICABLE GROSS REVENUE (ApGR) II((AA)- II(BB))	
II(DD)	Less:	
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	
II(DD)	TOTAL DEDUCTIBLE REVENUE (1+2)	
II(EE)	ADJUSTED GROSS REVENUE(II(CC)- II(DD))	
III	Revenue from Internet Services	

1.	Revenue from Services	
A	Revenue from Wireline services	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt	
B	Revenue from Wireless services (Only Access Wireless)	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt	
C	Revenue from Satellite services	
a	Revenue from VSAT-based FSS services	
i.	Revenue from provisioning of VSAT-based FSS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
b	Revenue from GMPCS services	
i.	Revenue from provisioning of GMPCS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
2	Income from trading activity	
i.	Sale of Terminal Equipments	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	

3	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
4	Non-refundable deposits from users	
5	Revenue from franchisees / resellers including all commissions and discounts etc.	
6	Revenue from sharing/ leasing of infrastructure	
7	Revenue from sale/ lease renting of bandwidth, links, R&G cases, turnkey projects etc.	
8	Revenue from NSO to Authorised entity	
9	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
10	Miscellaneous Revenue	
III(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY:(Add 1-10)	
III(BB)	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
vi.	Bad Debts recovered	
viii.	Excess Provisions written back	
III(BB)	Total (1+2+3+4)	
III(CC)	APPLICABLE GROSS REVENUE (ApGR) (III(AA)-III(BB))	
III(DD)	DEDUCT:	
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.	
III(DD)	TOTAL DEDUCTIBLE REVENUE	
III(EE)	ADJUSTED GROSS REVENUE (III(CC)- III(DD))	
IV	Revenue from Long Distance Service:	
1	Revenue from NLD Services	
i.	Revenue from provisioning of VNO (NLD) service	
ii.	Revenue from supplementary/value added services.	
iii.	Any other income/Miscellaneous receipt	
2	Revenue from ILD services:	
a.	Revenue from traffic	
b.	Service charges	
c.	Charges on account of any other value added services, Supplementary Services etc.	
d.	Any other income / miscellaneous receipt.	
3	Revenue From Calling Cards	

i.	Revenue from sale of calling cards	
ii.	Any other income/Miscellaneous receipt from Calling Cards	
4	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
5	Non-refundable deposits from users	
6	Revenue from NSO to Authorised Entity	
7	Revenue from franchisees / resellers including all commissions and discounts etc.	
8	Revenue from sharing/ leasing of infrastructure	
9	Revenue from sale/ lease of bandwidth	
10	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
11	Miscellaneous revenue	
IV(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-11)	
IV(BB)	Less	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
IV(BB)	Total BB (1+2+3+4):	
IV(CC)	APPLICABLE GROSS REVENUE (ApGR) (IV(AA)-IV(BB))	
IV(DD)	Less:	
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.	
IV(DD)	TOTAL DEDUCTIBLE REVENUE(1+2)	
IV(EE)	ADJUSTED GROSS REVENUE (IV(CC)- IV(DD))	
V	Revenue from Satellite-based Telecommunication Service:	
1	Revenue from VSAT-based FSS services	
i.	Revenue from provisioning of VSAT-based FSS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt from postpaid options.	

2	Revenue from GMPCS services	
i.	Revenue from provisioning of GMPCS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt from postpaid options.	
3	Income from trading activity	
i.	Sale of handsets	
ii.	Sale of accessories, including sim cards, antennas etc.	
iii.	Any other income/miscellaneous receipt from trading activity.	
4	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
5	Non-refundable deposits from users	
6	Revenue from franchisees / resellers including all commissions and discounts etc.	
7	Revenue from NSO to Authorised Entity	
8	Revenue from sharing/ leasing of infrastructure	

9	Revenue from sale/ lease of bandwidth	
10	Revenue from other Operators on account of pass through call charges	
11	Revenue from other Operators on account of provisioning of interconnection	
12	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
13	Miscellaneous Revenue	
V(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-13)	
V(BB)	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
V(BB)	Total (1+2+3+4)	
V(CC)	APPLICABLE GROSS REVENUE (ApGR) (V(AA)-V(BB))	
V(DD)	Less:	
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.	
V(DD)	TOTAL DEDUCTIBLE REVENUE (1+2)	
V(EE)	ADJUSTED GROSS REVENUE (V(CC)- V(DD))	
VI	Revenue from M2M WAN services:	
1	Revenue from Wireline services	

i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt	
2	Revenue from Wireless services (Only Access Wireless)	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt	
3	Revenue from Satellite services	
a	Revenue from VSAT-based FSS services	
i.	Revenue from provisioning of VSAT-based FSS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
b	Revenue from GMPACS services	
i.	Revenue from provisioning of GMPACS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
4	Income from trading activity	
i.	Sale of Terminal Equipments	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
5	Income from Investment	
i.	Interest income	

ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
6	Non-refundable deposits from users	
7	Revenue from franchisees / resellers including all commissions and discounts etc.	
8	Revenue from sharing/ leasing of infrastructure	
9	Revenue from NSO to Authorised Entity	
10	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
11	Miscellaneous Revenue	
VI(AA)	GROSS REVENUE OF THE AUTHORISED ENTITY:(Add 1-11)	
VI(BB)	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
vi.	Bad Debts recovered	

viii.	Excess Provisions written back	
VI(BB)	Total (1+2+3+4)	
VI(CC)	APPLICABLE GROSS REVENUE (ApGR) (VI(AA)-VI(BB))	
VI(DD)	DEDUCT:	
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 SMS.	
VI(DD)	TOTAL DEDUCTIBLE REVENUE	
VI(EE)	ADJUSTED GROSS REVENUE (CC-DD))	
FF	TOTAL ADJUSTED GROSS REVENUE (I(EE) + II(EE) + III(EE) + IV(EE) + V(EE) + VI(EE))	
GG	REVENUE SHARE	
(a)	Authorisation Fee @ ____ OF ADJUSTED GROSS REVENUE (FF)	

Chapter VIII:

Access Service Authorisation

The following specific terms and conditions for Access Service Authorisation shall be in addition to the common terms and conditions contained in the Part-I above.

1. **Period of Authorisation:** The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.
2. **Service Area:** The Service Area of Access Service Authorisation shall be the Telecom Circle/ Metro area. Authorisation for Access Service, if granted for more than one Service Area (Telecom Circle/ Metro Area), shall be administered separately for each Service Area. The 22 Authorised Service Areas (Telecom Circle/Metro Areas) are defined in Annexure-I.
3. **Scope of service:** The Authorised Entity may provide service as per the following scope. The services may be given on wireline or wireless media. While providing service through wireless media, the Authorised Entity may use terrestrial network and/or non-terrestrial network. Wireless services may be provided with mobility and/or fixed wireless access.
 - (1) Transmission, emission or reception of voice and non-voice message, including video.
 - (2) Internet access service, Internet Telephony and IPTV; while providing Internet Telephony service, the Authorised Entity may interconnect Internet Telephony network with PSTN/ PLMN/ GMPACS networks.
 - (3) Leased circuits and Virtual Private Network
 - (4) Captive network as a service to enterprises
 - (5) Machine to Machine (M2M) WAN service
 - (6) Audio conferencing/ Audiotex/ Voice Mail service/ Cloud-based EPABX service
 - (7) For the provision of the above services, the Authorised Entity may enter into agreements for roaming facilities and the same shall be governed by the conditions relating to roaming facilities under Technical and Operating Conditions. However, any roaming arrangement shall not entitle the Authorised Entity to acquire users in the technology not deployed or for services/ facilities not offered in its network.

- (8) The Authorised Entity may enter into agreement(s) with authorised VNO entities having authorisation for relevant service(s).

Except for those services permitted under the scope of the Authorisation, the Authorised Entity shall not provide any service(s) which require a separate service authorisation/ license/ permission by the Central Government.

4. **Assignment and use of spectrum:** The Authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum and the provisions of the relevant Notice Inviting Application (NIA) document for the auction of spectrum, if spectrum is obtained through auction, shall also be applicable on the Authorised Entity along with the Service Authorisation.

5. **Financial conditions**

(1) Gross Revenue:

The Gross Revenue shall be inclusive of installation charges, late fees, sale proceeds of handsets (or any other terminal equipment etc.), revenue on account of interest, dividend, value added services, supplementary services, access or interconnection charges, roaming charges, revenue from permissible leasing of spectrum, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense, etc.

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given **Annexure-1.3.4.**

(3) 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) PSTN/ PLMN/ GMPSC related call charges (Access Charges) paid to other eligible/entitled Telecommunication service providers within India;
- (b) Roaming revenues passed on to other eligible/entitled telecommunication service providers.

Access Service authorisation-VNO

(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.

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4.**

(3) 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 proof of actual payment for the deduction to be allowed.

6. Technical conditions:

The Authorised Entity shall comply with the following technical conditions:

- (1) The Authorised Entity's network shall be compliant to the Regulations/ Directions/ instructions issued by TRAI/ Central Government in respect of Mobile Number Portability (MNP) before commencement of mobile services.
- (2) The Authorised Entity may deploy any of its equipment anywhere in India subject to the interconnection points being located and operated in the respective service areas for inter-operator, inter-service area, long distance calls and meeting the security conditions as mentioned in the Authorisation.
- (3) Inter-circle traffic from one service area to another shall be routed through the network of authorised entity with Long Distance Authorisation/ NLD Service provider.
- (4) It shall be mandatory for the Authorised Entity to interconnect to/ provide interconnection to all eligible authorised entities (eligibility shall be determined as per the Authorised Entity's Authorisation and TRAI's regulations/ determinations/ orders issued from time to time) to ensure that the calls are completed to all destinations.
- (5) International Long Distance traffic should be routed through the network of Long Distance Authorised Entity/ NLD service provider, to the gateway of Long Distance Authorised Entity/ ILD service provider for onward transmission to international networks subject to fulfilment of any Guidelines/ Orders/ Directions/ Regulations issued from time to time by Central Government/ TRAI. Further, the Authorised Entity shall not refuse to interconnect with the Unified

Service Authorised Entity/ Long Distance Authorised Entity/ ILD Service provider, having an ILD gateway, directly in situations where point of presence (POP) of Unified Service Authorised Entity/ Long Distance Authorised Entity/ ILD Service provider and switches (GMSC/ Transit Switch) of the Authorised Entity are located at the same station.

- (6) The Authorised Entity, who has authorisation to provide Long Distance Service (International Long Distance Service, National Long Distance Service) and Access service, may have only one switch to provide the Long Distance Service and Access service. Separate accounts of all the services should be maintained by duly apportioning the costs amongst the various services. However, the Access Service through the said Switch may be provided only if the Authorised Entity has the Access Service authorisation for the Service Area in which the switch is located. For this purpose, Media Gateway or its equivalent shall be considered as Switch for which MGC/ Soft Switch can be installed anywhere in the country. The Separate TAX and gateway switch is not mandatory. The Authorised Entity may deploy circuit switched or managed Packet Switched network to engineer its Long Distance networks.

7. Operating conditions:

The Authorised Entity shall comply with the following operating conditions:

- (1) The Authorised Entity may enter into mutual commercial agreements for roaming facilities (within same service area or other service areas) with other authorised entities having Authorisation for providing Access Service, unless otherwise directed by Central Government, irrespective of spectrum band held or technology deployed by such authorised entities. While roaming on other authorised entity's network, the services availed by the user shall be limited to only those services which have been subscribed to its network.
- (2) The Authorised Entity can acquire users for delivery of services offered in its network using only the spectrum band held and technology deployed by the Authorised Entity. Any roaming arrangement shall not entitle the Authorised Entity to acquire users in the technology not deployed or for services/ facilities not offered by the Authorised Entity in its network.
- (3) The Authorised Entity may also enter into agreements with telecom service providers abroad for providing roaming facility to its users unless directed by the Central Government otherwise.
- (4) The Authorised Entity may provide leased circuits/ Virtual Private Networks (VPNs) within its respective service area. Interconnection of leased circuits/ VPNs with public networks including PSTN/ PLMN/ GMPCS/ Internet Telephony Network is not permitted.

- (5) The Authorised Entity may also enter into mutual commercial agreements for roaming facilities (within same service area or other service areas) with other authorised entities having authorisation for providing Internet service (Category-A, Category-B and Category-C) for providing Internet Access Services only.
- (6) The Authorised Entity may provide Captive Non-Public Network (CNPN) as a service to enterprise(s) by using network resources (such as through network slicing) over its PLMN.
- (7) The Authorised Entity may establish isolated CNPN for enterprises using IMT spectrum assigned to it for establishing PLMN. While establishing such isolated CNPNs, it will be the responsibility of the Authorised Entity to ensure that the prescribed QoS to their users through public network is maintained.
- (8) In case the Authorised Entity decides to surrender the spectrum, which is being used for CNPNs, it shall give prior notice, at least six (6) months before the effective date of surrender of spectrum, to its CNPN user entities.
- (9) The Authorised Entity may carry intra-circle long distance traffic on its network. The Authorised Entity may also enter into mutual agreements with the entities having authorisation to provide Access Service or Long-Distance Service for carrying its intra-circle long distance traffic.
- (10) For provision of the service by the Authorised Entity, the Authorised Entity may appoint or employ franchisees, agents, distributors and employees. Responsibilities for ensuring compliance of terms & conditions of the authorisation shall vest with the Authorised Entity and not with the franchisees. The terms of the franchise agreement between the Authorised Entity and his franchisee shall be settled mutually by negotiation between the two parties involved. The Authorised Entity shall report the details of such franchisees to the Central Government as prescribed from time to time.
- (11) For the last mile linkage, the Authorised Entity may use the cable network of the cable operators Authorised under the Cable Television Networks (Regulation) Act, 1995 as modified or replaced from time to time.
- (12) In case the Authorised Entity provides the Internet Access using assignment exempt spectrum band, the authorised Entity shall adhere to the prevailing directions/ instructions and shall also abide by further directions/ instructions as may be issued by the Central Government from time to time in this regard.
- (13) In case, the Authorised Entity has authorisation for both Access Service and Internet Service in a common geographical area, the Authorised Entity shall declare to the Central Government, prior to commencement of service, the Service authorisation (namely Access Service or Internet Service authorisation) under which the internet services are to be provided.

- (14) For provision of Internet Telephony service under the Access Service Authorisation, the following conditions shall be applicable:
- (a) Internet Telephony calls originated by International out roamers from international locations shall be handed over at the International Long Distance (ILD) Gateway of authorised entity providing ILD service and international termination charges shall be paid to the terminating entity having authorisation for Access Service. In case the Authorised Entity is not able to ensure that Internet Telephony call originated outside of the country is coming through ILD Gateway, International out-roaming facility to Internet Telephony users of the Authorised Entity providing Access Service shall not be allowed.
 - (b) The mobile numbering series should be used for providing Internet Telephony. The Authorised Entity is allowed to allocate the same number to the user both for Cellular Mobile service and Internet Telephony service.
 - (c) The Authorised Entity should use private ENUM in its network for telephone number mapping from E.164 to SIP/H.323 addresses and vice versa.
 - (d) IP Address assigned to a user for Internet Telephony shall conform to IP addressing Scheme of Internet Assigned Numbers Authority (IANA) only.
 - (e) The Authorised Entity 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.
 - (f) 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 the form of latitude and longitude should also be provided, wherever it is feasible.
 - (g) CLI Restriction (CLIR) facility should not be provided for Internet Telephony users.
 - (h) The Authorised Entity providing Internet Telephony service may facilitate access to emergency number calls using location services; however, it is not mandated to provide such services. The users may be informed about the limitation of providing access to emergency services to Internet Telephony users in unambiguous terms.
 - (i) The Authorised Entity must inform QoS parameter supported by them for Internet Telephony so that the users can take an informed decision.
- (15) The Authorised Entity shall provide independently or through mutually agreed commercial arrangements with other Telecom Service Providers all public utility services as well as emergency services including toll-free services like

police, fire, ambulance. The Central Government may declare any public utility or emergency number as toll free service from time to time. While providing access to public utility services/ emergency services/ emergency response services/ services for relief and rescue on occurrence of disaster including police, fire, etc. as defined from time to time, the Authorised Entity shall take all measures to ensure that such calls are delivered to the designated control room of the concerned authority, as prescribed from time to time.

- (16) The Authorised Entity shall follow the various Disaster Management guidelines and Standard Operating Procedures (SoP) issued by the Central Government from time to time.
- (17) For provision of IPTV service, the Authorised Entity shall follow the conditions provided in the extant 'Guidelines for Provision of IPTV Service' issued by the Central Government.
- (18) Authorised Entity is allowed to share the core networks with other entities having Access Service Authorisation. However, it must be ensured that sharing of core network elements shall not be done if the number of independent core networks held by the Authorised Entities for the concerned telecommunication service is reduced to less than two by such sharing.
- (19) The Authorised Entity participating in the sharing of core network shall furnish a joint intimation about core network sharing within seven days of the effective date of such sharing, and a statement of compliance to the condition in the Clause (19) above may be submitted to the Central Government.
- (20) The Authorised Entity shall not provide any service(s) permitted in the scope of Access Service Authorisation, under any other service Authorisation/ License.
- (21) The terms and conditions as applicable for Internet Service Authorisation (except for Internet Telephony), M2M WAN Service Authorisation and Enterprise Communication Service Authorisation shall be applicable for Authorised Entity for providing the respective services under the Access Service Authorisation.

8. **Security conditions:**

The Authorised Entity shall comply with the following security conditions:

- (1) The designated person of the Central/ State Government, as conveyed from time to time, to the Central Government or its nominee shall have the right to monitor the telecommunication traffic in every MSC/ Exchange/ MGC/ MG/ Routers or any other technically feasible point in the network set up by the Authorised Entity. The Authorised Entity should make arrangements for monitoring simultaneous calls by Central Government / Security Agencies. For

establishing connectivity to Centralized Monitoring System, the Authorised Entity at its own cost shall provide appropriately dimensioned hardware and bandwidth/dark fibre up to a designated point as required by Central Government from time to time. However, the respective Government instrumentality shall bear the cost at its end hardware and leased line circuits from the MSC/ Exchange/ MGC/ MG/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 Authorised Entity. In case the Security Agencies intend to locate the equipment at the Entity's premises for facilitating monitoring, the Authorised Entity should extend all support in this regard including Space and Entry of the authorized security personnel.

- (2) The Interface requirements as well as features and facilities as defined by the Central Government should be implemented by the Authorised Entity for both data and speech. The Authorised Entity 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. Each MSC of the Entity in the concerned Service Area shall have the capacity for provisioning at least 3000 numbers for monitoring. The above capacity provisions may be amended by the Central Government separately by issuing instructions from time to time.
- (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:
 - (a) Called/calling party mobile/ PSTN numbers, even when User is roaming.
 - (b) Time/date and duration of call.
 - (c) Location of target User/coordinates and name of Base Station site.
 - (d) Telephone numbers if any call-forwarding feature has been invoked by target User.
 - (e) Data records for failed call attempts.
 - (f) CDR (Call Data Record) of Roaming User.
- (4) Location details:
 - (a) The Authorised Entity shall provide location details of mobile users in the Service Area as per prescribed accuracy and time frame. It shall be a part of CDR in the form of longitude and latitude, besides the co-ordinate of the Base Station site.
 - (b) 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 Central Government any time in future.

- (5) CLI Restriction (CLIR) should not be normally provided to the users. For provision of CLIR, the standard operating procedure issued by the Central Government in this regard shall be followed by the Authorised Entity. The users 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 user 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.
- (6) The call detail records for outgoing calls made by the users should be analysed for such users 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 a special program for this purpose. The Authorised Entity should devise appropriate fraud management and prevention programme and fix threshold levels of average per day usage in minutes of the telephone connection; all telephone connections crossing the threshold of usage should be checked for *bonafide* use. A record of checks must be maintained, which may be verified by the Central Government at any time. The list/details of suspected users should be informed to the respective Field Office of the Central Government and any other officer authorized by the Central Government from time to time.

Access Services VNO:

9. The Access Service VNO Authorised Entity shall follow the above terms and conditions of the Authorisation along with the specific conditions as given below:
 - (1) Network interconnection will be provided by NSO Authorised Entity and not the VNO Authorised Entity. The VNO Authorised Entity will connect to its parent NSO(s).
 - (2) VNO Authorised Entities are allowed to have agreements with more than one NSO for all services other than wireless access service in an Authorised service area.
 - (3) Access Service VNO Authorised Entities are permitted to take connectivity from only one Access Service NSO for providing wireless access service and more than one Access Service NSO(s) for providing wireline access service in an Authorised Service Area.
 - (4) Spectrum will not be assigned to the VNO Authorised Entity. The VNO Authorised Entity may establish radio access network as per the mutual agreement with the parent NSO utilising backhaul Spectrum and Access Spectrum of parent NSO.

- (5) Security conditions will be applicable on VNO Authorised Entity if the network is owned by VNO Authorised Entity.
- (6) However, in respect of VNO Authorised Entity providing Internet service and having upstream Internet bandwidth from multiple authorised entities, the VNO Authorised Entity may be required to install LIM/ LIS, as per the requirement of Security Agencies. In such cases, upstream authorised entities may not be required to monitor the Internet bandwidth.
- (7) The other conditions, as applicable, for Internet Service VNO Authorisation and M2M WAN VNO Service Authorisation shall be applicable to the Access Service VNO Authorised Entity for providing the respective services.
- (8) The parent NSO shall allocate a numbering range to their VNO(s) from the numbering range allocated to it by the Central Government. VNOs shall utilise the network codes of the parent NSO. However, LRNs can be issued to the VNOs by the Central Government for the purpose of routing calls.
- (9) 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 VNO Authorised Entity 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 long distance (NLD/ ILD) calls shall be ensured through normal long distance (NLD/ ILD) network only and shall in no way directly or indirectly cause bypass of authorised Long Distance service providers' jurisdiction. Further, VNO Authorised Entity shall intimate to its NSO(s) and the Central Government regarding connectivity of more than one NSO at a particular EPABX.
- (10) Access Service VNOs should ensure that- (i) the network resources and infrastructure taken from an NSO for providing wireless access service and (ii) the network resources and infrastructure taken from NSO(s) for providing wireline access service are not integrated in any manner.
- (11) The VNO Authorised Entity's Applicable System/ Service has to be compliant to the scope of the Authorisation and requisite monitoring facilities are to be successfully demonstrated by the VNO Authorised Entity, if equipment capable of monitoring is available with the Authorised Entity otherwise it shall be the responsibility of parent NSO(s).

Access Services Category-C VNO:

10. The Access Service Category-C VNO Authorised Entity shall follow the conditions of the Authorisation upto para 8 along with the specific conditions as given below:

- (1) The Service Area for Access Services Category-C VNO authorisation shall be the Sub-circle. The Sub-circle shall mean up to four districts within a Telecom Circle/ Metro Area. The Authorised Entity shall be permitted to choose any of four districts in the Telecom Circle/ Metro Area.
- (2) Access Services Category-C VNO authorised Entity may provide wireline access service (i.e. access service through wireline media) only.
- (3) Network interconnection will be provided by NSO Authorised Entity and not the VNO Authorised Entity. The VNO Authorised Entity will connect to its parent NSO(s).
- (4) VNO Authorised Entity is permitted to take connectivity from any number of Access Service NSO(s) for providing wireline access service in an Authorised Service Area.
- (5) Security conditions will be applicable on VNO Authorised Entity if the network is owned by VNO Authorised Entity.
- (6) However, in respect of VNO Authorised Entity providing Internet service and having upstream Internet bandwidth from multiple authorised entities, the VNO Authorised Entity may be required to install LIM/ LIS, as per the requirement of Security Agencies. In such cases, upstream authorised entities may not be required to monitor the Internet bandwidth.
- (7) The other conditions, as applicable, for Internet Service VNO Authorisation shall be applicable to the Access Service Category-C VNO Authorised Entity for providing Internet Service.
- (8) The parent NSO shall allocate a numbering range to their VNO(s) from the numbering range allocated to it by the Central Government.
- (9) 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 VNO Authorised Entity 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 long distance (NLD/ ILD) calls shall be ensured through normal long distance (NLD/ ILD) network only and shall in no way directly or indirectly cause bypass of authorised Long Distance service providers' jurisdiction. Further, VNO Authorised Entity shall intimate to its NSO(s) and the Central Government regarding connectivity of more than one NSO at a particular EPABX.
- (10) The VNO Authorised Entity's Applicable System/ Service has to be compliant to the scope of the Authorisation and requisite monitoring facilities are to be successfully demonstrated by the VNO Authorised Entity, if equipment capable of monitoring is available with the Authorised Entity otherwise it shall be the

responsibility of parent NSO(s).

APPENDIX-II TO ANNEXURE-1.3.1

**Format of Statement of Revenue _____ (Name and address of the
Authorised Entity)**

Access Service Authorisation No.in.....(Service Area)

Statement of Revenue for the Quarter

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

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from Services	
A.	Revenue from wire-line users:	
i.	Rentals	
ii.	Call revenue within service area	
iii.	National LONG DISTANCE CALL revenue	
iv.	International LONG DISTANCE CALL revenue	
v.	Pass thru revenue for usage of other networks	
vi.	Service charges	
vii.	Charges on account of any other value added services, Supplementary Services etc.	
viii.	Any other income / miscellaneous receipt from wireline users.	
B.	Revenue from Wireless Services:	
a.	Post paid options:	
i.	Rentals	
ii.	Activation Charges	
iii.	Airtime Revenue	
iv.	Pass through charges	
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.	Pre-paid options:	
i.	Sale of pre-paid SIM cards including full value of all components charged therein.	
ii.	Activation Charges	
iii.	Airtime Revenue	
iv.	Pass through charges	
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 pre-paid options.	
2.	Revenue from roaming.	
i.	Roaming facility revenue from own users.	
ii.	Roaming revenue from own user visiting other networks including STD/ISD/pass thru charges for transmission of incoming call during roaming.	
iii.	Roaming Commission earned.	
iv.	Roaming revenue on account of visiting users from other networks	
v	Any other income/miscellaneous receipt from roaming.	
3.	Income from trading activity	
i.	Sale of handsets	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
4.	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
5.	Non-refundable deposits from users	

6.	Revenue from franchisees / resellers including all commissions and discounts etc	
7.	Revenue from sharing/ leasing of infrastructure	
8.	Revenue from sale/ lease of bandwidth	
9.	Revenue from other Operators on account of pass through call charges	
10.	Revenue from other Operators on account of provisioning of interconnection	
11.	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
12.	Miscellaneous Revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-12)	
BB	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4.	
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	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT:	
1.	PSTN/PLMN/ GMPCS related call charges (Access Charges) paid to other eligible/entitled Telecommunication service providers within India	
2.	Roaming revenues passed on to other eligible/entitled telecommunication service providers	
DD	TOTAL DEDUCTIBLE REVENUE	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
(a)	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

**Format of Statement of Revenue _____(Name and address of the
Authorised Entity)**

VNO-Access Service Authorisation No.in.....(Service Area)

Statement of Revenue for the Quarter

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

(AMOUNT IN RUPEES)

	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from services	
A	Revenue from wire-line users:	
i.	Rentals	
ii.	Call revenue	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary Services etc.	
v.	Any other income/miscellaneous receipt from wireline users.	
B.	Revenue from Wireless Services:	
a.	Post-paid options:	
i.	Rentals	
ii.	Activation Charges	
iii.	Airtime Revenue	
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 postpaid options.	
b.	Pre-paid options:	
i.	Sale of pre-paid SIM cards including full value of all components charged therein.	
ii.	Activation Charges	

iii.	Airtime Revenue	
iv.	Service charges	
v.	Charges on account of any other value-added services. Supplementary Services etc.	
vi.	Any other income/ miscellaneous receipt from pre-paid options.	
2.	Income from trading activity	
i.	Sale of handsets	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
3.	Revenue from roaming.	
i.	Roaming facility revenue from own users.	
ii.	Roaming revenue from own user visiting other networks including STD/ISD/pass thru charges for transmission of incoming call during roaming.	
iii.	Roaming Commission earned.	
iv.	Roaming revenue on account of visiting users from other networks	
v.	Any other income/miscellaneous receipt from roaming.	
4.	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
5.	Non-refundable deposits from users	
6.	Revenue from franchisees /resellers including all commissions and discounts etc.	
7.	Revenue from sharing/ leasing of infrastructure	
8.	Revenue from sale/ lease of bandwidth	

9.	Revenue from NSO to Authorised Entity	
10.	Revenue from other Operators on account of provisioning of interconnection	
11.	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
12.	Miscellaneous revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-12)	
BB	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4.	
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.	ExcessProvisions written back	
BB	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA- BB)	

DD	DEDUCT:	
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.	
DD	TOTAL DEDUCTIBLE REVENUE (1+2)	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

Format of Statement of Revenue
(Name and address of the Authorised Entity)
VNO-Access Service Category-C Authorisation in_____ -Service Area)
Statement of Revenue for the Quarter_____of the financial
year.....

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from services:	
(i)	Rentals	
(ii)	Call revenue	
(iii)	Service charges	
(iv)	Charges on account of any other value-added services, Supplementary Services etc.	
(v)	Any other income / miscellaneous receipt from wireline users.	
2	Revenue from sharing/ leasing of infrastructure	
3	Revenue from sale/ lease of bandwidth	
4	Revenue from NSO to Authorised Entity	
5	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
6	Miscellaneous Revenue	

AA	GROSS REVENUE of the Authorised Entity: (Add 1-6)	
BB	Less	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4.	
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	Total BB (1+2+3+4):	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	Less:	
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	
DD	TOTAL DEDUCTIBLE REVENUE (1+2)	
EE	ADJUSTED GROSS REVENUE(CC-DD)	
FF	REVENUE SHARE	

	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	
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Chapter IX:

Internet Service Authorisation

The following specific terms and conditions for Internet Service Authorisation shall be in addition to the common terms and conditions contained in Part-I above.

1. Period of the Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.

2. Service Area:

The Authorisation for Internet Service is granted for three different categories namely Category-A, Category-B, Category-C. The Service Area for Category-A authorisation shall be the National Area. The Service Area for Category-B authorisation shall be the Telecom Circle/ Metro area as listed in Annexure-I of these rules. The Service Area for Category-C authorisation shall be the Sub-circle. The Sub-circle shall mean up to four districts within a Telecom Circle/ Metro Area. The Authorised Entity shall be permitted to choose any of four districts in the Telecom Circle/ Metro Area. In case an Authorised Entity with Category-C authorisation intends to provide Internet Service beyond four districts in a Telecom Circle/ Metro Area, it shall have to migrate to Category-B authorisation in the Telecom Circle/ Metro Area.

3. Scope of service

- (1) The Authorised Entity may provide Internet access service and Internet Protocol Television (IPTV).
- (2) The Authorised Entity may provide Internet Telephony through Public Internet using Personal Computers (PC) or IP based Customer Premises Equipment (CPE) connecting only the following:
 - (a) PC to PC; within or outside India
 - (b) PC/ a device/ Adapter conforming to Telecommunication Engineering centre (TEC) or International Standard in India to Public Switched Telecommunication Network (PSTN)/ Public Land Mobile Network (PLMN) abroad.
 - (c) Any device/ Adapter conforming to TEC or International Standard connected to Internet Service Provider (ISP) node with static Internet Protocol (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 authorised entities providing Access Services such as wireline/ wireless/ cellular mobile telephony.

- (3) Internet Telephony, only as described in condition (2) above, can be provided by the Authorised Entity.
- (4) Leased circuits and Virtual Private Networks (VPNs)
- (5) The Authorised Entity may install, operate and commission an International Internet Gateway (IIG) in the service area using satellite or submarine cable as medium after obtaining security clearance/ approval from the Central Government.
- (6) The Authorised Entity with International Internet Gateway is allowed to sell International Internet bandwidth to other authorised entity(s) providing Internet service. Provision of IPLC service is not covered under the scope of this authorisation.
- (7) Except for those services permitted under the scope of this Authorisation, the Authorised Entity shall not provide any service(s) which require a separate service authorisation by the Central Government.
- (8) The Authorised Entity may enter into agreements with authorised VNO entities having a valid authorisation for Internet service.
- (9) The scope of Service for the Internet Service VNO Authorised Entity shall be restricted to the provision 3(1) to 3(4) of the scope of service given above.

4. Assignment and use of spectrum

This authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum and the provisions of the relevant Notice Inviting Application (NIA) document for the auction of spectrum, if spectrum is obtained through auction, will also apply on this authorisation.

5. Financial conditions

(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 equipment, revenue on account of interest, dividend, value added

services, supplementary services, interconnection charges, roaming charges, revenue from permissible sharing of infrastructure etc. allowing only those deductions available for pass through charges and taxes/levies as in the case of access services, without any set-off for related items of expense etc..

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4.**

(3) Adjusted Gross Revenue:

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

- i. Roaming revenues passed on to other eligible/entitled telecommunication service providers.

Internet Service authorisation-VNO

(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.

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4.**

(3) 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. However, these charges should be governed by a written agreement, a copy of which must be provided along with proof of actual payment for the deduction to be allowed.

6. Technical conditions:

- (1) The Authorised Entity may establish direct interconnectivity with the network of other authorised entities providing Internet Service. Resources required for interconnecting the Authorised Entity's network to the network of other authorised entities providing internet service including upstream internet service providers, and the time frame for provision of the same, will be

mutually agreed between the parties concerned. The Authorised Entity may obtain leased bandwidth from any other authorised entity authorised to provide such bandwidth on lease.

- (2) The Authorised Entity providing Internet Access Service shall have no connectivity with PSTN/ PLMN/ GMPCS networks in the country.
- (3) The Authorised Entity shall use Internet Protocol (IP) in conjunction with Transmission Control Protocol (TCP) and shall meet the interface requirements as prescribed by TEC/ Central Government to connect with the networks of other authorised entities providing Internet Service.

7. Operating conditions:

- (1) The Authorised Entity may also enter into mutual commercial agreements for roaming facilities (within same service area or other service areas) with other authorised entities having authorisation for providing Internet service (Category-A, Category-B and Category-C) for providing Internet Access Services only.
- (2) Any roaming arrangement shall not entitle the Entity to acquire users in the technology not deployed or for services/ facilities not offered by the Authorised Entity in its network.
- (3) While roaming on other authorised entity's network, the services availed by the user shall be limited to only those services which have been subscribed in its network.
- (4) The Authorised Entity shall provide unrestricted access to all the content available on the Internet to the users except for such content which is restricted by the Central Government. The content for IPTV shall be regulated as per the law in force from time to time.
- (5) Voice communication through Internet Telephony to and from a telephone connected to PSTN/PLMN/GMPCS and use of E.164 numbering is prohibited.
- (6) The 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 users of Basic / Cellular Telephone service. Translation of E.164 number / private number to IP address allotted to any device and vice versa, by the Authorised Entity to show compliance with IANA numbering scheme is not permitted.
- (7) For carrying originating and terminating traffic of its users, the Authorised Entity may establish its own transmission links within its service area. For this purpose, the Authorised Entity may also establish 'Last Mile' linkages within the service area either on fibre optic cable or radio communication or

underground copper cable. In the case of radio links, rules prescribed by the Central Government shall be applicable.

- (8) The Authorised Entity may provide internet service by using the Cable Network of authorised Cable Operator, as last mile linkage, subject to applicable Cable Laws (The Cable Television Networks (Regulation) Act, 1995) as modified from time to time.
- (9) For the purpose of providing the Service, the Authorised Entity shall use suitable equipment so as to be compatible with the other eligible authorised entities' equipment and connect the same directly or through any of the authorised entity to Internet Gateway for routing International Internet Traffic.
- (10) It will be the responsibility of the authorised entity to obtain IP addresses, domain name etc. from the competent authority.
- (11) In case the Authorised entity provides the Internet Access using assignment-exempt frequency band, the Authorised Entity shall adhere to the prevailing directions/instructions and shall also abide by further directions / instructions as may be issued by Central Government from time to time in this regard.
- (12) Public Networks are not to be connected with leased circuits/ VPN.

Principle of non-discriminatory treatment, definition of specialized services:

- (13) The Authorised Entity 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.
- (14) The Authorised Entity 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.
- (15) Nothing contained in this provision shall restrict:
 - (a) The provision of any Specialised Service by an Authorised Entity, provided that:
 - (i) The Specialised Services are not usable or offered as a replacement for Internet Access Service; and
 - (ii) 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 Authorised Entity that are proportionate, transient and transparent in nature and fall under any of the following categories:
 - (i) Reasonable traffic management practices as may be specified from time to time;

- (ii) Provision of emergency services or any services provided during time of grave public emergency, as per the process laid down by the Central Government/ TRAI;
 - (iii) Implementation of any order of a court or direction issued by the Government, in accordance with law;
 - (iv) Measures taken in pursuance of preserving the integrity and security of the network and equipment; and
 - (v) Measures taken in pursuance of an international treaty, as may be specified by the Government.
- (16) For the purpose of this provision:
- (a) "Content" shall include all content, applications, services and any other data, including its end-point information, which can be accessed or transmitted over the Internet.
 - (b) "Discriminatory treatment" shall include any form of discrimination, restriction or interference in the treatment of content, including practices like blocking, degrading, slowing down or granting preferential speeds or treatment to any content.
 - (c) "Specialised services" shall mean services other than Internet Access Services that are optimised for specific content, protocols or user equipment, where the optimisation is necessary in order to meet specific quality of service requirements.

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

8. Security conditions –

- (1) The Authorised Entity shall maintain Internet Protocol Detail Record (IPDR) for Internet Access including Internet Telephony Service for a minimum period of two years. Parameters of IPDR shall be maintained as per the directions/instructions issued by the Central Government from time to time.
- (2) The Authorised Entity shall maintain log-in/log-out details of all users for services provided such as Internet Access, Internet Telephony, IPTV etc. These logs shall be maintained for a minimum period of two years.
- (3) For the purpose of interception and monitoring of traffic, the copies of all the packets originating from / terminating into the Customer Premises Equipment (CPE) shall be made available to the Central Government/Security Agencies.
- (4) The list of Internet Lease Line (ILL) users 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

- (5) ILL users' data should be updated online by the Authorised Entity. The corresponding login ID/ Password shall be provided to concerned Field Office of the Central Government. This information shall be accessible to authorized Security Agencies. The Authorised Entity shall advise its ILL users 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 Authorised Entity shall ensure compliance of the above requirement by taking periodic feedback from the ILL users or shall take any other measures as necessary for compliance of this requirement. In case the Authorised Entity finds that ILL user is non-compliant to the above requirement, the Authorised Entity shall withdraw the service.
- (6) The login ID/ Password shall be provided to the concerned Field Unit of the Central Government. Online updation of ILL users data by Authorised Entity should be done. This information shall be accessible to authorized Government Agencies.
- (7) Periodical inspections are to be carried out at the premises of ILL users to check possible misuse and possible interconnection of ILL with PSTN, PLMN, GMPCS network. First inspection at the premises of the user must be done within 15 days of commissioning of ILL.
- (8) A record of the complete network diagram of set up at each of the ILL user premises along with details of connectivity shall be available at the site. All details of other communications links (PSTN, National Long Distance-NLD, International Long Distance-ILD, PLMN, GMPCS, other ISP etc.) and reasons for taking the link by the user to be recorded before activation of the link. The same shall also be readily available for inspection at the respective premises of all ILL users.
- (9) An agreement shall be executed with each ILL user which clearly mentions the activities that are prohibited.
- (10) The Authorised Entity shall ensure that another authorised entity requesting downstream internet bandwidth to serve its own downstream users, has a valid authorisation for Internet Access Service.
- (11) In case the Authorised Entity detects the misuse of ILL, the Entity shall take immediate action to disconnect the service to this user and file an FIR against the user. The Authorised Entity shall intimate the Central Government of such misuse within 24 hours of detection of the same. In case such a misuse is

detected by the Central Government, the onus shall lie on the Authorised Entity to prove that it had not connived in the misuse by its ILL user and has taken all the above mentioned steps to check the misuse of ILL. Wherever it is found that the Authorised Entity has itself been involved in/abetted the misuse of ILL, it shall be construed as breach of terms and conditions of the Authorisation.

- (12) In the interest of national security or public interest, the Authorised Entity shall block Internet sites/Uniform Resource Locators (URLs)/Uniform Resource Identifiers (URIs) and / or individual users, as identified and directed by the Central Government from time to time.
- (13) The traffic of Internet nodes in places of security importance would be routed as per directions issued from time to time by Central Government. Interconnection of these nodes to other nodes within the country directly is not permitted.

Monitoring facilities

- (14) Lawful Interception and Monitoring (LIM) systems of requisite capacities are to be set up by the Authorised Entity for Internet traffic including Internet telephony traffic through their Internet Gateways and /or Internet nodes at their own cost, as per the requirement of the Security Agencies/ Central Government prescribed from time to time. The cost of maintenance of the monitoring equipment and infrastructure, at the monitoring centre located at the premises of the Authorised Entity, shall be borne by it.
- (15) In case the Authorised Entity obtains Access spectrum for providing Internet Service/ Broadband Wireless Access using the Access Spectrum, the Authorised Entity shall install the required Lawful Interception and Monitoring systems of requisite capacities prior to commencement of service.
- (16) The Authorised Entity, while providing downstream Internet bandwidth to an Authorised Internet Service provider should ensure that all the traffic of downstream ISP passing through the Entity's network can be monitored in the network of the Authorised Entity.
- (17) However, for nodes of Authorised Entity having upstream bandwidth from multiple authorised entities, the Authorised Entity may be mandated to install LIM/ LIS at these nodes, as per the requirement of Security Agencies. In such cases, upstream authorised entities may not be required to monitor this bandwidth.
- (18) In case the Authorised Entity has multiple nodes/ points of presence and has capability to monitor the traffic in all the Routers/ switches from a central location, the Central Government may accept to monitor the traffic from the

said central monitoring location, provided that the Authorised Entity is able to demonstrate to the Central Government /Security Agencies that all routers / switches are accessible from the central monitoring location. Moreover, the Authorised Entity would have to inform the Central Government of every change that takes place in their topology / configuration and ensure that such change does not make any routers/switches inaccessible from the central monitoring location. Further, upon making any such change in the network, the Authorised Entity shall demonstrate, if so required by the Central Government, compliance with the above conditions and the decision of Central Government in this regard shall be final.

- (19) Office space of 10 feet x 10 feet with adequate and uninterrupted power supply and air-conditioning which will be physically secured and accessible only to the monitoring agencies shall be provided by the Authorised Entity at each Internet Gateway location at its cost.

9. Conditions specific to Virtual Network Operator (VNO)

The VNO Authorised Entity shall follow the above terms and conditions of the Authorisation along with the specific conditions as given below:

- (1) Network interconnection will be provided by NSO Authorised Entity and not the VNO Authorised Entity. The VNO Authorised Entity will connect to its parent NSO(s).
- (2) The VNO Authorised Entity is allowed to have agreements with more than one NSO for Internet services.
- (3) For the purpose of providing the service, the Authorised Entity as VNO shall install, if required, its own suitable equipment so as to be compatible with the equipment of authorised NSO(s).
- (4) The VNO Authorised Entity may obtain IP Addresses, domain names either from its NSO or directly from the Internet registry and it may get the IP Addresses configured in the network system of its parent NSO(s).
- (5) Security conditions will be applicable on Authorised Entity as VNO if the network is owned by Authorised Entity VNO.
- (6) However, for nodes of VNO Authorised Entity having upstream bandwidth from multiple authorised entities, the VNO Authorised Entity may be mandated to install LIM/ LIS at these nodes, as per the requirement of Security Agencies. In such cases, upstream authorised entities may not be required to monitor this bandwidth.
- (7) The VNO Authorised Entity's Applicable System/ Service must be broadly compliant to the scope of the authorisation and requisite monitoring facilities are successfully demonstrated by the VNO Authorised Entity, if equipment

capable of monitoring is available with the Entity otherwise it shall be the responsibility of parent NSO(s) holding a valid authorisation.

Appendix-II to Annexure-1.3.1

_____ (Name and address of the Authorised Entity)
Internet Service Authorisation No.in (Service Area)
Statement of Revenue for the Quarter
.....of the financial year.....

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from services	
A	Revenue from Pure Internet Service (Internet Access and Content Service):	
A1.	Post paid options:	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt from post-paid options.	
A2.	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	Revenue from Internet Telephony Service:	
B1.	Post paid options:	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary Services etc.	

v.	Any other income/ miscellaneous receipt from post-paid options.	
B2.	Pre-paid options:	
i.	Sale of pre-paid option including full value of all components charged therein.	
ii.	Any other income/ miscellaneous receipt from pre-paid options.	
C	Revenue from any other value-added service	
2	Income from trading activity	
i.	Sale of Terminal Equipments	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
3	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
4	Non-refundable deposits from users	
5	Revenue from franchisees / resellers including all commissions and discounts etc.	
6	Revenue from sharing/ leasing of infrastructure	
7	Revenue from sale/ lease renting of bandwidth, links, R&G cases, turnkey projects etc.	
8	Revenue from Roaming	
i.	Roaming facility revenue from own users.	
ii.	Roaming revenue from own user visiting other networks.	
iii.	Roaming Commission earned.	
iv.	Roaming revenue on account of visiting users from other	

	networks.	
v.	Any other income/miscellaneous receipt from roaming	
9	Revenue from IPTV Services	
10	Revenue from other Operators on account of provisioning of interconnection	
11	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
12	Miscellaneous Revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY:(Add 1-12)	
BB	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
vi.	Bad Debts recovered	
viii.	Excess Provisions written back	
BB	Total (1+2+3+4)	

CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT:	
1.	Roaming revenue passed on to other eligible/entitled telecom service provider.	
DD	TOTAL DEDUCTIBLE REVENUE	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

_____(Name and address of the Authorised Entity)
VNO-Internet Service Authorisation No.in (Service Area)
Statement of Revenue for the Quarter
.....of the financial year.....

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from Services	
A	Revenue from Wireline services	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt	
B	Revenue from Wireless services (Only Access Wireless)	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt	
C	Revenue from Satellite services	
a	Revenue from VSAT-based FSS services	
i.	Revenue from provisioning of VSAT-based FSS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
b	Revenue from GMPCS services	
i.	Revenue from provisioning of GMPCS service	

ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
2	Income from trading activity	
i.	Sale of Terminal Equipments	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
3	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
4	Non-refundable deposits from users	
5	Revenue from franchisees /resellers including all commissions and discounts etc.	
6	Revenue from sharing/ leasing of infrastructure	
7	Revenue from sale/ lease renting of bandwidth, links, R&G cases, turnkey projects etc.	
8	Revenue from NSO to Authorised Entity	
9	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
10	Miscellaneous Revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY:(Add 1-10)	
BB	LESS	

1.	Revenue from operations other than telecom activities/ operations	
2	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
vi.	Bad Debts recovered	
viii.	Excess Provisions written back	
BB	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT:	
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.	
DD	TOTAL DEDUCTIBLE REVENUE	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

Chapter X

Long Distance Service Authorisation

The following specific terms and conditions for Long Distance Service Authorisation are in addition to the common terms and conditions contained in Part-I above.

1. Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.

2. Service Area:

The Service Area for the Long-Distance Service Authorisation shall be at the National Level.

3. Scope of service: The Authorised Entity may provide service as per the following scope of the authorisation:

(1) National Long Distance (NLD) Service:

- (a) To carry switched bearer telecommunication traffic within India.
- (b) Inter-circle switched bearer telecommunication traffic shall be handed/ taken over at the Point of Presence (PoP) of the Authorised Entity situated in originating/ terminating Telecom Circle/ Metro Area.
- (c) For intra-circle switched bearer telecommunication traffic, the Authorised Entity can make arrangements under mutually agreed terms and conditions with the concerned Access Service Providers for picking up, carriage and delivery of telecommunication traffic within a designated Telecom Circle/ Metro area.
- (d) To provide bandwidth to other authorised entities who are permitted to have such connectivity under their respective authorisation.
- (e) The Authorised Entity can provide Leased Circuits and Virtual Private Networks (VPNs). The Authorised Entity can access the users directly for this purpose.
- (f) For provision of domestic Calling Cards, the Authorised Entity can also access the users directly.

(2) International Long Distance (ILD) Service:

- (a) To carry switched bearer telecommunication traffic over international long-distance network for providing international connectivity to the network operated by foreign carriers.

- (b) Shall provide bearer services so that end-to-end telecommunication services can be provided by the authorised entity providing Access Services to the users.
- (c) The Authorised Entity may establish an International Long Distance (ILD) Gateway Station along with requisite security monitoring equipment after obtaining security clearance/ approval from the Central Government.
- (d) May offer international bandwidth on lease to other authorised entities who are permitted to have international connectivity under their respective authorisations.
- (e) Can provide International Private leased Circuit (IPLC); for this purpose, the Authorised Entity can access the users directly.
- (f) The Authorised Entity may also access the users directly for provision of international long distance voice service only through calling cards.

(3) Establishment of Cable Landing Station for Submarine Cable System:

- (a) The Authorised Entity may establish a Cable Landing Station (CLS) for submarine cable for both national and international long-distance services.
 - (b) Domestic submarine cables shall connect two or more cities on the Indian coastline for carrying domestic traffic.
 - (c) Prior permission from the Central Government shall be obtained by the Authorised Entity for establishing CLS for which an application is to be submitted in the prescribed proforma.
 - (d) There can be two categories of CLS locations – (i) Main CLS and (ii) CLS-PoP (CLS- Point of Presence).
 - (e) The Authorised Entity can extend their owned or leased dark fiber pair(s) in the submarine cable from the main CLS to their respective CLS-PoP location.
 - (f) The Authorised Entity is also permitted to lay stub-cable.
 - (g) CLS, where international cables or both domestic and international cables are terminated, should be owned and operated by the Authorised Entity providing International long-distance services.
 - (h) International Submarine Cable can carry domestic traffic on dedicated fiber pairs that are provisioned between two Indian cities.
 - (i) Domestic Submarine cables should be permitted to go beyond Indian Territorial Waters (ITW) or Exclusive Economic Zone (EEZ) of India, if required for technical and safe operations.
- (4) For providing services using satellite media, permitted under its scope of service, the Authorised Entity can use the space segment of all types of satellite systems viz. Geo Stationary Orbit (GSO) and Non-GSO (NGSO) satellites. For

this purpose, the Authorised Entity shall follow the guidelines/ directions/ instructions/ orders issued by Central Government from time to time for establishing satellite-based communication network(s).

- 4. Assignment and use of spectrum:** The service authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable to the Authorised Entity along with the Service Authorisation.

5. Financial conditions
Long Distance Service authorisation-NSO

(1) Gross Revenue:

The Gross Revenue shall include all revenues accruing to the Authorised entity 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.

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4.**

(3) Adjusted Gross Revenue:

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

Charges of pass-through nature paid to other telecom service providers to whose network, the authorised entity's network is interconnected, for carriage of calls.

Long Distance Service authorisation-VNO

(4) Gross Revenue:

The Gross Revenue shall include all revenues accruing to the Authorised Entity 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, revenue earned from parent NSOs, etc. and any other miscellaneous items including interest, dividend, etc. without any set off of related items of expense, etc.

(5) Applicable Gross Revenue:

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

- (a) (Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4.**

(6) 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 proof of actual payment for the deduction to be allowed.

6. Technical conditions:

The Authorised Entity shall comply with the following technical conditions:

- (1) The Authorised Entity's network shall be compliant to the Regulations/ Directions/ instructions issued by TRAI/ Central Government in respect of Mobile Number Portability (MNP) before commencement of services.
- (2) International Long Distance traffic should be routed through the network of Long Distance Authorised Entity/ NLD service provider, to the gateway of Long Distance Authorised Entity/ ILD service provider for onward transmission to international networks subject to fulfilment of any Guidelines/ Orders/ Directions/ Regulations issued from time to time by Central Government/ TRAI. Further, the Authorised Entity shall not refuse to interconnect with the Unified Service Authorised Entity/ Long Distance Authorised Entity/ ILD Service provider, having an ILD gateway, directly in situations where point of presence (POP) of Unified Service Authorised Entity/ Long Distance Authorised Entity/ ILD Service provider and switches (GMSC/ Transit Switch) of the Authorised Entity are located at the same station. However, the Authorised Entity with Unified Service Authorisation having an approved ILD gateway will be permitted to directly carry its international traffic under its Unified Service Authorisation.
- (3) The Authorised Entity, who has authorisation to provide Long Distance Service (International Long Distance Service, National Long Distance Service) and Access service, may have only one switch to provide the Long Distance Service and Access service. Separate accounts of all the services should be maintained by duly apportioning the costs amongst the various services. However, the

Access Service through the said Switch may be provided only if the Authorised Entity has the Access Service authorisation for the Service Area in which the switch is located. For this purpose, Media Gateway or its equivalent shall be considered as Switch for which MGC/ Soft Switch can be installed anywhere in the country. The separate TAX and gateway switch is not mandatory. The Authorised Entity may deploy circuit switched or managed Packet Switched network to engineer its Long Distance networks.

- (4) For provision of National Long Distance/ International Long Distance voice services by Long Distance Authorised Entity, through Calling Cards, the terms and conditions of interconnection shall be as mutually agreed between the authorised entities 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 Central Government.
- (5) For the purpose of carriage of switched bearer traffic, it shall be mandatory for the entities authorised to provide Access Service (viz. Access Service authorised entity and Unified Service authorised entity) to provide interconnection to the entities authorised to provide National Long Distance Service.
- (6) For providing International Long Distance services, the Authorised Entity providing Long Distance Service shall require International Long Distance (ILD) Gateway station (transmission and switching center), along with requisite security monitoring equipment. In case an Authorised Entity providing Long Distance Service intends to set up its own ILD Gateway station, it can do so only after getting the permission or clearance from the Central Government. Commencement of International telecom services shall be permitted only after having the requisite monitoring facility to the satisfaction of the Central Government.
- (7) While entering into an agreement/arrangement with Foreign Carriers, for provision of end-to-end ILD services including IPLC service, the entities authorised to provide Long Distance Service shall ensure that the Foreign Carrier does not acquire users in India and does not raise bills/ collect revenue to/ from any user of the ILD services in India.
- (8) In respect of Cable Landing Station, the Authorised Entity owning Cable Landing Station (CLS) may establish Submarine Line Terminal Equipment (SLTE) at CLS itself or extend their owned or leased dark fibre pair(s) in the submarine cable from the main CLS to their CLS-Point of Presence location and establish SLTE at CLS-PoP.

- (9) Other Long Distance authorised entities having fibre pair(s) in the submarine cable may also extend their owned or leased dark fibre pair(s) in the submarine cable from the main CLS to their respective CLS-Point of Presence location and establish SLTE at CLS-PoP.
- (10) The authorised entities having only CLS-PoPs will not be required to seek permissions/clearances for establishment of CLS-PoPs. The authorised entities establishing the main CLS will be required to seek permissions/clearances for establishment of main CLS. However, owners of CLS-PoPs will be required to comply with the security related obligations including establishment of LIM facility.
- (11) In respect of domestic submarine cables, the following conditions shall apply:
 - (a) Domestic traffic through submarine cables will be allowed.
 - (b) Wherever required, the Domestic Submarine cable may go beyond ITW or EEZ of India for technical and safety reasons.
 - (c) Equal access to facilities at the Cable Landing Stations (CLS) including landing facilities for submarine cables of other long distance authorised entities on the basis of non-discrimination shall be mandatory.
 - (d) Access/ Co-location at the CLS shall be governed by the orders/regulations/directions issued by TRAI from time to time.
- (12) The domestic and international cables can terminate at the same CLS but with each cable having its own separate network element/ equipment (PFE and SLTE). A physical separation of terminating equipment for domestic and international traffic should be maintained.
- (13) Such CLS, where both domestic and international cables are terminated, should be owned, and operated by authorised entities having Long Distance Authorisation and providing international long distance service. The requirement of necessary LIM should be based on the nature of traffic carried, being NLD or ILD and owners of CLS should maintain physical separation for terminating domestic and international traffic.
- (14) International Submarine Cable should be allowed to carry domestic traffic on dedicated fibre pairs that are provisioned between two Indian cities. Authorised Entity should ensure that such traffic is not transited/ routed through any other country outside India.
- (15) Different CLS may be connected with each other through terrestrial connectivity. Transit international traffic not meant to be terminated in India will be permitted to be transited to other submarine cables through terrestrial as well as submarine cable links.

- (16) The Authorised Entity is permitted to lay stub-cable (pre-laid dark fibre SMC) and either terminate them in their existing CLS or establish new CLS for such stub-cable with prior-permission of Central Government.

7. Operating conditions:

- (1) While providing the domestic leased circuits/IPLC, the Authorised Entity shall make its own suitable arrangements or can make suitable agreements with the relevant authorised entities for last mile/ domestic leg connectivity respectively.
- (2) The charges and sharing of revenues for the service features, network architecture and resources used for providing NLD/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 or instructions as may be issued from time to time by TRAI/Central Government.
- (3) Public network is not to be connected with leased circuits/ VPN.
- (4) The Authorised Entity may establish Cable Landing Station (CLS) for submarine cable for both national and international long distance services, with prior permission of the Central Government for which a separate application is to be submitted in the prescribed proforma. Access Facilitation/ Co-location at the CLS shall be governed by the orders/ regulations/ directions issued by Central Government/ TRAI from time to time.
- (5) Equal access to bottleneck facilities at the Cable Landing Stations (CLS) including landing facilities for submarine cables for other authorised entities on the basis of non- discrimination shall be mandatory. The terms and conditions for such access provision and the charges for such access provision shall be governed by the regulations/ orders as may be made by the Central Government/TRAI from time to time
- (6) The Authorised Entity of Main CLS would seek all the permissions/clearances related to the submarine cable landing in India. They should inform the Central Government/ TRAI about all CLS-PoP and their owners.
- (7) Terrestrial connectivity between different CLSs is permitted by long distance services providers.
- (8) In case, both Domestic and International traffic is being carried, the requirement of necessary LIM (Lawful Interception Monitoring) should be based on the nature of traffic carried, being National or International and authorised entity owning CLS should maintain the physical separation for both domestic and international traffic.

- (9) Transit international traffic not meant to be terminated in India will be permitted to be transited to other submarine cables through terrestrial as well as submarine cable links.

8. Security conditions:

The Authorised Entity shall comply with the following technical conditions:

- (1) For long distance calls, the Authorised Entity shall transit the Calling Line Identification (CLI), as received from Access Service provider/ Long Distance Service provider.
- (2) Authorised Entities providing International Long Distance service should drop all international incoming calls with no CLI or improper CLI at their Gateways and should ensure that all calls handed over by the Authorised Entity to National Long Distance Service provider/ Access Service Providers, should bear "Nature of Address Indicator (NAI)" field in case of CCS7/equivalent field in SIP/IP as "International Number". For identifying an improper CLI, ITU-T recommendations on E.164 numbering scheme may be referred.
- (3) The installation of the monitoring equipment at the International Gateway is to be done by the Authorised Entity. After installation of the monitoring equipment, the Entity shall get the same inspected by monitoring / Security Agencies. Permission to operate/commission the Gateway will be given only after such inspection.
- (4) The International Gateway station (Transmission & Switching Centre) will not be set up in security sensitive areas. The security sensitive areas would be identified from time to time. As on date the security sensitive areas are Punjab, J&K, North-Eastern States, border areas of Rajasthan, Andaman & Nicobar Islands and coastal areas of Gujarat and Tamil Nadu (excluding Chennai).
- (5) Office space of 20'x20' with adequate and uninterrupted power supply and air-conditioning which will be physically secured and accessible only to the personnel authorised by the Central Government shall be provided by the Authorised Entity at each Gateway location free of cost. The cost of monitoring equipment shall be borne by the Entity.
- (6) The designated person of the Central/ State Government as conveyed through the Central Government from time to time in addition to the Central Government or its nominee shall have the right to monitor the telecommunication traffic in every ILD Gateway/ Routers or any other technically feasible point in the network set up by the Authorised Entity.
- (7) The Authorised Entity should make arrangements for monitoring simultaneous calls by Security Agencies. For establishing connectivity to the Centralized Monitoring System, the Entity shall provide, appropriately dimensioned

hardware and bandwidth/dark fibre up to a designated point as required by the Central Government from time to time. However, the respective Government instrumentality shall bear the cost at its end hardware and leased line circuits from the Gateway/ Exchange/ MGC/ MG 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 Authorised Entity. In case the Security Agencies intend to locate the equipment at Entity's premises for facilitating monitoring, the Entity should extend all support in this regard including Space and Entry of the authorised Security personnel.

- (8) The Interface requirements as well as features and facilities as defined by the Central Government should be implemented by the Authorised Entity for both data and speech. Presently, the Entity should ensure suitable redundancy in the complete chain of Monitoring equipment for trouble free operations of monitoring of calls as per requirement for each of the designated Security/ Law Enforcement Agencies. Each ILD Gateway of the Entity shall have the capacity for provisioning numbers for monitoring as specified. The monitoring capacity provisions, and number of designated Security/ Law Enforcement Agencies may be prescribed by the Central Government separately by issuing instructions at any time.
 - (9) The Authorised Entity 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.
 - (10) The Authorised Entity shall ensure that the Leased Circuits are regularly checked for their *bonafide* use and to detect any misuse.
 - (11) The Authorised Entity shall provide the details of the Leased Circuit provided, on a monthly basis, to Security Agencies & concerned Field Office in the Service Area where the Entity has its registered office.
 - (12) In case the Authorised Entity establishes a Cable Landing Station (CLS), it shall provide monitoring facilities at approved CLS, as prescribed by the Central Government. The entity authorised for CLS-PoP shall also provide the prescribed monitoring facilities, in case dedicated fibre pairs from the Submarine Cable through CLS get terminated at a given CLS-PoP.
- 9.** Apart from above conditions, the following specific additional conditions shall be applicable on the Long-Distance Service VNO Authorised Entity:
- (1) Network interconnection will be provided by NSO Authorised Entity and not the VNO Authorised Entity. The VNO Authorised Entity will connect to its parent NSO(s) only.

- (2) VNO Authorised Entities are allowed to have agreements with more than one NSO.
- (3) Security conditions will be applicable on VNO Authorised Entity if the network is owned by VNO Authorised Entity.
- (4) The VNO Authorised Entity cannot deploy Cable Landing Station and ILD gateway station.

Appendix-II to Annexure-1.3.1

Format of Statement of Revenue

_____ (Name and address of the Authorised Entity)

Long Distance Service Authorisation No.....

Statement of Revenue for the Quarter

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

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from Services	
A	Revenue from NLD services:	
i.	Revenue from provisioning of NLD service	
ii.	Revenue from supplementary/value added services.	
iii.	Any other income/ miscellaneous receipt.	
B	Revenue from ILD services:	
i.	Revenue from traffic	
ia.	Outgoing traffic revenue	
ib.	Incoming traffic revenue	
ii.	Pass through revenue for usage of other networks	
iii.	Service charges	
iv.	Revenue from supplementary/value added services etc.	
v.	Any other income/ miscellaneous receipt.	
C	Revenue From Calling Cards	
i.	Revenue from sale of calling cards	
ii.	Any other income/Miscellaneous receipt from Calling Cards	
D	Revenue from CLS	
i.	Revenue from provisioning of CLS	
ii.	Any other income/ miscellaneous receipt.	
2	Income from Investment	

i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
3	Non-refundable deposits from users	
4	Revenue from franchisees	
5	Revenue from sharing/leasing of other infrastructure	
6	Revenue from sale/ lease of bandwidth	
7	Revenue from other operators on account of pass thru call charges.	
8	Revenue from other operators on account of provisioning of interconnection	
9	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
10	Miscellaneous revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY (ADD 1-10)	
BB	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4.	
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	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT:	
1	Revenue of pass-through nature passed on to other service providers.	
DD	TOTAL DEDUCTIBLE REVENUE (1)	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

Format of Statement of Revenue

----- (Name and address of the Authorised Entity)

VNO- Long Distance Service Authorisation No.....

Statement of Revenue for the Quarter -----of the financial year

(Amount in Rupees)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from Services	
A	Revenue from NLD Services	
i.	Revenue from provisioning of VNO (NLD) service	
ii.	Revenue from supplementary/value added services.	
iii.	Any other income/Miscellaneous receipt	
B	Revenue from ILD services:	
a.	Revenue from traffic	
b.	Service charges	
c.	Charges on account of any other value added services, Supplementary Services etc.	
d.	Any other income / miscellaneous receipt.	
C	Revenue From Calling Cards	
i.	Revenue from sale of calling cards	
ii.	Any other income/Miscellaneous receipt from Calling Cards	
2	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
3	Non-refundable deposits from users	
4	Revenue from NSO to Authorised Entity	

5	Revenue from franchisees /resellers including all commissions and discounts etc.	
6	Revenue from sharing/ leasing of infrastructure	
7	Revenue from sale/ lease of bandwidth	
8	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
9	Miscellaneous revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-9)	
BB	Less	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4.	
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	Total BB (1+2+3+4):	

CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	Less:	
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.	
DD	TOTAL DEDUCTIBLE REVENUE(1+2)	
EE	ADJUSTED GROSS REVENUE (CC- DD)	
FF	REVENUE SHARE	
	Authorisation fee @ ----- OF ADJUSTED GROSS REVENUE (EE)	

Chapter XI:

Satellite-based Telecommunication Service Authorisation

The following specific terms and conditions for Satellite-based telecommunication Service Authorisation are in addition to the common terms and conditions contained in the Part-I above.

1. Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.

2. Service Area:

The Service Area for the Satellite-based telecommunication Service Authorisation shall be at the National Level.

3. Scope of service:

- (1) Broadly, the Authorised Entity may provide Global Mobile Personal Communication by Satellite (GMPCS) Service using Mobile Satellite Services (MSS) and Fixed Satellite Services (FSS); and VSAT-based Fixed Satellite Services (FSS). Global Mobile Personal Communications by Satellite (GMPCS) system means "any satellite system (i.e. fixed or mobile, broad-band or narrow-band, global or regional, geo-stationary or non geo-stationary, existing or planned) providing telecommunication services directly to end users from a single or constellation of satellites". Specifically, the scope of service under GMPCS and VSAT based FSS are given below:
- (2) The Authorised Entity may provide GMPCS using satellite, including the following services:
 - (a) Transmission, emission or reception of any voice or non-voice message including video
 - (b) Internet access service, and Internet telephony
 - (c) Leased circuits and Virtual Private Networks
 - (d) Provide connectivity to eligible authorised entities for connecting their network elements, including backhaul connectivity
 - (e) Provide connectivity for M2M/ IoT devices/ aggregator devices
 - (f) The Authorised Entity shall either establish Land Earth Station Gateway in India or use the Satellite Earth Station Gateway (SESG) established by any authorised entity in India. GMPCS may be provided using one or more

satellite systems provided that the SESG and Switch for the respective satellite systems are located in India.

(3) The Authorised Entity may provide VSAT-based Fixed Satellite Service (FSS) using satellite, including the following services:

- (a) Internet Access Service
- (b) Leased circuits and Virtual Private Networks; provision of data connectivity between various sites scattered within the territorial boundary of India using VSATs
- (c) Provide connectivity to eligible authorised entities for connecting their network elements, including backhaul connectivity
- (d) VSAT user terminal stations on moving platforms [Earth Station in Motion (ESIM)] are also permitted for provisioning of connectivity subject to compliance with relevant TEC standard(s) and conditions mentioned therein.
- (a) VSAT user terminal may also be used to aggregate the traffic from M2M/ IoT devices/ aggregator devices.
- (b) For providing the VSAT-based Fixed Satellite Service (FSS), the Authorised Entity shall either establish Land Earth Station Gateway/ Hub Station in India or use the SESG established by any authorised entity in India.

(4) Long distance carriage of switched bearer traffic, granted under Long Distance Authorisation and Access Service Authorisation, is not covered under the scope of the Authorisation.

(5) Except for those services permitted under the scope of the Authorisation, the Authorised Entity shall not provide any service(s) which require a separate service authorisation by the Central Government.

4. Assignment and use of spectrum: The Authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable to the Authorised Entity along with the Service Authorisation.

5. Financial conditions:

Satellite-based Telecommunication Service authorisation-NSO

(1) **Gross Revenue:**

The Gross Revenue shall include all revenues accruing to the Authorised Entity on account of goods supplied, services provided, leasing/hiring of infrastructure, revenue from permissible sharing of infrastructure, use of its resources by others, installation charges, application fee, call charges, late fees, sale proceeds of instruments (or any terminal equipment including accessories), hardware/software for satellite-based telecommunication, fees on account of Annual Maintenance Contract, income from value added services, access or interconnection charges and any other miscellaneous item including interest, dividend, supplementary services etc. without any set-off of related item of expense.

(2) **Applicable Gross Revenue:**

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4**

(3) **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) PSTN/PLMN/ GMPCS related call charges (Access Charges) paid to other eligible/entitled telecommunication service providers within India;
- (b) Charges of pass through nature paid to other Telecom service provider(s) to whose network, the Authorised Entity's network is interconnected for carriage of data, and;

- (c) Roaming revenues passed on to other telecom service providers.

Satellite-based Telecommunication Service authorisation-VNO

(1) Gross Revenue:

The Gross revenue shall include all revenues accruing to the Authorised Entity on account of goods supplied, services provided, leasing/hiring of infrastructure, revenue from permissible sharing 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), hardware/software for satellite-based telecommunication, 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.

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4**

(3) 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 proof of actual payment for the deduction to be allowed.

6. Technical conditions:

- (1) For the provision of internet services, the Authorised Entity shall connect its Satellite Earth Station Gateway/ Hub Station to an internet node/ Point of Presence. For connecting the internet node/ Point of Presence with Satellite Earth Station Gateway/ Hub Station, the Authorised Entity may obtain lease line from any entity authorised to sell bandwidth/ leased line.
- (2) The Authorised Entity's network providing leased circuits and/ or Virtual Private Networks shall not be interconnected with PSTN/ PLMN/ GMPCS Network.
- (3) For extending the connectivity from the Satellite Earth Station/ Hub Station to the central office of the user (to connect central office with user terminals), terrestrial segment of connectivity through leased lines, if needed, may be obtained from the authorised entities who are authorised to lease out such connectivity.

For GMPCS Service:

- (4) For the purpose of providing GMPCS service, the entity authorised to provide Satellite-based telecommunication services shall disclose complete details of terms and conditions of the contracts/ licenses entered into with its parent/associate company and/ or space-segment/satellite-system owner/operator including those contained in contracts/ licenses issued by the Governments/Authorities of the country where the parent/associate company is registered and/or carries on its business prior to grant of authorisation and before security clearance for the service in India. The information so furnished to the Central Government along with authenticated copies of all such contracts/ licenses shall be certified to be true and correct to the best knowledge of the authorised entity. The information shall be regularly updated, as and when any changes occur, during the validity of the authorisation.
- (5) For the purpose of providing GMPCS Service, the entity authorised to provide Satellite-based Telecommunication Service shall either establish Satellite Earth Station Gateway (SESG) in India on its own or make use of the SESG established by any authorised entity in India. GMPCS Service may be provided

using one or more satellite systems provided that the SESG and gateway switch for the respective satellite systems are located in India.

- (6) For the Authorised Entity providing GMPACS service, direct interconnectivity with other authorised entities having GMPACS/ PLMN/ PSTN network is permitted for the purpose of only terminating traffic of each other. The terms and conditions of such interconnection shall be as per the mutual agreement subject to the regulations/ directions/ determinations of TRAI. Intimation shall have to be given to the Central Government/ TRAI within 15 Calendar days of establishing such direct interconnectivity.
- (7) All calls originating or terminating from/ on the User Terminals of GMPACS in India shall pass through the Authorised Entity's gateway switch located in India. Such calls will not be routed through any other gateway switch located outside India. All inter-network calls will be routed through gateway switches (i.e. through the gateway switch of the Authorised Entity and then through the switch of the other authorised entity). All International calls outgoing or terminating in a PSTN/ PLMN shall be routed via authorised International Long Distance gateway switches, of the entities authorised to provide International Long Distance Services, located in India. All national calls outgoing or terminating in a PSTN/ PLMN shall be routed via an Authorised Entity's network authorised to carry such traffic in PSTN/ PLMN. Domestic traffic should not be hauled/ routed to any place outside India.
- (8) The Authorised Entity, if providing switched voice and non-voice messages under the authorisation, shall have to provide independently or through mutually agreed commercial arrangements with other authorised entities all public utility services as well as emergency services including TOLL FREE services like police, fire, ambulance. The Central Government 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.

For VSAT-based Fixed Satellite Service (FSS):

- (9) For providing the VSAT-based Fixed Satellite Service (FSS), the Authorised Entity shall establish Satellite Earth Station Gateway(s)/ Hub Station(s) within India or use the SESG established in India by any authorised entity and install equipment complying to the technical parameters mentioned in the relevant Interface Requirement issued by TEC, as modified from time to time.

- (10) The HUB Station shall be operated and maintained by the Authorised Entity subject to the following conditions:
- (a) The Hub station as well as all the Terminal Stations (VSATs) shall be within the geographical boundary of India.
 - (b) Before start of operation, the details of the relevant antenna parameters shall be furnished online by the Authorised Entity on the basis of self-declaration along with radiation pattern results. Later, for interference monitoring and mitigation, SATCOM Monitoring Center (SMC) may, however, call for additional details and conduct tests, if required.
 - (c) The data related to the total number of Terminal Stations configured/operational with date of commissioning should be furnished on online portal on the basis of self-certification, along with their date of configuration, date of commissioning, coordinates, address of the Terminal Station locations along with the name of city, district, state etc. In this regard, the Authorised Entity would abide by the directive issued by the Central Government.
- (11) Provision of VSAT-based FSS shall not be restricted to closed user group (CUG) users. The leased lines/ VPNs may be provided to enterprise users as well as to other eligible authorised entities.
- (12) Connectivity with the networks of other VSAT-based FSS providers: Interconnection shall be permitted through the Hubs.
- (13) WAN/ Terrestrial data lines leased by users of VSATs: Interconnection shall be permitted.
- (14) Overseas office of the user for data transfer purposes: Interconnection shall be permitted subject to the condition that the connection should be between the hub and the server of the overseas office through an international leased line passing through an international gateway which can be monitored for security purposes.
- (15) Other media to provide for redundancy: - Switchover between a terrestrial network-based connectivity and VSAT network-based connectivity belonging to the same user shall be permitted for redundancy purpose.
- (16) Standards for User Network and Network Interfaces: The user-network and network interfaces should conform to standard interfaces such as X25, X75, TCP/IP or such international standards that may be specified from time to time by the Central Government.

7. Operating conditions: The Authorised Entity shall comply with the following operating conditions:

- (1) The Authorised Entity can use the space segment of all types of satellite systems viz. Geo Stationary Orbit (GSO) and Non-GSO (NGSO) satellites. For this purpose, the Authorised Entity shall follow the guidelines/ directions/ instructions/ orders issued by Central Government from time to time for establishing satellite-based communication network(s).
- (2) The Authorised Entity shall be permitted to use its Satellite Earth Station Gateway facility established in India for providing services in the foreign countries after obtaining permission from the Central Government in this regard. In such cases, the Authorised Entity may be liable to pay any additional spectrum charges as per the terms and conditions of the assignment of the spectrum. The Authorised Entity shall be responsible for fulfilling the necessary regulatory requirements of such foreign countries for providing service.
- (3) The VSAT terminal, 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 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 entity authorised to provide such link.
- (4) The monthly report regarding the number of user terminals at the end of each month should be submitted online on the designated portal to SMC/ Central Government/ TRAI by the 7th of following month.

Roll Out Obligations

- (5) For provision of Satellite-based Telecommunication Service, the Authorised Entity shall roll out the network within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum.
- (6) In case of GMPCS Service, the roll out of the network shall mean installation and commissioning of a Satellite Earth Station Gateway Switch. In case of VSAT-based FSS, the roll out of the network shall mean installation and commissioning of a Hub Station for star network configuration or at least two VSAT terminals in case of mesh network configuration. For this purpose, the Authorised Entity can make use of the Satellite Earth Station Gateway Switch/ Hub Station established by other eligible authorised entities.
- (7) For verification of the installation and commissioning of the applicable system, the Authorised Entity shall register with the SATCOM Monitoring Centre (SMC) of the Central Government, as per the procedure prescribed by the Central Government. Date of registration by SMC is to be treated as the date of

commissioning in case of successful verification of the rollout of the network. If the verification of the roll out of the network fails, then the Authorised Entity shall re-register with the SMC after necessary corrections and in that case, the date of re-registration by SMC shall be treated as the date of meeting the roll out obligation subject to successful verification. If the network is rolled out after the expiry of the due date, such delay in rollout of network will entail recovery of Liquidated Damages (LD) under this condition:

Provided further that if the rollout of the network is effected within 30 calendar days of the expiry of the due date then the Central Government shall accept the rollout of network without levy of LD charges.

- (8) In case the Authorised Entity fails to rollout the network within the period prescribed, the Central Government shall be entitled to recover LD charges @ ₹ 100,000/- (Rupees One lakh only) per month of delay subject to a maximum amount of ₹ 24 lakh. For the delay of more than 24 months, in addition to imposition of maximum amount of LD, the frequency assignment may be withdrawn. The bank guarantee (BG) shall be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. The Authorised Entity, on such occasions, shall restore the partially encashed bank guarantee to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the Authorisation. For calculation of delay in compliance of roll out obligations, the month shall mean one Calendar month and any extra day shall be counted as full month for the purpose of recovery of liquidated damages.

8. Security conditions:

The Authorised Entity shall comply with the following security conditions:

For GMPCS Service

- (1) The operation and maintenance centre of the Satellite Earth Station Gateway, established by the Authorised Entity, shall be located in India. The Entity shall demonstrate the system capabilities with respect to security aspects including monitoring to the Central Government or its authorized representative prior to starting of service in India.
- (2) The Authorised Entity shall ensure that satellite systems, deployed/used for providing satellite-based services, shall be used over the Indian Territory, only for the services authorized by the Central Government. No activities such as surveillance, electronic warfare etc. shall be carried out over the Indian Territory, which may jeopardize the sovereignty and security of the country.
- (3) The Authorised Entity shall create a buffer zone along the Indian international border, where no service would be permitted. Width of this buffer zone along

the borders within the Indian Territory shall be as decided by the Central Government from time to time. The Government will spell out the area and width of the buffer zone. As and when there is any change in the structure of defined buffer zone, for whatsoever reason, it should be reported to the Central Government immediately. The Government and its authorized representatives may carry out physical verification of the accuracy of buffer zone so created.

- (4) The designated person of the Central/ State Government as conveyed through the Central Government from time to time in addition to the Central Government or its nominee shall have the right to monitor the telecommunication traffic in every Gateway /Sub-Gateway/ Routers or any other technically feasible point in the network set up by the Authorised Entity in India. The Authorised Entity shall make arrangements for monitoring simultaneous calls by Security Agencies.
- (5) The Interface requirements as well as features and facilities as defined by the Central Government should be implemented by the Authorised Entity for both data and speech.
- (6) The Authorised Entity 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 of the designated Security/ Law Enforcement Agencies. Each Satellite Earth Station Gateway Switch of the Authorised Entity shall have the capacity for provisioning of numbers as specified for monitoring. The monitoring capacity provisions and number of designated Security/ Law Enforcement Agencies may be prescribed by the Central Government separately by issuing instructions at any time.
- (7) For establishing connectivity to Centralized Monitoring System, the Authorised Entity shall provide appropriately dimensioned hardware and bandwidth/ dark fiber up to a designated point as required by the Central Government from time to time. However, the respective Government instrumentality shall bear the cost at its end hardware and leased line circuits from the Gateway 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 Authorised Entity. In case the Security Agencies intend to locate the equipment at the Entity's premises for facilitating monitoring, the Authorised Entity should extend all support in this regard including Space and Entry of the authorized Security personnel.
- (8) The hardware/software required for monitoring of calls shall be engineered, provided/installed and maintained by the Authorised Entity at the ICC (Intercept Control Centre) to be established at the Satellite Gateway(s) as also

in the premises of Security Agencies at the Entity's cost. However, the respective Government Agencies shall bear the cost of leased line circuits from the Gateway(s) to the monitoring Centres to be located as per their choice. The Interface requirements as well as features and facilities shall be worked out and implemented by the Authorised Entity for both data and speech. The Authorised Entity should ensure suitable redundancy in the complete chain of Monitoring equipment for trouble-free operations. The Authorised Entity shall provide suitable training to the designated representatives of the Central Government regarding the operation and maintenance of Monitoring equipment (ICC & MC). Interception of target users using messaging services should also be provided even if retrieval is carried out using PSTN links.

- (9) The Authorised Entity shall make following provisions for extending monitored calls to the designated Security Agencies:
 - (a) Extension on PSTN line/ PLMN connection.
 - (b) Extension on E-1 links (30 Channels Pulse code Modulation – PCM), which can be stored in a voice logger at Gateway and simultaneously to user agencies on dedicated line with co-related Call Related Information (CRI).
- (10) Along with the monitored call following records should be made available:
 - (a) Called/calling party mobile/PSTN numbers.
 - (b) Time/date and duration of interception.
 - (c) Precise location of target users.
 - (d) PSTN numbers if any, call-forwarding feature has been invoked by
 - (e) target user
 - (f) Data records for even failed call attempts
- (11) The Authorised Entity should be required to provide the call data records of all the calls handled by the system at specified periodicity, if and as and when required by the Security Agencies.
- (12) In addition to the Target Intercept List (TIL), it should also be possible to carry out specific geographic location-based interception, if so desired by the designated Security Agencies. Monitoring of calls should not be perceptible to mobile users either during direct monitoring or when a call has been grounded for monitoring. The Entity shall not prefer any charges for grounding a call for monitoring purposes. The intercepted data is to be pushed to designated Security Agencies' server on fire and forget basis. No records shall be maintained by the Authorised Entity regarding monitoring activities and air time used beyond the prescribed time limit.
- (13) The Central Government, through appropriate notification may debar usage of User Terminals in certain areas in the country. The Authorised Entity 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 Entity shall also provide the facility to carry out surveillance of User Terminal activity within a specified area.

- (14) The Authorised Entity shall ensure that any foreign User Terminal (UT) registered in the Gateway of another country shall re-register with Indian Gateway when operating from Indian Territory. Any UT registered outside India, when attempting to make/receive calls from within India, without due authority, shall be automatically denied service by the system and occurrence of such attempts along with information about UT identity as well as location shall be reported to the designated authority immediately.
- (15) The Authorised Entity shall have provision to scan operation of users specified by Security/ Law Enforcement Agencies through certain sensitive areas within the Indian territory and shall provide their identity and positional location (latitude and longitude) to the Central Government on as and when required basis.
- (16) The User Terminals clandestinely brought into the Indian Territory shall be denied Service by the Authorised Entity, who shall have in-built capabilities in the System for denial of service to such user-terminals. Any User Terminal that is not duly authorized to work from within India, if tries to make or receive a call in India, it shall be denied access automatically and such events shall be logged and information in this regard shall be suitably made over to the Central Government/ Security Agencies, as specified. The visiting users shall be required to register their user terminals on the Equipment Identity Register (EIR) of the Entity. The Central Government will separately notify suitable administrative mechanism in consultation with the Custom Authority for on-line co-ordination on a regular basis between the Air/Land/ Sea Customs and the Entity for exchange of information in respect of all mobile terminals legally brought into the country. This arrangement would facilitate the identification and segregation of mobile terminals (registered in other countries) clandestinely brought into the Indian Territory for denial of Service.
- (17) In addition to user identification requirements contained in common Security Condition, Service activation shall take place only after checking the *bonafide* of the users as may be prescribed by the Central Government from time to time.
- (18) CLI Restriction (CLIR) should not be normally provided to the users. For provision of CLIR, the standard operating procedure issued by the Central Government in this regard shall be followed by the Authorised Entity. The users

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 user 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.

For VSAT-based Fixed Satellite Service (FSS)

- (19) Requisite monitoring facilities/ equipment for each type of system used shall be provided by the Authorised Entity at own cost for monitoring as and when required by the Central Government.
- (20) The Authorised Entity shall provide at its own cost technical facilities for accessing any port of the switching equipment at the Hub for interception of the messages by the designated authorities at a location to be determined by the Central Government.
- (21) The Authorised Entity will provide a Hot line/ VSAT connection along with Remote NMS Terminal between Hub/Network Control Station and SMC for effective monitoring of the space segment uses.
- (22) In the areas falling within 10 Kms of Line of Control (LOC), Line of Actual Control (LAC) and International Border between Akhnoor in Jammu & Kashmir and Pathankot and other areas as may be notified from time to time by the Central Government, installation of FSS Terminal/ VSAT/ Hub Station by the Authorised Entity shall be taken up only after prior approval from local Army authorities about specific location of the Hub Station with prior intimation to the Central Government and concerned Service Area Field Office in addition to requisite clearances. Width of this buffer zone along the borders within the Indian Territory shall be as decided by the Government of India from time to time. As and when there is any change in the structure of defined buffer zone, for whatsoever reason, it should be reported to the Central Government immediately. The Government and its authorized representatives may carry out physical verification of the accuracy of buffer zone so created.

9. Conditions applicable on the Authorised Entity while providing Internet Service

While providing an internet access service, all conditions of Internet Service Authorisation related to provision of internet access service shall become applicable on the Authorised Entity.

10. Specific terms and conditions application on Satellite Based Telecommunication Service VNO authorised entities

- (1) The VNO Authorised Entity shall follow the terms and conditions of the Authorisation along with the specific conditions as given below:
 - (a) Satellite-based Telecommunication Service (VNO) Authorised Entity may provide services using parent NSO's Satellite Earth Station gateway.
 - (b) Network interconnection will be provided by the parent NSO Authorised Entity and not the VNO Authorised Entity. The VNO Authorised Entity will connect to its parent NSO(s).
 - (c) VNO Authorised Entities are allowed to have agreements with more than one NSO.

Appendix-II to Annexure-1.3.1**Format of Statement of Revenue****(Name and address of the Authorised Entity)****Satellite-based Telecommunication Service Authorisation no.....****Statement of Revenue for the Quarter****.....of the financial year.....****(AMOUNT IN RUPEES)**

S.no	Particulars	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from Services	
A	Revenue from VSAT-based FSS services	
i.	Revenue from provisioning of VSAT-based FSS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
B	Revenue from GMPACS services	
i.	Revenue from provisioning of GMPACS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
2	Income from trading activity	
i.	Sale of handsets	
ii.	Sale of accessories, including sim cards, antennas etc.	
iii.	Any other income/miscellaneous receipt from trading activity.	
3	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	

4	Non-refundable deposits from users	
5	Revenue from franchisees /resellers including all commissions and discounts etc.	
6	Revenue from sharing/ leasing of infrastructure	
7	Revenue from sale/ lease of bandwidth	
8	Revenue from other Operators on account of pass through call charges	
9	Revenue from other Operators on account of provisioning of interconnection	
10	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
11	Miscellaneous Revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-11)	
BB	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT:	
1	PSTN/PLMN/GMPCS related call charges paid to other eligible/entitled Telecommunication service providers within India	
2	Roaming revenues passed on to other eligible/entitled telecommunication service providers	
DD	TOTAL DEDUCTIBLE REVENUE (1+2)	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
(a)	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

Format of Statement of Revenue

_____ (Name and address of the Authorised Entity)
VNO-Satellite-based Telecommunication Service Authorisation no...
Statement of Revenue for the Quarter
.....of the financial year.....

(AMOUNT IN RUPEES)

S.no	Particulars	ACTUALS FOR THE CURRENT QUARTER
1	REVENUE FROM SERVICES	
A	Revenue from VSAT-based FSS services	
i.	Revenue from provisioning of VSAT-based FSS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt from postpaid options.	
B	Revenue from GMPACS services	
i.	Revenue from provisioning of GMPACS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt from postpaid options.	
2	Income from trading activity	
i.	Sale of handsets	
ii.	Sale of accessories, including sim cards, antennas etc.	
iii.	Any other income/miscellaneous receipt from trading activity.	
3	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	

4	Non-refundable deposits from users	
5	Revenue from franchisees /resellers including all commissions and discounts etc.	
6	Revenue from NSO to Authorised Entity	
7	Revenue from sharing/ leasing of infrastructure	
8	Revenue from sale/ lease of bandwidth	
9	Revenue from other Operators on account of pass through call charges	
10	Revenue from other Operators on account of provisioning of interconnection	
11	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
12	Miscellaneous Revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-12)	
BB	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	Less:	
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.	
DD	TOTAL DEDUCTIBLE REVENUE (1+2)	
EE	ADJUSTED GROSS REVENUE (CC- DD)	
FF	Revenue Share	
a)	Authorisation Fee@ ----- OF ADJUSTED GROSS REVENUE (EE)	

Chapter XII:

M2M WAN Service Authorisation

The following specific terms and conditions for M2M WAN Authorisation shall be applicable in addition to the common terms and conditions contained in Part-I above.

1. Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.

2. Service Area:

The Authorisation for M2M Wide Area Network (WAN) Service is granted for three different categories namely Category-A, Category-B, Category-C. The Service Area for Category-A Authorisation shall be the National Area. The Service Area for Category-B Authorisation shall be the Telecom Circle/ Metro area as listed in **Annexure-I** of these rules. The Service Area for Category-C authorisation shall be the Sub-circle. The Sub-circle shall mean up to four districts within a Telecom Circle/ Metro Area. The Authorised Entity shall be permitted to choose any of four districts in the Telecom Circle/ Metro Area. In case an Authorised Entity with Category-C authorisation intends to provide M2M WAN Service beyond four districts in a Telecom Circle/ Metro Area, it shall have to migrate to Category-B authorisation in the Telecom Circle/ Metro Area.

3. Scope of service:

- (1) The scope of M2M WAN Service Authorisation covers the provision of Machine to Machine (M2M) Service, which could be given on wireline or wireless media, by deploying end-to-end underlying network.
- (2) For providing M2M services on wireless media, the Authorised Entity can deploy Low Power Wide Area Network (LPWAN) or an equivalent network using assignment-exempt spectrum. The LPWAN network can be deployed in large geographical areas such as cities, States or pan-India, depending on the business case and market demand.
- (3) The Authorised Entity can also deploy network after obtaining assignment of spectrum from the Central Government.
- (4) The scope of M2M WAN Service Authorisation shall also include the scope of M2M service and WLAN/ WPAN Connectivity Service Authorisation. In particular, the Authorised Entity shall be permitted to deploy Wireless Personal

Area Network (WPAN) and Wireless Local Area Network (WLAN) using assignment-exempt spectrum.

- (5) The Authorised Entity can provide its telecom resources, including M2M connectivity and related services, to entities holding M2M service and WLAN/ WPAN Connectivity Service Authorisation.
- (6) The Authorised Entity can deploy Subscription Manager-Secure Routing (SM-SR) for over-the-Air (OTA) profile subscription management of M2M eSIMs.
- (7) Except those services permitted under the scope of M2M WAN Service authorisation, the Authorised entity shall not provide any service/ services which requires a separate Authorisation.
- (8) The Unified Service Authorised Entity and Access Service Authorised Entity can provide the M2M Services under their respective Authorisations and will not require to obtain M2M WAN Service Authorisation.

4. Assignment and use of spectrum:

The Authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum and the provisions of the relevant Notice Inviting Application (NIA) document for the auction of spectrum, if spectrum is obtained through auction, shall also be applicable on the Authorised Entity along with the Service Authorisation.

5. Financial conditions:

M2M Service Authorisation NSO

(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.

(2) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.

- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR
 - (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

*Subject to conditions given in **Annexure-1.3.4**

(3) 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) PSTN/PLMN/GMPCS related call charges (Access charges) paid to other eligible/ entitled telecom service providers within India
- (b) Roaming revenues actually passed on to other eligible/ entitled telecommunication service providers

M2M Service Authorisation VNO

(4) 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.

(5) Applicable Gross Revenue:

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

- (a) Revenue from operations other than telecom activities/ operations.
- (b) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.
- (c) Receipts from the Digital Bharat Nidhi.
- (d) List of other income* to be excluded from GR to arrive at ApGR

- (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

*Subject to conditions given in **Annexure-1.3.4**

(6) 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, bandwidth charges, minutes and SMS. However, these charges should be governed by a written agreement, a copy of which must be provided along with proof of actual payment for the deduction to be allowed.

6. Technical conditions:

- (1) In case the Authorised Entity provides M2M Service using wireless media, the Authorised Entity shall adhere to the directions/ instructions as may be issued by the Central Government from time to time in this regard.
- (2) For carrying its traffic, the Authorised Entity may establish its own transmission links within its service area. The Authorised Entity may also establish 'last mile' linkages within the service area either on fibre optic cable or underground copper cable or radio communication. For radio communication links, the procedure of spectrum assignment as prescribed under Section 4 of the Telecommunications Act, 2023 shall be applicable.
- (3) The Authorised Entity may establish direct interconnectivity with the network of other authorised entities having authorisation of M2M WAN Service.
- (4) The back-end traffic generated through LPWAN networks will be transported to the cloud or servers. For this purpose, the Authorised Entity may obtain bandwidth from any other entity authorised to provide such connectivity.
- (5) The Authorised Entity, whose SM-SR controls M2M eSIMs in India, shall not refuse integration of its SM-SR with the SM-DP of eligible authorised entities,

whose profiles are to be added in such M2M eSIMs, upon the request of the concerned M2M Service and WLAN/ WPAN Connectivity Service Provider.

- (6) The Authorised Entity, whose SM-SR controls M2M eSIMs in India, should mandatorily facilitate switching of its SM-SR with the SM-SR of another entity, eligible to hold SM-SR in India, upon the request of the concerned Authorised Entity providing M2M Service. Such SM-SR switching should be carried out as per the GSMA's specifications and should be completed within a period of six months from the date of receipt of the formal request from the concerned Authorised Entity providing M2M Service.

7. Operating conditions:

- (1) The Authorised Entity can acquire users for delivery of services offered in its network using technology deployed by the Authorised entity. While roaming on other authorised entity's network, the services availed by the user shall be limited to only those services which have been subscribed in its home network.
- (2) Authorised Entity shall ensure the Quality of Service (QoS) as may be prescribed by the Central Government/ TRAI.
- (3) Authorised Entity shall adhere to Know Your User (KYU) and related guidelines issued by the Central Government from time to time for the provision of service to the users including for SIM enabled M2M devices.
- (4) The details of all the users of M2M service i.e., physical custodians of devices having M2M subscription shall be maintained by the Authorised Entity. The following updated information in respect of each M2M end device shall be made available to the Central Government by the Authorised Entity:
 - (a) Details of M2M end device such as IMEI, ESN, etc.
 - (b) Make, Model, Registration number etc. of the M2M devices such as cars, utility meters, point of sale (POS) machine etc.
 - (c) Physical custodian's name and address
- (5) For all devices sold in India which have active subscriptions inside the device, the packaging/ instructions/ supporting leaflet shall include instruction that "This device is having M2M subscription inside".
- (6) Requirement to furnish information: The Authorised Entity shall provide the Central Government a quarterly report indicating the details of M2M nodes or points of presence with their locations and number of M2M users.

8. Security conditions:

- (1) The Authorised Entity shall maintain log-in/ log-out details including internet protocol data records (IPDRs) of all users for services provided. These details shall be maintained for a minimum period of two years.

- (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 Central Government/ Security Agencies.
 - (3) The designated person of the Central/ State Government as conveyed to the Central Government from time to time in addition to the Central Government or its nominee shall have the right to monitor the telecommunication traffic in every M2M point in the network set up by the Authorised Entity. The Authorised Entity should make arrangements for monitoring by Government security agencies.
 - (4) The Authorised Entity shall intimate the Central Government, if there are any changes in location of their IT setup/ core network at a later point of time, the same shall be intimated to the Central Government within 15 days of shifting the operation to the new location.
- 9.** The M2M WAN Service VNO Authorised Entity shall follow the terms and conditions of the Authorisation along with the specific conditions as given below:
- (1) The VNO Authorised Entity may provide M2M WAN services by using the network infrastructure of its parent NSO(s) as per the mutual agreement.
 - (2) For providing M2M WAN services, the VNO Authorised Entity may also deploy telecommunication network parented to the network(s) of its parent NSO(s).
 - (3) Spectrum will not be assigned to the VNO Authorised Entity.
 - (4) The VNO Authorised Entity shall be permitted to parent to only one NSO in case of the provision of M2M WAN service through wireless medium using assigned spectrum.
 - (5) Interconnection with other authorised entities will be provided by the NSO(s) and not by the VNO Authorised Entity. The VNO Authorised Entity will connect only to its parent NSO(s).
 - (6) No numbering resource will be assigned to the VNO Authorised Entity. It may utilize the numbering resources allotted to its parent NSO as per the mutual agreement.
 - (7) The VNO Authorised Entity may obtain IP Addresses, domain names from the Internet registry.

APPENDIX-II to ANNEXURE-1.3.1

Format of Statement of Revenue

_____ (Name and address of the
Authorised Entity)

M2M WAN Service Authorisation

in _____ (Service Area)

**Statement of Revenue for the Quarterof the financial
year.....**

(AMOUNT IN RUPEES)

	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from services	
A	Revenue from M2M users:	
i.	Rentals	
ii.	Activation Charges	
iii.	Roaming charges	
iv.	Service charges	
v.	Charges on account of any other value-added services, supplementary services etc.	
vi.	Any other income / miscellaneous receipt from M2M users.	
B	Revenue from any other value-added service	
2	Income from trading activity	
i.	Sale of M2M devices	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
3	Revenue from roaming.	
i.	Roaming facility revenue from own users.	
ii.	Roaming revenue from own user visiting other networks.	
iii.	Roaming Commission earned.	
iv.	Roaming revenue on account of visiting users from other networks	
v.	Any other income/ miscellaneous receipt from roaming.	

4	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
5	Non-refundable deposits from users	
6	Revenue from franchisees /resellers including all commissions and discounts etc.	
7	Revenue from sharing/ leasing of infrastructure	
8	Revenue from other Operators on account of pass-through call charges	
9	Revenue from other Operators on account of provisioning of interconnection	
10	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
11	Miscellaneous revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY: (Add 1-11)	
BB	LESS	
1.	Revenue from operations other than telecom activities/ operations	
2.	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	

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	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT	
1	PSTN/PLMN/GMPCS related call charges (Access charges) paid to other eligible/ entitled telecom service providers within India	
2	Roaming revenues actually paid to other eligible/ entitled telecom service providers.	
DD	TOTAL DEDUCTIBLE REVENUE (1+2)	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
(a)	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

Format of Statement of Revenue __ (Name and address of the Authorised Entity)

**VNO-M2M W A N Service Authorisation in_ (Service Area)
Statement of Revenue for the Quarterof the financial
year.....**

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from services	
A	Revenue from Wireline services	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt	
B	Revenue from Wireless services (Only Access Wireless)	
i.	Rentals	
ii.	Activation Charges	
iii.	Service charges	
iv.	Charges on account of any other value-added services, supplementary services etc.	
v.	Any other income/ miscellaneous receipt	
C	Revenue from Satellite services	
a	Revenue from VSAT-based FSS services	
i.	Revenue from provisioning of VSAT-based FSS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	

b	Revenue from GMPCS services	
i.	Revenue from provisioning of GMPCS service	
ii.	Revenue from value-added services, supplementary services etc.	
iii.	Any other income/ miscellaneous receipt	
2	Income from trading activity	
i.	Sale of Terminal Equipments	
ii.	Sale of accessories etc.	
iii.	Any other income/ miscellaneous receipt from trading activity.	
3	Income from Investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investment	
4	Non-refundable deposits from users	
5	Revenue from franchisees /resellers including all commissions and discounts etc.	
6	Revenue from sharing/ leasing of infrastructure	
7	Revenue from NSO to Authorised Entity	
8	Revenue from Operations/ Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	
9	Miscellaneous Revenue	
AA	GROSS REVENUE OF THE AUTHORISED ENTITY:(Add 1-9)	
BB	LESS	
1.	Revenue from operations other than telecom activities/	

	operations	
2	Revenue from activities under a license from Ministry of Information and Broadcasting	
3.	Receipt from Digital Bharat Nidhi	
4.	Items of 'Other Income' as listed in Annexure-1.3.4	
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	
vi.	Bad Debts recovered	
viii.	Excess Provisions written back	
BB	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT:	
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 SMS.	
DD	TOTAL DEDUCTIBLE REVENUE	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

Annexure-I**Telecom Circles/Metros Service area and the areas covered by them for the purpose of Authorisation**

Sl. No.	Name of Service Area	Areas covered
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 and Telangana state.
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 th 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 Union Territory of Jammu & Kashmir and Union Territory 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 Chhattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated 25 th 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.	Odisha Service Area	Entire area falling within the State of Odisha.
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 puducherry.
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 th 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 Puducherry 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 cellular operators at the time of grant of cellular Licenses in Metro cities.
3. The definition of local areas with regard to the above service area is as per the definition applicable to Cellular Mobile Service Licenses as in the year 1994 & 1995, when those Licenses were granted to them. This is in accordance with respective Gazette Notification for such local areas wherever issued and as per the statutory definition under Rule 2 (w) Indian Telegraph Rules 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued.

Definitions:

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)** mean telecommunication service provided to users 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 user shall have identity indicated by a number or any other address approved by the Central Government. The user 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 users of the service.
- (3) **ACCESS SPECTRUM** means the Radio Frequency Spectrum allotted for use to carry voice or non-voice messages from user terminal to the Base Station/designated point of aggregation.
- (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.
- (5) **AUDITOR** means the Authorised Entity'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) **CALLING LINE IDENTIFICATION (CLI)** means identity of the calling/originating user 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 Central Government from time to time.

- (9) 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.
- (10) 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.
- (11) CLOSED USER GROUP (CUG):
A Closed User Group is Permissible for following categories of business association: -
 - (a) Producer of goods and his trader/agent;
 - (b) Provider of service and his trader/agent;
 - (c) Producer of same category of goods (e.g. manufactures of petroleum products); and
 - (d) Provider of the same category of service (e.g. bank).
 - (e) 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.
- (12) CONNECTABLE SYSTEM means a telecommunication system which is authorised to be run under an Authorisation to provide public telecommunications service and is authorised to be connected to the Applicable system.
- (13) DESIGNATED AUTHORITY means the entity who is authorised or empowered by the Central Government to issue instructions and to seek adherence to them.
- (14) DISPUTES SETTLEMENT: As per provisions of Telecom Regulatory Authority of India Act, 1997, the dispute between Authorised Entity and the Central Government 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.

- (15) DOMAIN NAME means address of a computer, organization, or entity on a TCP/IP network such as Internet.
- (16) EFFECTIVE DATE OF Authorisation means the date which is specified in the Authorisation.
- (17) EFFECTIVE DATE OF SPECTRUM means the date which is so specified in the terms and conditions of the auction/assignment of spectrum.
- (18) 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.
- (19) EMERGENCY SERVICES means the relevant public, police, fire, ambulance, coast guard or any other services so declared by the Central Government.
- (20) ENGINEERING: The technical application of the dimensioning rules and results thereof in order to provide network resources to meet specified Grade of Service (GOS).
- (21) ENTRY FEE: The prescribed non-refundable amount of fee to be paid before granting of Authorisation to provide authorised Services in a Service Area.
- (22) FUNDAMENTAL PLAN includes Numbering Plan issued by the Central Government as amended from time to time.
- (23) GATEWAY MOBILE SWITCHING CENTRE means a Mobile Switching Centre with an additional functionality that allow the mobile network to interface with another network.
- (24) Global Mobile Personal Communications by Satellite (GMPCS) system means "any satellite system (i.e. fixed or mobile, broad-band or narrow-band, global or regional, geo-stationary or non geo-stationary, existing or planned) providing telecommunication services directly to end users from a single or constellation of satellites".
- (25) HOME NETWORK means the network established by the Authorised Entity from which its user normally receives the service.
- (26) ICC means INSAT Coordination Committee.
- (27) 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”.
- (28) INFRASTRUCTURE PROVIDER(S) mean a company registered with Central Government 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 Authorised Entities who provide end-to-end bandwidth to telecom service providers.
 - (29) 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.
 - (30) INSTALLED CAPACITY means the total number of lines for which switching equipment is available in the exchange for connection of users.
 - (31) INTERCONNECTION is as defined by the TRAI in its relevant regulations.
 - (32) 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.
 - (33) INTERNATIONAL LONG DISTANCE SERVICE means provision of international bandwidth/switched bearer interconnection over the International Long Distance Network of the Authorised Entity.
 - (34) 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.
 - (35) INTERNET LEASED LINE (ILL) means any dedicated link (on wired or wireless media) from a port on Internet node to user premises having un-contended and symmetrical full duplex capacity.
 - (36) INTER – CIRCLE TRAFFIC means the Long Distance traffic originating in one Telecom Circle/Metro Area and terminating in another Telecom Circle/Metro Area.
 - (37) INTRA- CIRCLE TRAFFIC means the traffic originating and terminating within boundaries of the same Telecom Circle/Metro Area.
 - (38) 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 user via Television, PDA, Cellular, and Mobile TV terminal with STB module or similar device.

- (39) 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;
- (40) Internet of Things (IoT): IoT refers to the inter-connection of many devices and objects utilizing 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.
- (41) IP ADDRESSES: Operation of Internet services require 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 equipment's/ devices etc.
- (42) INTERNET TELEPHONY means transfer of message(s) including voice signal(s) through public internet.
- (43) 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.
- (44) Authorisation: Authorisation means a permission granted or having effect as if granted under section 3(1)(a) of the Telecommunications Act, 2023.
- (45) AUTHORISATION FEE means a fee payable by Authorised Entity at prescribed intervals and rates for the period of the Authorisation.
- (46) Authorised Service Area (ASA) Field Units: Field offices of Central Government.
- (47) Authorised Entity: A registered Indian Company that has been awarded Authorisation to provide service(s) authorised under the Authorisation, within the geographical boundaries of the specified Service Area.
- (48) LOCAL CALLS mean calls originating and terminating within the same local area, which are charged at local call rates. Remote User' Unit (RUU)/ 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.
- (49) LONG DISTANCE NETWORK is a network of transmission and switching elements connected in a predetermined fashion to provide bandwidth

- /switched bearer interconnection between different SDCAs/SDCCs. Physically the network elements may be co-located or be a part of bigger elements.
- (50) LONG DISTANCE CALL is defined as a call terminating in a local area other than that in which it is originated.
 - (51) 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.
 - (52) 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.
 - (53) 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.
 - (54) MOBILE NUMBER PORTABILITY (MNP) means the facility which allows users to retain their existing telephone number when they switch from one access service provider to another access service provider.
 - (55) 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, are interchangeable.
 - (56) 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.
 - (57) 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 authorise 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 user database information, transfers control of the call to another network element, and interfaces to and support management functions such as provisioning, fault, billing, etc.

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.

- (58) "Machine to Machine (M2M) Communication" refers to communication between two or more entities (object/devices/things) based on existing & evolving communication technologies that do not necessarily need any direct human intervention.
- (59) "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.
- (60) 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.
- (61) 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 Authorised Entity between SDCAs/SDCCs of two Telecom Circles/Metro Areas.
- (62) 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.
- (63) 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 broadbands, 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.

- (64) SATCOM Monitoring Centre (SMC) Division was created under Central Government for operational control and monitoring of satellite communication services in accordance with decision of INSAT Coordination Committee (ICC).
- (65) OTHER SERVICE PROVIDER (OSP) means Indian company registered with Central Government 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 Authorised Entity.
- (66) OR/QR (Operational /Quality requirement) Specifications means technical and quality requirements contained in the OR/QR Specifications of Telecom Engineering Centre, Central Government unless otherwise specified.
- (67) POINT OF INTERCONNECTION (POI) means authorised interconnection point for ingress and egress of traffic among the interconnecting applicable systems of service providers in accordance with TRAI regulations/orders.
- (68) 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.
- (69) "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.
- (70) Public Land Mobile Network (PLMN) means a specified switched public land based telephone network providing mobile telecom services.
- (71) 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.
- (72) PUBLIC UTILITY SERVICE means a service, as declared by the Central Government from time to time, for use of general public by access through telecommunication links.
- (73) 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 user served, the mean time to restore (MTTR), faults carried over beyond the MTTR and the satisfactory disposal thereof.

- (74) RADIO TRANSMITTER means the Radio Transmitter and Receiver at base stations.
- (75) ROAMING means the facility to a user 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.
- (76) SATCOM means Satellite Telecommunication.
- (77) SECONDARY SWITCHING AREA means an area covered by a group of Short Distance Charging Areas (SDCAs).
- (78) SERVICE means collection, carriage, transmission and delivery of messages over Authorised Entity's network in Service Area as per authorisation under this Authorisation.
- (79) SERVICE AREA means the specified geographical area for which service authorisation has been granted under this authorisation. The Service Area for Category-A Authorisation shall be the National Area. The Service Area for Category-B Authorisation shall be the Telecom Circle/ Metro area as listed in **Annexure-I** of these rules. The Service Area for Category-C authorisation shall be the Sub-circle. The Sub-circle shall mean up to four districts within a Telecom Circle/ Metro Area. The Authorised Entity shall be permitted to choose any four districts in the Telecom Circle/ Metro Area.
- (80) SERVICE PROVIDERS means Telecom service provider authorised under Section 3(1) of the Telecommunications Act, 2023 for provision of service
- (81) 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.
- (82) 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.
- (83) SIGNALING GATEWAY (SG): The SG provides the authorise interface between the VoIP network and the PSTN authorised 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 authorization for calls.
- (84) 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.

- (85) 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.
- (86) User means any person or legal entity, which uses / avails of the service from the Authorised Entity.
- (87) User Terminal (UT) (Fixed and Mobile Terminal or Hand Set or Mobile Station) means the equipment used by the users to avail the service provided by the Authorised Entity.
- (88) 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.
- (89) TDSAT means Telecom Disputes Settlement and Appellate Tribunal.
- (90) TEC means Telecom Engineering Centre, Central Government.
- (91) 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.
- (92) TRAI means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.
- (93) 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.
- (94) Universal Service Obligation Fund (USOF) means the fund established under Sub-section (1) of Section 9A of the Indian Telegraph Act, 1885.
- (95) 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.
- (96) VSAT means Very Small Aperture Terminal.
- (97) WPC means Wireless Planning and Co-ordination Wing of the Ministry of Communications, Central Government.
- (98) YEAR for the purpose of the Authorisation Fee shall be the financial year ending 31st March and the four quarters shall respectively end on 30th June, 30th September, 31st December and 31st March.
- (99) Captive Non-Public Network (CNPN) means a terrestrial wireless telecommunication network established for captive use within a specified

geographical area. Such networks cannot be used for providing commercial telecommunication services

- (100) Cable Landing Station (CLS) - CLS is an station where the international or domestic submarine cable gets terminated and houses Submarine Line Terminating Equipment (SLTE) and Power Feeding Equipment (PFE).
- (101) Cable Landing Station – Point of Presence (CLS-PoP) - Fibre pairs of submarine cables having multiple fibre pairs may get extended from the main CLS to other point of presence (POP) location(s) for termination. Such points of presence are termed as CLS-PoP.
- (102) Calling Line Identification (CLI) means identity of the calling/originating user in terms of the telephone number assigned as per E.164 of ITU Recommendation/ IP Address and the Calling name (CNAM) or any other identification as may be prescribed by the Central Government from time to time.
- (103) 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”.
- (104) Inter-Circle Traffic means the Long Distance traffic originating in one Telecom Circle/Metro Area and terminating in another Telecom Circle/Metro Area.
- (105) 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.
- (106) International Long Distance Service means provision of international bandwidth/switched bearer interconnection over the International Long Distance Network of the Authorised Entity. Scope of Service provided under the Long Distance Service Authorisation shall be governed by the terms and conditions as provided in the Rules.
- (107) 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.
- (108) Intra-Circle Traffic means the traffic originating and terminating within boundaries of the same Telecom Circle/Metro Area.

- (109) 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.
- (110) Long Distance Network is a network of transmission and switching elements connected in a predetermined fashion to provide bandwidth /switched bearer interconnection between different SDCAs/SDCCs. Physically the network elements may be co-located or be a part of bigger elements.
- (111) 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.
- (112) 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 authorise 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 user database information, transfers control of the call to another network element, and interfaces to and support management functions such as provisioning, fault, billing, etc.
- (113) 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.
- (114) 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 Authorised Entity between SDCAs/SDCCs of two Telecom Circles/Metro Areas. Scope of Service provided under the NLD Service Authorisation shall be governed by the terms and conditions as provided in Chapter X.
- (115) 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.

- (116) 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.
- (117) 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.
- (118) 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.
- (119) "Machine to Machine (M2M) Communication" refers to communication between two or more entities (object/devices/things) based on existing & evolving communication technologies that do not necessarily need any direct human intervention.
- (120) M2M Service: M2M Service refers to 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.
- (121) "M2M Service Provider" is an entity that collects and analyses data from M2M devices and platforms. However, any entity which intends to provide M2Mservices for its own use (captive use) and not for commercial purposes, shall not be covered under this definition.
- (122) "Subscription Manager-Secure Routing (SM-SR)" obtains the platform management credentials of the eUICC from the EUM (in case of initial registration) or establishes them through the previous SM-SR (in case of SM-SR swap). It loads, enables, disables, and deletes profiles on the eUICC in accordance with the operator's policy rules. It maintains a secure connection between SM-DP and eUICC for the delivery of profiles. It holds a database of

all the eUICCs under its control and the key sets used to manage them. eUICCs should always be registered to only one SM-SR at a particular instant. It can be changed during the lifetime of the eUICC via SM-SR swap. The SM-SR shall be GSMA SAS-SM certified.

- (123) "WPAN": A Personal Area Network (PAN) is a network used for data transmission among personal devices such as computers, phones, personal digital assistants, wearables, etc. Wireless PAN or WPANs can be used for communication among the personal devices (intra-personal communication), or for connecting to a higher-level network and the Internet (an uplink). Technologies used in PAN are Bluetooth, Z-Wave, ZigBee, RFID etc.
- (124) "WLAN" means a wireless network whereby a user can connect to a local area network (LAN) through a wireless (radio) connection, as an alternative to a wired local area network. An example of a Wireless LAN is Wi-Fi.

Annexure 2.4.1: Terms and Conditions for Public Mobile Radio Trunking Service Authorisation

1. Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in these rules.

2. Renewal of Authorisation:

- (1) The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the period of validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.
- (2) No Entry Fee shall be levied at the time of renewal of the Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.

3. Service area:

The Service Area of the Authorisation shall be the Telecom Circle/ Metro area. The Authorisations, granted for more than one Service Area (Telecom Circle/ Metro Area), shall be administered at each Service Area level.

4. Scope of service:

- (1) The Authorised Entity is permitted to provide Public Mobile Radio Trunking Service (PMRTS) on a non-exclusive basis in the designated Service Area. The PMRTS refers to:
 - (a) 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;
 - (b) The pair of frequencies is allocated on placement of call request and returned to the pool on completion of call; and
 - (c) The communication usually takes place through a 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.
- (2) The authorisation shall be granted on a non-exclusive basis and additional authorisations may be issued in the Service Area from time to time in future without any restriction on the number of authorised entities with same or different entry conditions. The authorised entity shall not provide any

service which require a separate authorisation, unless specifically provided for in the service authorisation granted by the Central Government.

5. Assignment and use of spectrum:

The Authorisation does not confer any right to assignment and use of spectrum, for which a separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable on the Authorised Entity along with the Authorisation.

6. General Conditions:

(1) **Foreign Direct Investment (FDI) Norms:** The Foreign Direct Investment (FDI) is permitted up to 100% of equity under Automatic route subject to the observance of terms and conditions of the Authorisation, as notified by the Central Government from time to time, by Authorised Entity as well as investors.

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

- (a) 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.
- (b) 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. (a) above, such a subsequent change in beneficial ownership will also require Government approval.
- (c) Both direct and indirect foreign investment in the Authorised Entity shall be counted for the purpose of calculating total FDI.
- (d) The Authorised Entity/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government of India. While approving the investment proposals, the Government may take into account security concerns.
- (e) FDI shall be subject to laws of India and not the laws of the foreign country/ countries. The Authorised Entity shall comply with the relevant provisions of FDI policy of the Government of India and such modifications to the policy as may be issued from time to time.
- (f) The words mentioned hereinabove such as FDI, foreign equity, investment companies, Automatic route, Government route, etc., shall

have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.

(2) **Modifications in the Terms and Conditions of Authorisation:**

- (a) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, or incorporate new conditions, if in the opinion of the Central Government, it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the Telecommunication.
- (b) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.

(3) **Restriction on Transfer of Authorisation:**

The Authorised Entity shall not, without the prior written consent of the Central Government, 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. Mergers, demergers or acquisitions, or other forms of restructuring, as well as transfer of Authorisation shall be subject to the Rules notified under section 3(5) of the Telecommunications Act, 2023.

(4) **Provision of Service:**

- (a) The Authorised Entity shall be responsible for, and is authorised to install, test and commission all the Applicable systems for providing the Service authorised under the Authorisation.
- (b) The Authorised Entity shall make its arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary infrastructure, equipment and systems, treatment of user complaints, issue of bills to its users, collection of revenue, attending to claims and damages arising out of its operations etc. However, the Authorised Entity may share the infrastructure as permitted under the operating conditions.
- (c) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

- (i) All security related compliances shall be the responsibility of the Authorised Entity.
 - (ii) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (iii) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (iv) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (d) The Authorised Entity shall ensure that-
- (i) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (ii) The associated data/ information is stored in India.
- (e) The Authorised Entity shall intimate to the Central Government well in advance before the proposed date of commencement of PMRTS in any Service Area containing the details of its network.
- (f) The Authorised Entity shall establish the system within a time period as specified in the terms and conditions of the assignment of spectrum. Commissioning of service shall mean establishing the system for PMRT service and due intimation to the Central Government.
- (g) The Authorised Entity shall intimate to the Central Government and TRAI of the commencement of telecommunication service within 15 days of such commencement.
- (h) Any dispute, with regard to the provision of Service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this to all before providing the Service. And in no case, the central Government shall bear any liability or responsibility in the

matter. The Authorised Entity shall keep the Central Government indemnified for all claims, cost, charges or damages in the matter.

(5) Requirement to furnish Information:

The Authorised Entity shall furnish to the Central Government / 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.

(6) Penalty, Suspension, Surrender, Termination/ Revocation of Authorisation:

- (a) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (b) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under the Telecommunications Act, 2023.
- (c) The Central Government may, after due consideration of the recommendations of the Adjudicating Officer, suspend, curtail or revoke the Authorisation, which may be reversed if the substantial violation is remedied to the satisfaction of the Central Government.
- (d) For this purpose, the Central Government will issue a show cause notice of 21 days to the Authorised Entity. If the Central Government decides to revoke the Authorisation, the same will be effective from the 61st calendar days from the date of issue of such termination/ revocation order. The Authorised Entity shall be required to give a notice of at least 30 Calendar days to its users within this period of revocation order.
- (e) The Authorised Entity aggrieved by an order of the Designated Appeals Committee under section 36 of the Telecommunications Act, 2023, in so far as it pertains to matters under sub-section (1) of section 32 of the Telecommunications Act, 2023, or an order of the Central Government under sub-section (2) of section 32 of the Telecommunications Act, 2023, may prefer an appeal to the Telecom Disputes Settlement and Appellate Tribunal constituted under section 14 of the Telecom Regulatory Authority of India Act, 1997, within a period of thirty days from the date on which a copy of the order is received by the Authorised Entity.

- (f) The Authorised Entity may surrender the Authorisation, by giving a notice of at least 60 Calendar days in advance. In such a case, it shall also notify all its users by sending a 30 Calendar days' notice to each user. The Authorised Entity shall pay all fees payable by it till the date on which the surrender of the Authorisation becomes effective. The effective date of the surrender shall be 61st Calendar days counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.
- (g) The balance amount including security deposit, if any, paid by the user available with the Authorised Entity shall be refunded to the user within a period of 30 days.
- (h) It shall be the responsibility of the Authorised Entity 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 a material breach liable for action under Rules on Adjudication and Appeal made under section 32 of the Telecommunications Act, 2023.
- (i) The Authorised Entity 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.
- (j) The Central Government reserves the right to suspend the operation of the Authorisation in whole or in part, at any time, if, in the opinion of the Central Government, 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 Telecommunication. Authorisation Fee payable to the Central Government will not be required to be paid for the period for which the operation of the authorisation remains suspended in whole. Provided that if situation so warrants, the Central Government may dispense with the issue of notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard.
- (k) Provided further that the Central Government 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.
- (l) The Central Government reserves the right to terminate/ revoke/ suspend the 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 Central Government has the right to revoke/ suspend the Authorisation, in whole or in part, without any notice period.

- (m) Under Section 21 of the Telecommunications Act, 2023, the Central Government may issue notification for taking such measures as are necessary to take over the services, equipment and networks of the authorised entity in the interest of national security or in the event of national emergency/war or low intensity conflict or similar type of situations or any other eventuality in public interest as declared by the Central Government in full or in part in the Service area. Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the Authorised Entity without loss of time and shall be strictly complied with. Further, the Central Government reserves the right to keep any area out of the operation zone of the Service if implications of security so require:

Provided that any taking over of the Authorisation, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of the authorisation period or expansion of area in different corner or reduction of duly payable fee.

- (n) In case of suspension or termination/ revocation of the Authorisation, the Central Government may also impose a financial penalty not exceeding the amount as provided in Second Schedule of the Telecommunications Act, 2023 per service area for violation of terms and conditions of the Authorisation.
- (o) The Authorised Entity shall not be entitled to the refund of any fees or charges paid in respect of or under an authorisation granted under the Telecommunications Act, 2023, if such authorisation is suspended, curtailed, revoked or varied.

(7) Actions pursuant to Revocation of Authorisation

- (a) In case the Central Government decides to revoke the Authorisation, the Central Government shall proceed in accordance with the terms and conditions provided in the rules for security interest notified under Telecommunications Act, 2023 provided by the Central Government. In cases where no such security interest is provided by the Central Government, the action will be taken as per the Condition given below.
- (b) On revocation or surrender or cancellation of the Authorisation due to reasons whatsoever or expiry of the Authorisation, the relevant Bank Guarantee(s) shall be released to the Authorised Entity only after

ensuring clearance of all dues, which the Authorised Entity is liable to pay to the Central Government. In case of failure of the Authorised Entity to pay the amounts due to the Central Government, 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 Central Government without any further communication to the Authorised Entity.

(8) Compliance Reporting Requirement:

- (a) The Authorised Entity shall submit a compliance report regarding compliance of FDI norms on 1st day of January of every year to the Central Government in proforma as may be prescribed from time to time. This is to be certified by Company Secretary or Statutory Auditor, countersigned by duly authorised Director of the Authorised Entity. When there is a change in FDI in the Authorised Entity, the Authorised Entity shall also submit the FDI compliance report within 15 days.
- (b) The Authorised Entity shall also ensure that any change in shareholding shall be subject to all applicable statutory permissions under Laws of India.
- (c) Change in the name of Authorised Entity, as per the provisions of the Indian Companies Act, 2013 shall have to be intimated to the Central Government in writing along with certified copy of the name change certificate within 30 days from the date of issue of such certificate by Registrar of Companies.

(9) Force- Majeure:

- (a) If at any time, during the continuance of the Authorisation, the performance in whole or in part, by the Authorised Entity, of any obligation under the Authorisation 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 Authorised Entity), 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 Authorised Entity to the Central Government, within 21 Calendar days from the date of occurrence thereof, the Central Government shall, by reason of such event, neither revoke the Authorisation, nor claim any damages against the Authorised Entity, in respect of such non-performance or delay in performance:
Provided that 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 Central Government 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.

- (b) However, the Force Majeure events noted above shall not in any way cause extension in the period of the Authorisation.
- (c) While it shall 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 Central Government, at its discretion based on circumstances of the EVENT.
- (d) The Authorised Entity shall not be entitled to claim any damages against the Central Government for non-performance or delay in performance of the Central Government's obligations by reason of the EVENT.

(10) SET OFF:

- (a) In the event any sum of money or claim becomes recoverable from or payable by Authorised Entity to the Central Government either against the Authorisation 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 Authorised Entity under the Authorisation.
- (b) The aforesaid sum of money payable to the Authorised Entity shall include any Security/ Bank Guarantee which can be converted into money.
- (c) After exercising the right of set off, the Central Government shall inform the Authorised Entity of the action taken.

(11) Way Leave:

The Authorised Entity shall make its own arrangements for Right of Way (RoW) as per the rules notified under Chapter III of the Telecommunications Act, 2023.

(12) Other Conditions:

- (a) The Authorised Entity shall be bound by these rules, the terms and conditions contained in the Authorisation document, instructions, as issued by the Central Government, and the orders/ directions/ regulations of TRAI as per the provisions of the TRAI Act, 1997, as amended from time to time.
- (b) The statutory provisions and the rules made under the Telecommunications Act, 2023 or TRAI Act, 1997 or Information Technology Act, 2000, and any other relevant Act shall govern the provisions of service under the Authorisation. Any other rule/ order/ regulation/ direction passed under these statutes shall be binding on the Authorised Entity.

7. **Commercial conditions:** The Authorised Entity will charge the tariffs for the Service as per the Tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.
8. **Financial conditions:**
- (1) **FEES PAYABLE:**
- (a) **Entry Fee:**
The Authorised Entity shall pay a one-time entry fee of Rs. 20,000/- (Rupees Twenty thousand) for each Telecom circle/ Metro Area.
- (b) **Authorisation Fees:**
- (i) In addition to the Entry Fee, an annual Authorisation fee as a percentage of Adjusted Gross Revenue (AGR) shall be paid by the Authorised Entity for PMRTS system. The authorisation fee shall be 8% of the 'Adjusted Gross Revenue' (AGR), inclusive of the money attributable to Digital Bharat Nidhi which is presently 5% of AGR.
Provided that from the Second Year of the effective date of respective authorisation, the Authorisation fee shall be subject to a minimum of 10% of the Entry Fee of the respective service area. In case of renewal, the authorisation fee shall be subject to a minimum of 10% of the Entry Fee initially paid.
- (ii) The Central Government reserves the right to modify the above-mentioned Authorisation fee as percentage of AGR at any time during the currency of the Authorisation.
- (c) **Radio Spectrum Charges:**
In case the Authorised Entity obtains spectrum, the Authorised Entity shall pay fees and Royalty for the use of Radio frequencies as per the details prescribed by the Central Government from time to time.
- (2) **Definition of Gross Revenue, Applicable Gross Revenue (ApGR) and Adjusted Gross Revenue (AGR):**
- (a) **Gross Revenue:**
The Gross revenue shall include all revenues accruing to the Authorised Entity 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, access or interconnection charges, etc. and any other miscellaneous item including interest, dividend etc. without any set-off of related item of expense etc.

(b) **Applicable Gross Revenue (ApGR):**

ApGR shall be equal to Gross Revenue (GR) of the Authorised Entity 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 Digital Bharat Nidhi.
- (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 security
 - d. Gains from Foreign Exchange rates fluctuations
 - e. Income from property rent
 - f. Insurance claims
 - g. Bad Debts recovered
 - h. h. Excess Provisions written back

*Subject to conditions given in Annexure-D.

(c) **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):

Charges of pass-through nature paid to other telecom service provider(s) to whose network the Authorised Entity's network is interconnected.

- (d) The definitions of Gross Revenue, Applicable Gross Revenue and Adjusted Gross Revenue may be read along with the instructions/ orders/ clarifications issued by the Central Government from time to time .
- (e) Any further instructions/orders/clarifications on the definitions of Gross Revenue, Applicable Gross Revenue and Adjusted Gross Revenue may be issued by DOT after obtaining the recommendations of TRAI.

(3) **Schedule of payment of Authorisation fee:**

- (a) The Authorisation Fee shall be payable in four quarterly installments during each financial year commencing 1st of April.

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

[Explanation:

- (i) For authorisation with effective date on 13th July, the quarter will end on 30th September.
 - (ii) In such case the minimum authorisation fee would become applicable w.e.f. 13th of July next year and the quarter shall end on the following 30th September.]
- (c) The minimum authorisation fee, as per conditions 8(1)(b)(i) for the above part-periods, shall be charged on pro-rata basis, based on actual number of days in the part period of the Quarter.
- (d) Authorisation Fee shall be payable in four quarterly installments during each financial year (FY). Quarterly installment of authorisation fee for the first three quarters of a financial year shall be paid within 15 days of the completion of the relevant quarter. The AGR based Authorisation Fee shall be paid by the Authorised Entity on the basis of revenue on accrual basis for the quarter, self-certified by a representative of the Authorised Entity. However, for the last quarter of the financial year, the Authorised Entity shall pay the Authorisation Fee by 25th March on the basis of expected revenue for the quarter, subject to a minimum payment equal to the revenue share payable for the previous quarter.
- (e) The Authorised Entity shall adjust and pay the difference between the advance payment made and actual amount duly payable for the last quarter of financial year within 15 days of the end of the quarter.
- (f) The quarterly payment shall be made with a Self-Certificate as at Annexure-A given below, together with a Statement of Revenue separately for each service area in the Proforma prescribed at Appendix-II to Annexure-A of PMRTS service authorisation. The Self-Certificate shall be e-verified by the authorised representative of the company through e-sign/ digitally signed. The aforesaid quarterly STATEMENTS of each year shall be required to be audited by the Auditors (hereinafter called Authorised Entity's Auditors) appointed by the Authorised Entity under Section 224 of the Companies' Act, 2013. The report of the Auditor should be in the prescribed form as per Appendix-I to Annexure-A given below.
- (g) Any delay in payment of Authorisation Fee or any other dues payable

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

- (h) Final adjustment of the Authorisation fee for the year shall be made on or before 30th June of the following year, based on the gross revenue figures or the minimum Authorisation Fee, which shall be submitted by the Authorised Entity, duly certified by the AUDITORS of the Authorised Entity in accordance with the provision of the Companies' Act, 2013.
- (i) A reconciliation between the figures appearing in the quarterly statements submitted in terms of the Condition 8(3)(d) above with those appearing in annual accounts shall be submitted along with a copy of the published annual accounts and audit report within 7 (seven) Calendar days of the date of signing of the audit report. The annual financial account and the statement as prescribed above shall be prepared following the norms as prescribed in **Annexure-B** given below. The statements and accounts submitted shall be assessed and verified by the Central Government and through its units namely Offices of Controller of Communication Accounts in respective service areas, as may be notified from time to time.
- (j) All the charges relating to spectrum shall be payable at such time(s) and in such manner as prescribed from time to time by the Central Government.
- (k) All sums becoming due and payable as mentioned in this Authorisation shall be paid by the Authorised Entity, service and service area wise, through e-transfers or through demand draft or Pay Order payable at New Delhi drawn on any Scheduled Bank, in favour of the Pay & Accounts Officer (HQ), DOT or at the designated office of the Controller of Communication Accounts in service areas as may be designated by the Central Government from time to time.
- (l) The Authorised Entity shall separately pay the access charges for carriage of calls originating in its network but carried and terminated in the other Telecom Service Providers' networks. The Authorised Entity shall also separately pay charges for network resources obtained by the Authorised Entity from other Authorised service providers. This will be governed by mutual agreement and/ or determination of TRAI, if any.

(4) **BANK GUARANTEE:**

- (a) The Authorised Entity shall submit Bank Guarantee of Rs. 20,000/- (Rupees Twenty Thousand only), separately for each service area, before grant of the Authorisation or subsequent authorisation of service area(s), as the case may be, valid for one year, from any Scheduled Bank or Public Financial Institution duly authorised to issue such Bank Guarantee, in prescribed format as given below at **Annexure-C.**
- (b) This Bank Guarantee should be submitted to securitize the Authorisation fee and other dues not otherwise securitized, to cover the violation of terms and conditions and to ensure the performance under service authorisation /regulations including compliance of instructions issued by the Central Government / TRAI from time to time. The term "other dues not otherwise securitized" includes the dues arising out of penalties/ financial disincentives imposed by the Central Government / TRAI.
- (c) For the initial year, the amount of Bank Guarantee shall be Rs. 20,000/- (Rupees Twenty Thousand only). For the subsequent years, the amount of Bank Guarantee shall be higher of the initial year Bank Guarantee or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).
- (d) In order to enhance the Ease of Doing Business, Electronic Bank Guarantee shall be submitted across various Service Authorisations.
- (e) The Bank Guarantee shall be subject to periodic review on six monthly basis by the Central Government and shall be kept valid by the Authorised Entity during the entire currency of the Authorisation.
- (f) The Authorised Entity, on its own, shall extend the validity period of the Bank Guarantees at least one month prior to date of its expiry without any demand or notice from the central Government on year-to-year basis. Any failure to do so, shall amount to violation of the terms of the authorisation and entitle the Central Government to encash the Bank Guarantees and to convert into a cash security without any reference to the Authorised Entity at his risk and cost. No interest or compensation whatsoever shall be payable by the Central Government on such encashment.
- (g) Where the Bank Guarantees have been encashed partially, the Authorised Entity on such occasions, shall restore the encashed guarantees to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the authorisation.
- (h) Without prejudice to its rights of any other remedy, including those under Section 32 of the Act, the Central Government may encash the Bank Guarantee in case of following:

- (i) Non-payment of authorisation fee or any other fee/charges payable under the Rules of the authorisation.
- (ii) In case of any breach in terms & conditions of the authorisation by the authorised entity.
- (iii) Non-payment of dues arising out of penalties/ financial disincentives imposed by the Central Government/ TRAI.

(5) Preparation of Accounts:

- (a) The Authorised Entity will draw, keep and furnish independent accounts for the service and for each service area and shall fully comply with any order, direction or regulation as may be issued by TRAI and rules/instructions/directions as are issued by the Central Government from time to time.
- (b) The Authorised Entity shall be obliged, in respect of each service area separately, to:
 - (i) Compile and maintain accounting records, sufficient to show and explain its transactions in respect of each completed quarter of the Authorisation period or of such lesser periods as the Central Government may specify, fairly presenting the costs (including capital costs), revenue and financial position of the Authorised Entity's business under the Authorisation including a reasonable assessment of the assets employed in and the liabilities attributable to the Authorised Entity's business, as well as, for the quantification of Revenue or any other purpose.
 - (ii) Procure in respect of each of those accounting statements prepared in respect of a completed financial year, a report by the Authorised Entity's Auditor in the format prescribed by the Central Government, stating inter-alia whether in his opinion the statement is adequate for the purpose of this condition and thereafter deliver to the Central Government a copy of each of the accounting statements not later than three months at the end of the accounting period to which they relate.
 - (iii) Send to the Central Government a self-certified statement, by authorised representative of the company, containing full account of Revenue as defined in condition 8(2) for each quarter separately along with the payment for the quarter.
- (c) The Central Government or the TRAI, as the case may be, shall have a right to call for and the Authorised Entity shall be obliged to supply and provide for examination any books of accounts that the Authorised Entity may maintain in respect of the business carried on to provide the service(s) under the Authorisation at any time without recording any reasons thereof.

- (d) Authorised Entity shall invariably preserve all billing and all other accounting records (electronic as well as hard copy) for a period of three years from the date of publishing of duly audited & approved Accounts of the company and any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give a cause for cancellation of the Authorisation.
- (e) The records of the Authorised Entity will be subject to such scrutiny as may be prescribed by the Central Government so as to facilitate independent verification of the amount due to the Central Government as its share of the revenue.
- (f) The assessment of authorisation fee/ any other charges shall be carried out by the Central Government as per the procedure notified from time to time.
- (g) The Central Government may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order Audit of the accounts of the Authorised Entity by appointing Auditor at the cost of the Authorised Entity and such auditor(s) shall have the same powers which the statutory auditors of the company enjoy under Section 227 of the Companies Act, 2013. The remuneration of the Auditors, as fixed by the Central Government, shall be borne by the Authorised Entity.
- (h) The Central Government may also get conducted a 'Special Audit' of the Authorised Entity company's accounts/records by "Special Auditors", the payment for which at a rate as fixed by the Central Government, shall be borne by the Authorised Entity. This will be in the nature of auditing the audit described in para 8(5)(h) above. The Special Auditors shall also be provided the same facility and have the same powers as of the companies' auditors as envisaged in the Companies Act, 2013.
- (i) The Authorised Entity shall be liable to prepare and furnish the company's annual financial accounts and statement according to the accounting norms and principles prescribed and the directions given by the Central Government or the TRAI, as the case may be, from time to time.
- (j) The Central Government, to ensure proper and correct assessment, verification and settlement of revenue share paid, can, if deemed necessary, add, modify, alter, substitute and amend whatever stated in this Condition. The Authorised Entity shall comply with the instructions/directions issued in this regard from time to time.

9. **Technical conditions:**

- (1) For providing the Service, the Authorised Entity shall utilize any type of equipment and product that meet TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standard, the Authorised Entity may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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.
- (2) The Authorised Entity shall specify the details of technology, quality of service, and other performance parameters of the systems proposed to be deployed for operation of the service.
- (3) The Authorised Entity shall adopt Renewable Energy Technologies (RETs) for powering the telecom network, deploy energy efficient equipment and reduce the carbon footprint as per directions/ instructions/ guidelines issued in this regard by Central Government/ TRAI from time to time.
- (4) **The Applicable System:**
In the process of operating the Services, the Authorised Entity shall be responsible for:
 - (a) the proper upkeep and maintenance of the Applicable System;
 - (b) meeting the criteria of performance of the Applicable System; and
 - (c) conforming to the Quality-of-Service norms.
- (5) **Quality of Service:**
 - (a) The Authorised Entity shall comply to the standards of Quality of Service (QoS) as may be prescribed by TRAI. Failure on part of the Authorised Entity to adhere to the regulations on QoS prescribed by TRAI is liable to be treated as breach of terms and conditions of Authorisation.
 - (b) The Authorised Entity shall be responsible to ensure that the user terminal is operated in accordance with the terms and conditions contained in these rules, terms and conditions of spectrum assignment, and any other relevant instructions/ rules issued by the Central Government.
 - (c) The Authorised Entity shall have the right to undertake the sale, hire purchase, lease or renting of the user terminals. User shall be given option to obtain the user terminal from any source meeting the prescribed standards.
- (6) **Engineering Details:**
 - (a) The Authorised Entity shall furnish complete technical details of the applicable system to the Central Government or its authorised

representative(s), in such manner and at such times as may be required.

- (b) The Authorised Entity shall supply all tools, test instruments and other accessories to the testing party of Central Government for conducting tests at any time during the currency of the Authorisation.

(7) **Network Interconnection:**

- (a) There shall be no interconnection among two separately authorised PMRTS systems.
- (b) Inter-site connectivity shall be permitted to the Authorised Entity between its own sites within the Service Area.
- (c) The Authorised Entity is permitted to have connectivity with PSTN/ PLMN subject to the following conditions:
 - (i) PSTN/ PLMN connectivity (outgoing only) shall be limited to one PSTN/ PLMN line for Five (5) RF Channels (of 25 KHz each) for analogue system from only one authorised entity having authorisation to provide Access Service in the Service Area.
 - (ii) PSTN/ PLMN connectivity (outgoing only) shall be limited to one E-1 link (30 circuits) or SIP link for digital system up to 10,000 users and thereafter, one additional E-1 link (30 circuits) or SIP for each additional 10,000 users or part thereof, only with one authorised entity having authorisation to provide Access Service.
 - (iii) Incoming PSTN/ PLMN connectivity is prohibited.

10. **Operating conditions:**

The Authorised Entity shall follow the following operating conditions:

(1) **User Registration and Provision of Service:**

- (a) The Authorised Entity shall not in any manner discriminate between users and provide service on the same commercial principle.
- (b) The Authorised Entity shall ensure continuity of services to its users unless the authorisation is revoked or suspended by the Central Government for any reason whatsoever.
- (c) Authorised Entity may discontinue service to its users, by giving notice to Central Government and TRAI of at least 60 Calendar days in advance with reasons. In that case it shall also notify all its users by sending a 30 Calendar days' notice to each of them, clearly stating the options available to users.
- (d) The balance amount including security deposit paid by the user, if any, available with the Authorised Entity shall be refunded to the user within a period of 30 days. The effective date of discontinuity of service will be 61st calendar days counted from the date of receipt of such notice by the Central Government.
- (e) All complaints of users in this regard will be addressed/ handled as

per the orders or regulations or directions issued by the Central Government or TRAI from time to time.

- (f) The Authorised Entity shall immediately disconnect/ severe connectivity, with the entities with whom the connectivity already exists, upon receipt of any reference from the Central Government. Disconnection shall be made effective within one hour or within such time as directed by the Central Government in writing, after receiving reference from the Central Government in this regard.

(2) **Sharing of Infrastructure:**

- (a) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.
- (b) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.

(3) **Right to inspect:**

The Central Government or its authorised representative shall have right to access and inspect sites and telecommunication equipment used for extending the telecommunication service. The inspection will ordinarily be carried out after reasonable notice period except in circumstances, where giving such a notice will defeat the very purpose of the inspection.

(4) **Location of Network Elements:**

The Authorised Entity shall provide location details of all network elements, and any other details as may be required by the Central Government from time to time. Any network resource including the bandwidth/ leased line/ VPN either owned or taken on lease/ hire shall be treated as part of the network of the Authorised Entity.

(5) **Confidentiality of information:**

- (a) Subject to terms and conditions of the authorisation, the Authorised Entity 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 endeavours to secure that:
- (b) No person acting on behalf of the Authorised Entity, or the Authorised Entity divulges or uses any such information except as may be necessary in the course of providing such Service to the Third Party; and
- (c) 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:

- (i) 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
 - (ii) The information is already open to the public and otherwise known.
- (d) The Authorised Entity shall take necessary steps to ensure that the Authorised Entity and any person(s) acting on its behalf observe confidentiality of users information.
 - (e) The Authorised Entity shall, prior to commencement of Service, confirm in writing to the Central Government that the Authorised Entity has taken all necessary steps to ensure that it and its employees shall observe confidentiality of users information.
 - (f) The Authorised Entity shall be allowed to shift the location of the fixed station (base station) from one location to another within the geographical area for which frequencies have been assigned, provided that such a shifting does not alter the permitted geographical coverage area. Prior to shifting the location of the fixed station, necessary approval from the Central Government shall be obtained.
 - (g) The Authorised Entity shall be permitted to install additional fixed station(s) in the geographical area for which frequencies have been assigned. The Authorised Entity may –
 - (i) request the Central Government for assigning additional block(s) of frequencies for the new fixed station(s) after providing justifications for the same, or
 - (ii) request the Central Government to permit the use of the already assigned frequencies in the geographical area at the new fixed station(s) by way of partial shifting of a few frequency carriers out of the pool of assigned frequencies provided that such a shifting does not alter the permitted geographical coverage area. The Authorised Entity shall obtain necessary approvals from the Central Government prior to installing additional fixed station(s) and partial shifting of a few frequency carriers out of the pool of assigned frequencies.
 - (h) The Authorised Entity shall have to obtain necessary approvals from the Central Government prior to any replacement of its radio network elements.
 - (i) The Authorised Entity shall be permitted to replace radio terminals subject to the submission of destruction certificates etc. of the defective or obsolete radio terminals to the Central Government.

(6) Roll Out Conditions

- (a) The Authorised Entity shall have to obtain an assignment of spectrum for the city/ town, where it intends to provide PMRTS. However, there will be no need to obtain a separate wireless operating authorisation (WOA) for this purpose.
- (b) Upon assignment of frequency to the Authorised Entity by the Central Government in any city/ town, the Authorised Entity shall roll out the network within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network in any city/ town, for which frequency has been assigned by the Central Government, shall mean installation and commissioning of the Applicable system including at least one Fixed Station (Base Station) in the city/ town.
- (c) For verification of the commissioning of the applicable system, the Authorised Entity shall register with the Field Unit of the DoT, as per the procedure prescribed by the Central Government. Date of registration by Field Unit of the DoT is to be treated as the date of commissioning in case of successful verification of the rollout of the network. If the verification of the roll out of the network fails, then the Authorised Entity shall re-register with the Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by Field Unit of the DoT shall be treated as the date of meeting the roll out obligation subject to successful verification. If the network is rolled out after the expiry of the due date, such delay in rollout of network will entail recovery of Liquidated Damages (LD) under this condition:
- (d) Provided further that if the rollout of the network is effected within 30 calendar days of the expiry of the due date then the Central Government shall accept the rollout of network without levy of LD charges.
- (e) In case the Authorised Entity fails to rollout the network within the period prescribed, the Central Government shall be entitled to recover LD charges @ ₹ 10,000/- (Rupees Ten thousand only) per month of delay subject to a maximum amount of ₹ 2.4 lakh. For the delay of more than 24 months, in addition to imposition of maximum amount of LD, the frequency assignment may be withdrawn. The bank guarantee (BG) shall be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. The Authorised Entity, on such occasions, shall restore the partially encashed bank guarantee to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the Authorisation. For calculation of delay in compliance of roll out

obligations, the month shall mean one Calendar month and any extra day shall be counted as full month for the purpose of recovery of liquidated damages.

11. Security conditions:

- (1) The Authorised Entity shall meet the instructions/ directions of the Central Government issued from time to time in the interest of national security as per relevant sections of the Telecommunication Act, 2023.
- (2) The Authorised Entity shall make available on demand to the person authorized by the Central Government, full access to the Applicable System for technical scrutiny and for inspection, which can be visual inspection or an operational inspection.
- (3) The Authorised Entity shall ensure protection of privacy of communication and ensure that unauthorised interception of messages does not take place.
- (4) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
- (5) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
- (6) The Authorised Entity shall create facilities for the monitoring of all intrusions, attacks and frauds on its technical facilities and provide reports on the same as prescribed by the Central Government. Such facilities shall be created within 12 months since the date of the Authorisation and report the same to the Central Government.
- (7) In the interests of security, suitable monitoring equipment as per the requirement of the Central Government or designated Security Agencies shall be provided by the Authorised Entity for monitoring as and when required by the Central Government. The specific orders or directions from the Central Government, issued under such conditions, shall also be applicable.
- (8) The precise delineation of geographical borders taken by the Authorised Entity for the purpose of defining service area along International Borders, if any, shall have prior approval of the Central Government. The terrestrial boundaries of India shall be as depicted in the maps issued by Survey of India.
- (9) 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 dealt with in accordance with the Section 42 of the Telecommunications Act, 2023 and Bhartiya Nyaya Sanhita (BNS). The Authorised Entity must ensure that their services are not used for such purposes.

- (10) The Government through appropriate notification may debar usage of user terminals in certain areas in the country. The Authorised Entity shall deny service to areas specified by the Designated Authority immediately and in any case within six hours of request. The Authorised Entity shall also provide the facility to carry out surveillance of user terminal activity within a specified area.
- (11) As per Section 21 (f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.
- (12) The Authorised Entity shall identify the person to whom it provides telecommunication services. The Central Government may issue detailed instructions for enrolment of user and activation of service from time to time. The Authorised Entity shall make it clear to the users that the users will be responsible for proper and *bonafide* use of the service.
- (13) Format, if any, prescribed by the Central Government delineating the details of information required before enrolling an applicant as a user shall be followed by the Authorised Entity. The Central Government may prescribe detailed instructions for enrolment of users from time to time.
- (14) The complete list of users shall be made available by the Authorised Entity on its website (having password-controlled access) so that designated Security Agencies are able to obtain the users' 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.
- (15) The Central Government or its representative(s) will have the access to the database relating to the users of the Authorised Entity. The Authorised Entity shall also update the list of his users and make available the same to the Central Government at such intervals as may be prescribed. The Authorised Entity shall make available, at any prescribed instant, to the Central Government or its authorized representative details of the users using the service.

- (16) The Authorised Entity shall also ensure compliance of the following conditions:
- (a) The majority Directors on the Board of the Entity shall be Indian citizens.
 - (b) The Chief Officer in charge of technical network operations and the Chief Security Officer/ Chief Information Security Officer, in-charge of Network Elements, and System Administrators associated with the Authorised Entity shall be resident Indian citizen.
 - (c) 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 on annual basis by Ministry of Home Affairs (MHA). The directions of MHA shall be binding on the Entity.
 - (d) The Authorised Entity shall take adequate and timely measures to ensure that the information transacted through a network by the users is secure and protected.
 - (e) The Authorised Entity shall not transfer any information relating to user to any person/ place outside India (Note: it does not restrict a statutorily required disclosure of information of financial nature)
 - (f) The Authorised Entity may be restricted from operating in any sensitive area from National Security angle, as determined by the Central Government.
- (17) The Authorised Entity shall ensure that the radio transmitters, while deploying wireless system(s), are located and work in such a fashion that any signal or signals, emanating there from, fade out when nearing or about to cross international border and also become unusable within a reasonable distance across such border.

12. Application of Telecommunication Act 2023:

The Authorised Entity shall adopt all means and facilitate in every manner the application of the Telecommunication Act 2023, as modified or replaced from time to time, and rules made thereunder.

Definitions:

- (1) **APPLICABLE SYSTEMS:** The "applicable system" means all the necessary equipment/ subsystems engineered to provide Mobile Radio Trunk Service using analogue/digital technology in accordance with operational/technical and quality requirements and other terms and conditions of the Authorisation agreement.
- (2) **EFFECTIVE DATE:** The effective date is the date on which this Authorisation Agreement is signed by the parties. This Authorisation comes into effect from the effective date of the Authorisation.
- (3) **EMERGENCY SERVICES** in respect of any locality means the relevant public, police, fire, ambulance and coast guard services for that locality.
- (4) **AUTHORISATION:** Authorisation means an Authorisation granted or having effect as if granted under Section 3 (1)(a) of the Telecommunications Act 2023.
- (5) **AUTHORISED ENTITY:** A registered Indian Company/Govt. Agencies that has been awarded Authorisation to provide the MOBILE RADIO TRUNKING SERVICE, within the geographical boundaries of the specified service area.
- (6) "CENTRAL GOVERNMENT" shall refer to the President of India acting through any authorised person, who granted Authorisation under Section 3 of the Telecommunications Act 2023, unless otherwise specified.
- (7) "MESSAGE" means anything falling within sub-Clause/paragraph of section 2 (g) of the Telecommunications Act 2023.
- (8) **Public Switched Telephone Network (PSTN)** means a fixed specified switched public telephone network. A two-way switched telecommunications service to the general public.
- (9) **Public Land Mobile Network (PLMN)** means land based mobile network e.g. Cellular Mobile Telephone Service being operated within the country under Authorisation from Central Government on nonexclusive basis.
- (10) **SERVICE AREA:** The Service Area of the Authorisation shall be the Telecom Circle/ Metro area. A list of service areas is enclosed as Annexure-E.
- (11) **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.
- (12) **TRAI** means Telecom Regulatory Authority of India constituted under the Telecom Regulatory Authority of India Act, 1997 as amended from time to time.
- (13) **User Terminal (UT) or Mobile Terminal (MT), also known as Handset or Mobile Station:** means the equipment used by the users to avail the Captive Mobile Radio Trunk Service provided by the Authorised Entity.
- (14) **WPC** means Wireless Planning and Co-ordination Wing of the Ministry of Communications, Department of Telecommunications, Government of India.

Annexure A

Self-Certificate

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

2. That I amof (Name of the Authorised Entity), Authorised Entity of Service inService Area and I am duly authorised by the resolutions dated Passed by Board of Directors of the Company to furnish self-certificate on behalf of(Name of the Authorised Entity).

3. That in compliance of Condition No..... of the Authorisation No. granted by the Central Government, for payment of Authorisation fee, a payment of Rs. (Rupees) is being made for the period to The details of calculation of 'revenue' is as per **Annexure-----** (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 Authorised Entity.

Authorised representative

Appendix-I to Annexure-A

Format of Auditor's Report on Statement of Revenue

To

The Board of Directors

.....

.....

We have examined the attached Statement of Revenue of(the name of the Authorised Entity) 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 of the Authorised Entity 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 Authorised Entity to the Government, in terms of the Authorisation No..... granted by the Central Government.

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. 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 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

Format of Statement of Revenue

_____(Name and address of operator)
Public Mobile Radio Trunking Service Authorisation No..... in
 _____Service Area
Statement of Revenue for the Quarter
.....of the financial year.....

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUAL FOR THE CURRENT QUARTER
1.	Revenue from Services:	
i.	Rentals	
ii.	Activation Charges/ Airtime Revenue	
iii.	Airtime Revenue	
iv.	PSTN charges	
v.	Service charges	
vi.	Income from lease/rental/AMC	
vii.	Any other income/ miscellaneous receipt from service	
2.	Income from Trading activity	
i.	Sale of handsets	
ii.	Sale of accessories, including sim cards, spares, consumables, etc.	
iii.	Any other income/miscellaneous receipt from trading activity.	
3.	Income from investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investments	
4.	Non-refundable deposits from users.	
5.	Revenue from Operations/Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from Ministry of Information and Broadcasting	

6.	Any other receipt/ Miscellaneous revenue.	
AA	Gross Revenue of the Authorised Entity: (Add 1-6)	
BB	LESS	
1	Revenue from operations other than telecom activities/ operations	
2	Revenue from activities under a license from Ministry of Information and Broadcasting	
3	Receipt from Digital Bharat Nidhi	
4	Items of 'Other Income' as listed in Annexure-D	
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	Total (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT:	
1.	Charges of pass through nature actually paid to other telecom service provider(s)	
DD	TOTAL DEDUCTIBLE REVENUE	
EE	ADJUSTED GROSS REVENUE (CC-DD)	
FF	REVENUE SHARE	
(a)	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

NORMS FOR PREPARATION OF STATEMENT OF REVENUE

- Statement of Revenue shall be prepared separately for each telecom service authorisation operated by the Authorised Entity.
- 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 should be shown separately under any other/ miscellaneous revenue.
 - (c) Any non-refundable deposits collected from the customers/franchisees to the extent these are credited to P&L Account for the year should be shown under Non-refundable deposits from users.
- 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 without any netting off.
- Security or any other Deposits taken from the user 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 not be included in the Statement of Revenue.
- Details of Income from sales of goods shall be furnished indicating the income shall be shown under Income from trading activity
- 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 expenditure that has been set off against corresponding income.
- In case of bundled services, separate records for itemized bills should be maintained

Proforma for Bank Guarantee

To

The President of India

In consideration of the President of India (hereinafter called 'the Authority') having agreed to grant a Service Authorisation for _____ Service for Service Area _____ to M/s _____ of _____ (hereinafter called 'the AUTHORISED ENTITY') to establish, maintain and operate **Public Mobile Radio Trunked Service (PMRTS)** (hereinafter called 'the SERVICE') in accordance with the Authorisation No. _____ dated _____ (hereinafter called 'the Authorisation') on the terms and conditions contained in the said Authorisation, which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____ only) under the said Authorisation by way of security for payment of the said Authorisation fee as well as such other fees/dues or charges required to be paid by the AUTHORISED ENTITY 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 AUTHORISED ENTITY hereby irrevocably and unconditionally guarantee to the Authority that the AUTHORISED ENTITY shall pay all the dues, including but not limited to, the Authorisation fee and other charges 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 AUTHORISED ENTITY to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the Authorisation, or to 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 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 AUTHORISED ENTITY to pay any fees or charges or any part thereof in terms of the said Authorisation, and/or by way of breach in any of the terms and conditions

of the Authorisation by the Authorised Entity, without prejudice to the Central Government's (the Authority) rights to any other remedy.

4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether AUTHORISED ENTITY 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 payable to the Authority by the Bank hereunder shall be final and binding on us.

5. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the

(a) Guarantee herein contained shall remain in full force and effect for a period of -----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 AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY.

6. We, the BANK, undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

7. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs..... and our Guarantee shall remain in force until....year from the date hereof. Unless a demand or claim under this Guarantee is made on

us in writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated_____day_____for_____(Name of the Bank)

Witness:

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

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

Annexure-D**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 authorisation fee.</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, Authorised Entity 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, Authorised Entity accepts refundable deposits from customers, telecom vendors and other Authorised Entities. 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 authorisation fee. However, interest earned on refundable deposits from customers, telecom vendors and other Authorised Entities shall be considered in ApGR for the purpose of</p>

		computation of authorisation fee. Also, any refundable deposit received by the Authorised Entity on the strength of telecom service viz. linkage with tariff, advance rental etc. shall also have similar treatment for inclusion in ApGR.
c.	Capital gains on account of profit on sale of fixed assets and securities	Capital gain earned by the Authorised Entity 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 authorisation fee.
d.	Gains from Foreign Exchange rates fluctuations	<p>Foreign Exchange differences arise when actual rates at the time of settlement differs from those at which they were initially recorded in the books. The provisions contained in the Accounting Standard-11 require a notional entry for exchange differences in respect of liabilities at the closing date of the AFSs. The foreign exchange gains reflected in the profit and loss statement of Authorised Entity 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 authorisation fee.</p>

e.	Income from property rent	<p>Authorised Entity may rent or lease part of their properties and earn revenue in the form of rent. Some Authorised Entity 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 authorisation fee. 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 authorisation fee.</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 Authorised Entity. Receipt of insurance claim from insurance company shall not be part of ApGR for the purpose of computation of authorisation fee.</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 authorisation fee.</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</p>

		<p>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 authorisation fee.</p>
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Annexure E

Telecom Circles/Metros Service area and the areas covered by them for the purpose of Authorisation

Sl. No.	Name of Service Area	Areas covered
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 and Telangana state.
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 th 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 Union Territory of Jammu & Kashmir and Union Territory 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 Chhattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated 25 th 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
13.	North East Service Area	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.
14.	Odisha Service Area	Entire area falling within the State of Odisha.
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 puducherry.
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 th 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 Puducherry 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 cellular operators at the time of grant of cellular Licenses in Metro cities.
3. The definition of local areas with regard to the above service area is as per the definition applicable to Cellular Mobile Service Licenses as in the year 1994 & 1995, when those Licenses were granted to them. This is in accordance with respective Gazette Notification for such local areas wherever issued and as per the statutory definition under Rule 2 (w) Indian Telegraph Rules 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued.

Annexure 2.4.2: Terms and Conditions for Enterprise Communication Service Authorisation

1. Period of Authorisation

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in these rules.

2. Renewal of Authorisation:

- (1) The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the period of validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.
- (2) No Entry Fee shall be levied at the time of renewal of the Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.

3. Service area:

The Service Area of Enterprise Communication Service Authorisation shall be at the National level.

4. Scope of service:

- (1) The Authorised Entity may provide Audio Conferencing Service/ Audiotex Service/ Voice Mail Service/ Cloud-based EPABX Service to enterprise users on a commercial basis. The terms Audio Conferencing Service, Audiotex Service, Voice Mail Service, and Cloud-based EPABX Service refer to -
 - a. **Audio Conferencing:** The Audio-Conferencing Service allows users from multiple locations to join a single audio conference and interact at the same time. The audio conference services provide real-time transmission of voice between groups of users at two or more locations. The service is bidirectional via telecommunication networks and provides for interconnection of two or more audio conference terminals.
 - b. **Audiotex:** It is either an interactive or a non-interactive non-real time service which provides through appropriate access by standardized procedure for users of Audiotex service to communicate with database (database system shall be present within national boundaries) via telecommunication network. A user can retrieve the information at any time by interacting with the Audiotex Service Equipment by using phone and the information stored in Audiotex equipment can be

disseminated to the user on his phone. Dial-out is not permitted for Audiotex unless dial out is made to callers who have made incoming calls to Audiotex server.

- c. **Voice Mail Service:** Under Voice Mail Service (VMS), the user has a voice mailbox with voice mailbox number from an authorised entity. Any user can leave/ retrieve his voice message in/ from his voice mailbox via an authorised telecommunication network using a combination of store and retrieve techniques. A VMS user can leave/ retrieve this message by dialing voice mail box number at his convenience.
 - d. **Cloud based EPABX Service:** Under Cloud-based EPABX Service, an authorised entity deploys an EPABX platform in a cloud in India to provide EPABX-as-a-service to enterprises, call-centers and Other Service Providers (OSPs).
- (2) Point-to-point conferencing services shall not be provided by the Authorised Entity providing Audio conferencing services. However, point-to-point conferencing services may be provided to registered enterprises in India subject to the following conditions:
- (a) Calls shall originate and terminate within India.
 - (b) Complete routing and switching of Audio-Conferencing calls must remain within India.
 - (c) Telephone number resources used must come from authorised entities providing telecommunication services in India.
 - (d) No illegal bypass of telecom traffic is allowed, and the Authorised Entity must provide an undertaking to this effect.
- (3) The Authorisation shall be granted on a non-exclusive basis and additional Authorisations may be issued in the Service Area from time to time in future without any restriction on the number of authorised entities with the same or different entry conditions. The Authorised Entity shall not provide any service which requires a separate authorisation, unless specifically provided for in the service authorisation granted by the Central Government.

5. General conditions –

- (1) **Foreign Direct Investment (FDI) Norms:** The Foreign Direct Investment (FDI) is permitted up to 100% of equity under Automatic route subject to the observance of terms and conditions of the Authorisation, as notified by the Central Government from time to time, by Authorised Entity as well as investors.
- Notwithstanding with the above provision, foreign investment shall be subject to following conditions:

- (a) 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.
 - (b) 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. (a) above, such a subsequent change in beneficial ownership will also require Government approval.
 - (c) Both direct and indirect foreign investment in the Authorised Entity shall be counted for the purpose of calculating total FDI.
 - (d) The Authorised Entity/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government of India. While approving the investment proposals, the Government may take into account security concerns.
 - (e) FDI shall be subject to laws of India and not the laws of the foreign country/ countries. The Authorised Entity shall comply with the relevant provisions of FDI policy of the Government of India and such modifications to the policy as may be issued from time to time.
 - (f) The words mentioned hereinabove such as FDI, foreign equity, investment companies, Automatic route, Government route, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.
- (2) **Modifications in the Terms and Conditions of Authorisation**
- (a) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, or incorporate new conditions, if in the opinion of the Central Government, it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the Telecommunication.
 - (b) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.
- (3) **Restriction on Transfer of Authorisation:**
- The Authorised Entity shall not, without the prior written consent of the Central Government, 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 Authorised Entity, the Authorised Entity may

appoint or employ franchisee, agents, distributors and employees. Mergers, demergers or acquisitions, or other forms of restructuring, as well as transfer of Authorisation shall be subject to the Rules notified under section 3(5) of the Telecommunications Act, 2023.

(4) Provision of Service:

- (a) The Authorised Entity shall be responsible for, and is authorised to install, test and commission all the Applicable systems within India for providing the Service authorised under the Authorisation.
- (b) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:
Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -
 - (i) All security related compliances shall be the responsibility of the Authorised Entity.
 - (ii) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (iii) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (iv) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (c) The Authorised Entity shall ensure that-
 - (i) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation

- (ii) The associated data/ information is stored in India.
 - (d) The Authorised Entity shall make its arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary infrastructure, equipment and systems, treatment of user complaints, issue of bills to its users, collection of revenue, attending to claims and damages arising out of its operations etc. However, the Authorised Entity may share the infrastructure as permitted under the operating conditions.
 - (e) The Authorised Entity shall intimate to the Central Government well in advance before the proposed date of commencement of Enterprise Communication Services in any Service Area containing the details of its network.
 - (f) The Authorised Entity shall intimate to the Central Government and TRAI of the commencement of telecommunication service within 15 days of such commencement.
 - (g) Any dispute with regard to the provision of Service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this to all before providing the Service. And in no case, the central Government shall bear any liability or responsibility in the matter. The Authorised Entity shall keep the Central Government indemnified for all claims, cost, charges or damages in the matter.
- (5) **Compliance Reporting Requirement:**
- (a) The Authorised Entity shall submit a compliance report regarding compliance of FDI norms on the 1st day of January of every year to the Central Government in proforma as may be prescribed from time to time. This is to be certified by the Company Secretary or Statutory Auditor, countersigned by duly authorized Director of the Authorised Entity. When there is a change in FDI in the Authorised Entity, the Authorised Entity shall also submit the FDI compliance report within 15 days.
 - (b) The Authorised Entity shall also ensure that any change in shareholding shall be subject to all applicable statutory permissions under Laws of India.
 - (c) Change in the name of Authorised Entity, as per the provisions of the Indian Companies Act, 2013 shall have to be intimated to the Central Government in writing along with certified copy of the name change certificate within 30 days from the date of issue of such certificate by Registrar of Companies.
- (6) **Requirement to furnish Information:** The Authorised Entity shall furnish to the Central Government / 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.

(7) **Penalty, Suspension, Surrender, Termination/ Revocation of Authorisation**

- (a) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (b) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under section 32 of the Telecommunications Act, 2023.
- (c) The Authorised Entity may surrender the Authorisation, by giving notice of at least 60 Calendar days in advance. In such a case, it shall also notify all its users by sending a 30 Calendar days' notice to each user. The Authorised Entity shall pay all fees payable by it till the date on which the surrender of the Authorisation becomes effective. The effective date of the surrender shall be 61st Calendar days counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.
- (d) The Central Government reserves the right to suspend the operation of the Authorisation in whole or in part, at any time, if, in the opinion of the Central Government, 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 Telecommunication. Provided that if the situation so warrants, the Central Government may dispense with the issue of notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard:
- (e) Provided further that the Central Government shall not be responsible for any damage or loss caused or arising out of the aforesaid action.
- (f) 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.
- (g) The Central Government reserves the right to terminate/ revoke/ suspend the 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 Central Government has the right to revoke/ suspend the Authorisation, in whole or in part, without any notice period.

(8) Actions pursuant to revocation/ surrender/ cancellation/ expiry of Authorisation

On revocation or surrender or cancellation of the Authorisation due to reasons whatsoever or expiry of the Authorisation, the relevant Bank Guarantee(s) shall be released to the Authorised Entity only after ensuring clearance of all dues, which the Authorised Entity is liable to pay to the Central Government. In case of failure of the Authorised Entity to pay the amounts due to the Central Government, 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 Central Government without any further communication to the Authorised Entity.

(9) Force- Majeure:

(e) If at any time, during the continuance of the Authorisation, the performance in whole or in part, by the Authorised Entity, of any obligation under the Authorisation 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 Authorised Entity), 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 Authorised Entity to the Central Government, within 21 Calendar days from the date of occurrence thereof, the Central Government shall, by reason of such event, neither revoke the Authorisation, nor claim any damages against the Authorised Entity, in respect of such non-performance or delay in performance:

Provided that 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 Central Government as to whether the service may be resumed (and the time frame within which the service may be resumed) or not, shall be final and binding.

(f) However, the Force Majeure events noted above shall not in any way cause extension in the period of the Authorisation.

(g) While it shall 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 Central Government, at its discretion based on circumstances of the EVENT.

- (h) The Authorised Entity shall not be entitled to claim any damages against the Central Government for non-performance or delay in performance of the Central Government's obligations by reason of the EVENT.

(10) Set Off:

- (a) In the event any sum of money or claim becomes recoverable from or payable by Authorised Entity to the Central Government either against the Authorisation 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 Authorised Entity under the Authorisation.
- (b) The aforesaid sum of money payable to the Authorised Entity shall include any Security/ Bank Guarantee which can be converted into money.
- (c) After exercising the right of set off, the Central Government shall inform the Authorised Entity of the action taken.

(11) Way Leave:

The Authorised Entity shall make its own arrangements for Right of Way (RoW) as per the rules notified under Chapter III of the Telecommunications Act, 2023.

(12) Other Conditions:

- (a) The Authorised Entity shall be bound by these rules, the terms and conditions contained in the Authorisation document, instructions, as issued by the Central Government, and the orders/ directions/ regulations of TRAI as per the provisions of the TRAI Act, 1997, as amended from time to time.
- (b) The statutory provisions and the rules made under the Telecommunications Act, 2023 or TRAI Act, 1997 or Information Technology Act, 2000, and any other relevant Act shall govern the provisions of service under the Authorisation. Any other rule/ order/ regulation/ direction passed under these statutes shall be binding on the Authorised Entity.

- 6. Commercial conditions:** The Authorised Entity will charge the tariffs for the Service as per the Tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

7. Financial conditions-

(1) Fees Payable:

(a) Entry Fee:

There shall be no Entry Fee for this service authorisation.

(b) Authorisation Fees:

- (i) An annual Authorisation fee as a percentage of Adjusted Gross Revenue (AGR) shall be paid by the Authorised Entity. The authorisation fee shall be 8% of the 'Adjusted Gross Revenue' (AGR), inclusive of the money attributable to Digital Bharat Nidhi which is presently 5% of AGR.

Provided that from the Second Year of the effective date of respective authorisation, the Authorisation fee shall be subject to a minimum of Rs. 1,00,000/- (Rupees One Lakh only). In case of renewal, the authorisation fee shall be subject to a minimum of Rs. 1,00,000/-.

- (ii) The Central Government reserves the right to modify the above-mentioned Authorisation fee as percentage of AGR any time during the currency of the Authorisation.

(2) Definition of Gross Revenue, Applicable Gross Revenue (ApGR) and Adjusted Gross Revenue (AGR):

- (a) The Gross Revenue shall include all revenue accruing to the Authorised Entity on account of providing Audio Conferencing/ Audiotex/ Voice Mail services and shall be inclusive of goods supplied, installation charges, application fee, late fees, sale proceeds of handsets (or any other terminal equipment etc.), use of its resources by others, revenue on account of interest, dividend, call charges, value added services, supplementary services, access or interconnection charges, revenue from permissible sharing or leasing of infrastructure, fees on account of annual maintenance contract and any other miscellaneous revenue, without any set-off for related item of expense, etc.

(b) Applicable Gross Revenue (ApGR):

ApGR shall be equal to Gross Revenue (GR) of the Authorised Entity 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 Digital Bharat Nidhi.
- (iv) List of other income* to be excluded from GR to arrive at ApGR

- i. Income from Dividend
- j. Income from Interest
- k. Capital Gains on account of profit of Sale of fixed assets and security
- l. Gains from Foreign Exchange rates fluctuations
- m. Income from property rent
- n. Insurance claims
- o. Bad Debts recovered
- p. Excess Provisions written back

*Subject to conditions given in Annexure D.

(c) **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):

Charges actually paid to other Telecom Service Provider(s).

- (d) The definitions of Gross Revenue, Applicable Gross Revenue and Adjusted Gross Revenue may be read along with the instructions/ orders/ clarifications issued by the Central Government from time to time.
- (e) Any further instructions/orders/clarifications on the definitions of Gross Revenue, Applicable Gross Revenue and Adjusted Gross Revenue may be issued by DOT after obtaining the recommendations of TRAI.

(3) **Schedule of payment of Authorisation fee:**

- (a) The Authorisation Fee shall be payable in four quarterly installments during each financial year commencing 1st of April.
- (b) The quarter in which the effective date of authorisation falls shall end on the usual end date of that quarter for the purpose of authorisation fee. The quarters where the minimum authorisation fee becomes applicable, and the last quarter of the authorisation period, may not be of full three months, but of part period only.

[Explanation:

- (i) For authorisation with effective date on 13th July, the quarter will end on 30th September.
- (ii) In such case the minimum authorisation fee would become applicable w.e.f. 13th of July next year and the quarter shall end on the following 30th September.]
- (c) The minimum authorisation fee, as per conditions 7(1)(b)(i) for the above part-periods, shall be charged on pro-rata basis, based on actual number of days in the part period of the Quarter.
- (d) Authorisation Fee shall be payable in four quarterly installments

during each financial year (FY). The quarterly installment of authorisation fee for the first three quarters of a financial year shall be paid within 15 days of the completion of the relevant quarter. The AGR based Authorisation Fee shall be paid by the Authorised Entity on the basis of revenue on an accrual basis for the quarter, self-certified by a representative of the Authorised Entity. However, for the last quarter of the financial year, the Authorised Entity shall pay the Authorisation Fee by 25th March on the basis of expected revenue for the quarter, subject to a minimum payment equal to the revenue share payable for the previous quarter.

- (e) The Authorised Entity shall adjust and pay the difference between the advance payment made and actual amount duly payable for the last quarter of the financial year within 15 days of the end of the quarter.
- (f) The quarterly payment shall be made with a Self-Certificate as at Annexure-A given below, together with a Statement of Revenue in the Proforma prescribed at Appendix-II to Annexure-A of Enterprise communication service authorisation. The Self-Certificate shall be e-verified by the authorised representative of the company through e-sign/ digitally signed. The aforesaid quarterly STATEMENTS of each year shall be required to be audited by the Auditors (hereinafter called Authorised Entity's Auditors) appointed by the Authorised Entity under Section 224 of the Companies' Act, 2013. The report of the Auditor should be in the prescribed form as per Appendix-I to Annexure-A given below.
- (g) Any delay in payment of Authorisation Fee or any other dues payable under the Authorisation, beyond the stipulated period will attract interest at a rate which will be 2% above the one year Marginal Cost of Lending Rate (MCLR) of State Bank of India existing as on the beginning of the Financial Year (namely 1st April) in respect of the Authorisation fees or any other dues pertaining to the said Financial Year. The interest shall be compounded annually. A part of the month shall be reckoned as a full month for the purpose of calculation of interest. A month shall be reckoned as an English calendar month.
- (h) Final adjustment of the Authorisation fee for the year shall be made on or before 30th June of the following year, based on the gross revenue figures or the minimum Authorisation Fee, which shall be submitted by the Authorised Entity, duly certified by the Auditors of the Authorised Entity in accordance with the provision of the Companies' Act, 2013.
- (i) A reconciliation between the figures appearing in the quarterly statements submitted in terms of the Condition 7(3)(d) above with those appearing in annual accounts shall be submitted along with a

copy of the published annual accounts and audit report within 7 (seven) Calendar days of the date of signing of the audit report. The annual financial account and the statement as prescribed above shall be prepared following the norms as prescribed in Annexure-B given below. The statements and accounts submitted shall be assessed and verified by the Central Government and through its units namely Offices of Controller of Communication Accounts in respective service areas, as may be notified from time to time.

- (j) All the charges relating to the spectrum shall be payable at such time(s) and in such manner as prescribed from time to time by the Central Government.
- (k) All sums becoming due and payable as mentioned in this Authorisation shall be paid by the Authorised Entity, through e-transfers or through demand draft or Pay Order payable at New Delhi drawn on any Scheduled Bank, in favour of the Pay & Accounts Officer (HQ), DOT or at the designated office of the Controller of Communication Accounts in service areas as may be designated by the Central Government from time to time
- (l) The Authorised Entity shall separately pay the access charges for carriage of calls originating in its network but carried and terminated in the other Telecom Service Providers' networks. The Authorised Entity shall also separately pay charges for network resources obtained by the Authorised Entity from other Authorised service providers. This will be governed by mutual agreement and/ or determination of TRAI, if any.

(4) **BANK GUARANTEE:**

- (a) The Authorised Entity shall submit Bank Guarantee of Rs. 2,00,000/- (Rupees Two lakh only), before grant of the Authorisation, valid for one year, from any Scheduled Bank or Public Financial Institution duly authorised to issue such Bank Guarantee, in prescribed format as given below at **Annexure-C**.
- (b) This Bank Guarantee should be submitted to securitize the Authorisation fee and other dues not otherwise securitized, to cover the violation of terms and conditions and to ensure the performance under service authorisation /regulations including compliance of instructions issued by the Central Government / TRAI from time to time. The term "other dues not otherwise securitized" includes the dues arising out of penalties/ financial disincentives imposed by the Central Government / TRAI.
- (c) For the initial year, the amount of Bank Guarantee shall be Rs. 2,00,000/- (Rupees Two lakh only). For the subsequent years, the amount of Bank Guarantee shall be higher of the initial year Bank

Guarantee or 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).

- (d) In order to enhance the Ease of Doing Business, Electronic Bank Guarantee shall be submitted across various Service Authorisations.
- (e) The Bank Guarantee shall be subject to periodic review on a six-monthly basis by the Central Government and shall be kept valid by the authorised entity during the entire currency of the Authorisation.
- (f) The Authorised Entity, on its own, shall extend the validity period of the Bank Guarantees at least one month prior to the date of its expiry without any demand or notice from the central Government on a year-to-year basis. Any failure to do so shall amount to violation of the terms of the authorisation and entitle the Central Government to encash the Bank Guarantees and to convert into a cash security without any reference to the Authorised Entity at his risk and cost. No interest or compensation whatsoever shall be payable by the Central Government on such encashment.
- (g) Where the Bank Guarantees have been encashed partially, the Authorised Entity on such occasions shall restore the encashed guarantees to the full amount. Any failure to do so shall amount to a violation of the terms and conditions of the authorisation.
- (h) Without prejudice to its rights of any other remedy, including those under Section 32 of the Act, the Central Government may encash the Bank Guarantee in case of following:
 - (i) Non-payment of authorisation fee or any other fee/charges payable under the Rules of the authorisation.
 - (ii) In case of any breach in terms & conditions of the authorisation by the Authorised Entity.
 - (iii) Non-payment of dues arising out of penalties/ financial disincentives imposed by the Central Government/ TRAI.

(5) Preparation of Accounts:

- (a) The Authorised Entity will draw, keep and furnish independent accounts for the service and shall fully comply with any order, direction or regulation as may be issued by TRAI and rules/instructions/directions as are issued by the Central Government from time to time.
- (b) The Authorised Entity shall be obliged to
 - (i) Compile and maintain accounting records, sufficient to show and explain its transactions in respect of each completed quarter of the Authorisation period or of such lesser periods as the Central Government may specify, fairly presenting the costs (including capital costs), revenue and financial position

of the Authorised Entity's business under the Authorisation including a reasonable assessment of the assets employed in and the liabilities attributable to the Authorised entity's business, as well as, for the quantification of Revenue or any other purpose.

- (ii) Procure in respect of each of those accounting statements prepared in respect of a completed financial year, a report by the Authorised Entity's Auditor in the format prescribed by the Central Government, stating inter-alia whether in his opinion the statement is adequate for the purpose of this condition and thereafter deliver to the Central Government a copy of each of the accounting statements not later than three months at the end of the accounting period to which they relate.
 - (iii) Send to the Central Government a self-certified statement, by authorised representative of the company, containing full account of Revenue as defined in condition 7(2) for each quarter separately along with the payment for the quarter.
- (c) The Central Government or the TRAI, as the case may be, shall have a right to call for and the Authorised Entity shall be obliged to supply and provide for examination any books of accounts that the Authorised Entity may maintain in respect of the business carried on to provide the service(s) under the Authorisation at any time without recording any reasons thereof.
 - (d) Authorised Entity shall invariably preserve all billing and all other accounting records (electronic as well as hard copy) for a period of three years from the date of publishing of duly audited & approved Accounts of the company and any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give a cause for cancellation of the Authorisation.
 - (e) The records of the Authorised Entity will be subject to such scrutiny as may be prescribed by the Central Government so as to facilitate independent verification of the amount due to the Central Government as its share of the revenue.
 - (f) The assessment of authorisation fee/ any other charges shall be carried out by the Central Government as per the procedure notified from time to time.
 - (g) The Central Government may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order Audit of the accounts of the Authorised Entity by appointing Auditor at the cost of the Authorised Entity and such auditor(s) shall have the same powers which the statutory auditors of the company enjoy under

Section 227 of the Companies Act, 2013. The remuneration of the Auditors, as fixed by the Central Government, shall be borne by the Authorised entity.

- (h) The Central Government may also get conducted a 'Special Audit' of the Authorised Entity company's accounts/records by "Special Auditors", the payment for which at a rate as fixed by the Central Government, shall be borne by the Authorised Entity. This will be in the nature of auditing the audit described in para 7(5)(h) above. The Special Auditors shall also be provided the same facility and have the same powers of the companies' auditors as envisaged in the Companies Act, 2013.
- (i) The Authorised Entity shall be liable to prepare and furnish the company's annual financial accounts and statement according to the accounting norms and principles prescribed and the directions given by the Central Government or the TRAI, as the case may be, from time to time.
- (j) The Central Government, to ensure proper and correct assessment, verification and settlement of revenue share paid, can, if deemed necessary, add, modify, alter, substitute and amend whatever stated in this Condition. The Authorised Entity shall comply with the instructions/directions issued in this regard from time to time.

8. Technical conditions:

- (1) For providing the Service, the Authorised Entity shall utilize any type of equipment and product that meet TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standard, the Authorised Entity may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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.
- (2) TEC specification No. TEC/SR/IT/ACS-01/02 JUN-20 defines the parameters of Audio-Conferencing Service, scope of service, its key element, its interface specification, service description and quality of service to be provided by the Authorised Entity.
- (3) TEC specification No. 61054:2021 defines the parameters of Audiotex Service, scope of service, its key element, its interface specification, service description and quality of service to be provided by the Authorised Entity.

- (4) TEC specification No. 61064:2021 defines the parameter of the Voice Mail Service, scope of service, its key element, its interface specification, service description and quality of service to be provided by the Authorised Entity.
- (5) The Authorised Entity shall follow the above TEC specifications subject to modifications or updates from time to time. However, the terms and conditions mentioned in the rules and authorisation shall override anything mentioned in the technical specifications.
- (6) The Authorised Entity providing Cloud based EPABX Service should ensure that there is logical partitioning between the components of the platform handling telecom resources of different Enterprise customers.
- (7) The Authorised Entity shall install Applicable System complying to the service requirements, within the Country.
- (8) The services should not be used in whatsoever manner for any illegal bypass of national long distance traffic/ international long distance traffic of any authorised entities.
Illustration: In case of Audio-Conferencing service, dial out facility using resources of more than one authorised entity providing Access Service may be used with the condition that STD/ ISD traffic is not bypassed.
- (9) For providing services under the Authorisation, the Authorised Entity may obtain requisite telecommunication resources from other eligible authorised entities as per the mutually agreed terms and conditions.
- (10) In case of Audio-Conferencing service, the Audio-Conferencing unit shall be connected to the network of entities having authorisation for providing Access Service like PSTN/ ISDN/ PLMN or IP network by using a combination of appropriate interface as per TEC standards.
- (11) Calls originating from PSTN/ PLMN/ GMPACS/ Internet Telephony networks should not be interconnected with those from Private/ CUG networks by Audio Conferencing Unit of the Authorisation.
- (12) In the case of provision of Cloud-based EPABX Service, connectivity from between the customer/ enterprise premises and the cloud-based EPABX shall be through Leased Line/ Virtual Private Network (VPN) obtained from authorised entities.
- (13) The Authorised Entity shall comply to the standard of Quality of Service (QoS) as may be prescribed by TRAI. Failure on the part of the Authorised Entity to adhere to the standards of QoS prescribed by TRAI is liable to be treated as breach of terms and conditions of Authorisation.

9. Operating Conditions:

- (1) The Authorised Entity shall ensure continuity of services to its customers unless authorisation is revoked or suspended by the Central Government for any reason whatsoever.

- (2) Authorised Entity may discontinue any of the service(s) under the Authorisation to its users, by giving notice to Central Government and TRAI of at least 60 Calendar days in advance with reasons. In that case it shall also notify all its enterprise users by sending a 30 Calendar days' notice to each of them.
- (3) Any dispute with regard to the provision of Service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this to all before providing the Service. And in no case, the Central Government shall bear any liability or responsibility in the matter. The Authorised Entity shall keep the Central Government and TRAI indemnified for all claims, cost, charges or damages in the matter.
- (4) Sharing of Infrastructure:**
- (c) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.
- (d) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.
- (5) The Authorised Entity shall furnish all necessary means and facilities as required for the application of provisions of Section 20(2) of the Telecommunications Act, 2023 whenever occasion so demands. Nothing provided and contained anywhere in the Authorisation shall be deemed to affect adversely anything provided or laid under the provisions of Telecommunications Act, 2023 or any other law on the subject in force.
- (6) The statutory provisions and the rules made under the Telecommunications Act, 2023 or TRAI Act 1997 or Information Technology Act, 2000, and any other Relevant Act shall govern the provision of service under the service Authorisation. Any other Rule/ Order/ Regulation/ Direction passed under these statutes shall be binding on the Authorised Entity.
- (7) Subject to terms and conditions of the Authorisation, the Authorised Entity 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 Authorised Entity, or the Authorised Entity 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.

10. Security Conditions:

- (1) The Central Government or its authorised representative shall have the right to access and inspect sites and telecommunication equipment used for extending the Service. The Authorised Entity will provide the necessary facilities for monitoring of the system, as required by the Central Government or its authorised 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.
- (2) The Authorised Entity shall maintain log details including CDRs/ IPDRs of all users for services provided. These details shall be maintained for a minimum period of two years.
- (3) A complete log and record of the logical partitioning should be maintained by the Authorised Entity providing Cloud-based EPABAX service. These records should be maintained for a minimum period of two years. The Authorised Entity should provide these records to the Central Government or designated security agencies, as and when required.
- (4) The Authorised Entity shall provide a terminal with access limited to unfiltered CDR/ IPDR files to the Central Government/ Designated Security Agencies.
- (5) The transport of Voice Mail Messages to other locations and subsequent retrieval by the user must be on a non-real time basis. To ensure this, the Authorised Entity shall ensure that there is no dialing out for delivery of the message to the recipient.
- (6) The Authorised Entity shall keep a record containing the information of the users of each service with name, address, and telephone number of the users. The information shall be stored for at least one year period.
- (7) The Authorised Entity providing Audio conferencing services shall make available all detailed information about the conference calls e.g. the parties in conference, date, time, duration of the conference etc. on demand, to Central Government or designated security agencies.
- (8) Physical access to the data centre(s) of the Authorised Entities should also be provided to Central Government/ Security agencies as and when required.
- (9) 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 on annual basis by Ministry of Home Affairs (MHA). The directions of MHA shall be binding on the Entity.
- (10) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in

respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.

- (11) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
- (12) 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 dealt with in accordance with the Section 42 of the Telecommunications Act, 2023 and Bhartiya Nyaya Sanhita (BNS). The Authorised Entity must ensure that its services are not used for such purposes.
- (13) Civil penalty as per the Section 32 (1) of the Telecommunications Act, 2023 will be levied for any security breach which has been caused due to inadvertent inadequacy/ inadequacies in precaution on the part of Authorised Entity prescribed under the Authorisation.

11. Application of Indian Telecommunications Act, 2023

- (1) The Authorised Entity shall adopt all means and facilitate in every manner the application of the Telecommunications Act, 2023. The Service shall be provided in accordance with the provisions of Telecommunications Act, 2023 rules as modified and amended from time to time.
- (2) As per Section 21 (f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.

Definitions:

- (1) **APPLICABLE SYSTEMS:** The "applicable system" means all the necessary equipment/ subsystems engineered to provide Mobile Radio Trunk Service using analogue/digital technology in accordance with operational/technical and quality requirements and other terms and conditions of the Authorisation agreement.
- (2) **ANTI_NATIONAL ACTIVITIES:** These activities encompass actions that threaten the sovereignty, integrity, security, or unity of the country. This includes acts of terrorism, espionage, sabotage, sedition, incitement of communal violence and other such activities. Such activities undermine national security and public order and are typically addressed under laws like the Unlawful Activities (Prevention) Act (UAPA), the Indian Penal Code (IPC), and the National Security Act (NSA). Anti-national activities may involve violent acts, support for enemy states or organizations, or efforts to disrupt the nation's stability and governance.
- (3) **AUDIOTEX:** It is either an interactive or a non-interactive non-real time service that provides through appropriate access by standardized for users of audiotex service to communicate with database (a database should be present within national boundaries) via telecom network.
- (4) **AUTHORISATION:** Authorisation means an Authorisation granted or having effect as if granted under Section 3 (1)(a) of the Telecommunications Act 2023.
- (5) **AUTHORISED ENTITY:** A registered Indian Company/Govt. Agencies that has been awarded Authorisation to provide the MOBILE RADIO TRUNKING SERVICE, within the geographical boundaries of the specified service area.
- (6) **"CENTRAL GOVERNMENT"** shall refer to the President of India acting through any authorized person, who granted Authorisation under Section 3 of the Telecommunications Act 2023, unless otherwise specified.
- (7) **EFFECTIVE DATE:** The effective date is the date on which this Authorisation Agreement is signed by the parties. This Authorisation comes into effect from the effective date of the Authorisation.
- (8) **EMERGENCY SERVICES** in respect of any locality means the relevant public, police, fire, ambulance and coast guard services for that locality.
- (9) **FORCE MAJEURIE:** A legal clause that excuses the authorised entity from fulfilling obligations under the contract of authorisation due to extraordinary events beyond its control, such as natural disasters (like floods, earthquakes), wars, strikes, pandemics, an act of God or other unforeseen significant disruptions.
- (10) **"MESSAGE"** means anything falling within sub-Clause/paragraph of section 2 (g) of the Telecommunications Act 2023.
- (11) **PUBLIC SWITCHED TELEPHONE NETWORK (PSTN)** means a fixed specified switched public telephone network. A two-way switched telecommunications service to the general public.
- (12) **PUBLIC LAND MOBILE NETWORK (PLMN)** means land based mobile network e.g. Cellular Mobile Telephone Service being operated within the country under Authorisation from Central Government on a nonexclusive basis.

- (13) **QUALITY OF SERVICE (QoS):** QoS 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 user served, the mean time to restore (MTTR), faults carried over beyond the MTTR and the satisfactory disposal thereof.
- (14) **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.
- (15) **TRAI** means Telecom Regulatory Authority of India constituted under the Telecom Regulatory Authority of India Act, 1997 as amended from time to time.
- (16) **SERVICE AREA:** Service area means the specified geographical area for which service authorisation has been granted under this authorisation.
- (17) **User Terminal (UT) or Mobile Terminal (MT), also known as Handset or Mobile Station:** means the equipment used by the users to avail the Captive Mobile Radio Trunk Service provided by the Authorised Entity.
- (18) **VOICE MAIL SERVICE:** It is a kind of service in which a user has a voice mailbox number from an Authorised Entity. Any user can leave/ retrieve his message in/ from his mailbox via an authorised telecom network using a combination of store and retrieve techniques.
- (19) **WPC** means Wireless Planning and Co-ordination Wing of the Ministry of Communications, Department of Telecommunications, Government of India.

Annexure A

Self Certificate

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

2. That I amof (Name of the Authorised Entity), Authorised Entity of Service and I am duly authorised by the resolutions dated Passed by Board of Directors of the Company to furnish self-certificate on behalf of(Name of the Authorised Entity).

3. That in compliance of Condition No..... of the Authorisation No. granted by the Central Government, for payment of Authorisation fee, a payment of Rs. (Rupees) is being made for the period to The details of calculation of 'revenue' is as per **Annexure-----** (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 Authorised Entity.

Authorised representative

Appendix-I to Annexure-A

Format of Auditor's Report on Statement of Revenue

To

The Board of Directors

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We have examined the attached Statement of Revenue of(the name of the Authorised Entity) 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 of the Authorised Entity 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 Authorised Entity to the Government, in terms of the Authorisation No..... granted by the Central Government.

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. 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 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

Format of Statement of Revenue _____(Name and address of authorised Entity) Enterprise Communication Service Authorisation No

Statement of Revenue for the Quarter
..... of the financial
year.....

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE CURRENT QUARTER
1	Revenue from services	
i.	Rentals	
ii	Activation Charges	
iii.	Airtime Revenue	
iv.	PSTN charges	
v.	Service charges	
vi.	Income from lease/ rental/ AMC	
vii.	Any other income/ miscellaneous receipt from service	
2	Income from Trading activity	
(i)	Sale of handsets	
(ii)	Sale of accessories etc.	
(iii)	Any other income/ miscellaneous receipt from trading activity.	
3.	Income from investment	
i.	Interest income	
ii.	Dividend income	
iii.	Any other miscellaneous receipt from investments	
4.	Non-refundable deposits from users	
5.	Revenue from Operations/Activities other than Telecom Operations/ Activities as well as revenue from activities under a license from	

	Ministry of Information and Broadcasting	
6.	Any other receipt/ Miscellaneous revenue.	
AA	Gross Revenue of the Authorised Entity: (Add 1-6)	
BB	LESS	
1	Revenue from operations other than telecom activities/ operations	
2	Revenue from activities under a license from Ministry of Information and Broadcasting	
3	Receipt from Digital Bharat Nidhi	
4	Items of 'Other Income' as listed in Annexure-D	
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	Total BB (1+2+3+4)	
CC	APPLICABLE GROSS REVENUE (ApGR) (AA-BB)	
DD	DEDUCT:	
1	Charges actually paid to other Telecom Service Provider(s)	
DD	TOTAL DEDUCTIBLE REVENUE	
EE	ADJUSTED GROSS REVENUE (CC - DD)	
FF	REVENUE SHARE	
(a)	Authorisation Fee @ _ OF ADJUSTED GROSS REVENUE (EE)	

NORMS FOR PREPARATION OF STATEMENT OF REVENUE

- Statement of Revenue shall be prepared separately for each telecom service authorisation operated by the Authorised Entity.
- 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:
 - (d) All amounts billable for the period.
 - (e) Any billings for previous years that had been omitted from the previous years' P&L Accounts should be shown separately under any other/ miscellaneous revenue.
 - (f) Any non-refundable deposits collected from the customers/franchisees to the extent these are credited to P&L Account for the year should be shown under Non-refundable deposits from users.
- 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 without any netting off.
- Security or any other Deposits taken from the user 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 not be included in the Statement of Revenue.
- Details of Income from sales of goods shall be furnished indicating the income shall be shown under Income from trading activity
- 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 expenditure that has been set off against corresponding income.
- In case of bundled services, separate records for itemized bills should be maintained

Proforma for Bank Guarantee

To

The President of India

In consideration of the President of India (hereinafter called 'the Authority') having agreed to grant a Service Authorisation for _____ Service to M/s _____ of _____ (hereinafter called 'the AUTHORISED ENTITY') to establish, maintain and operate **Enterprise Communication Service Authorisation** (hereinafter called 'the SERVICE') in accordance with the Authorisation No. _____ dated _____ (hereinafter called 'the Authorisation') on the terms and conditions contained in the said Authorisation, which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____ only) under the said Authorisation by way of security for payment of the said Authorisation fee as well as such other fees/dues or charges required to be paid by the AUTHORISED ENTITY 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 AUTHORISED ENTITY hereby irrevocably and unconditionally guarantee to the Authority that the AUTHORISED ENTITY shall pay all the dues, including but not limited to, the Authorisation fee and other charges 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 AUTHORISED ENTITY to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the Authorisation, or to 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 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 AUTHORISED ENTITY to pay any fees or charges or any part thereof in terms of the said Authorisation, and/or by way of breach in any of the terms and conditions of the Authorisation by the Authorised Entity, without prejudice to the Central Government's (the Authority) rights to any other remedy.

4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether AUTHORISED ENTITY 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 payable to the Authority by the Bank hereunder shall be final and binding on us.

5. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the

(a) Guarantee herein contained shall remain in full force and effect for a period of -----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 AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY.

6. We, the BANK, undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

7. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs..... and our Guarantee shall remain in force until....year from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated_____day_____for_____(Name of the Bank)

Witness:

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

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

Annexure-D**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 authorisation fee.</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, Authorised Entity 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, Authorised Entity accepts refundable deposits from customers, telecom vendors and other Authorised Entities. 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 authorisation fee. However, interest earned on refundable deposits from customers, telecom vendors and other Authorised Entities shall be considered in ApGR for the purpose of computation of authorisation fee. Also, any refundable deposit received by the Authorised Entity 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	Capital gain earned by the Authorised Entity 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 authorisation fee.
d.	Gains from Foreign Exchange rates fluctuations	<p>Foreign Exchange differences arise when actual rates at the time of settlement differs from those at which they were initially recorded in the books. The provisions contained in the Accounting Standard-11 require a notional entry for exchange differences in respect of liabilities at the closing date of the AFSs. The foreign exchange gains reflected in the profit and loss statement of Authorised Entity 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 authorisation fee.</p>
e.	Income from property rent	Authorised Entity may rent or lease part of their properties and earn revenue in the form of rent. Some Authorised Entity 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 authorisation fee. 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 authorisation fee.
f.	Insurance claims	A receipt from Insurance company against loss of property/fixed assets is basically a reimbursement in nature for the loss occurred by the Authorised Entity. Receipt of insurance claim from insurance company shall not be part of ApGR for the purpose of computation of authorisation fee.

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 authorisation fee.</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 authorisation fee.</p>

Annexure 2.4.3: Terms and Conditions for M2M Service and WLAN/ WPAN Connectivity Service Authorisation

(1) Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in these rules.

(2) Renewal of Authorisation:

The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

(3) Service Area:

The Service Area of the Authorisation shall be at the National level.

(4) Scope of Service:

The Authorised Entity may provide Service as per the following scope of the Authorisation:

- (1) The Authorised Entity is permitted to provide Machine to Machine (M2M) Service using telecommunication resources obtained from any of the authorised entities having valid Authorisation under Telecommunications Act, 2023.
- (2) The Authorised Entity is permitted to provide M2M connectivity by using Wireless Personal Area Network (WPAN) and/ or Wireless Local Area Network (WLAN) using assignment-exempt spectrum.
- (3) The Authorised Entity, if it is registered under Indian Companies Act, 2013, is permitted to own and manage Subscription Manager-Secure Routing (SM-SR) for over-the-Air (OTA) profile subscription management of M2M eSIMs.
- (4) Except those services permitted under the scope of the Authorisation, the Authorised Entity shall not provide any service which requires a separate Authorisation.
- (5) The Unified Service Authorised Entity, Access Service Authorised Entity and M2M WAN Service Authorised Entity can provide the M2M Service and WLAN/ WPAN Connectivity Service under their respective authorisations and will not require to obtain M2M Service and WLAN/ WPAN Connectivity Service Authorisation.

- (6) The Authorisation shall be granted on a non-exclusive basis and additional authorisations may be issued from time to time without any restriction on number of authorised entities with same or different entry conditions.

(5) **General conditions:**

- (1) **FDI norms:** The applicant Company/ Indian Promoters/ Investing Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government of India. Certified copy of the approval of Government of India is required in a case where Foreign Equity is from an entity of a country which shares land border with India or where the beneficial owner an investment into India is situated in or is a citizen of any such country.

(2) **Modifications in the Terms and Conditions of Authorisation**

- (a) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, or incorporate new conditions, if in the opinion of the Central Government it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the Telecommunication.
- (b) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.

(3) **Restriction on transfer of Authorisation:**

The Authorised Entity shall not, without the prior written consent of the Central Government, either directly or indirectly, assign or transfer the 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 Authorised Entity, the Authorised Entity may appoint or employ franchisee, agents, distributors and employees.

(4) **Provision of Service:**

- (a) The Authorised Entity shall make its arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary infrastructure, equipment and systems, treatment of user complaints, issue of bills to its users, collection of revenue, attending to claims and damages arising out of its operations etc.
- (b) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology

(MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

- (i) All security related compliances shall be the responsibility of the Authorised Entity.
 - (ii) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (iii) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (iv) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (c) The Authorised Entity shall ensure that-
- (i) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (ii) The associated data/ information is stored in India.

(5) Requirement to furnish information:

- (a) The Authorised Entity shall furnish to the Central Government / 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.
- (b) Any change in the details (such as name of the company, ownership, address, contact details, etc.), provided by the applicant during obtaining the Authorisation, are required to be intimated through the online portal within 15 days of such change.

(6) Penalty, Suspension, Surrender, Termination/Revocation of Authorisation

- (a) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (b) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under the Telecommunications Act, 2023.
- (c) The Authorised Entity may surrender the Authorisation, by giving a notice of at least 60 calendar days in advance. In such a case, it shall also notify all its users by sending a 30 Calendar days' notice to each user. The effective date of the surrender shall be 61st calendar day counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.
- (d) The Central Government reserves the right to suspend the operation of the Authorisation in whole or in part, at any time, if, in the opinion of the Central Government, 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 Telecommunication. Authorisation Fee payable to the Central Government will not be required to be paid for the period for which the operation of the authorisation remains suspended in whole:
Provided that if situation so warrants, the Central Government may dispense with the issue of notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard:
Provided further that the Central Government 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.
- (e) Under Section 21 of the Telecommunications Act, 2023, the Central Government may issue notification for taking such measures as are necessary to take over the services, equipment and networks of the authorised entity in the interest of national security or in the event of national emergency/war or low intensity conflict or similar type of situations or any other eventuality in public interest as declared by the

Central Government in full or in part in the Service area. Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the Authorised Entity without loss of time and shall be strictly complied with. Further, the Central Government reserves the right to keep any area out of the operation zone of the Service if implications of security so require:

Provided that any taking over of the Authorisation, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of the authorisation period or expansion of area in different corner or reduction of duly payable fee.

(7) Force- Majeure:

- (a) If at any time, during the continuance of the Authorisation, the performance in whole or in part, by the Authorised Entity, of any obligation under the Authorisation 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 Authorised Entity), 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 Authorised Entity to the Central Government, within 21 Calendar days from the date of occurrence thereof, the Central Government shall, by reason of such event, neither revoke the Authorisation, nor claim any damages against the Authorised Entity, in respect of such non-performance or delay in performance:
- (b) Provided that 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 Central Government 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.
- (c) However, the Force Majeure events noted above shall not in any way cause extension in the period of the Authorisation.
- (d) While it shall 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 Central Government, at its discretion based on circumstances of the EVENT.
- (e) The Authorised Entity shall not be entitled to claim any damages against the Central Government for non-performance or delay in performance of the Central Government's obligations by reason of the EVENT.

(8) SET OFF:

- (a) In the event any sum of money or claim becomes recoverable from or payable by Authorised Entity to the Central Government either against the Authorisation 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 Authorised Entity under the Authorisation.
- (b) The aforesaid sum of money payable to the Authorised Entity shall include any Security/ Bank Guarantee which can be converted into money.
- (c) After exercising the right of set off, the Central Government shall inform the Authorised Entity of the action taken.

(9) **Way Leave:**

The Authorised Entity shall make its own arrangements for Right of Way (RoW) as per the rules notified under Chapter III of the Telecommunications Act, 2023.

(10) **Other Conditions:**

- (a) The Authorised Entity shall be bound by these rules, the terms and conditions contained in the Authorisation document, instructions, as issued by the Central Government, and the orders/ directions/ regulations of TRAI as per the provisions of the TRAI Act, 1997, as amended from time to time.
- (b) The statutory provisions and the rules made under the Telecommunications Act, 2023 or the TRAI Act, 1997 or the Information Technology Act, 2000, and any other relevant Act shall govern the provisions of service under the Authorisation. Any other rule/ order/ regulation/ direction passed under these statutes shall be binding on the Authorised Entity.

(6) **Commercial conditions**

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

(7) **Technical Conditions**

- (1) In case the Authorised Entity provides M2M Service using wireless media, the Authorised entity shall adhere to the directions/ instructions as may be issued by the Central Government from time to time in this regard.

- (2) The Authorised Entity shall take the M2M connectivity, bandwidth and related services from any authorised entity authorised to provide such connectivity under the Telecommunications Act, 2023.
- (3) The Authorised Entity, whose SM-SR controls M2M eSIMs in India, shall not refuse the integration of its SM-SR with the SM-DP of eligible authorised entities, whose profiles are to be added in such M2M eSIMs upon the request of the concerned authorised entity having M2M Service and WLAN/ WPAN Connectivity Service Authorisation. The integration of SM-SR with SM-DP should be carried out in accordance to the GSMA's specifications and should be completed within a period of three months from the date of receipt of the formal request from the concerned authorised entity having M2M Service and WLAN/ WPAN Connectivity Service Authorisation.
- (4) The Authorised Entity, whose SM-SR controls M2M eSIMs in India, should mandatorily facilitate switching of its SM-SR with the SM-SR of another authorised entity, authorised to hold SM-SR in India, upon the request of the concerned authorised entity having M2M Service and WLAN/ WPAN Connectivity Service Authorisation. Such SM-SR switching should be carried out as per the GSMA's specifications and should be completed within a period of six months from the date of receipt of the formal request from the concerned authorised entity having M2M Service and WLAN/ WPAN Connectivity Service Authorisation.

(8) Operating Conditions

- (1) Authorised Entity shall ensure the Quality of Service (QoS) as may be prescribed by the Central Government/ TRAI.
- (2) The Authorised Entity shall adhere to Know Your User (KYU) and related guidelines issued by the Central Government from time to time for the provision of service to the users including embedded SIM enabled devices.
- (3) The details of all the users of M2M service i.e., physical custodians of devices having M2M subscription shall be maintained by the Authorised Entity. The following updated information in respect of each M2M end device shall be made available to the Central Government by the Authorised Entity:
 - (a) Details of M2M end device such as IMEI, ESN, etc.
 - (b) Make, Model, Registration number etc. of the M2M devices such as cars, utility meters, point of sale (POS) machine etc.
 - (c) Physical custodian's name and address.
- (4) For all devices sold in India which have M2M SIMs inside the device, the packaging/ instructions/ supporting leaflet shall include instruction that "This device is having M2M subscription inside".

- (5) Requirement to furnish information: The Authorised Entity shall provide to the Central Government a quarterly report indicating the details of M2M nodes or points of presence with their locations and number of M2M users.
 - (6) For the deployment of M2M/ IoT solutions, the Authorised Entity shall adhere to standard(s) as notified from time to time by the Central Government.
 - (7) The Authorised Entity shall adhere to instructions regarding roaming of foreign M2M SIMs (including M2M eSIMs) as notified from time to time by the Central Government.
 - (8) The Authorised Entity shall adhere to instructions regarding usage and management of M2M eSIMs, including instructions related to SM-DP, SM-SR, as notified from time to time by the Government.
 - (9) The Authorised Entity shall provide an annual report as per the prescribed format to the Central Government.
 - (10) **Sharing of Infrastructure:**
 - (e) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.
 - (f) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.
- (9) **Security Conditions:**
- (1) The Authorised Entity shall ensure that the data logs, event logs, system logs etc. handled by the system are tamper-proof and preserved for a minimum period of one year. The Central Government reserves the right to call for these logs and inspect them at site.
 - (2) Authorised Entity shall ensure that M2M devices should use only genuine identities such as IMEIs, ESNs, MAC addresses. Non-genuine, duplicate and fake IMEIs/ ESNs/ MAC addresses should not be allowed in the M2M devices. The M2M devices must be identifiable and traceable based on IMEI/ ESNs/ MAC addresses in the Authorised Entity's network. The prevailing IMEI guidelines issued by the Central Government for handsets will be applicable in the case of M2M devices as well.
 - (3) The Authorised Entity shall adhere to the instructions regarding the implementation of restrictive features on M2M SIMs as notified by the Central Government from time to time.
 - (4) The Authorised Entity shall adhere to the guidelines for securing M2M enabled devices, as amended from time to time.

- (5) The Authorised Entity shall ensure the bonafide usage of M2M SIMs (including eSIMs) for M2M/ IoT communication only.
- (6) The Authorised Entities holding SM-SR shall ensure that its each SM-SR site is GSMA Security Accreditation Scheme for Subscription Management (SAS-SM) certified. The Authorised Entity shall submit a copy of the GSMA SAS-SM certificate to Central Government before operationalizing any SM-SR in India.

Definitions

- (1) "Embedded SIM (eSIM)" means machine-to-machine form factor (MFF2). It is soldered directly to the M2M device's motherboard, fully encased in the device. The eSIM is the hardware component of the SIM and a physical form that can be soldered into a solution. On the other hand, eUICC refers to the software component of eSIM that provides the capability to store multiple network profiles that can be provisioned and managed Over-the-Air (OTA).
- (2) "Embedded SIM Remote Provisioning Architecture" means the common global GSMA architecture framework which provides a single, de-facto standard mechanism for the remote provisioning and management of M2M connections, allowing the OTA remote provisioning of an initial operator subscription, and the subsequent change of subscription from one operator to another. The GSMA's remote provisioning architecture consists of various inter-related entities, viz. eUICC, eUICC Manufacturer (EUM), M2M Device, Mobile Network Operator (MNO), M2M Service Provider (M2M SP), Certificate Issuer (CI), Subscription Manager-Data Preparation (SM-DP) and Subscription Manager- Secure Routing (SM-SR).
- (3) "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.
- (4) "LPWAN (Low Power Wide Area Networks)" is type of WAN which provide wireless connectivity to low-power devices over large distance that is suited for M2M communication.
- (5) "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.
- (6) "M2M Service" refers to 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.
- (7) 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.
- (8) "M2M Service and WLAN/ WPAN Connectivity Service Authorised Entity" is as an entity that collects and analyses 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.

- (9) "Subscription Manager-Data Preparation (SM-DP)" builds personalized profiles for the targeted eUICC and installs them on the eUICC through the SM-SR. Further, the SM-DP prepares, stores, and protects operator profiles and tracks all imported and known subscriptions. It must be GSMA SAS-SM (Security Accreditation Scheme for Subscription Management) certified.
- (10) "Subscription Manager-Secure Routing (SM-SR)" obtains the platform management credentials of the eUICC from the EUM (in case of initial registration) or establishes them through the previous SM-SR (in case of SM-SR swap). It loads, enables, disables, and deletes profiles on the eUICC in accordance with the operator's policy rules. It maintains a secure connection between SM-DP and eUICC for the delivery of profiles. It holds a database of all the eUICCs under its control and the key sets used to manage them. eUICCs should always be registered to only one SM-SR at a particular instant. It can be changed during the lifetime of the eUICC via SM-SR swap. The SM-SR shall be GSMA SAS-SM certified.
- (11) "Telecom Resource" means telecom facilities provided by Authorised Entity and used by the M2M Service Providers including, but not limited to Public Switched Telecom Network (PSTN), Public Land Mobile Network (PLMN), Integrated Services Digital Network (ISDN), Leased Lines or Satellite connectivity to carry traffic, telecom bandwidth, etc.
- (12) "Third Party" means an individual or organization other than the Central Government of Telecommunications (or its designated field units) and the Applicant. The third party utilizes M2M services from authorised M2M Service Providers in connection with its products or as part of offering to its end users as a product or service.
- (13) "WPAN" is a network used for data transmission among personal devices such as computers, phones, personal digital assistants, wearables, etc. Wireless PAN or WPANs can be used for communication among the personal devices (intra-personal communication), or for connecting to a higher-level network and the Internet (an uplink). Technologies used in PAN are Bluetooth, Z-Wave, ZigBee, RFID etc.
- (14) "WLAN" means a wireless network whereby a user can connect to a local area network (LAN) through a wireless (radio) connection, as an alternative to a wired local area network. WLANs are typically based on the IEEE 802.11 family of standards, which define the protocols for wireless communication. An example of a Wireless LAN is Wi-Fi.

**Annexure 2.4.4: Terms and Conditions for PM-WANI PDOA Service
Authorisation
(Public Data Office Aggregator Service)**

1. Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.

2. Renewal of Authorisation

The Central Government may renew, if deemed expedient, the period of Authorisation by a term equivalent to the validity of the authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

3. Service Area:

The Service Area of the Authorisation shall be at the National level.

4. Scope of Service:

(1) Wi-Fi Access Network Interface (WANI) ensures the interworking among systems and software applications used by the distributed entities i.e., Public Data Office Aggregator (PDOA), Public Data Office (PDO), App Provider, and Central Registry. Under the distributed architecture and unbundling of functions of the WANI eco-system, the functions of Public Data Office Aggregator (PDOA) shall cover the following:

- (a) PDOA shall register with the Central Registry using its public certificate for signature validation. It will also register the Wi-Fi Access Points along with SSIDs and locations of its associated PDOs.
- (b) PDOA shall aggregate multiple WANI-enabled Wi-Fi Access Points operated by individual PDOs and authorise users, authenticated by the App Provider, to access the internet service.
- (c) For payment transactions by users, PDOA will integrate its Captive Portal with different types of digital payment service providers such as UPI, e-Wallets, Credit and Debit Cards, Online Banking etc.
- (d) PDOA shall declare the tariff for users and keep account of usage of each user.

- (e) While PDOA shall maintain the details of usage of individual user at a given point of time, the internet traffic will route directly from Wi-Fi Access Point of PDO to the network of interconnecting authorised entity.
 - (f) It will be permissible for any two PDOAs to enter into a roaming agreement for permitting their users to access Internet Service from the Wi-Fi Access Points associated with them.
- (2) The PDOA Service Authorisation shall be granted on a non-exclusive basis and additional authorisations may be issued in the Service Area from time to time in future without any restriction on number of authorised entities with same or different entry conditions.

5. General Conditions:

- (1) **FDI norms:** The applicant Company/ Indian Promoters/ Investing Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government of India. Certified copy of the approval of Government of India is required in a case where Foreign Equity is from an entity of a country which shares land border with India or where the beneficial owner an investment into India is situated in or is a citizen of any such country.
- (2) All complaints of users shall be addressed/ handled by the Authorised Entity as per the orders issued by the Central Government or its authorized representative from time to time.
- (3) The Authorised Entity shall not provide public switched telephone service.
- (4) Any dispute regarding the provision of service will be a matter only between the aggrieved party and the PDOA, who will duly notify this to all before providing the service. And in no case, the Central Government will bear any liability or responsibility in the matter. The PDOA will keep the Central Government indemnified for all claims, costs, charges, or damages in the matter.
- (5) The Authorised Entity shall abide by all the terms and conditions that may be imposed by the Central Government from time to time.
- (6) The Central Government reserves the right to take appropriate action for any violation of the terms and conditions, including cancellation of Authorisation.
- (7) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, if in the opinion of the Central Government it is necessary or expedient to do so in public interest or in the interest of the security of the State. The decision of the Central Government shall be final and binding in this regard.

- (8) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (9) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal made under the Telecommunications Act, 2023.
- (10) In case of suspension or termination/revocation of the Authorisation, the Central Government may also impose a financial penalty not exceeding the amount as provided in Second Schedule of the Telecommunications Act, 2023 for violation of terms and conditions of the Authorisation.
- (11) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:
- Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -
- (a) All security related compliances shall be the responsibility of the Authorised Entity.
 - (b) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (c) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (d) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (12) The Authorised Entity shall ensure that-
- (a) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the

purpose of provisioning of service permitted under the scope of the authorisation

(b) The associated data/ information is stored in India.

(13) The Authorised Entity may surrender the Authorisation, by giving notice of at least 60 Calendar days in advance. In that case it shall also notify all its users by sending a 30 Calendar days' notice to each user. The balance amount including security deposit paid by the user, if any, available with the Authorised Entity shall be refunded to the user within a period of 30 days. The effective date of such surrender shall be 61st Calendar Day counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.

6. Commercial conditions:

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

7. Financial Conditions:

Entry Fees or Authorisation Fees: There shall be no Entry fee or Authorisation fee to be paid by the Authorised Entities.

8. Technical conditions:

- (1) The flow chart delineating the usage flow of PM-WANI ecosystem, which the Authorised Entity must adhere to, is available at Annexure-I, and the same is also subject to revision as deemed necessary by the Central Government.
- (2) All efforts will be made by PDOAs to deploy Indian technology (i.e. technology designed and developed in India) and 'Made in India' Wi-Fi Hotspot Access Point equipment, through which Broadband internet services will be provided under WANI framework.
- (3) The PDOA's Captive Portal shall be compliant to the architecture and specifications of WANI Framework, attached at Annexure-II.

9. Operating conditions:

- (1) The Authorised Entity shall furnish to the Central Government, 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 Authorised Entity will be responsible for the correctness of the information so furnished.

- (2) To enable availability of data for WANI, the PDOA will provide documents and information to Central Government and TRAI, as may be sought periodically.
- (3) The Central Government reserves the right to suspend the operation of the Authorisation at any time, if it is necessary or expedient to do so in the interest of the security of the State.

10. Security Conditions:

- (1) PDOA shall make necessary provisions for storage of user data for one year to ensure compliance with legal provisions, as required.
- (2) The user data privacy will be ensured by PDOA. Complete user data and usage logs will be stored within India.
- (3) Subject to terms and conditions of the Authorisation, the PDOA will take all necessary steps to safeguard the privacy and confidentiality of any information about a third party to whom it provides the service.

Flow Chart under WANI Eco-System:

As it is a novel concept, based on unbundled and distributed model, for delivery of Internet services, a typical usage flow is described below:

- a. A new User will download the App from App store and install the same on its mobile device.
- b. Thereafter this User will create its own profile in the App and register with the App provider after verifying own mobile number through One Time Password (OTP) to be received from the App Provider.
- c. To access Internet service, the User will open the App in which it is already registered.
- d. The App will discover the WANI compliant Wi-Fi Access Points in the nearby area and display the same in the App.
- e. The user will choose one Wi-Fi Access Point to connect with Internet.
- f. The chosen Wi-Fi Access Point will request the Captive Portal of PDOA for Authorisation.
- g. The Captive Portal of PDOA will initiate user authentication with backend infrastructure of the App Provider using the token passed from the App.
- h. App Provider will return a signed user profile token back to the PDOA.
- i. If the user is a new customer of the PDOA, then the PDOA will display the available data packs with tariff plans to the user. User will select the desired data pack. The PDOA will send request for payment to the user through its payment gateway.
- j. User will complete the payment.
- k. After receiving the payment, PDOA will register the user as its user and activates the data pack for the registered user and allows it to connect to the Internet session.
- l. Now User can access the Internet.
- m. In case of existing users of a PDOA, if the account balance is available for a particular user, step i and j will not be applicable.

Annexure-II

Brief of the functions of each entity specified under the WANI framework:

A. PDO:

1. PDO will establish, maintain, and operate only WANI compliant Wi-Fi Access Points.
2. PDO will connect its Wi-Fi Access Point with Internet through networks of authorised Service Providers only in that area.
3. A PDO can establish multiple Wi-Fi Access Points and logically connect them with different Captive Portals of PDOAs. However, a WiFi Access Point of any PDO will be logically connected with a Captive Portal of only one PDOA.
4. As per the WANI framework, PDOs will have commercial agreements-
 - (a) with the authorised entities authorised to provide Internet Service for internet connectivity; and
 - (b) with PDOA for Aggregation, Authorisation, Accounting, and other related functions.

B. PDOA:

1. PDOA will register with Central Registry using its public certificate for signature validation. It will also register the Wi-Fi Access Points along with SSIDs and locations its associated PDOs.
2. PDOA will aggregate multiple WANI enabled Wi-Fi Access Points being operated by individual PDOs and authorise the users, authenticated by the App Provider, to access internet services.
3. For payment transactions by users, PDOA will integrate the Captive Portal with different types of digital payment service providers such as UPI, e-Wallets, Credit and Debit Cards, Online Banking etc.
4. PDOA will declare the tariff for users and keep account of usage of each user.
5. While PDOA will maintain the details of usage of individual user at a given point of time, the internet traffic will route directly from WiFi Access Point of PDO to the network of interconnecting authorised Service Provider.
6. It will be permissible for any two PDOAs to enter into a roaming agreement for permitting each other's users to access Internet from any Wi-Fi Access Points associated with them.
7. All complaints of users will be addressed/ handled by the PDOA as per the orders issued by the Department of Telecommunications or its authorized representative (herein after referred to as 'DoT') from time to time.

C. App Provider:

1. App Provider will develop and maintain a software application and backend authentication infrastructure for users to signup, discover WANI compliant Wi-Fi hotspots, and do single-click connect from within the App.

2. App Provider will register with Central Registry using its public certificate for signature validation.
3. The App will allow users to create a profile and do their mobile verification using OTP.
4. The App Provider will authenticate each user periodically based on some predefined algorithm.

D. Central Registry Provider:

1. The Central Registry will maintain, in accordance with the WANI framework, the details of App Providers, PDOAs, and PDOs.
2. The Central Registry will ensure interoperability among WANI Compliant Wi-Fi Access Points, Captive Portal of PDOA, and App.
3. The Central Registry Provider will certify the systems and software applications of App Provider or PDOA as per the checklist provided with WANI architecture and specifications within 10 working days after the App Provider or PDOA submit the same for certification. In case of any non-compliances with the WANI architecture and specifications in the systems and software applications of App Provider or PDOA, as communicated in writing by the Central Registry Provider, App Provider or PDOA will attend to the same within 20 working days and resubmit to the Central Registry Provider for certification.
4. The Central Registry Provider, on instructions from the DoT, will delete the details of App Providers, PDOAs, or PDOs.

Definitions:

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

- (1) **"Authorised Entity"** means an entity that has been awarded PDOA Authorisation.
- (2) **"authorised entity"** refers to an entity, different from Authorised Entity, that has been given Authorisation under the same terms and conditions.
- (3) **"App Provider"** means an entity that develop an Application to register user(s) and discover PM-WANI compliant Wi-Fi hotspots in the nearby area and display the same within the Application for accessing the internet service.
- (4) **"Central Registry"** means an entity that maintain, in accordance with the PM-WANI architecture and specifications, the details of App Providers, PDOAs, and PDOs.
- (5) **"Person"** shall include an individual, any company or association or body of individuals, whether incorporated or not, by whatsoever name called to referred to.
- (6) **"Public Data Office (PDO)"** means an entity that establish, maintain, and operate only PM-WANI compliant Wi-Fi Access Points and deliver broadband services to subscriber(s).
- (7) **"Public Data Office Aggregator (PDOA)"** means an entity that acts as an aggregator of PDOs and perform the functions relating to Authorisation and accounting.
- (8) **"Service Area"** means the specified geographical area for which service Authorisation has been granted under this Authorisation.
- (9) **"TRAI"** means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.
- (10) **"user(s)"** means any person or legal entity, which subscribes to / avails of the service from the Authorised Entity. In this Authorisation, the words 'user(s)' and 'subscriber(s)' have been used interchangeably.

**Annexure 2.4.5: Terms and Conditions for PM-WANI APP Service
Authorisation
(PM WANI App Provider Service)**

1. Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.

2. Renewal of Authorisation

The Central Government may renew, if deemed expedient, the period of Authorisation by a term equivalent to the validity of the authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

3. Service Area:

The Service Area of the Authorisation shall be at the National level.

4. Scope of service:

(1) Wi-Fi Access Network Interface (WANI) ensures the interworking among systems and software applications used by the distributed entities i.e., Public Data Office Aggregator (PDOA), Public Data Office (PDO), App Provider, and Central Registry. Under the distributed architecture and unbundling of functions of the WANI eco-system, the functions of App Provider shall cover the following:

- (a) App Provider, that is, the Authorised Entity providing the App shall develop an App to register users and discover WANI compliant Wi-Fi hotspots in the nearby area and display the same within the App for accessing the internet service.
- (b) App Provider will develop and maintain a software application and backend authentication infrastructure for users to signup, discover WANI compliant Wi-Fi hotspots, and do single-click connect from within the App.
- (c) App Provider will register with Central Registry using its public certificate for signature validation.
- (d) The App will allow users to create a profile and do their mobile verification using OTP.
- (e) The App Provider will authenticate each user periodically based on some predefined algorithm.

- (2) The Authorisation for App Provider shall be granted on non-exclusive basis and additional authorisations may be issued in the Service Area from time to time in future without any restriction on number of authorised entities with same or different entry conditions.

5. **General Conditions:**

- (1) **FDI norms:** The applicant Company/ Indian Promoters/ Investing Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government of India. Certified copy of the approval of Government of India is required in a case where Foreign Equity is from an entity of a country which shares land border with India or where the beneficial owner an investment into India is situated in or is a citizen of any such country.
- (2) All complaints of App users shall be addressed/ handled by the Authorised Entity as per the orders issued by the Central Government or its authorized representative from time to time.
- (3) The Authorised Entity shall not provide public switched telephone service.
- (4) Any dispute regarding the provision of service will be a matter only between the aggrieved party and the App Provider, who will duly notify this to all before providing the service. And in no case, the Central Government will bear any liability or responsibility in the matter. The App Provider will keep the Central Government indemnified for all claims, costs, charges, or damages in the matter.
- (5) The Authorised Entity shall abide by all the terms and conditions that may be imposed by the Central Government from time to time.
- (6) The Central Government reserves the right to take appropriate action for any violation of the terms and conditions, including cancellation of Authorisation.
- (7) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, if in the opinion of the Central Government it is necessary or expedient to do so in public interest or in the interest of the security of the State. The decision of the Central Government shall be final and binding in this regard.
- (8) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (9) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal made under the Telecommunications Act, 2023.

- (10) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:
- Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -
- (a) All security related compliances shall be the responsibility of the Authorised Entity.
 - (b) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (c) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (d) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (11) The Authorised Entity shall ensure that-
- (a) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (b) The associated data/ information is stored in India.
- (12) In case of suspension or termination/ revocation of the Authorisation, the Central Government may also impose a financial penalty not exceeding the amount as provided in Second Schedule of the Telecommunications Act, 2023 for violation of terms and conditions of the Authorisation.
- (13) The Authorised Entity may surrender the Authorisation, by giving notice of at least 60 Calendar days in advance. In that case it shall also notify all its users by sending a 30 Calendar days' notice to each user. The effective date of such surrender shall be 61st Calendar Day counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.

6. Commercial conditions:

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

7. Financial Conditions:

Entry Fees or Authorisation Fees: There shall be no Entry fee or Authorisation fee to be paid by the Authorised Entities.

8. Technical Conditions:

- (1) The flow chart delineating the usage flow of PM-WANI ecosystem, which the Authorised Entity must adhere to, is available at Annexure-I, and the same is also subject to revision as deemed necessary by the Central Government.
- (2) Any user authenticated by an App Provider can use any WANI compliant Wi-Fi Access Point operated by any PDO for accessing the Internet Service.
- (3) The Central Registry will maintain, in accordance with the WANI framework, the details of App Providers, PDOAs, and PDOs.
- (4) The Central Registry will ensure interoperability among WANI Compliant Wi-Fi Access Points, Captive Portal of PDOA, and App.
- (5) The Central Registry Provider will certify the systems and software applications of App Provider as per the checklist provided with WANI architecture and specifications within 10 working days after the App Provider submit the same for certification. In case of any non-compliances with the WANI architecture and specifications in the systems and software applications of App Provider, as communicated in writing by the Central Registry Provider, App Provider will attend to the same within 20 working days and resubmit to the Central Registry Provider for certification.
- (6) The App Provider's App shall be compliant to the architecture and specifications of WANI Framework, attached at Annexure-II.

9. Operating Conditions:

- (1) The Authorised Entity shall furnish to the Central Government, 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 Authorised Entity will be responsible for the correctness of the information so furnished.

- (2) The Central Government reserves the right to suspend the operation of the Authorisation at any time, if it is necessary or expedient to do so in the interest of the security of the State.

10. **Security conditions:**

- (1) The user data privacy will be ensured by App Provider. The storage of data will be kept in India.
- (2) Subject to terms and conditions of the Authorisation, the App Provider will take all necessary steps to safeguard the privacy and confidentiality of any information about users.

Flow Chart under WANI Eco-System:

As it is a novel concept, based on unbundled and distributed model, for delivery of Internet services, a typical usage flow is described below:

- n. A new User will download the App from App store and install the same on its mobile device.
- o. Thereafter this User will create its own profile in the App and register with the App provider after verifying own mobile number through One Time Password (OTP) to be received from the App Provider.
- p. To access Internet service, the User will open the App in which it is already registered.
- q. The App will discover the WANI compliant Wi-Fi Access Points in the nearby area and display the same in the App.
- r. The user will choose one Wi-Fi Access Point to connect with Internet.
- s. The chosen Wi-Fi Access Point will request the Captive Portal of PDOA for Authorisation.
- t. The Captive Portal of PDOA will initiate user authentication with backend infrastructure of the App Provider using the token passed from the App.
- u. App Provider will return a signed user profile token back to the PDOA.
- v. If the user is a new customer of the PDOA, then the PDOA will display the available data packs with tariff plans to the user. User will select the desired data pack. The PDOA will send request for payment to the user through its payment gateway.
- w. User will complete the payment.
- x. After receiving the payment, PDOA will register the user as its user and activates the data pack for the registered user and allows it to connect to the Internet session.
- y. Now User can access the Internet.
- z. In case of existing users of a PDOA, if the account balance is available for a particular user, step i and j will not be applicable.

Brief of the functions of each entity specified under the WANI framework:

A. PDO:

- (1) PDO will establish, maintain, and operate only WANI compliant Wi-Fi Access Points.
- (2) PDO will connect its Wi-Fi Access Point with Internet through networks of authorised Service Providers only in that area.
- (3) A PDO can establish multiple Wi-Fi Access Points and logically connect them with different Captive Portals of PDOAs. However, a WiFi Access Point of any PDO will be logically connected with a Captive Portal of only one PDOA.
- (4) As per the WANI framework, PDOs will have commercial agreements-
 - (a) with the authorised entities authorised to provide Internet Service for internet connectivity; and
 - (b) with PDOA for Aggregation, Authorisation, Accounting, and other related functions.

B. PDOA:

- (1) PDOA will register with Central Registry using its public certificate for signature validation. It will also register the Wi-Fi Access Points along with SSIDs and locations its associated PDOs.
- (2) PDOA will aggregate multiple WANI enabled Wi-Fi Access Points being operated by individual PDOs and authorise the users, authenticated by the App Provider, to access internet services.
- (3) For payment transactions by users, PDOA will integrate the Captive Portal with different types of digital payment service providers such as UPI, e-Wallets, Credit and Debit Cards, Online Banking etc.
- (4) PDOA will declare the tariff for users and keep account of usage of each user.
- (5) While PDOA will maintain the details of usage of individual user at a given point of time, the internet traffic will route directly from WiFi Access Point of PDO to the network of interconnecting authorised Service Provider.
- (6) It will be permissible for any two PDOAs to enter into a roaming agreement for permitting each other's users to access Internet from any Wi-Fi Access Points associated with them.
- (7) All complaints of users will be addressed/ handled by the PDOA as per the orders issued by the Department of Telecommunications or its authorized representative (herein after referred to as 'DoT) from time to time.

C. App Provider:

1. App Provider will develop and maintain a software application and backend authentication infrastructure for users to signup, discover WANI compliant Wi-Fi hotspots, and do single-click connect from within the App.
2. App Provider will register with Central Registry using its public certificate for signature validation.

3. The App will allow users to create a profile and do their mobile verification using OTP.
4. The App Provider will authenticate each user periodically based on some predefined algorithm.

D. Central Registry Provider:

1. The Central Registry will maintain, in accordance with the WANI framework, the details of App Providers, PDOAs, and PDOs.
2. The Central Registry will ensure interoperability among WANI Compliant Wi-Fi Access Points, Captive Portal of PDOA, and App.
3. The Central Registry Provider will certify the systems and software applications of App Provider or PDOA as per the checklist provided with WANI architecture and specifications within 10 working days after the App Provider or PDOA submit the same for certification. In case of any non-compliances with the WANI architecture and specifications in the systems and software applications of App Provider or PDOA, as communicated in writing by the Central Registry Provider, App Provider or PDOA will attend to the same within 20 working days and resubmit to the Central Registry Provider for certification.
4. The Central Registry Provider, on instructions from the DoT, will delete the details of App Providers, PDOAs, or PDOs.

Definitions:

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

- (1) **"Authorised Entity"** means an entity that has been granted an App Provider Authorisation.
- (2) **"authorised entity"** refers to an entity, different from Authorised Entity, that has been given Authorisation under the same terms and conditions.
- (3) **"App Provider"** means an entity that develop an Application to register user(s) and discover PM-WANI compliant Wi-Fi hotspots in the nearby area and display the same within the Application for accessing the internet service.
- (4) **"Central Registry"** means an entity that maintain, in accordance with the PM-WANI architecture and specifications, the details of App Providers, PDOAs, and PDOs.
- (5) **"Person"** shall include an individual, any company or association or body of individuals, whether incorporated or not, by whatsoever name called to referred to.
- (6) **"Public Data Office (PDO)"** means an entity that establish, maintain, and operate only PM-WANI compliant Wi-Fi Access Points and deliver broadband services to user(s).
- (7) **"Public Data Office Aggregator (PDOA)"** means an entity that acts as an aggregator of PDOs and perform the functions relating to Authorisation and accounting.
- (8) **"Service Area"** means the specified geographical area for which service Authorisation has been granted under this Authorisation.
- (9) **"TRAI"** means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.
- (10) **"user(s)"** means any person or legal entity, which users to / avails of the service from the Authorised Entity. In this Authorisation, the words 'user(s)' and 'user(s)' have been used interchangeably.

Annexure 2.4.6: Terms and Conditions for IFMC Service Authorisation

1. Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in these rules.

2. Renewal of Authorisation:

- (1) The Central Government may renew, if deemed expedient, the period of the Authorisation by a term equivalent to the validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.
- (2) No Entry Fee shall be levied at the time of renewal of the Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.

3. Service Area:

- (1) On ships within Indian territorial waters, Continental Shelf, and Exclusive Economic Zone of India, and
- (2) On aircraft within or above India or Indian territorial waters, Continental Shelf, and Exclusive Economic Zone of India

[The rights of the Authorised Entity in the Continental Shelf, and Exclusive Economic Zone of India shall be subject to the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and applicable international laws as accepted and ratified by India.]

4. Scope of Service:

The Authorised Entity is permitted to provide voice or data or both types of messages on ships and aircrafts in the Service Area through wireless medium.

5. Eligibility

- (1) An authorised entity shall be eligible to apply for IFMC Service Authorisation if it-
 - (a) holds an authorisation for Unified Service or Access Service or Satellite-based Telecommunication Service or Internet Access Service category A; and
 - (b) has deployed a satellite earth station gateway in India under a service authorisation issued by the Central Government within the Service Area of the Authorisation as specified in clause (a) above in case connectivity through satellite is used.

- (2) The following companies shall also be eligible to apply for authorisation to provide IFMC service by entering into commercial agreements as referred to in sub-rule (5) and (6), namely:
- (a) Any Indian airlines company or foreign airlines company having permission to enter Indian airspace by the Directorate General of Civil Aviation;
 - (b) Any Indian shipping company or foreign shipping company whose vessels or ships call Indian ports or transit Indian territorial waters and intend to carry out communication for non-GMDSS (Global Maritime Distress and Safety System) [routine] or for commercial purpose; and
 - (c) Any company incorporated under the Companies Act, 2013.
- (3) An authorised entity referred to in sub-rule (1), may provide voice or data or both in accordance with the scope of the authorisation held by it.
- (4) Data service may be provided by the Authorised Entity through Wi-Fi.
- (5) For providing data service, the companies referred to in sub-rule (2) shall enter into a commercial agreement(s) with-
- (a) An authorised entity having authorisation for providing Internet Service on pan-India basis; and
 - (b) An authorised entity which has deployed a satellite earth station gateway in India under a service authorisation issued by the Central Government in case connectivity through satellite is used.
- (6) For providing voice and data service, the companies referred to in sub-rule (2) shall enter into commercial agreement(s) with-
- (a) An authorised entity having authorisation for providing Access Service; and
 - (b) An authorised entity which has deployed a satellite earth station gateway in India under a service authorisation issued by the Central Government within the service area of the partnering authorised entity providing Access Service in case connectivity through satellite is used.

6. Non-exclusivity Clause:

The Authorisation is granted on a non-exclusive basis i.e. without any restriction on the number of entrants for provision of service.

7. General Conditions

- (1) **Foreign Direct Investment (FDI) Norms:** The Foreign Direct Investment (FDI) is permitted up to 100% of equity under Automatic route subject to the observance of terms and conditions of the Authorisation, as notified by the Central Government from time to time, by Authorised Entity as well as investors.

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

- (a) 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.
- (b) 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. (a) above, such a subsequent change in beneficial ownership will also require Government approval.
- (c) Both direct and indirect foreign investment in the Authorised Entity shall be counted for the purpose of calculating total FDI.
- (d) The Authorised Entity/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government of India. While approving the investment proposals, the Government may take into account security concerns.
- (e) FDI shall be subject to laws of India and not the laws of the foreign country/ countries. The Authorised Entity shall comply with the relevant provisions of FDI policy of the Government of India and such modifications to the policy as may be issued from time to time.
- (f) The words mentioned hereinabove such as FDI, foreign equity, investment companies, Automatic route, Government route, etc., shall have the same meaning as defined by Department for Promotion of Industry and Internal Trade (DPIIT) in its FDI Policy.

(2) **Modifications in the Terms and Conditions of Authorisation:**

- (a) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, or incorporate new conditions, if in the opinion of the Central Government, it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the Telecommunication.
- (b) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.

(3) **Restriction on Transfer of Authorisation:**

The Authorised Entity shall not, without the prior written consent of the Central Government, 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. Mergers, demergers or acquisitions, or other forms of restructuring, as well as transfer of Authorisation shall be subject to the Rules notified under section 3(5) of the Telecommunications Act, 2023.

(4) **Provision of Service:**

- (a) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

- (i) All security related compliances shall be the responsibility of the Authorised Entity.
 - (ii) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (iii) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (iv) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (b) The Authorised Entity shall ensure that-
- (i) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (ii) The associated data/ information is stored in India.

(5) **Penalty, Suspension, Surrender, Termination/ Revocation of Authorisation:**

- (a) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (b) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under the Telecommunications Act, 2023.
- (c) The Authorised Entity may surrender the Authorisation, by giving a notice of at least 60 calendar days in advance. In such a case, it shall also notify all its users by sending a 30 calendar days' notice to each user. The Authorised Entity shall pay all fees payable by it till the date on which the surrender of the Authorisation becomes effective. The effective date of the surrender shall be 61st calendar day counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.
- (d) The Central Government reserves the right to suspend the operation of the Authorisation in whole or in part, at any time, if, in the opinion of the Central Government, 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 telecommunication:
 Provided that if situation so warrants, the Central Government may dispense with the issue of notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard.
 Provided further that the Central Government shall not be responsible for any damage or loss caused or arisen out of the 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 the period spent.
 The Central Government reserves the right to terminate/ revoke/ suspend the Authorisation, in whole or in part, at any time in the interest of public by giving a notice of sixty (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 Central Government has the right to revoke/ suspend the Authorisation, in whole or in part, without any notice period.

(6) Requirement to furnish information:

- (a) The Authorised Entity shall furnish to the Central Government/ 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.
 - (b) Any change in the details (such as name of the company, ownership, address, contact details, etc.), provided by the applicant during obtaining the Authorisation, are required to be intimated through the online portal within 15 days of such change.
- (7) **Force- Majeure:**
- (i) If at any time, during the continuance of the Authorisation, the performance in whole or in part, by the Authorised Entity, of any obligation under the Authorisation 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 Authorised Entity), 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 Authorised Entity to the Central Government, within 21 Calendar days from the date of occurrence thereof, the Central Government shall, by reason of such event, neither revoke the Authorisation, nor claim any damages against the Authorised Entity, in respect of such non-performance or delay in performance:
 Provided that 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 Central Government 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.
 - (j) However, the Force Majeure events noted above shall not in any way cause extension in the period of the Authorisation.
 - (k) While it shall 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 Central Government, at its discretion based on circumstances of the EVENT.
 - (l) The Authorised Entity shall not be entitled to claim any damages against the Central Government for non-performance or delay in performance of the Central Government's obligations by reason of the EVENT.
- (8) **SET OFF:**
- (d) In the event any sum of money or claim becomes recoverable from or

payable by Authorised Entity to the Central Government either against the Authorisation 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 Authorised Entity under the Authorisation.

(e) The aforesaid sum of money payable to the Authorised Entity shall include any Security/ Bank Guarantee which can be converted into money.

(f) After exercising the right of set off, the Central Government shall inform the Authorised Entity of the action taken.

(9) Way Leave:

The Authorised Entity shall make its own arrangements for Right of Way (RoW) as per the rules notified under Chapter III of the Telecommunications Act, 2023.

(10) Other Conditions:

(c) The Authorised Entity shall be bound by these rules, the terms and conditions contained in the Authorisation document, instructions, as issued by the Central Government, and the orders/ directions/ regulations of TRAI as per the provisions of the TRAI Act, 1997, as amended from time to time.

(d) The statutory provisions and the rules made under the Telecommunications Act, 2023 or TRAI Act, 1997 or Information Technology Act, 2000, and any other relevant Act shall govern the provisions of service under the Authorisation. Any other rule/ order/ regulation/ direction passed under these statutes shall be binding on the Authorised Entity.

8. Commercial conditions

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

9. Financial Conditions

(1) Annual Fee:

(a) The IFMC Authorised Entity shall pay annual fee of Re 1 (One Rupee) to be paid on annual basis to the DoT.

(b) The fee as specified in sub-rule (a) above, is in addition to the satellite bandwidth charges, authorisation fees, spectrum charges and such

other charges which are to be paid by the telecom authorised entity under the respective authorisations.

- (c) Revenue earned by the partnering authorised entity from IFMC service providers or by the authorised entity providing IFMC services, shall be included in the gross revenue of the authorised entity, for the purpose of authorisation fee and spectrum usage charges.

10. Technical Conditions

- (1) The Aircraft Earth Station or Earth Station in Motion (ESIM) established for providing the IFMC service shall conform to the applicable standards set by international standardisation bodies, such as, International Telecommunications Union (ITU), European Telecommunications Standards Institute (ETSI), Institute of Electrical and Electronics Engineers (IEEE); or set by international fora such as 3rd Generation Partnership Project (3GPP).
- (2) IFMC communication systems using Direct-Air-to-Ground Communications (DA2GC) shall be permitted to be used for in Flight Connectivity, provided they are in compliance of standards set by the international bodies referred to in sub-rule (1) of this rule.

11. Operating Conditions

- (1) The Authorised Entity shall provide cellular mobile telephone service in aircraft at minimum height of 3,000 meters in the Service Area to avoid interference with the terrestrial cellular mobile telephone networks in India.
- (2) The Authorised Entity shall provide Internet services through Wi-Fi in aircraft when electronic devices are permitted to be used only in airplane mode.
- (3) In case of using satellite system for providing IFMC services, the telecommunication message shall be passed through the satellite gateway earth station located within India.
- (4) The regulatory permissions under these rules shall be the same for both, Indian registered airlines or ships and foreign registered airlines or ships offering IFMC services.
- (5) These rules shall also be applicable for business jets, executive aircraft and yachts.
- (6) The modification of aircraft registered in India to provide IFMC facility shall be approved by the Directorate General of Civil Aviation as per the Aircraft Rules, 1937.
- (7) There shall be a separate infrastructure for IFMC and navigation system in aircraft and ships to avoid interference.
- (8) IFMC shall be in exclusive control of the pilot or captain of the aircraft or ship to enable him to turn off the connectivity during any adverse condition.

- (9) In case satellite connectivity is used -
- (a) The Authorised Entity, or its partnering authorised entity, whosoever holds Satellite-based Telecommunication Service Authorisation shall be permitted to obtain separate frequency assignment from the Central Government for providing IFMC service.
 - (b) The Authorised Entity, or its partnering authorised entity, whosoever holds Satellite-based Telecommunication Service Authorisation may also use the satellite spectrum already assigned to it under the Satellite-based Telecommunication Service Authorisation.
- (10) Any dispute regarding the provision of Service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this to all before providing the Service. And in no case, the Central Government shall bear any liability or responsibility in the matter. The Authorised Entity shall keep the Central Government indemnified for all claims, cost, charges or damages in the matter

12. Security Conditions:

Monitoring or interception

- (a) The Central Government or its designated authority shall have the right to monitor or intercept the telecommunication message passing through the IFMC network.
- (b) The hardware and software required for lawful interception and monitoring of telecommunication message shall be arranged by the Authorised Entity either itself or through its partnering authorised entity at the premises of designated authorities of the Central Government or a State Government.
- (c) For establishing connectivity to a centralised monitoring system, the Authorised Entity at its own cost shall arrange either itself or through its partnering authorised entity, appropriately dimensioned hardware and bandwidth or dark fibre upto a designated point as required by the central Government.
- (d) The Authorised Entity shall make arrangement for monitoring of telecommunication message in en clair form either itself or through its partnering authorised entity.
- (e) Any service permitted under these rules, shall be commenced by the Authorised Entity only after giving an intimation to do so to the Central Government:
Provided that the monitoring facilities as specified in (b), (c) and (d) above shall have to be demonstrated by the Authorised Entity to the Central Government, within ninety days from the date of intimation.

Definitions

- (1) "AUTHORISATION" means an Authorisation granted or having effect as if granted under Section 3 (1)(a) of the Telecommunications Act 2023.
- (2) "AUTHORISED ENTITY" means a registered Indian Company/Govt. Agencies that has been awarded Authorisation to provide the authorised service, within the geographical boundaries of the specified service area.
- (3) "CENTRAL GOVERNMENT" shall refer to the President of India acting through any authorised person, who granted Authorisation under Section 3 of the Telecommunications Act 2023, unless otherwise specified.
- (4) "CRITICAL TELECOMMUNICATION INFRASTRUCTURE" means telecommunication networks notified under sub-section (3) of section 22 of the Telecommunications Act, 2023.
- (5) "DIRECT-AIR-TO-GROUND COMMUNICATIONS (DA2GC)" envisages a set of IMT Base Stations suitably placed at the ground and directly communicating with airborne object, which may be an aircraft or any other aerial vehicle.
- (6) "EFFECTIVE DATE" refers to the date on which this Authorisation Agreement is signed by the parties. This Authorisation comes into effect from the effective date of the Authorisation.
- (7) "EARTH STATION IN MOTION (ESIM)" means an Earth station that is placed on a moving platform, such as a ship at sea, a moving train, or an aircraft in flight.
- (8) "GLOBAL MARITIME DISTRESS AND SAFETY SYSTEM (GMDSS)" is an internationally agreed set of safety procedures, frequencies, types of equipment, and communication protocols, developed through cooperation between International Maritime Organisation (IMO) and International Telecommunication Union (ITU).
- (9) "MESSAGE" means any sign, signal, writing, text, image, sound, video, data stream, intelligence or information sent through telecommunication;
- (10) "SERVICE AREA" is as defined in Schedule-I appended to this agreement.

Annexure 2.4.7: Terms and Conditions for Data Communication Service between Aircraft and Ground Stations Authorisation

1. Period of Validity of the Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in these rules.

2. Renewal of Authorisation:

(1) The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the period of validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

(2) No Entry Fee shall be levied at the time of renewal of the Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.

3. Service Area:

The Service Area of the Authorisation shall be at the National level.

4. Scope of Service:

(1) The Authorised Entity is permitted to provide Data Communication Service between Aircraft and Ground Stations (in short, 'DCSBAGS') on a non-exclusive basis to airline operators, and air navigation service providers such as Airports Authority of India. The DCSBAGS involves the exchange of data between aircraft and ground stations for the purpose of air traffic management (ATM) and airline operational communication (AOC) using Very High Frequency (VHF) spectrum allocated for Aeronautical Mobile (R) Service.

(2) The Authorised Entity may establish one or more ground stations in India. However, the Authorised Entity shall have to separately obtain frequency assignment and SACFA clearance from the Central Government before establishing any ground station in the country.

(3) The Authorised Entity is not permitted to connect its telecommunication network, deployed under the Authorisation, to public networks.

(4) Under the Authorisation, the Authorised Entity is not permitted to provide any telecommunication/ broadcasting service, other than the DCSBAGS, which requires a separate service authorisation from the Central Government.

Illustration: The Authorised Entity is not permitted to provide in-flight and maritime connectivity (IFMC) service to passengers on-board the aircraft.

- (5) The Authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required as per Section 4 of the Telecommunications Act, 2023. Upon obtaining frequency spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable to the Authorised Entity along with the terms and conditions of the Authorisation.

5. General Conditions:

- (1) **FDI norms:** The Authorised Entity/ Indian Promoters/ Investing Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government of India. Certified copy of the approval of Government of India is required in a case where Foreign Equity is from an entity of a country which shares land border with India or where the beneficial owner an investment into India is situated in or is a citizen of any such country.
- (2) **Modifications in the Terms and Conditions of Authorisation:**
- (c) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, or incorporate new conditions, if in the opinion of the Central Government, it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the Telecommunication.
- (d) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.
- (3) **Restriction on transfer of Authorisation:**
- The Authorised Entity shall not, without the prior written consent of the Central Government, 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 Authorised Entity, the Authorised Entity may appoint or employ franchisees, agents, distributors and employees. Mergers, demergers or acquisitions, or other forms of restructuring, as well as transfer of Authorisation shall be subject to the Rules notified under section 3(5) of the Telecommunications Act, 2023.
- (4) **Provision of Service:**
- (a) The Authorised Entity shall make its arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary infrastructure, equipment and systems,

treatment of user complaints, issue of bills to its users, collection of revenue, attending to claims and damages arising out of its operations etc.

- (b) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

- (i) All security related compliances shall be the responsibility of the Authorised Entity.
 - (ii) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (iii) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (iv) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (c) The Authorised Entity shall ensure that-
 - (i) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (ii) The associated data/ information is stored in India.

(5) Requirement to Furnish Information:

- (a) The Authorised Entity shall furnish to the Central Government/ 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.

- (b) Any change in the details (such as ownership, FDI, name of the Authorised Entity, address, contact details, etc.), provided by the Authorised Entity at the time of obtaining the Authorisation, are required to be intimated through the online portal within 15 days of such change.

(6) **Penalty, Suspension, Surrender, Termination/ Revocation of Authorisation**

- (a) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (b) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under the Telecommunications Act, 2023.
- (c) The Authorised Entity may surrender the Authorisation, by giving a notice of at least 60 calendar days in advance. In such a case, it shall also notify all its users by sending a 30 calendar days' notice to each user. The Authorised Entity shall pay all fees payable by it till the date on which the surrender of the Authorisation becomes effective. The effective date of the surrender shall be the 61st calendar day counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.
- (d) The Central Government reserves the right to suspend the operation of the Authorisation in whole or in part, at any time, if, in the opinion of the Central Government, 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 Telecommunication:
Provided that if the situation so warrants, the Central Government may dispense with the issue of a notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard:
Provided further that the Central Government 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 shall be taken as period spent.

- (e) The Central Government reserves the right to terminate/ revoke/ suspend the 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 Central Government has the right to revoke/ suspend the Authorisation, in whole or in part, without any notice period.

(7) Force-Majeure:

- (m) If at any time, during the continuance of the Authorisation, the performance in whole or in part, by the Authorised Entity, of any obligation under the Authorisation 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 Authorised Entity), 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 Authorised Entity to the Central Government, within 21 Calendar days from the date of occurrence thereof, the Central Government shall, by reason of such event, neither revoke the Authorisation, nor claim any damages against the Authorised Entity, in respect of such non-performance or delay in performance:

Provided that 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 Central Government 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.

- (n) However, the Force Majeure events noted above shall not in any way cause extension in the period of the Authorisation.
- (o) While it shall 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 Central Government, at its discretion based on circumstances of the EVENT.
- (p) The Authorised Entity shall not be entitled to claim any damages against the Central Government for non-performance or delay in performance of the Central Government's obligations by reason of the EVENT.

(8) Set Off:

- (a) In the event any sum of money or claim becomes recoverable from or payable by Authorised Entity to the Central Government either

against the Authorisation 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 Authorised Entity under the Authorisation.

- (b) The aforesaid sum of money payable to the Authorised Entity shall include any Security/ Bank Guarantee which can be converted into money.
- (c) After exercising the right of set off, the Central Government shall inform the Authorised Entity of the action taken.

(9) **Way Leave:**

The Authorised Entity shall make its own arrangements for Right of Way (RoW) as per the rules notified under Chapter III of the Telecommunications Act, 2023.

(10) **Other Conditions:**

- (a) The Authorised Entity shall be bound by these rules, the terms and conditions contained in the Authorisation document, instructions, as issued by the Central Government, and the orders/ directions/ regulations of TRAI as per the provisions of the TRAI Act, 1997, as amended from time to time.
- (b) The statutory provisions and the rules made under the Telecommunications Act, 2023 or TRAI Act, 1997 or Information Technology Act, 2000, and any other relevant Act shall govern the provisions of service under the Authorisation. Any other rule/ order/ regulation/ direction passed under these statutes shall be binding on the Authorised Entity.

6. Commercial Conditions:

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

7. Financial Conditions:

(1) **Entry Fee:**

A non-refundable one-time Entry Fee of Rs. 1,00,000/- (Rupees One lakh) shall be paid for the grant of DCBAGS authorisation. No entry fee should be levied at the time of renewal of DCBAGS authorisation.

(2) **Authorisation Fee:**

A token authorisation Fee of Re.1 (One Rupee) per annum shall be payable by DCBAGS Authorised Entity.

(3) **Bank Guarantees:**

No Bank Guarantees are required to be submitted by DCBAGS Authorised Entity.

8. Technical Conditions:

- (1) The Authorised Entity shall utilize any type of equipment and products that meets TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standards, the Authorised Entity may utilize only those equipment and products which meet the relevant standards set by international standardization bodies such as ICAO, ITU, ETSI, IEEE, ISO, IEC etc.; or set by international fora, such as 3GPP, IETF, MEF, WIMAX, Wi-Fi, IPTV, IPv6 etc. as recognized by TEC or ICAO and subject to modification/ adaptation, if any, as may be prescribed by TEC or ICAO from time to time.
- (2) At the time of assignment of spectrum, the Central Government may prescribe specific technical conditions including technology to be used in the telecommunication network deployed by the Authorised Entity under the Authorisation.
- (3) The Authorised Entity shall comply with the standards of Quality of Service (QoS) as may be prescribed by TRAI. Any failure on the part of the Authorised Entity to adhere to the standards of QoS prescribed by TRAI is liable to be treated as a breach of terms and conditions of the Authorisation.

9. Operating Conditions:

- (1) The Authorised Entity shall be responsible for installation, proper upkeep, and maintenance of the Applicable System to be established under the Authorisation.
- (2) The Authorised Entity shall ensure the protection of privacy of communication and ensure that no unauthorized interception of messages takes place.
- (3) Any dispute with regard to the provision of the service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this aspect to all before providing the service. In no case, the Central Government shall bear any liability or responsibility in the matter. The Authorised Entity shall keep the Central Government and TRAI indemnified for all claims, cost, charges, or damages in the matter.
- (4) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant,

dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.

- (5) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.
- (6) Upon assignment of frequency to the Authorised Entity by the Central Government for any ground station, the Authorised Entity shall roll out the network at the ground station within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network at any ground station, for which frequency spectrum has been assigned by the Central Government, shall mean installation and commissioning of the ground station.
- (7) For verification of the installation and commissioning of any ground station, the Authorised Entity shall register with the LSA Field Unit of the Department of Telecommunications (DoT), as per the procedure prescribed by the Central Government. The date of registration by the LSA Field Unit of the DoT shall be treated as the date of meeting the roll-out obligations at the ground station in case of a successful verification of the roll-out of the network at the ground station. If the verification of the roll out fails, the Authorised Entity shall re-register with the LSA Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by the LSA Field Unit of the DoT shall be treated as the date of meeting the roll out obligation subject to a successful verification. If the network at a ground station is rolled out after the expiry of the due date, such delay in the rollout of the network shall entail a recovery of Liquidated Damages (LD):

Provided that if the roll out of the network at a ground station is completed within 30 calendar days of the expiry of the due date, the Central Government shall accept the roll out of the network at a ground station without levying any LD charges.

- (8) In case the Authorised Entity fails to roll out the network at a ground station within the prescribed period, the Central Government shall be entitled to recover LD charges @ ₹ 10,000/- (Rupees ten thousand only) per month of delay subject to a maximum amount of ₹ 2.4 lakh. For the delay of more than 24 months, the frequency assignment at the ground station may be withdrawn in addition to the imposition of the maximum amount of LD. For calculation of the delay in compliance of roll out obligations, a month shall mean one calendar month and any extra day shall be counted as full month for the purpose of the recovery of LD.

- (9) The Central Government or its authorised representative shall have the right to access and inspect sites and telecommunication equipment used by the Authorised Entity for providing DCSBAGS.
- (10) The Authorised Entity shall not cause or allow to cause harmful interference to other authorised users of radio spectrum.
- (11) For the elimination of harmful interference, the Authorised Entity shall abide by all instructions and orders issued by the Government.
- (12) Common Signaling Channel: In accordance with the clause 4.1.3.3 of Volume V (Aeronautical Radio Frequency Spectrum Utilization) of Annex 10 to the Convention on International Civil Aviation (Aeronautical Telecommunications), the frequency 136.975 MHz is reserved on a worldwide basis to provide a common signaling channel (CSC) to the VHF digital link (VDL). The use of the said frequency shall be on a sharing basis in India. However, the assignment of frequency spectrum shall be governed by Section 4 of the Telecommunications Act, 2023 and the rules made thereunder.

10. Security Conditions:

- (1) The Authorised Entity shall be completely and totally responsible for the security of its network.
- (2) The Authorised Entity shall meet the instructions/ directions of the Central Government issued from time to time in the interest of national security as per the relevant sections of the Telecommunication Act, 2023.
- (3) The Authorised Entity shall abide by the instructions issued by the Central Government on the security aspects related to the establishment and operation of ground stations near Line of Control (LOC), Line of Actual Control (LAC) and International Border.
- (4) As per Section 21(f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.

11. Application of Telecommunications Act, 2023:

The Authorised Entity shall adopt all means and facilitate in every manner the application of the Telecommunication Act 2023, as modified or replaced from time to time, and rules made thereunder.

Definitions used in the Rules

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

- (1) Adjudicating Officer - means an officer appointed under section 35 of the Telecommunications Act, 2023.
- (2) Aeronautical mobile (R) service - An aeronautical mobile service reserved for communications relating to safety and regularity of flight, primarily along national or international civil air routes.
- (3) Authorisation Fee - means a fee payable by the Authorised Entity at prescribed intervals and rates for the period of the Authorisation.
- (4) Authorised Entity - means a person holding an Authorisation under section 3 of the Telecommunications Act, 2023.
- (5) Effective date of the Authorisation - means the date which is so specified in the Authorisation document.
- (6) Entry Fee - The prescribed non-refundable amount of fee to be paid before signing of Authorisation document to provide authorised service.
- (7) Ground Station or Air-ground control radio station means an aeronautical telecommunication station having primary responsibility for handling communications pertaining to the operation and control of aircraft in a given area.
- (8) Service - means collection, carriage, transmission and delivery of messages over Authorised Entity's network in the Service Area as per the authorisation under the Telecommunications Act, 2023.
- (9) Service Area - means the specified geographical area for which service authorisation has been granted under the Authorisation.
- (10) VHF digital link (VDL) - A constituent mobile subnetwork of the aeronautical telecommunication network (ATN), operating in the aeronautical mobile VHF frequency band.

List of Acronyms

1. 3GPP - Third Generation Partnership Project
2. AOC - Airline Operational Control
3. ATM - Air Traffic Management
4. CSC - Common Signaling Channel
5. DCSBAGS - Data Communication Service between Aircraft and Ground Stations
6. DOT - Department of Telecommunications, Government of India
7. ETSI - European Telecommunications Standards Institute
8. FBG - Financial Bank Guarantee
9. FDI - Foreign Direct Investment
10. ICAO- International Civil Aviation Organisation
11. IEC - International Electrotechnical Commission
12. IEEE - Institute of Electrical and Electronics Engineers
13. IETF - Internet Engineering Task Force
14. IFMC - In-flight and Maritime Communications
15. IPTV - Internet Protocol Television
16. IPv6 - Internet Protocol version 6
17. ISO - International Organization for Standardization
18. ITU - International Telecommunication Union
19. LD - Liquidated Damages
20. LAC - Line of Actual Control
21. LOC - Line of Control
22. MEF - Metro Ethernet Forum
23. PBG - Performance Bank Guarantee
24. QoS - Quality of Service
25. RoW - Right of Way
26. SACFA - Standing Advisory Committee on Radio Frequency Allocation
27. TEC - Telecommunication Engineering Centre
28. TRAI - Telecom Regulatory Authority of India
29. VHF - Very High Frequency
30. Wi-Fi - Wireless Fidelity
31. WiMAX - Worldwide Interoperability for Microwave Access

Annexure 2.4.8: Terms and Conditions for Sale/ Rent of International Roaming SIM Cards of Foreign Operators in India Authorisation

1. Period of Validity of the Authorisation:

The Authorisation shall be valid for a period of ten (10) years from the effective date of the Authorisation unless revoked earlier for reasons as specified in these rules.

2. Renewal of Authorisation:

The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the validity of the Authorisation, upon request of the Authorised Entity, if made at least six (6) months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

3. Service Area:

Service Area of the Authorisation shall be at the National level.

4. Scope of Service:

- (1) The Authorised Entity is permitted to provide sale/ rent of International Roaming SIM Cards of Foreign Operators in India as per the following scope:
 - (a) Selling or renting of Subscriber Identity Module (SIM) owned by Foreign Cellular Mobile Service Providers to any person in India intending to visit abroad for a specified duration and use the International Roaming facility.
 - (b) It includes Global Calling cards on the same terms.
 - (c) The term 'Cards' shall apply collectively to the above cases.
- (2) The Authorisation shall be granted on a non-exclusive basis and additional authorisations may be issued in the Service Area from time to time in future without any restriction on the number of authorised entities with the same or different entry conditions. The Authorised Entity shall not provide any service which requires a separate authorisation, unless specifically provided for in the Service Authorisation granted by the Central Government.

5. Eligibility: The applicant must be an Indian company, registered under the Companies Act, 1956/ 2013 (as applicable).

6. General Conditions:

- (1) **FDI norms:** The applicant Company/ Indian Promoters/ Investing Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government of India. Certified copy of the approval of Government of India is required in a case where Foreign Equity is from an entity of a country which shares land border with India or where the beneficial owner an investment into India is situated in or is a citizen of any such country.
- (2) **Updation of Records:** Any changes in the information, as provided in the Application Form shall be intimated to the Central Government within a period of 15 days, from the time such change takes place.
- (3) **Usage of Cards outside India:** The cards being offered to Indian users will be for use only outside India. However, if it is essential to activate the card for making test calls/ emergent calls before the departure of user and/ or after the arrival of the user, the same shall be permitted for forty-eight (48) hours only prior to departure from India and twenty-four (24) hours after arrival in India. Such test calls/ emergent calls made from India through these calling cards shall be international roaming calls. The service profile on eSIM must be deactivated on the original mobile phone, before it is reactivated on another mobile phone.
- (4) **Documents required from users:** For establishing the authenticity of the user before selling/ renting such cards, a copy of the valid passport of the user including a copy of valid visa and additional proof of identity (PoI) and proof of address (PoA) as recognised by the Central Government shall be obtained. However, for the countries where visa is not required for Indian Nationals or where visa is issued on arrival to the Indian Nationals, in place of the copy of valid visa, a copy of valid travel ticket along with an undertaking from the user mentioning the name of country/ places where user intends to visit, shall be obtained by the Authorised Entity.
- (5) **Monthly report to Security Agencies:** Complete details of such global cards (including the period) along with full particulars, including address of the person to whom the international roaming card has been sold/ rented, shall be provided to the designated Security Agencies monthly. In case of no sale/ rent of such cards during the month, a 'Nil' report shall be submitted. A monthly report giving a summary of information submitted to Security Agencies shall be provided to concerned field units of the DoT where the Authorised Entity has its Registered Office.
- (6) **Annual return:** The Authorised Entity shall submit 'Annual return' to Central Government within one month of completion of the financial year. Non-submission of 'Annual return' or non-compliance of the rules shall be valid ground for revocation of the Authorisation after giving a with prior notice at the registered office of the Authorised Entity.

- (7) **Right to Inspection:** The Central Government or its authorised representative shall have the right to access and inspect the sites/ offices used for providing the Service. The Authorised Entity shall provide the necessary facilities and cooperate with the Central Government or its authorised representative. The inspection will ordinarily be carried out after a reasonable notice except in circumstances, in which, giving such a notice will defeat the very purpose of the inspection.
- (8) The Central Government or its authorised representative shall have the right to seek documents/ information from the Authorised Entity and it will provide the necessary documents/ information. The Authorised Entity shall preserve the user records for at least one year from the month of acquisition of user.
- (9) **Penalty, Suspension, Surrender, Termination/ Revocation of Authorisation:**
- (a) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
 - (b) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under the Telecommunications Act, 2023.
 - (c) The Authorised Entity may surrender the Authorisation, by giving a notice of at least 60 calendar days in advance. In such a case, it shall also notify all its users by sending a 30 calendar days' notice to each user. The balance amount including the security deposit paid by the user, if any, available with the Authorised Entity shall be refunded to the user within a period of 30 days. The effective date of the surrender shall be the 61st calendar day counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of the date of receipt of the notice.
 - (d) The Central Government reserves the right to suspend the operation of the Authorisation, at any time, if, in the opinion of the Central Government, 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 telecommunication:
Provided that if situation so warrants, the Central Government may dispense with the issue of notice prior to such suspension. The decision of the Central Government shall be final and binding in this

regard:

Provided further that the Central Government 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.

- (e) The Central Government reserves the right to terminate/ revoke/ suspend the Authorisation, 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 Central Government has the right to revoke/ suspend the Authorisation, without any notice period.

- (10) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, or incorporate new conditions, if in the opinion of the Central Government, it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the Telecommunication.
- (11) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.

7. Commercial conditions:

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

8. Operating Conditions

- (1) **Tariff:** Tariff plan along with the terms and conditions, should be made available at the time of handing over the Card to the user. The Service offerings could be categorised into pre-paid and post-paid. All applicable tariff rates should be available under the link 'Tariff Plans' and the contact details should be displayed on the website under the link 'Contact us' on the main page of the website of the Authorised Entity. Else, the Authorised Entity shall provide the website links of the foreign-based service provider to the user at the time of selling/ renting of the Card.

- (2) The Authorised Entity shall inform the user about the types of services offered (i.e. data, or voice or a combination of both) before selling/ renting of such a Card. The service offerings shall be categorised into pre-paid and post-paid.
- (3) For an informed choice to be made by a user about foreign-based service provider, additional details or relevant web-links relating to foreign network coverage, user complaint redressal system etc. shall be provided.
- (4) **User Care channels:** Relevant contact details including telephone number, e-mail ID and working times of the Customer Care of the Authorised Entity and the concerned foreign based service provider, shall be made available to the user at the time of selling/ renting/ registration for services.
- (5) The Authorised Entity should ensure that upon reaching the country of destination, the user shall preferably be provided toll-free customer care service by the foreign partner with whom the Authorised Entity has an on-going commercial agreement. In case the toll-free customer care service is not available, the consumer may be charged at local call rate.
- (6) **Billing:** The users, on request, may be provided an itemised bill in electronic form which shall include following information:
 - (a) Date, time, pulse and actual rate of outgoing/ incoming calls and date, time and actual rate of Short Message Service (SMS) usage.
 - (b) date, time, data used (Kilobytes) and rate charged for data usage
 - (c) any other type of usageAs per the billing-cycle applicable, or within a period of maximum 30 days from the date of deactivation, as applicable. For the provision of itemised bill, no charges shall apply for a postpaid user, however published charges for a prepaid user could apply.
- (7) **Credit limit:** Message notification(s) through SMS/USSD shall be provided to a post-paid user, once credit limit availed has met certain pre-determined threshold(s).
- (8) **Grievance Redressal:** The Authorised Entity shall inform its users regarding grievance handling channel; maximum time taken for resolution and means to escalate the grievance. All grievances received shall be logged, monitored and reasonable resolution be provided in a maximum period of 30 days.

Definitions:

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

- (1) **"Authorised Entity"** means an entity that has been awarded Authorisation to provide sale/ rent of International Roaming SIM Cards of Foreign Operators in India.
- (2) **"Effective date of Authorisation"** means the date which is so specified in the Authorisation document.
- (3) **"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 are inter-changeable.
- (4) **"Roaming"** means the facility to a user 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.
- (5) **"Service Area"** means the specified geographical area for which service Authorisation has been granted under this Authorisation.
- (6) **"SIM Card"** means Subscriber Identity Module (Card), which is fitted into a mobile station, after which the mobile station can be activated to make or receive voice/non-voice messages.
- (7) **"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.
- (8) **"User"** means any person or legal entity, which users to / avails of the service from the Authorised Entity.

Annexure 2.5.1: Terms and Conditions for Captive Mobile Radio Trunking Service Authorisation

1. Period of Validity of the Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.

2. Renewal of Authorisation:

The Central Government may renew, if deemed expedient, the period of the Authorisation by a term equivalent to the period of the validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

3. Service Area:

The Service Area of the Authorisation shall be location specific.

4. Scope of service:

(1) The Authorised Entity is permitted to provide Captive Mobile Radio Trunking Service i.e. Mobile Radio Trunking Service for only captive use. It cannot provide Mobile Radio Trunking Service (MRTS) to any other entity. The MRTS refers to -

- (a) 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;
- (b) The pair of frequencies is allocated on placement of call request and returned to the pool on completion of call; and
- (c) The communication usually takes place through a 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.

(2) Only real-time voice and message communication among the users of the service is permissible. Following are some of the optional services which may be provided in the Authorised network:

- (a) Group calling
- (b) Priority call override
- (c) Fleet/ dispatch call
- (d) Mobile to mobile and mobile to Fixed direct communication bypassing the base station without exceeding the specified maximum RF power limits
- (e) Closed user group

Any other optional services may be provided after intimation to the Central Government.

- (3) The Authorisation shall be granted on a non-exclusive basis and additional authorisations may be issued in the Service Area from time to time in future without any restriction on the number of authorised entities with the same or different entry conditions. The Authorised Entity shall not provide any service which requires a separate authorisation, unless specifically provided for in the service authorisation granted by the Central Government.

5. **Assignment and use of spectrum:**

The Authorisation does not confer any right to assignment and use of spectrum, for which a separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable on the Authorised Entity along with the Authorisation.

6. **General Conditions:**

- (1) **FDI Norms:** The Authorised Entity/ Indian Promoters/ Investing Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government of India. Certified copy of the approval of Government of India is required in a case where Foreign Equity is from an entity of a country which shares land border with India or where the beneficial owner an investment into India is situated in or is a citizen of any such country.

(2) **Modifications in the Terms and Conditions of Authorisation:**

- (a) The Central Government may, at any time, amend the rules containing the terms and conditions of the Authorisation, if in the opinion of the Central Government 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 Telecommunication.
- (b) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.

(3) **Restriction on Transfer of Authorisation:**

The Authorised Entity shall not, without the prior written consent of the Central Government, 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. Mergers,

demergers or acquisitions, or other forms of restructuring, as well as transfer of Authorisation shall be subject to the Rules notified under section 3(5) of the Telecommunications Act, 2023.

(4) Provision of Service:

- (a) The Authorised Entity shall be responsible for, and is authorised to install, test and commission all the Applicable systems for providing the Service authorised under the Authorisation.
- (b) The Authorised Entity shall make its arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary infrastructure, equipment and systems, etc. However, the Authorised Entity may share the infrastructure as permitted under the operating conditions.
- (c) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:
Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -
 - (a) All security related compliances shall be the responsibility of the Authorised Entity.
 - (b) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (c) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (d) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (d) The Authorised Entity shall ensure that-

- (i) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (ii) The associated data/ information is stored in India.
 - (e) The Authorised Entity shall intimate to the Central Government well in advance before the proposed date of commencement of Service in the Service Area containing the details of its network.
 - (f) The Authorised Entity shall intimate to the Central Government and TRAI of the commencement of telecommunication service within 15 days of such commencement.
 - (g) Any dispute regarding the provision of Service shall be a matter only between the aggrieved party and the Authorised Entity, who shall duly notify this to all before providing the Service. And in no case, the central Government shall bear any liability or responsibility in the matter. The Authorised Entity shall keep the Central Government and TRAI indemnified for all claims, cost, charges or damages in the matter.
- (5) **Requirement to furnish Information:**
- (a) The Authorised Entity shall furnish to the Central Government/ 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.
 - (b) Any change in the details (such as ownership, FDI, name of the Authorised Entity, address, contact details, etc.), provided by the applicant during obtaining the Authorisation, are required to be intimated through the online portal within 15 days of such change.
- (6) **Penalty, Suspension, Surrender, Termination/ Revocation of Authorisation:**
- (a) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
 - (b) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under the Telecommunications Act, 2023.
 - (c) The Central Government may, after due consideration of the recommendations of the Adjudicating Officer, suspend, curtail or

revoke the Authorisation, which may be reversed if the substantial violation is remedied to the satisfaction of the Central Government.

- (d) For this purpose, the Central Government will issue a show cause notice of 21 days to the Authorised Entity. If the Central Government decides to revoke the Authorisation, the same will be effective from the 61st calendar days from the date of issue of such termination/ revocation order. The Authorised Entity shall be required to give a notice of at least 30 Calendar days to its users within this period of revocation order.
- (e) The Authorised Entity aggrieved by an order of the Designated Appeals Committee under section 36 of the Telecommunications Act, 2023, in so far as it pertains to matters under sub-section (1) of section 32 of the Telecommunications Act, 2023, or an order of the Central Government under sub-section (2) of section 32 of the Telecommunications Act, 2023, may prefer an appeal to the Telecom Disputes Settlement and Appellate Tribunal constituted under section 14 of the Telecom Regulatory Authority of India Act, 1997, within a period of thirty days from the date on which a copy of the order is received by the Authorised Entity.
- (f) The Authorised Entity may surrender the Authorisation, by giving a notice of at least 60 Calendar days in advance. The Authorised Entity shall pay all fees payable by it till the date on which the surrender of the authorisation becomes effective. The effective date of the surrender shall be 61st Calendar days counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.
- (g) The Authorised Entity 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.
- (h) The Central Government reserves the right to suspend the operation of the Authorisation in whole or in part, at any time, if, in the opinion of the Central Government, 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 Telecommunication. Authorisation Fee payable to the Central Government will not be required to be paid for the period for which the operation of the authorisation remains suspended in whole. Provided that if situation so warrants, the Central Government may dispense with the issue of notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard:
- (i) Provided further that the Central Government 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.

- (j) The Central Government reserves the right to terminate/ revoke/ suspend the 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:
- (k) 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 Central Government has the right to revoke/ suspend the Authorisation, in whole or in part, without any notice period.
- (l) Under Section 21 of the Telecommunications Act, 2023, the Central Government may issue notification for taking such measures as are necessary to take over the services, equipment and networks of the authorised entity in the interest of national security or in the event of national emergency/ war or low intensity conflict or similar type of situations or any other eventuality in public interest as declared by the Central Government in full or in part in the Service area. Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the Authorised Entity without loss of time and shall be strictly complied with. Further, the Central Government reserves the right to keep any area out of the operation zone of the Service if implications of security so require:
- (m) Provided that any taking over of the Authorisation, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of the authorisation period or expansion of area in different corner or reduction of duly payable fee.
- (n) In case of suspension or termination/ revocation of the Authorisation, the Central Government may also impose a financial penalty not exceeding the amount as provided in Second Schedule of the Telecommunications Act, 2023 for violation of terms and conditions of the Authorisation.
- (o) The Authorised Entity shall not be entitled to the refund of any fees or charges paid in respect of or under an authorisation granted under the Telecommunications Act, 2023, if such authorisation is suspended, curtailed, revoked or varied.

(7) Actions pursuant to Revocation of Authorisation

On revocation or surrender or cancellation of the Authorisation due to reasons whatsoever or expiry of the Authorisation, the relevant Bank Guarantee(s) shall be released to the Authorised Entity only after ensuring clearance of all dues, which the Authorised Entity is liable to pay to the Central Government. In case of failure of the Authorised Entity to pay the

amounts due to the Central Government, 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 Central Government without any further communication to the Authorised Entity.

(8) **Force- Majeure:**

- (a) If at any time, during the continuance of the Authorisation, the performance in whole or in part, by the Authorised Entity, of any obligation under the Authorisation 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 Authorised Entity), 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 Authorised Entity to the Central Government, within 21 Calendar days from the date of occurrence thereof, the Central Government shall, by reason of such event, neither revoke the Authorisation, nor claim any damages against the Authorised Entity, in respect of such non-performance or delay in performance:
Provided that 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 Central Government 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.
- (b) However, the Force Majeure events noted above shall not in any way cause extension in the period of the Authorisation.
- (c) While it shall 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 Central Government, at its discretion based on circumstances of the EVENT.
- (d) The Authorised Entity shall not be entitled to claim any damages against the Central Government for non-performance or delay in performance of the Central Government's obligations by reason of the EVENT.

(9) **SET OFF:**

- (a) In the event any sum of money or claim becomes recoverable from or payable by Authorised Entity to the Central Government either against the Authorisation 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 Authorised Entity under the Authorisation.

- (b) The aforesaid sum of money payable to the Authorised Entity shall include any Security/ Bank Guarantee which can be converted into money.
- (c) After exercising the right of set off, the Central Government shall inform the Authorised Entity of the action taken.

(10) **Way Leave:**

The Authorised Entity shall make its own arrangements for Right of Way (RoW) as per the rules notified under Chapter III of the Telecommunications Act, 2023.

(11) **Other Conditions:**

- (a) The Authorised Entity shall be bound by these rules, the terms and conditions contained in the Authorisation document, instructions, as issued by the Central Government, and the orders/ directions/ regulations of TRAI as per the provisions of the TRAI Act, 1997, as amended from time to time.
- (b) The statutory provisions and the rules made under the Telecommunications Act, 2023 or TRAI Act, 1997 or Information Technology Act, 2000, and any other relevant Act shall govern the provisions of service under the Authorisation. Any other rule/ order/ regulation/ direction passed under these statutes shall be binding on the Authorised Entity.

7. **Commercial conditions:**

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

8. **Financial conditions:**

(1) **FEES PAYABLE:**

(a) **Entry Fee:**

There shall be no Entry Fee for this service authorisation.

(b) **Authorisation Fees:**

All Captive Mobile Radio Trunked Service Authorised Entities, except for the agencies working for public service such as Police, Fire and Government Security, all other types of authorisations shall pay annual authorisation fee as follows:

(i) **For the first 3 years:**

The Authorisation Fee for CMRTS systems shall be Rs. 300/- (Rupees Three Hundred) per annum per terminal subject to a minimum of Rs. 5,000/- (Rupees Five Thousand) per annum per service area.

(ii) **For the remaining period of the authorisation:**

The Authorisation Fee for CMRTS systems should be Rs. 300/- (Rupees Three Hundred) per annum per terminal subject to a minimum of Rs. 25,000/- (Rupees Twenty-Five Thousand) per annum per service area.

(c) **Radio Spectrum Charges:**

In case the Authorised Entity obtains spectrum, the royalty and fees shall be separately paid for use of Radio Spectrum as per the details prescribed by the Central Government from time to time.

(d) **Schedule of payment of Authorisation fee and other dues:**

- (i) For the purpose of payment of the Authorisation Fee, the first year shall end on 31st March following the date of commencement of the Authorisation and the Authorisation Fee for the first year shall be determined on a pro-rata basis for the actual duration of the 'year'. From second year onwards, the year shall be of Twelve English Calendar months from 1st of April to 31st of March for payment of Authorisation Fee.

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

- (ii) The authorisation fee shall be payable in four quarterly instalments during each Financial Year. Each quarterly instalment shall be paid in advance, 15 days prior to the commencement of that quarter. The quarterly payment shall be made with a Self-Certificate as at Annexure-A.
- (iii) The Self-Certificate shall be e-verified by the authorised representative of the company through e-sign/ digitally signed.
- (iv) The quarterly payment shall be made together with a STATEMENT indicating the number of terminals in use at the end of each month. The number of terminals in use at the end of each month shall be added for all the months of quarter and divided by the number of completed months for the purpose of calculation of Authorisation Fee.
- (v) The Authorised Entity shall adjust and pay the difference between the advance payment made and actual amount duly payable for a quarter, within 10 days of the completion of the quarter.

- (vi) Any delay in payment of Authorisation Fee or any other dues payable under the Authorisation, beyond the stipulated period will attract interest at a rate which will be 2% above the one-year Marginal Cost of Lending Rate (MCLR) of State Bank of India existing as on the beginning of the Financial Year (namely 1st April) in respect of the authorisation fees or any other dues pertaining to the said Financial Year. The interest shall be compounded annually. A part of the month shall be reckoned as a full month for the purpose of calculation of interest. A month shall be reckoned as an English calendar month.
- (vii) The Authorisation Fee/royalty described at 8(1)(b) above shall be payable at such time(s) and in such manner as the Central Government may prescribe from time to time.
- (viii) All sums becoming due and payable as mentioned in this Authorisation shall be paid by the Authorised Entity through e-transfer or through a demand draft or Pay Order payable at New Delhi drawn on any Scheduled Bank, in favour of the Pay & Accounts Officer (HQ), DOT or any other Authority, if so designated by Central Government.
- (ix) The Authorised Entity shall separately pay the access charges for carriage of calls originating in his network but carried and terminated in the BSNL/MTNL/Other Access Service Providers' network. The Authorised Entity shall also separately pay charges for network resources obtained by the authorised entity from BSNL/MTNL/other authorised Access service provider. This will be governed by mutual agreement and / or the determination of TRAI.

(2) Bank Guarantee:

- (a) The Authorised Entity shall submit Bank Guarantee before grant of the Authorisation, valid for one year, from any Scheduled Bank or Public Financial Institution duly authorised to issue such Bank Guarantee in prescribed format given below at Annexure-B.
- (b) Initially, the Bank Guarantee shall be for an amount of 20,000/- (Rupees Twenty Thousand). Subsequently, the amount of Bank Guarantee shall be equivalent to 20% of the estimated sum payable (of authorisation fee for two quarters and other dues not otherwise securitized).
- (c) This Bank Guarantee should be submitted to securitize the Authorisation fee and other dues not otherwise securitized. The term "other dues not otherwise securitized" includes the dues arising out of penalties/ financial disincentives imposed by the Central Government / TRAI.

- (d) In order to enhance the Ease of Doing Business, Electronic Bank Guarantee shall be submitted across various Service Authorisations.
- (e) The amount of Bank Guarantee shall be subject to periodic review on six monthly basis by the Central Government and shall be kept valid by the Authorised Entity during the entire currency of the Authorisation.
- (f) The fees charges and royalties for the use of spectrum and also for possession of Wireless Telegraphy equipment shall be separately securitised by furnishing BG as required by Central Government. The bank guarantee shall be valid initially for a period of one year and is to be maintained for the entire period of the Authorisation till final clearance of all such dues.
- (g) The Authorised Entity, on its own, shall extend the validity period of the Bank Guarantee for similar terms at least one month prior to date of its expiry without any demand or notice from the Central Government on year-to-year basis. Any failure to do so, shall amount to violation of the terms of the authorisation and entitle the Central Government to encash the Bank Guarantees and to convert into a cash security without any reference to the Authorised Entity at his risk and cost. No interest or compensation whatsoever shall be payable by the Central Government on such encashment.
- (h) Where the Bank Guarantees have been encashed partially, the Authorised Entity on such occasions, shall restore the encashed guarantees to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the authorisation.
- (i) Without prejudice to its rights of any other remedy, including those under Section 32 of the Act, the Central Government may encash the Bank Guarantee in case of following:
 - (i) Non-payment of authorisation fee or any other fee/charges payable under the Rules of the authorisation.
 - (ii) In case of any breach in terms & conditions of the authorisation by the Authorised Entity.
 - (iii) Non-payment of dues arising out of penalties/ financial disincentives imposed by the Central Government/ TRAI.

9. **Technical conditions:**

- (1) For providing the Service the Authorised Entity shall utilize any type of equipment and product that meet TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standard, the Authorised Entity may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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.

- (2) The Authorised Entity shall specify the details of technology of the Systems proposed to be deployed for operation of the service.
- (3) The Authorised Entity shall adhere to the directions/ instructions/ guidelines issued by Central Government 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.
- (4) In the process of operating the Services, the Authorised Entity shall be responsible for the proper upkeep and maintenance of the Applicable System.
- (5) The Authorised Entity shall be responsible to ensure that the user terminal (fixed/ mobile) is operated in accordance with the terms and conditions contained in these Rules, terms and conditions of the Authorisation, terms and conditions of spectrum assignment and relevant instructions/ rules issued by Central Government/ TRAI.
- (6) The Authorised Entity shall have to obtain an assignment of spectrum for the city/ town, where it intends to provide CMRTS. However, there will be no need to obtain a separate wireless operating authorisation (WOA) for this purpose.
- (7) **Engineering Details:**
 - (a) The Authorised Entity shall furnish complete technical details of the applicable system to the Central Government or its authorised representative(s), in such manner and at such times as may be required.
 - (b) The Authorised Entity shall supply all tools, test instruments and other accessories to the testing party of Central Government for conducting tests at any time during the currency of the Authorisation.
- (8) **Network Interconnection:**
 - (a) There shall be no interconnection among two separately authorised CMRTS systems.
 - (b) Inter-site connectivity shall be permitted to CMRTS Authorised Entity between their own sites within the Authorised Service area.
 - (c) The Authorised Entity is permitted to have connectivity with PSTN/ PLMN subject to the following conditions:
 - (i) PSTN/ PLMN connectivity (outgoing only) shall be limited to one PSTN/ PLMN line for Five (5) RF Channels (of 25 KHz each) for analogue system from only one authorised entity having

authorisation to provide Access Service in the Service Area.

- (ii) PSTN/ PLMN connectivity (outgoing only) shall be limited to one E-1 link (30 circuits) or SIP capacity for digital system up to 10,000 users and thereafter, one additional E-1 link (30 circuits) or SIP capacity for each additional 10,000 users or part thereof, only with one authorised entity having authorisation to provide Access Service.
- (iii) Incoming PSTN/ PLMN connectivity is prohibited.

10. **Operating conditions:** The Authorised Entity shall follow the following operating conditions:

- (1) The user/ mobile terminals employed in the network shall be of a type/ model certified by an internationally accredited agency with respect to ITU/ ETSI/ TEC standards or any other international standard as may be approved by the Central Government. They should carry a marking specifying their compliance with such standards.
- (2) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.
- (3) **Sharing of Infrastructure:**
 - (a) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.
 - (b) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.
- (4) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.
- (5) **Right to inspect:** The Central Government or its authorised representative shall have the right to access and inspect sites and telecommunication equipment used for extending the telecommunication service. The inspection will ordinarily be carried out after reasonable notice period except in circumstances, where giving such a notice will defeat the very purpose of the inspection.
- (6) The Authorised Entity shall provide location details of all network elements and any other details as may be required by the Central Government from time to time. Any network resource including the bandwidth/ leased line/

VPN either owned or taken on lease/ hire shall be treated as part of the network of the Authorised Entity.

- (7) The Authorised Entity shall be allowed to shift the location of the fixed station (base station) from one location to another within the geographical area for which frequencies have been assigned, provided that such a shifting does not alter the permitted geographical coverage area. Prior to shifting the location of the fixed station, necessary approval from the Central Government shall be obtained.
- (8) The Authorised Entity shall be permitted to install additional fixed station(s) in the geographical area for which frequencies have been assigned provided that such an addition of fixed station(s) does not alter the permitted geographical coverage area. The Authorised Entity may –
 - (a) request the Central Government for assigning additional block(s) of frequencies for the new fixed station(s) after providing justifications for the same, or
 - (b) request the Central Government to permit the use of the already assigned frequencies in the geographical area at the new fixed station(s) by way of partial shifting of a few frequency carriers out of the pool of assigned frequencies.

The Authorised Entity shall obtain necessary approvals from the Central Government prior to installing additional fixed station(s) and partial shifting of a few frequency carriers out of the pool of assigned frequencies.
- (9) The Authorised Entity shall have to obtain necessary approvals from the Central Government prior to any replacement of its radio network elements.
- (10) The Authorised Entity shall be permitted to replace radio terminals subject to the submission of destruction certificates etc. of the defective or obsolete radio terminals to the Central Government.
- (11) **Roll Out Conditions:**
 - (a) The Authorised Entity shall have to obtain an assignment of spectrum for the Service Area where it intends to provide CMRTS. Upon obtaining spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable on the Authorised Entity.
 - (b) Upon assignment of frequency to the Authorised Entity by the Central Government in the Service Area, the Authorised Entity shall roll out the network within 12 months from the date of frequency assignment, unless otherwise stipulated in the terms and conditions of the assignment of spectrum. The roll out of the network in the Service Area, for which frequency has been assigned by the Central Government, shall mean installation and commissioning of the Applicable system including at least one Fixed Station (Base Station)

in the Service Area.

- (c) For verification of the commissioning of the Applicable System, the Authorised Entity shall register with the Field Unit of the DoT, as per the procedure prescribed by the Central Government. Date of registration by Field Unit of the DoT is to be treated as the date of commissioning in case of successful verification of the roll out of the network. If the verification of the roll out of the network fails, then the Authorised Entity shall re-register with the Field Unit of the DoT after necessary corrections and in that case, the date of re-registration by Field Unit of the DoT shall be treated as the date of meeting the roll out obligation subject to successful verification. If the network is rolled out after the expiry of the due date, such delay in rollout of network will entail recovery of Liquidated Damages (LD) under this condition:
- (d) Provided further that if the rollout of the network is completed within 30 calendar days of the expiry of the due date, then the Central Government shall accept the rollout of network without levy of LD charges.
- (e) In case the Authorised Entity fails to rollout the network within the period prescribed, the Central Government shall be entitled to recover LD charges @ ₹ 10,000/- (Rupees Ten thousand only) per month of delay subject to a maximum amount of ₹ 2.4 lakh. For the delay of more than 24 months, in addition to imposition of maximum amount of LD, the frequency assignment may be withdrawn. The bank guarantee (BG) shall be encashed to the extent of LD amount, if the same is not paid within the time period specified in the notice for recovery of LD. The Authorised Entity, on such occasions, shall restore the partially encashed bank guarantee to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the Authorisation. For calculation of delay in compliance of roll out obligations, the month shall mean one calendar month and any extra day shall be counted as full month for the purpose of recovery of liquidated damages.

11. **Security Conditions:**

- (1) The Authorised Entity shall meet the instructions/ directions of the Central Government issued from time to time in the interest of national security as per relevant sections of the Telecommunication Act, 2023.
- (2) The Authorised Entity shall make available on demand to the person authorised by the Central Government, full access to the Applicable System for technical scrutiny and for inspection, which can be visual inspection or an operational inspection.

- (3) The Authorised Entity shall provide necessary facilities depending upon the specific situation at the relevant time to the Central Government to counteract espionage, subversive act, sabotage or any other unlawful activity.
- (4) The Authorised Entity shall ensure protection of privacy of communication and ensure that unauthorised interception of messages does not take place.
- (5) All foreign personnel likely to be deployed by the Authorised Entity for installation, operation and maintenance of the Authorised Entity's network shall be security cleared by the Central Government prior to their deployment. The security clearance will be obtained from the Ministry of Home Affairs, Government of India.
- (6) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
- (7) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
- (8) In the interests of security, suitable monitoring equipment as per the requirement of the Central Government or designated Security Agencies shall be provided by the Authorised Entity for monitoring as and when required by the Central Government. The specific orders or directions from the Central Government, issued under such conditions, shall also be applicable.
- (9) The precise delineation of geographical borders taken by the Authorised Entity for the purpose of defining Service Area along International Borders, if any, shall have prior approval of the Central Government. The terrestrial boundaries of India shall be as depicted in the maps issued by Survey of India.
- (10) 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 dealt with in accordance with the Section 42 of the Telecommunications Act, 2023 and Bhartiya Nyaya Sanhita (BNS). The Authorised Entity must ensure that their services are not used for such purposes.
- (11) The Government through appropriate notification may debar usage of user terminals in certain areas in the country. The Authorised Entity shall deny service to areas specified by designated authority immediately and in any

- case within six hours on request. The Entity shall also provide the facility to carry out surveillance of user terminal activity within a specified area.
- (12) As per Section 21(f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.
- (13) The Authorised Entity shall also ensure compliance of the following conditions:
- (a) The majority Directors on the Board of the Authorised Entity shall be Indian citizens.
 - (b) The Chief Officer in charge of technical network operations and the Chief Security Officer/ Chief Information Security Officer, in-charge of Network Elements, and System Administrators associated with the Authorised Entity shall be resident Indian citizen.
 - (c) 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 on annual basis by Ministry of Home Affairs (MHA). The directions of MHA shall be binding on the Entity.
 - (d) The Authorised Entity shall take adequate and timely measures to ensure that the information transacted through a network by the users is secure and protected.
 - (e) The Authorised Entity may be restricted from operating in any sensitive area from National Security angle, as determined by the Central Government.
- (14) The Authorised Entity shall ensure that the Radio Transmitters, while deploying wireless system(s), are located and work in such a fashion that any signal or signals, emanating there from, fade out when nearing or about to cross international border and also become unusable within a reasonable distance across such border.

Definitions:

- (1) **APPLICABLE SYSTEMS:** The "applicable system" means all the necessary equipment/ subsystems engineered to provide Mobile Radio Trunk Service using analogue/digital technology in accordance with operational/technical and quality requirements and other terms and conditions of the Authorisation agreement.
- (2) **EFFECTIVE DATE:** The effective date is the date on which this Authorisation Agreement is signed by the parties. This Authorisation comes into effect from the effective date of the Authorisation.
- (3) **EMERGENCY SERVICES** in respect of any locality means the relevant public, police, fire, ambulance and coast guard services for that locality.
- (4) **AUTHORISATION:** Authorisation means an Authorisation granted or having effect as if granted under Section 3(1)(a) of the Telecommunications Act 2023.
- (5) **AUTHORISED ENTITY:** A registered Indian Company/Govt. Agencies that has been awarded Authorisation to provide the MOBILE RADIO TRUNKING SERVICE, within the geographical boundaries of the specified service area.
- (6) "CENTRAL GOVERNMENT" shall refer to the President of India acting through any authorised person, who granted Authorisation under Section 3 of the Telecommunications Act 2023, unless otherwise specified.
- (7) "MESSAGE" means anything falling within sub-Clause/paragraph of section 2 (g) of the Telecommunications Act 2023.
- (8) "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 handsets / terminals or user terminals wherever used in the Authorisation agreement are interchangeable.
- (9) **CMRTS SERVICES** refers to:
 - (a) 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 and
 - (b) the pair of frequencies is allocated on placement of call request and returned to the pool on completion of call and
 - (c) 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.
- (10) **Public Switched Telephone Network (PSTN)** means a fixed specified switched public telephone network. A two-way switched telecommunications service to the general public.

- (11) Public Land Mobile Network (PLMN) means land based mobile network e.g. Cellular Mobile Telephone Service being operated within the country under Authorisation from Central Government on nonexclusive basis.
- (12) 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.
- (13) TRAI means Telecom Regulatory Authority of India constituted under the Telecom Regulatory Authority of India Act, 1997 as amended from time to time.
- (14) User Terminal (UT) or Mobile Terminal (MT), also known as Handset or Mobile Station: means the equipment used by the users to avail the Captive Mobile Radio Trunk Service provided by the Authorised Entity.
- (15) WPC means Wireless Planning and Co-ordination Wing of the Ministry of Communications, Department of Telecommunications, Government of India.

Annexure A

Self-Certificate

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

2. That I amof (Name of the Authorised Entity), Authorised Entity of Service and I am duly authorised by the resolutions dated Passed by Board of Directors of the Company to furnish self-certificate on behalf of(Name of the Authorised Entity).

3. That in compliance of Condition No.. of the Authorisation No. granted by the Central Government, for payment of Authorisation fee, a payment of Rs. (Rupees is being made for the periodto

4. That the contents in para 2 & 3 are true and correct to the best of my knowledge, based on the records of the Authorised Entity.

Authorised representative

Proforma for Bank Guarantee

To

The President of India

In consideration of the President of India (hereinafter called 'the Authority') having agreed to grant a Service Authorisation for _____ Service _____ to M/s _____ of _____ (hereinafter called 'the AUTHORISED ENTITY') to establish, maintain and operate **Captive Mobile Radio Trunked Service (CMRTS) Authorisation** (hereinafter called 'the SERVICE') in accordance with the Authorisation No. _____ dated _____ (hereinafter called 'the Authorisation') on the terms and conditions contained in the said Authorisation, which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____ only) under the said Authorisation by way of security for payment of the said Authorisation fee as well as such other fees/dues or charges required to be paid by the AUTHORISED ENTITY 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 AUTHORISED ENTITY hereby irrevocably and unconditionally guarantee to the Authority that the AUTHORISED ENTITY shall pay all the dues, including but not limited to, the Authorisation fee and other charges 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 AUTHORISED ENTITY to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the Authorisation, or to 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 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 AUTHORISED ENTITY to pay any fees or charges or any part thereof in terms of the said Authorisation, and/or by way of breach in any of the terms and conditions of the Authorisation by the Authorised Entity, without prejudice to the Central Government's

(the Authority) rights to any other remedy.

4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether AUTHORISED ENTITY 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 payable to the Authority by the Bank hereunder shall be final and binding on us.

5. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the

(a) Guarantee herein contained shall remain in full force and effect for a period of --
-----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 AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY.

6. We, the BANK, undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

7. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs..... and our Guarantee shall remain in force until....year from the date hereof. Unless a demand or claim under this Guarantee is made on us

in writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated _____ day _____ for _____ (Name of the Bank)

Witness:

1.....

.....

.....

.....

2

.....

.....

.....

Annexure 2.5.2: Terms and Conditions for Captive Non-Public Network (CNPN) Authorisation

1. Period of Validity of the Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in these rules.

2. Renewal of Authorisation:

(1) The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the period of validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

(2) No Entry Fee shall be levied at the time of renewal of the Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.

3. Area of Operation of Authorisation:

(1) Captive Non-Public Network (CNPN) Authorisation is valid within such locations in India where the CNPN Authorised Entity is occupant of the geographical area(s)/ property(ies) (either owned or leased) on which such Captive Non-Public Network(s) are to be established.

(2) The area of operation of the CNPN Authorisation shall be the area inside the logical perimeter of the occupied premise(s) with clearly specified geo-coordinates.

(3) As and when the CNPN Authorised Entity decides to establish a new CNPN at another location, geo-coordinates of such location shall also be updated on Saral Sanchar Portal of the DoT.

(4) CNPN Authorised Entity having operations at more than one location will require only one CNPN Authorisation.

4. Scope of Service:

(1) The Authorised Entity may establish indoor/ within premise CNPN for own use within the area of operation. CNPN refers to –

A terrestrial wireless telecommunication network established for captive use within a specified geographical area. Such networks cannot be used for providing commercial telecommunication services.

(2) The Authorised Entity shall not offer any commercial telecommunication services. The Authorisation shall be used only for establishing CNPN for its own captive use.

- (3) The Authorised Entity is permitted to own, install, test and commission all Applicable Systems to be established under this Authorisation for CNPNs.

5. General conditions:

- (1) **FDI Norms:** The applicant Company/ Indian Promoters/ Investing Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government of India. Certified copy of the approval of Government of India is required in a case where Foreign Equity is from an entity of a country which shares land border with India or where the beneficial owner an investment into India is situated in or is a citizen of any such country.
- (2) **Restrictions on 'Transfer of Authorisation':** The Authorised Entity shall not, without the prior written permission, of the Central Government, either directly or indirectly, assign or transfer the Authorisation and its rights in any manner whatsoever under the Authorisation 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 any part, i.e., no sub-leasing/ partnership/ third party interest shall be created.
- (3) **Modifications in the Terms and Conditions of Authorisation:**
- (a) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, or incorporate new conditions, if in the opinion of the Central Government it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the Telecommunication.
- (b) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.
- (4) **Penalty, Suspension, Surrender, Termination/ Revocation of Authorisation:**
- (a) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (b) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under the Telecommunications Act, 2023.

(c) The Authorised Entity may surrender the Authorisation, by giving a notice of at least 60 calendar days in advance. The effective date of the surrender shall be 61st calendar day counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.

(d) The Central Government reserves the right to suspend the operation of the Authorisation, at any time, if, in the opinion of the Central Government, 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 telecommunication:

Provided that if situation so warrants, the Central Government may dispense with the issue of notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard:

Provided further that the Central Government 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.

(e) Under Section 21 of the Telecommunications Act, 2023, the Central Government may issue notification for taking such measures as are necessary to take over the services, equipment and networks of the Authorised Entity in the interest of national security or in the event of national emergency/ war or low intensity conflict or similar type of situations or any other eventuality in public interest as declared by the Central Government in full or in part in the Service area. Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the Authorised Entity without loss of time and shall be strictly complied with. Further, the Central Government reserves the right to keep any area out of the operation zone of the Service if implications of security so require:

Provided that any taking over of the Authorisation, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of the authorisation period or expansion of area in different corner or reduction of duly payable fee.

(5) Reporting Requirement:

(a) The Authorised Entity shall furnish to the Central Government / 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.

- (b) Any change in the details (such as ownership, FDI, name of the company, address, contact details, etc.), provided by the applicant at the time of obtaining the Authorisation, are required to be intimated through the online portal within 15 days of such change.
- (6) **Other Conditions:**
 - (a) The Authorised Entity shall be bound by the terms and conditions of the authorisation as well as instructions as are issued by the Central Government and by such orders/directions/regulations of TRAI as per provisions of the TRAI Act, 1997 as amended from time to time.
 - (b) The statutory provisions and the rules made under the Telecommunications Act, 2023 or the TRAI Act 1997 or the Information Technology Act, 2000, and any other Relevant Act shall govern the establishment and use of CNPN under the service Authorisation. Any other Rule/ Order/ Regulation/ Direction passed under these statutes shall be binding on the Authorised Entity.

6. Spectrum Assignment and Use:

- (1) The Authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required as per Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable on the Authorised Entity along with the Service Authorisation.
- (2) The Authorised Entity may obtain International Mobile Telecommunications (IMT) spectrum either on lease from entities authorised to provide Access Services or directly from the Central Government as per the Rules notified by the Central Government under section 4 of the Telecommunications Act, 2023.
- (3) The Authorised Entity may obtain IMT spectrum on lease from one or more than one entity authorised to provide Access Service on mutually agreed terms and conditions. The Authorised Entity shall obtain spectrum for each individual geographical area/ location separately in accordance with the Rules notified by the Central Government under section 4 of the Telecommunications Act, 2023.
- (4) The Authorised Entity leasing spectrum (lessor) to the CNPN Authorised Entity shall have the right to undertake periodic inspections of the CNPN to check possible misuse. In case, the lessor detects the misuse of the CNPN, lessor shall have the right to withdraw its leased spectrum immediately and shall intimate the Central Government of such misuse within 24 hours of detection of the same.

- (5) The Authorised Entity shall obtain wireless equipment import permission and Standing Advisory Committee on Frequency Allocation (SACFA) clearance for base station sites prior to commencement of operations.

7. Commercial conditions:

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

8. Financial conditions:

Entry /Authorisation Fees:

The Authorised Entity shall not be required to pay any Entry Fee and Authorisation fee.

9. Technical and Operating Conditions:

- (1) The Authorised Entity shall not connect its CNPN network to public networks in any manner. The public networks include but are not limited to PSTN, PLMN, GMPCS and Internet.
- (2) The Authorised Entity can connect its CNPNs established at multiple locations through leased lines obtained from entities authorised to provide leased line service in the relevant area.
- (3) The Authorised Entity cannot interconnect its CNPN network(s) with other CNPN authorised entity's network(s).
- (4) The Authorised Entity shall deploy network elements as per Telecom Engineering Centre (TEC) standards, wherever mandatory, or as per relevant standards set by International Standardization bodies.
- (5) The Authorised Entity 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.
- (6) Norms on Electromagnetic Field Exposure (EMF) by Base Stations: In case the Authorised Entity installs base stations for providing the service, the Authorised Entity shall comply with the instructions/ directions/ guidelines issued by the Central Government on EMF exposure norms from time to time.
- (7) It shall be the responsibility of the Authorised Entity to ensure that the wireless signals are restricted indoors/ within the occupied geographical area. CNPN Authorised Entity shall not cause or allow to cause harmful interference to other authorised users of radio spectrum. For the

elimination of harmful interference, the Authorised Entity shall abide by all instructions and orders issued by the Government.

- (8) The Authorised Entity will be responsible for the correctness of the geographic coordinates of the area for which the IMT spectrum is obtained on lease from entities authorised to provide access services or directly from the Central Government.
- (9) The Authorised Entity shall ensure adequate verification of each and every user in its network; instructions issued by the Central Government in this regard from time to time shall be scrupulously followed.
- (10) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

- (a) All security related compliances shall be the responsibility of the Authorised Entity.
 - (b) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
 - (c) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
 - (d) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (11) The Authorised Entity shall ensure that-
 - (a) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (b) The associated data/ information is stored in India.

(12) **Sharing of Infrastructure:**

- (a) The Authorised Entity is allowed to share the passive infrastructure

such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.

- (b) The Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.

10. Security Conditions:

- (1) The Central Government shall have a right to inspect and lawfully intercept CNPN and ascertain its *bonafide* use.
- (2) The Authorised Entity will provide suitable monitoring equipment as prescribed in the interest of security as and when required by the Central Government/ designated Security Agencies.
- (3) The Central 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 Authorised Entity shall provide any information as and when sought by the Designated Authority.
- (4) The 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.
- (5) The Authorised Entity shall only connect Trusted Products in its network. The Authorised Entities shall comply with the Guidance for Enhanced Supervision and Effective Control of Telecommunication Networks, as per guidelines to be issued by the Central Government.
- (6) The Authorised Entity shall maintain details of CDRs and IPDRs generated in its CNPNs. These details shall be maintained, in a format prescribed, for a minimum period of two years. Any tampering with CDRs and IPDRs details may result in termination of Authorisation.

Definitions:

- (1) "APPLICABLE SYSTEMS" means all the necessary equipment/ subsystems engineered to provide Mobile Radio Trunk Service using analogue/digital technology in accordance with operational/technical and quality requirements and other terms and conditions of the Authorisation agreement.
- (2) "EFFECTIVE DATE" "is the date on which this Authorisation Agreement is signed by the parties. This Authorisation comes into effect from the effective date of the Authorisation.
- (3) "AUTHORISATION" means an Authorisation granted or having effect as if granted under Section 3 (1)(a) of the Telecommunications Act 2023.
- (4) "AUTHORISED ENTITY" means a registered Indian Company/Govt. Agencies that has been awarded Authorisation to provide the authorised service, within the geographical boundaries of the specified service area.
- (5) "CENTRAL GOVERNMENT" shall refer to the President of India acting through any authorised person, who granted Authorisation under Section 3 of the Telecommunications Act 2023, unless otherwise specified.
- (6) "CAPTIVE NON-PUBLIC NETWORK (CNPN)" means a terrestrial wireless telecommunication network established for captive use within a specified geographical area. Such networks cannot be used for providing commercial telecommunication services.
- (7) "STANDING ADVISORY COMMITTEE ON RADIO FREQUENCY ALLOCATIONS (SACFA)" means a committee under the Department of Telecommunications, Ministry of Communications which provides its recommendations on radio frequency allocation in India.

Annexure 2.5.3: Terms and Conditions for Captive VSAT CUG Service Authorisation

1. Period of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in these rules.

2. Renewal of Authorisation:

(1) The Central Government may renew, if deemed expedient, the Authorisation by a term equivalent to the period of validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

(2) No Entry Fee shall be levied at the time of renewal of the Authorisation. However, the Authorised Entity may have to pay a nominal fee, as notified by the Central Government, at the time of renewal.

3. Service Area:

The Service Area of the Authorisation shall be at the National level.

4. Scope of Service:

(1) The Authorised Entity is permitted to establish, maintain and operate a VSAT based domestic data network for captive use.

(2) By using the VSAT based domestic data network established under the Authorisation, the Authorised Entity is permitted to provide data connectivity between its various sites located in India using VSATs, including mobile communication shelters mounted on high mobility vehicles, for captive use. These sites should form part of a closed user group (CUG). The Authorised Entity can set up more than one CUG for its own use.

(3) VSAT terminals may be used to aggregate the traffic from M2M/ IoT devices if the CUG nature of the network is not violated.

(4) VSAT terminals on moving platforms are also permitted subject to compliance to relevant TEC standards and conditions mentioned therein.

(5) The Authorised Entity may provide any data rate as per its network capabilities subject to compliances to technical parameters mentioned in the relevant Interface Requirements issued by TEC for VSAT Network(s), as modified from time to time.

(6) The network established by the Authorised Entity will be used only for internal communication and non-commercial purposes of the Authorised Entity.

- (7) Neither any user other than the Authorised Entity shall be given an access to the network, nor any third-party traffic shall be carried on the network.
- (8) The intent of the Authorisation is not to grant long distance carrier rights.

5. **Assignment and use of Spectrum:**

The Authorisation does not confer any right to assignment and use of spectrum, for which a separate specific frequency assignment shall be required from the Central Government under Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable on the Authorised Entity along with the Authorisation.

6. **General Conditions:**

- (1) **FDI Norms:** The Authorised Entity/ Indian Promoters/ Investing Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government of India. Certified copy of the approval of Government of India is required in a case where Foreign Equity is from an entity of a country which shares land border with India or where the beneficial owner an investment into India is situated in or is a citizen of any such country.
- (2) In case of breach of any of the terms and conditions of Authorisation granted under the Telecommunications Act, 2023, the Adjudicating Officer appointed by the Central Government may, pursuant to an inquiry, impose financial penalty and/or make recommendations for the consideration of the Central Government regarding suspension, revocation, or curtailment of the duration of the authorisation.
- (3) Adjudication and appeal of any contravention or breach of the terms and conditions of the Authorisation shall be governed by the Rules on Adjudication and Appeal notified under the Telecommunications Act, 2023.
- (4) The Authorised Entity may surrender the Authorisation, by giving a notice of at least 60 calendar days in advance. The Authorised Entity shall pay all fees payable by it till the date on which the surrender of the Authorisation becomes effective. The effective date of the surrender shall be the 61st calendar day counted from the date of receipt of such notice by the Central Government, if it is not rejected by the Central Government within 30 days of date of receipt of the notice.
- (5) The Central Government reserves the right to suspend the operation of the Authorisation in whole or in part, at any time, if, in the opinion of the Central Government, 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 Telecommunication:

Provided that if situation so warrants, the Central Government may dispense with the issue of a notice prior to such suspension. The decision of the Central Government shall be final and binding in this regard:

Provided further that the Central Government 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.

- (6) The Central Government reserves the right to terminate/ revoke/ suspend the 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 Central Government has the right to revoke/ suspend the Authorisation, in whole or in part, without any notice period.
- (7) The Central Government reserves the right to modify at any time the terms and conditions of the Authorisation, or incorporate new conditions, if in the opinion of the Central Government it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the Telecommunication.
- (8) Any amendment in rules containing the terms and conditions of the Authorisation shall be carried out by the Central Government only after considering recommendations of the Telecom Regulatory Authority of India on the subject matter.
- (9) The Authorised Entity shall not, without the prior written consent of the Central Government either directly or indirectly, assign or transfer this authorisation in any manner whatsoever to a third party or enter into any agreement for sub-authorise 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. Mergers, demergers or acquisitions, or other forms of restructuring, as well as transfer of Authorisation shall be subject to the Rules notified under section 3(5) of the Telecommunications Act, 2023.
- (10) The Authorised Entity shall furnish to the Central Government/ 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.
- (11) Any change in the details (such as ownership, FDI, name of the company, address, contact details, etc.), provided by the applicant at the time of obtaining the Authorisation, are required to be intimated through the online portal within 15 days of such change.

- (12) Under Section 21 of the Telecommunications Act, 2023, the Central Government may issue notification for taking such measures as are necessary to take over the services, equipment and networks of the Authorised Entity in the interest of national security or in the event of national emergency/ war or low intensity conflict or similar type of situations or any other eventuality in public interest as declared by the Central Government in full or in part in the Service area. Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the Authorised Entity without loss of time and shall be strictly complied with. Further, the Central Government reserves the right to keep any area out of the operation zone of the Service if implications of security so require:

Provided that any taking over of the Authorisation, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of the authorisation period or expansion of area in different corner or reduction of duly payable fee.

- (13) The Authorised Entity shall make its arrangements for all infrastructure involved in providing the service and shall be solely responsible for the installation, networking, operation and commissioning of necessary infrastructure, equipment and systems, etc.

- (14) The Authorised Entity may take telecommunication network resources on lease or hire from cloud service providers, which are either empaneled by the Ministry of Electronics and Information Technology (MeitY), Government of India as cloud service providers, or are authorised under Section 3(1) of the Telecommunications Act, 2023. The cloud is to be situated in India. The networks resources taken on lease or hire from cloud service providers shall be treated as part of the network of the Authorised Entity:

Provided that in respect of the telecommunication network resources taken on lease or hire by the Authorised Entity from cloud service providers -

- (a) All security related compliances shall be the responsibility of the Authorised Entity.
- (b) The Authorised Entity shall follow the measures notified by the Central Government under Section 21 of the Telecommunication Act, 2023 in respect of the procurement of telecommunication equipment and telecommunication services only from trusted sources.
- (c) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.

- (d) The Authorised Entity should ensure compliance to the regulations on quality of service (QoS), as prescribed by the TRAI. The responsibility of ensuring end-to-end QoS shall be that of the Authorised Entity.
- (15) The Authorised Entity shall ensure that-
- (a) All its telecommunication network infrastructure and equipment, either owned, or taken on lease or hire, are located in India for the purpose of provisioning of service permitted under the scope of the authorisation
 - (b) The associated data/ information is stored in India.
- (16) **Force- Majeure:**
- (a) If at any time, during the continuance of the Authorisation, the performance in whole or in part, by the Authorised Entity, of any obligation under the Authorisation 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 Authorised Entity), 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 Authorised Entity to the Central Government, within 21 Calendar days from the date of occurrence thereof, the Central Government shall, by reason of such event, neither revoke the Authorisation, nor claim any damages against the Authorised Entity, in respect of such non-performance or delay in performance:
 Provided that 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 Central Government 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.
 - (b) However, the Force Majeure events noted above shall not in any way cause extension in the period of the Authorisation.
 - (c) While it shall 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 Central Government, at its discretion based on circumstances of the EVENT.
 - (d) The Authorised Entity shall not be entitled to claim any damages against the Central Government for non-performance or delay in performance of the Central Government's obligations by reason of the EVENT.
- (17) **SET OFF:**
- (a) In the event any sum of money or claim becomes recoverable from or

payable by Authorised Entity to the Central Government either against the Authorisation 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 Authorised Entity under the Authorisation.

(b) The aforesaid sum of money payable to the Authorised Entity shall include any Security/ Bank Guarantee which can be converted into money.

(c) After exercising the right of set off, the Central Government shall inform the Authorised Entity of the action taken.

(18) Way Leave:

The Authorised Entity shall make its own arrangements for Right of Way (RoW) rules as notified in the Telecommunications Right of Way Rules made under Chapter III of the Telecommunications Act, 2023.

(19) Other Conditions:

(a) The Authorised Entity shall be bound by the terms and conditions of the Authorisation as well as instructions as are issued by the Central Government and by such orders/ directions/ regulations of TRAI as per the provisions of the TRAI Act, 1997 as amended from time to time.

(b) The statutory provisions and the rules made under the Telecommunications Act, 2023 or the TRAI Act 1997 or the Information Technology Act, 2000, and any other Relevant Act shall govern the Authorisation. Any other Rule/ Order/ Regulation/ Direction passed under these statutes shall be binding on the Authorised Entity.

7. Commercial Conditions:

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

8. Financial Conditions:

(1) FEES PAYABLE:

(a) Entry Fee:

The Authorised Entity will be required to pay a one-time entry of Rs. 7.5 lakh.

(b) Authorisation Fees:

In addition to the Entry Fee, the Authorised Entity shall also pay Authorisation fee annually @ Rs. 10,000/- per annum per VSAT

installed. The total number of VSATs shall include all types of VSATs (receive only/transmit only/receive & transmit both etc.). The Authorisation fee shall be based on total number of VSAT terminals irrespective of number of hubs in the network and without levy of any minimum authorisation fee. M2M/IoT devices, used in any architecture (including Direct-to-Satellite or in aggregator mode), shall not be treated as VSAT for the purpose of levy of Authorisation fee.

(c) **Radio Spectrum Charges**

In case the Authorised Entity obtains spectrum, the Authorised Entity shall pay fees and Royalty for the use of Radio frequencies as per the details prescribed by the Central Government.

The Authorised Entity shall also pay the space segment charges as prescribed by Central Government from time to time.

(2) **Schedule of payment of authorisation fee:**

- (a) For the purposes of the Authorisation Fee, the first year shall end on 31st March following the date of commencement of the Authorisation and the Authorisation Fee for the first year shall be determined on a pro-rata basis for the actual duration of the 'year'. From second year onwards, the year shall be of Twelve English calendar months from 1st of April to the 31st March for payment of Authorisation Fee.

Explanation: The authorisation fee for the last quarter of the first year and last quarter of the last year of the Authorisation will be computed with reference to the actual number of days after excluding the other quarters, each being of three months.

- (b) The authorisation fee shall be payable in four quarterly instalments during each Financial Year. Each quarterly instalment shall be paid in advance, 15 days prior to the commencement of that quarter. The quarterly payment shall be made with a Self-Certificate as at Annexure-A, the same shall be e-verified by the authorised representative of the company through e-sign/ digitally signed.
- (c) The quarterly payment shall be made together with a STATEMENT indicating the number of VSATs in use along with their location at the end of each month. The number of VSATs in use at the end of each month shall be added for all the months of the quarter and divided by the number of completed months for the purpose of calculation of Authorisation Fee.
- (d) The Authorised Entity shall adjust and pay the difference between the advance payment made and actual amount duly payable for a quarter, within 10 days of the completion of the quarter.
- (e) Any delay in payment of Authorisation fee, or any other dues payable under the Authorisation beyond the stipulated period will attract interest at a rate which will be 2% above the one year Marginal Cost

of Lending Rate (MCLR) of State Bank of India existing as on the beginning of Financial Year (namely 1st April) in respect of the authorisation fee or any other dues pertaining to said Financial Year. The interest shall be compounded annually. A part of the month shall be reckoned as a full month for the purposes of calculation of interest. A month shall be reckoned as an English calendar month.

- (f) In case, any under-reporting in the number of VSATs is detected, the CENTRAL GOVERNMENT reserves the right to terminate the authorisation in addition to the recovery of all dues under the Authorisation.
- (g) The Royalty payable towards spectrum shall be payable at such time(s) and in such manner as the Central Government may, prescribe from time to time.
- (h) The quarterly payments shall be made by the Authorised Entity through e-transfer or through a Demand Draft or Pay Order payable at New Delhi drawn on any Scheduled Bank in favour of the Pay & Accounts Officer (HQ), DoT or any other Authority if so designated by the CENTRAL GOVERNMENT.
- (i) The CENTRAL GOVERNMENT reserves the right to verify the number of VSATs installed and in use from the records of the Authorised Entity or any other records available with it including spot inspection of Network Management System (NMS).
- (j) The Authorised Entity will have to make his own arrangement for all infrastructures involved. The Authorised Entity shall separately pay the charges for communication resources and other infrastructure facilities provided by BSNL/ MTNL/ Other authorised Access service provider.

(3) Bank Guarantees:

- (a) The Authorised Entity shall submit a Bank Guarantee (BG) valid for a period of one year from any Scheduled Bank in India in the prescribed proforma at Annexure-B. Initially, the Bank Guarantee shall be for an amount of Rs. 3 lakhs which shall be submitted before grant of the service Authorisation. Subsequently, the amount of BG shall be equivalent to 20% of the estimated sum payable annually towards authorisation fee. The amount of BG shall be subject to periodic review by the Central Government. (Bank Guarantee is not applicable in the case of Central Government Departments.)
- (b) This Bank Guarantee should be submitted to securitize the Authorisation fee and other dues not otherwise securitized. The term "other dues not otherwise securitized" includes the dues arising out of penalties/ financial disincentives imposed by the Central Government / TRAI.

- (c) In order to enhance the Ease of Doing Business, Electronic Bank Guarantee shall be submitted across various Service Authorisations.
- (d) The fees charges and royalties for the use of spectrum and also for possession of Wireless Telegraphy equipment shall be separately securitised by furnishing BG as required by Central Government.
- (e) Initially, the Bank Guarantee shall be valid for a period of one year and shall be renewed from time to time, for the entire period of the Authorisation till final clearance of all such dues.
- (f) The Authorised Entity, on its own, shall extend the validity period of the Bank Guarantee for similar term at least one month prior to its date of expiry without any demand or notice from the Central Government on year-to-year basis. Any failure to do so shall amount to violation of the terms of the authorisation and shall entitle the Central Government to encash the Bank Guarantee and to convert into a cash security without any reference to the Authorised Entity and at his risk and cost. No interest or compensation whatsoever shall be payable by the Central Government on such encashment.
- (g) Where the Bank Guarantees have been encashed partially, the Authorised Entity on such occasions, shall restore the encashed guarantees to the full amount. Any failure to do so shall amount to violation of the terms and conditions of the authorisation.
- (h) Without prejudice to its rights of any other remedy, including those under Section 32 of the Act, the Central Government may encash the Bank Guarantee in case of following:
 - (i) Non-payment of authorisation fee or any other fee/charges payable under the Rules of the authorisation.
 - (ii) In case of any breach in terms & conditions of the authorisation by the Authorised Entity.
 - (iii) Non-payment of dues arising out of penalties/ financial disincentives imposed by the Central Government/ TRAI.

9. **Technical conditions:**

- (1) For establishing the network for captive use, the Authorised Entity shall be permitted to utilize any type of equipment and products that meet TEC standards, wherever made mandatory by the Central Government from time to time. In the absence of mandatory TEC standards, the Authorised Entity may utilize only those equipment and products which meet the relevant standards set by International standardization bodies, such as, ITU, 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.

- (2) The Authorised Entity is permitted to use any technology, conforming to the TEC IR/ GR, to establish the network. The technical parameters mentioned in the relevant Interface Requirement for VSAT Network(s) issued by TEC are to be complied with. Any other notification or modification thereof issued from time to time in this regard shall be binding.
- (3) The Authorised Entity shall be responsible for, and is authorised to install, test and commission all the Applicable systems to establish the network for captive use in CUG manner under the Authorisation.
- (4) The Authorised Entity shall specify the details of technology and other performance parameters of the systems proposed to be deployed for the operation of the service.
- (5) The Authorised Entity shall adhere to the directions/ instructions/ guidelines issued by Central Government 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.
- (6) In the process of operating the services, the Authorised Entity shall be responsible for the proper upkeep and maintenance of the Applicable System.
- (7) The Authorised Entity shall be responsible to ensure that the user terminals are operated in accordance with the terms and conditions contained in these Rules, terms and conditions of the Authorisation, terms and conditions of spectrum assignment and relevant instructions/ rules issued by the Central Government/ TRAI.
- (8) The Authorised Entity shall furnish to the Central Government or its authorized representative(s), in such manner and at such times as may be required, complete technical details of the Applicable System.
- (9) The Authorised Entity shall supply all tools, test instruments and other accessories to the testing party of Central Government for conducting tests at any time during the currency of the Authorisation.
- (10) The Authorised Entity shall establish the system within a time period as specified in the terms and conditions of the assignment of spectrum. Commissioning of service shall mean establishing the system for Captive VSAT based Domestic Data Network for captive use in a Closed User Group (CUG) manner and due intimation to the Central Government.
- (11) For providing the Captive VSAT, the Authorised Entity shall establish Satellite Earth Station Gateway(s)/Hub Station(s) within India or use the SESG established by any entity authorised to establish SESG in India and install equipment complying to the technical parameters mentioned in the relevant Interface Requirement issued by TEC, as modified from time to time.

- (12) The Satellite Earth Station Gateway/ Hub Station shall be used/ operated by the Authorised Entity subject to the following conditions:
- (a) The Hub station as well as all the terminal stations (VSATs) shall be within the geographical boundary of India.
 - (b) Before start of the operation, the details of the relevant antenna parameters shall be furnished online by the Authorised Entity on the basis of self-declaration along with radiation pattern results. Later, for interference monitoring and mitigation, SATCOM Monitoring Centre (SMC) may, however, call for additional details and conduct tests, if required.
 - (c) The data related to the total number of terminal stations configured/ operational with the date of commissioning should be furnished on the online portal on the basis of self-certification, along with their date of configuration, date of commissioning, coordinates, address of the Terminal Station locations along with the name of city, district, state etc. In this regard, Authorised Entity would abide by the directions issued by the Central Government.
- (13) The Authorised Entity's Captive VSAT network shall not be interconnected with PSTN/ PLMN/ GMPCS network.
- (14) Interconnection with the networks of other Captive VSAT authorised entities shall be permitted through the Hub on the case-to-case basis, wherever the captive CUG nature of the network is not violated.
- (15) The Authorised Entity is permitted to connect its VSAT user terminals with domestic terrestrial private leased circuits if the CUG nature of the network is not violated.
- (16) The Authorised Entity is permitted to connect its Hub station with domestic terrestrial private leased circuits if the CUG nature of the network is not violated.
- (17) The connectivity of the Hub station with any overseas office of the CUG for data transfer purposes shall be permitted subject to the condition that the connection should be between the Hub station and the server of the overseas office through a terrestrial private leased line passing through an international gateway which can be monitored for security purposes.
- (18) The Authorised Entity is permitted to connect its Hub station with public Internet, through a leased line taken from any authorised entity who is authorised to sell bandwidth/ leased line, for the use within the CUG.

10. Operating conditions:

- (1) The Authorised Entity shall follow the guidelines issued by Central Government from time to time for establishing VSAT based domestic data network for captive use.

- (2) The Authorised Entity can use space segment of satellite systems as per following conditions:
 - (a) Clearances shall be obtained by the Authorised Entity from the Central Government.
 - (b) The required satellite capacity (space segment) shall be obtained by the Authorised Entity from the Department of Space (DoS)/ NSIL or space segment provider duly authorized by DoS/ IN-SPACe on terms and conditions as applicable.
 - (c) The space segment charges will be payable to DoS/ NSIL or space segment provider as applicable.
 - (d) All types of satellite viz. Geo Stationary Orbit (GSO) and Non-GSO (NGSO) satellites are permitted to be used for establishing satellite based Domestic Data Network for captive use.
- (3) The Monthly Operation Report regarding the number of VSAT terminals and other details should be submitted to the Central Government/ TRAI in the specified format by the 7th of following month.
- (4) The Authorised Entity shall immediately disconnect/ sever connectivity, with the entities with whom the connectivity already exists, upon receipt of any reference from the Central Government. Disconnection shall be made effective within one hour or within such time as directed by the Central Government in writing, after receiving reference from the Central Government in this regard.
- (5) The provisions of the Telecommunications Act, 2023, shall be applicable on the Authorised Entities. Relevant sections of Information Technology Act, 2000 as amended from time to time or any other relevant Act may also be applicable on the Authorised Entities.
- (6) **Sharing of Infrastructure:**
 - (a) Authorised Entity is allowed to share the passive infrastructure such as building, tower, electrical equipment including battery and power plant, dark fiber, duct space, Right of Way, etc. owned, established, and operated under the Authorisation with all types of authorised entities.
 - (b) Authorised Entity is allowed to share all types of active infrastructure elements owned, established, and operated by it under the Authorisation with all types of authorised entities as per the scope of their services.
- (7) The Central Government or its authorised representative, or its authorised representative shall have right to access and inspect sites and Telecommunication equipment used for extending the Telecommunication Service. The Authorised Entity will provide the necessary facilities for monitoring of the system in the Authorised Service Area, as required by the Central Government or its authorised 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.

- (8) The Authorised Entity shall provide location details of all network elements including satellite earth station gateway/ hub station, transmission centres, along with routing details, network operation & control/ management Centre, equipment details, network topology, end to end connectivity, Cable routes and capacity along with GIS mapping and any other detail as may be required by Central Government from time to time. Any network resource including the bandwidth/ leased line/ VPN either owned or taken on lease/ hire shall be treated as part of the network of Authorised Entity.

11. Security conditions:

- (1) The Authorised Entity shall meet the instructions/directions of the Central Government issued from time to time in the interest of national security as per relevant sections of the Telecommunication Act, 2023. Notwithstanding statutory provisions, Central Government specifies other conditions including the following conditions:
- (2) The Authorised Entity shall provide necessary facilities depending upon the specific situation at the relevant time to the Central Government to counteract espionage, subversive act, sabotage or any other unlawful activity.
- (3) The Authorised Entity shall make available on demand to the person authorized by the Central Government, full access to the gateway/ hub station, transmission centres, routers and other network elements including equipment installed in user's premises etc. for technical scrutiny and for inspection, which can be visual inspection or an operational inspection.
- (4) All foreign personnel likely to be deployed by the Authorised Entity for installation, operation and maintenance of the Authorised Entity's network shall be security cleared by the Central Government prior to their deployment. The security clearance will be obtained from the Ministry of Home Affairs, Government of India.
- (5) The Authorised Entity shall ensure protection of privacy of communication and ensure that unauthorised interception of messages does not take place.
- (6) The Central 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 Authorised Entity shall provide any information as and when sought by the Designated Authority.
- (7) 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.

- (8) The Authorised Entity 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.
- (9) The Authorised Entity shall follow the measures notified by the Central Government, including through directions, under Section 21 of the Telecommunication Act, 2023 in respect of procurement of Telecommunication equipment and Telecommunication services only from Trusted sources.
- (10) The Authorised Entity shall comply with the Guidance for Enhanced Supervision and Effective Control of Telecommunication Networks, as per guidelines issued by the Central Government from time to time.
- (11) The Authorised Entity shall follow the measures prescribed by the Central Government under Section 22 of the Telecommunications Act, 2023 to protect and ensure cyber security of Telecommunications networks including Critical Telecommunication Infrastructure and Telecommunication services.
- (12) The Authorised Entity shall create facilities for the monitoring of all intrusions, attacks and frauds on its technical facilities and provide reports on the same as prescribed by the Central Government. Such facilities shall be created within 12 months since the date of the Authorisation and report the same to the Central Government.
- (13) In the interests of security, suitable monitoring equipment as per requirement of the Central Government or designated Security Agencies for each type of service shall be provided by the Authorised Entity for monitoring as and when required by the Central Government. The specific orders or directions from the Central Government, issued under such conditions, shall also be applicable.
- (14) The precise delineation of geographical borders taken by the Authorised Entity for the purpose of defining service area along International Borders, if any, shall have prior approval of the Central Government. The terrestrial boundaries of India shall be as depicted in the maps issued by Survey of India.

- (15) 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 dealt with in accordance with the Section 42 of the Telecommunications Act, 2023 and Bhartiya Nyaya Sanhita (BNS). The Authorised Entity must ensure that their services are not used for such purposes.
- (16) The Government through appropriate notification may debar usage of User Terminals in certain areas in the country. The Authorised Entity shall deny service to areas specified by designated authority immediately and in any case within six hours on request. The Entity shall also provide the facility to carry out surveillance of User Terminal activity within a specified area.
- (17) As per Section 21 (f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof, connected with such telecommunication services.
- (18) The Authorised Entity shall also ensure compliance of the following conditions:
- (a) The majority Directors on the Board of the Entity shall be Indian citizens.
 - (b) The Chief Officer in charge of technical network operations and the Chief Security Officer/Chief Information Security Officer, and in-charge of Network Elements such as Switches (GMSC, MSC, Soft-Switch, Gateway Switch), Central Database, ILD Gateway, Satellite Hub, GMPSC Gateway, and System Administrators associated with the Authorised Entity shall be resident Indian citizen.
 - (c) The officers/ officials/ Nodal Executives of the Authorised Entity dealing with the lawful interception of messages will be resident Indian citizens.
 - (d) 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 on annual basis by Ministry of Home Affairs (MHA). The directions of MHA shall be binding on the Entity.
 - (e) The Authorised Entity may, on need basis, provide details of its infrastructure/ network diagram (technical details of the network) only

- to telecom equipment suppliers/manufacturers and the affiliate/ parents of the Authorised Entity. Clearance from the Central Government would be required if such information is to be provided to anybody else.
- (f) The Authorised Entity shall take adequate and timely measures to ensure that the information transacted through a network by the users is secure and protected.
 - (g) For security reasons, domestic traffic shall not be hauled/ routed to any place outside India. For this purpose, location of satellites serving India for domestic traffic shall not be treated as outside India.
 - (h) The Authorised Entity shall not transfer the following to any person/place outside India: -
 - (i) Any accounting information relating to user (except for international roaming/ billing) (Note: it does not restrict a statutorily required disclosure of financial nature); and
 - (ii) User information (except pertaining to foreign users using Authorised Entity's network while roaming and IPLC users).
 - (i) The Authorised Entity may be restricted from operating in any sensitive area from National Security angle, as determined by the Central Government.
 - (j) For monitoring traffic, the Authorised Entity shall provide access of their network and other facilities as well as to books of accounts to the Security Agencies.
- (19) The Central Government reserves the right to modify at any time the terms and conditions of the authorisation, or incorporate new conditions, if in the opinion of the Central Government it is considered necessary or expedient to do so in the interest of national security, public interest and for proper conduct of the service/ telegraphs. The decision of the Central Government shall be final in this regard.
- (20) The Authorised Entity shall ensure that the Radio Transmitters, while deploying wireless system(s), are located and work in such a fashion that any signal or signals, emanating there from, fade out when nearing or about to cross international border and also become unusable within a reasonable distance across such border.
- (21) Application of Telecommunication Act 2023: The Authorised Entity shall adopt all means and facilitate in every manner the application of the Telecommunication Act 2023 and rules made thereunder.

Definitions:

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

- (1) Adjudicating Officer - means an officer appointed under section 35 of the Telecommunications Act, 2023.
- (2) Applicable Systems - means all the necessary equipment/ subsystems engineered to provide Captive VSAT CUG Service using analogue/ digital technology in accordance with operational/ technical and quality requirements and other terms and conditions of the Authorisation agreement.
- (3) Authorisation Fee - means a fee payable by the Authorised Entity at prescribed intervals and rates for the period of the Authorisation.
- (4) Authorised Entity - means a person holding an Authorisation under section 3 of the Telecommunications Act, 2023.
- (5) Central Government - refers to the President of India acting through any authorised person, who granted Authorisation under Section 3 of the Telecommunications Act 2023, unless otherwise specified.
- (6) Effective date of the Authorisation - means the date which is so specified in the Authorisation document.
- (7) Emergency Services - means the relevant public, police, fire, ambulance and coast guard services for that locality.
- (8) Entry Fee - The prescribed non-refundable amount of fee to be paid before signing of Authorisation document to provide authorised service.
- (9) Message - means any sign, signal, writing, text, image, sound, video, data stream, intelligence or information sent through telecommunication.
- (10) Service - means collection, carriage, transmission and delivery of messages over Authorised Entity's network in the Service Area as per the authorisation under the Telecommunications Act, 2023.
- (11) Service Area - means the specified geographical area for which service authorisation has been granted under the Authorisation.

List of Acronyms

1. 3GPP - Third Generation Partnership Project
2. BG - Bank Guarantee
3. CUG – Closed User Group
4. DOT - Department of Telecommunications, Government of India
5. DOS - Department of Space
6. ETSI - European Telecommunications Standards Institute
7. FBG - Financial Bank Guarantee
8. FDI - Foreign Direct Investment
9. FSS – Fixed Satellite Service
10. GMPCS - Global Mobile Personal Communications by Satellite
11. GSO - Geo Stationary Orbit
12. IEC - International Electrotechnical Commission
13. IEEE - Institute of Electrical and Electronics Engineers
14. IETF - Internet Engineering Task Force
15. IN-SPACe - Indian National Space Promotion and Authorisation Centre
16. IPTV - Internet Protocol Television
17. IPv6 - Internet Protocol version 6
18. ISO - International Organization for Standardization
19. ITU - International Telecommunication Union
20. MCLR - Marginal Cost of Lending Rate
21. MEF - Metro Ethernet Forum
22. MHA - Ministry of Home Affairs
23. MSS - Mobile Satellite Service
24. NGSO - Non- Geo Stationary Orbit
25. NOCC - Network Operations Control Center
26. NSIL - NewSpace India Limited
27. PBG - Performance Bank Guarantee
28. PLMN – Public Land mobile Network
29. PSTN – Public Switched Telephone Network
30. QoS - Quality of Service
31. RoW- Right of Way
32. SESG - Satellite Earth Station Gateway
33. SMC - SATCOM Monitoring Centre
34. TEC - Telecommunication Engineering Centre
35. TRAI - Telecom Regulatory Authority of India
36. VSAT – Very Small Aperture Terminal
37. Wi-Fi - Wireless Fidelity
38. WiMAX - Worldwide Interoperability for Microwave Access

Annexure A

Self-Certificate

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

2. That I amof (Name of the Authorised Entity), Authorised Entity of Service and I am duly authorised by the resolutions dated Passed by Board of Directors of the Company to furnish self-certificate on behalf of(Name of the Authorised Entity).

3. That in compliance of Condition No..of the Authorisation No. granted by the Central Government, for payment of Authorisation fee, a payment of Rs. (Rupeesis being made for the periodto

4. That the contents in para 2 & 3 are true and correct to the best of my knowledge, based on the records of the Authorised Entity.

Authorised representative

Proforma for Bank Guarantee

To

The President of India

In consideration of the President of India (hereinafter called 'the Authority') having agreed to grant a Service Authorisation for _____ Service _____ to M/s _____ of _____ (hereinafter called 'the AUTHORISED ENTITY') to establish, maintain and operate **Captive VSAT CUG Service Authorisation** (hereinafter called 'the SERVICE') in accordance with the Authorisation No. _____ dated _____ (hereinafter called 'the Authorisation') on the terms and conditions contained in the said Authorisation, which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____ only) under the said Authorisation by way of security for payment of the said Authorisation fee as well as such other fees/dues or charges required to be paid by the AUTHORISED ENTITY 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 AUTHORISED ENTITY hereby irrevocably and unconditionally guarantee to the Authority that the AUTHORISED ENTITY shall pay all the dues, including but not limited to, the Authorisation fee and other charges 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 AUTHORISED ENTITY to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the Authorisation, or to 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 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 AUTHORISED ENTITY to pay any fees or charges or any part thereof in terms of the said Authorisation, and/or by way of breach in any of the terms and conditions of the Authorisation by the Authorised Entity, without prejudice to the Central Government's (the Authority) rights to any other remedy.

4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether AUTHORISED ENTITY 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 payable to the Authority by the Bank hereunder shall be final and binding on us.

5. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the

(a) Guarantee herein contained shall remain in full force and effect for a period of --
-----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 AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said AUTHORISED ENTITY 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 AUTHORISED ENTITY 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 AUTHORISED ENTITY.

6. We, the BANK, undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

7. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs. and our Guarantee shall remain in force until....year from the date hereof. Unless a demand or claim under this Guarantee is made on us in

writing within this date i.e. all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated _____ day _____ for _____ (Name of the Bank)

Witness:

1.....
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2.....
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Annexure 2.5.4: Terms and Conditions for Captive Case to Case basis Service Authorisation

1. Period of Validity of Authorisation:

The Authorisation shall be valid for a period of 20 years from the effective date of the Authorisation unless revoked earlier for reasons as specified in the rules.

2. Renewal of Authorisation:

The Central Government may renew, if deemed expedient, the period of the Authorisation by a term equivalent to the period of the validity of the Authorisation, upon request of the Authorised Entity, if made at least 12 months prior to the expiry of the Authorisation, on the terms specified by the Central Government, subject to the extant policy. The decision of the Central Government shall be final and binding in this regard.

3. Scope of Service:

The Authorised Entity is permitted to establish Captive Telecommunications network including microwave links and optical fibre cable (OFC) links.

4. General Conditions:

- (1) The Central Government shall have a right to inspect the Captive Telecommunications network established by the Authorised Entity and ascertain its *bonafide* use.
- (2) The Authorised Entity may surrender the Authorisation by giving a notice of at least 30 calendar days in advance.
- (3) The Authorised Entity shall not, without the prior written consent of the Central Government either directly or indirectly, assign or transfer this authorisation in any manner whatsoever to a third party or enter into any agreement for sub-authorise 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. Mergers, demergers or acquisitions, or other forms of restructuring, as well as transfer of Authorisation shall be subject to the Rules notified under section 3(5) of the Telecommunications Act, 2023.

5. Commercial conditions:

The Authorised Entity shall comply with the tariff orders/ regulations/ directions/ decisions issued by TRAI from time to time. The Authorised Entity shall also fulfil 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.

6. Financial conditions:

There shall be no Entry fee or Authorisation fee to be paid by the Authorised Entity.

7. Technical and Operating Conditions:

- (1) The Authorised Entity shall not connect its captive telecommunications network with public networks in any manner. The public networks include but are not limited to PSTN, PLMN, GMPCS and Public Internet.
- (2) The Authorised Entity shall make its own arrangements for Right of Way (RoW) permission as per the Telecommunications Right of Way Rules notified under the Telecommunications Act, 2023.

8. Spectrum Assignment and Use:

- (1) The authorisation does not confer any right to assignment and use of spectrum, for which separate specific frequency assignment shall be required as per Section 4 of the Telecommunications Act, 2023. In case the Authorised Entity obtains spectrum from the Central Government, the terms of conditions of the assignment of spectrum shall also be applicable on the Authorised Entity along with the Service Authorisation.
- (2) The Authorised Entity shall obtain permission for importing wireless equipment, if applicable, and Standing Advisory Committee on Frequency Allocation (SACFA) clearance for microwave sites prior to establishment of link and commencement of operations.
- (3) The Authorised Entity shall not cause or allow to cause harmful interference to other authorised users of radio spectrum. For the elimination of harmful interference, the Authorised Entity shall abide by all instructions and orders issued by the Government.

9. Security Conditions:

- (1) The Authorised Entity shall be completely and totally responsible for security of its captive telecommunications network.
- (2) The Authorised Entity shall meet the instructions/ directions of the Central Government issued from time to time in the interest of national security as per relevant sections of the Telecommunication Act, 2023.
- (3) The Authorised Entity will provide suitable monitoring equipment as prescribed in the interest of security as and when required by the Central Government/ designated Security Agencies.

- (4) The Authorised Entity shall follow relevant network security conditions and instructions regarding the procurement of telecom equipment from trusted sources as issued by the Central Government from time to time.
- (5) The Authorised Entity 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.
- (6) The Authorised Entity shall ensure protection of privacy of communications and shall ensure that unauthorized interception of messages does not take place.
- (7) As per Section 21 (f) of Telecommunications Act, 2023, the Central Government may, if satisfied that it is necessary or expedient so to do, in the interest of national security, friendly relations with foreign States, or in the event of war, by notification take such measures as are necessary in the circumstances of the case, including issuing directions in respect of taking over the control and management of, or suspending the operation of, or entrusting any authority of the Central Government to manage any or all of any telecommunication services, or any telecommunication network or part thereof.

10. Other Conditions:

The Authorised Entity shall adopt all means and facilitate in every manner the application of statutory provisions and the rules made under the Telecommunications Act, 2023 or TRAI Act 1997 or Information Technology Act, 2000, and any other Relevant Act as modified or replaced from time to time. The captive telecommunications network established shall be in accordance with the provisions of the Telecommunications Act, 2023 and Rules notified thereunder, as modified and amended from time to time.

Definitions:

- (1) "EFFECTIVE DATE" is the date on which this Authorisation Agreement is signed by the parties. This Authorisation comes into effect from the effective date of the Authorisation.
- (2) "AUTHORISATION" means an Authorisation granted or having effect as if granted under Section 3(1)(a) of the Telecommunications Act 2023.
- (3) "AUTHORISED ENTITY" means a registered Indian Company/Govt. Agencies that has been awarded Authorisation to provide the MOBILE RADIO TRUNKING SERVICE, within the geographical boundaries of the specified service area.
- (4) "CENTRAL GOVERNMENT" shall refer to the President of India acting through any authorised person, who granted Authorisation under Section 3 of the Telecommunications Act 2023, unless otherwise specified.
- (5) "GLOBAL MOBILE PERSONAL COMMUNICATIONS BY SATELLITE SYSTEM (GMPCS)" 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.
- (6) "PUBLIC SWITCHED TELEPHONE NETWORK (PSTN)" means a fixed public telephone network providing a two-way switched telecommunications service to the general public.
- (7) "PUBLIC LAND MOBILE NETWORK (PLMN)" means a land based mobile network being operated within the country under Authorisation from Central Government on a nonexclusive basis.
- (8) "SERVICE AREA" is as defined in Schedule-I appended to this agreement.
- (9) "STANDING ADVISORY COMMITTEE ON RADIO FREQUENCY ALLOCATIONS (SACFA)" means a committee under the Department of Telecommunications, Ministry of Communications which provides its recommendations on radio frequency allocation in India.