

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

**LICENSE AGREEMENT
FOR
PROVISION OF COMMERCIAL
PUBLIC MOBILE RADIO TRUNKING SERVICE (PMRTS)
(For migration of existing License and issue of new License)**

IN _____ SERVICE AREA

OLD NO. _____ DATED _____

NEW NO. _____ DATED _____

TOTAL PAGES - 69

LICENSE AGREEMENT

FOR

PUBLIC MOBILE RADIO TRUNKING SERVICE (PMRTS)

This AGREEMENT is made on the _____ day of _____ (month) _____ (year) by and between the President of India acting through _____ (name), Director(CS-I), Department Of Telecommunications (DOT), Sanchar Bhavan, 20, Ashoka Road, New Delhi – 110 001 (hereinafter called the LICENSOR) of the FIRST PARTY.

AND

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

WHEREAS by virtue of the provisions of Section 4 of the Indian Telegraph Act, 1885, the LICENSOR enjoys privilege to grant License and the LICENSEE has requested to grant license for providing Analogue/Digital Public Mobile Radio Trunk Service (PMRTS). Whereupon and in pursuance to the said request, the LICENSOR has agreed to grant this License to provide Analogue/Digital Public Mobile Radio Trunk Service in the licensed service area more specifically described in Schedule-I appended hereto.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In consideration of the payment of license fee, and due performance of all the terms and conditions mentioned in this license agreement on the part of the LICENSEE, the LICENSOR does, hereby grant under Section 4 of the Indian Telegraph Act, 1885 on a non-exclusive basis, this license to set up and operate the Analogue/Digital Public Mobile Radio Trunk Service in the licensed service area, described in Schedule-I appended hereto.
2. The LICENSE hereby granted shall remain valid for 20 (Twenty) years from the Effective date unless revoked earlier for any reason whatsoever.

3. The LICENSEE hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in Schedule-II appended hereto in this License Agreement without any deviation or reservations of any kind.

4. Effective Date of this LICENSE shall be

5. The License shall be governed by the provisions of the Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom Regulatory Authority of India Act, 1997 as amended from time to time.

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

Signed for and on behalf of
President of India.

By

(Name & Designation)

In the presence of:

Witnesses:

1.

Signature

Name

Occupation.

Address

2.

Signature

Name

Occupation.

Address

Signed on _____ on
behalf of M/s. _____

By

(Name & Designation)

(authorised signatory and holder of

General Power of Attorney dated
executed in accordance with the Resolution
No. _____, dated _____
passed by the Board of Directors)

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SCHEDULE OF SERVICE AREA

1.0 SERVICE AREA : (Note : Only the relevant portion to be written in the respective License Agreement)

The service Area for which this license is awarded is as given below.

Service Area.

1.1 The service Area of the License shall be as per the license agreement. The geographical boundary of the area shall be within a Metro/Circle service area more specifically described in Annexure-I .

1.2 Allotment of frequency spectrum for the circle service area will be considered subject to the availability of spectrum in the entire service area of circle and some channels may not be available at all locations/cities in whole circle service area.

1.3 PMRTS licensee consequent on the migration from city service area to circle service area may require microwave frequencies for intracity and intercity connectivity. The assignment of such frequencies will be subject to the availability and successful coordination with existing users.

1.4 Where any doubt arises about the geographical boundaries of the service area, clarification may be sought from the Licensor and its decision thereon shall be binding on the Licensee.

SCHEDULE-II : TERMS AND CONDITIONS

Part-I GENERAL CONDITIONS

1.0 OWNERSHIP OF THE LICENSEE COMPANY

1.1 The Foreign Direct Investment (FDI) limit is enhanced from 49 to 74 per cent in Public Mobile Radio Trunking Service(PMRTS) with following conditions:-

(i) Both direct and indirect foreign investment in the licensee company shall be counted for the purpose of FDI ceiling. Foreign Investment shall include investment by Foreign Institutional Investors (FIIs), Non-resident Indians (NRIs), Foreign Currency Convertible Bonds (FCCBs), American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and convertible preference shares held by foreign entity. Indirect foreign investment shall mean foreign investment in the company/companies holding shares of the licensee company and their holding company/companies or legal entity (such as mutual funds, trusts) on proportionate basis. Shares of the licensee company held by Indian public sector banks and Indian public sector financial institutions will be treated as 'Indian holding'. In any case, the 'Indian' shareholding will not be less than 26 percent.

(ii) FDI up to 49 per cent will continue to be on the automatic route. FDI in the licensee company/Indian promoters/investment companies including their holding companies, shall require approval of the Foreign Investment Promotion Board (FIPB) if it has a bearing on the overall ceiling of 74 per cent. While approving the investment proposals, FIPB shall take note that investment is not coming from countries of concern and/or unfriendly entities.

(iii) The investment approval by FIPB shall envisage the conditionality that Company would adhere to license Agreement.

(iv) FDI shall be subject to laws of India and not the laws of the foreign country/countries.

1.2 The conditions at para 1.1 above shall also be applicable to the existing companies operating telecom service(s) with the FDI cap of 49%.

1.3 The Licensee shall declare the Indian and Foreign equity Holding (direct and in-direct) in the LICENSEE company and submit an unconditional compliance to the FDI norms and security conditions on 1st day of January and 1st day of July on six monthly basis to the LICENSOR. This is to be certified by the LICENSEE Company's Company Secretary or Statutory Auditor.

1.4 The merger of Indian companies may be permitted as long as competition is not compromised as defined below:

“No single company/ legal person, either directly or through its associates, shall have substantial equity holding in more than one LICENSEE Company in the same service area for Public Mobile Radio Trunking Service. ‘Substantial equity’ herein will mean ‘an equity of 10% or more’. A promoter company/ Legal person cannot have stakes in more than one LICENSEE Company for the same service area”.

Note: Above clause 1.4 shall not be applicable to PMRTS Licensees existing before issue of detailed PMRTS guidelines dated 01.11.2001 under NTP-99 regime.

1.5 The LICENSEE shall also ensure that any change in share holding shall be subject to all necessary statutory requirements.

2. Scope of the License:

2.1 This LICENSE is granted to provide SERVICE on a non-exclusive basis and others can also be granted licenses for the same service in the designated SERVICE AREA by utilizing any type of network equipment, including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU)/Telecommunication Engineering Center (TEC)/ International standardization bodies such as 3GPP/3GPP-2/ETSI/IETF/ANSI/EIA/TIA/IS. Provided further that the LICENSOR, on its own or through a DESIGNATED OPERATOR, shall always have a right to operate the SERVICE anywhere in India including the service area for which this license is granted.

2.2 LICENSEE shall make its own arrangements for all infrastructure involved in providing the service and shall be solely responsible for installation, networking and operation of necessary equipment and systems, treatment of subscriber complaints, issue of bills to its

subscribers, collection of revenue, attending to claims and damages arising out of his operations.

3. Duration of License:

3.1 For Analogue Systems:

The duration of LICENSE agreement shall be for a period of 20 years, commencing from the effective date given in the license agreement unless revoked/terminated /suspended earlier for reasons specified in this license agreement.

3.2 For Digital Systems:

(a) The duration of LICENSE agreement shall be for a period of 20 years, commencing from the effective date given in the license agreement unless revoked/terminated/suspended earlier for reasons specified in this license agreement.

(b) The LICENSOR may extend, if deemed expedient, the period of LICENSE by 10 years at one time, upon request of the LICENSEE, if made during 19th year of the License period on terms mutually agreed. The decision of the LICENSOR shall be final in regard to the grant of extension.

4. Modifications in the Terms and Conditions of License:

4.1 The LICENSOR reserves the right to modify at any time the terms and conditions of the LICENSE, if in the opinion of the LICENSOR it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the telegraphs. The decision of the LICENSOR shall be final and binding in this regard.

5. Restrictions on 'Transfer of License:

5.1 The LICENSEE shall not, without the prior written permission, of the LICENSOR, either directly or indirectly, assign or transfer this LICENSE/its rights in any manner whatsoever under the license to a third party or enter into any agreement for sub-license and/or partnership

relating to any subject matter of the LICENSE to any third party either in whole or in any part i.e. no sub-leasing/partnership/third party interest shall be created. Provided that the LICENSEE can always employ or appoint agents and employees for provision of the service.

5.2 The Licensee may transfer or assign the License Agreement with prior written approval of the Licensor to be granted on fulfillment of the following conditions:-

(i) When transfer or assignment is requested in accordance with the terms and conditions on fulfillment of procedures of Tripartite Agreement if already executed amongst the Licensor, Licensee and Lenders; or

(ii) Whenever amalgamation or restructuring i.e. merger or demerger is sanctioned and approved by the High Court or Tribunal as per the law in force; in accordance with the provisions; more particularly of Sections 391 to 394 of Companies Act, 1956; and

(iii) The transferee/assignee is fully eligible in accordance with eligibility criteria contained in tender conditions or in any other document for grant of fresh license in that area and shows its willingness in writing to comply with the terms and conditions of the license agreement including past and future roll out obligations; and

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

6. Provision of Service:

6.1 The LICENSEE shall be responsible for, and is authorized to own, install, test and commission all the Applicable system for providing the Public Mobile Radio Trunking Service under this License agreement.

7. Delivery of Service:

7.1 The LICENSEE shall commission the Applicable Systems within one year from the effective date of the license. Commissioning of service shall mean providing of an effective commercial service to customers and due intimation to the licensor. The date of Test Certificate

issued by TEC of DoT will be reckoned as the date of commissioning of service. However, the licensee may start providing service to customers at any time without specific approval of the licensor.

8. Requirement to furnish information:

8.1 The LICENSEE shall furnish to the Licensor/TRAI, on demand in the manner and as per the time frames such documents, accounts, estimates, returns, reports or other information in accordance with the rules/ orders as may be prescribed from time to time. The LICENSEE shall also submit information to TRAI as per any order or direction or regulation issued from time to time under the provisions of TRAI Act, 1997 or an amended or modified statute.

9. Suspension, Revocation or Termination of License:

9.1 LICENSOR shall have the right to revoke/terminate/suspend the LICENSE either in part or 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 specific orders or direction from the Government issued under such conditions shall be applicable to the LICENSEE and shall be strictly complied with. No License Fee shall be payable for the period for which the operation of this LICENSE remains suspended under this condition.

Provided that the LICENSOR shall not be responsible for any damage or loss caused or arisen out under this condition. Provided further that the suspension of the LICENSE under this condition shall not be a cause or ground for extension of the period of the LICENSE and suspension period shall count as part of the period of licence.

9.2 The LICENSOR may, without prejudice to any other remedy available for the breach of any conditions of LICENSE, by a written notice of 60 Calendar days from the date of issue of such notice to the LICENSEE at its registered office, terminate this LICENSE under any of the following circumstances :

If the LICENSEE:

- a) fails to perform any obligation(s) under the LICENSE including timely payments of fee and other charges due to the LICENSOR;
- b) fails to rectify, within the time prescribed, any defect as may be pointed out by the LICENSOR.
- c) goes into liquidation or ordered to be wound up.
- d) is recommended by TRAI for termination of LICENSE for non-compliance of the terms and conditions of the LICENSE.
- e) fails to comply with FDI norms.

9.3 LICENSEE may surrender the LICENSE, by giving notice of at least 60 Calendar days in advance. In that case it shall also notify all its customer of consequential withdrawal of SERVICE by sending a 30 Calendar days notice to each of them. The LICENSEE shall pay all fees payable by it till the date on which the surrender of the LICENSE becomes effective. The effective date of surrender of License will be 60 Calendar days counted from the date of receipt of such notice by the licensor.

9.4 The LICENSOR reserves the right to revoke the LICENSE at any time in the interest of public by giving a notice of 60 Calendar days from the date of issue of such notice.

9.5 The licensor reserves the right to take over the entire services, equipments and networks of the licensee or revoke/terminate/suspend the license in the interest of public or national security or in the event of national emergency/war or law intensity conflict or similar type of situations. Further, the LICENSOR reserves the right to keep any area out of the operation zone of the SERVICE if implications of security so require.

9.6 Breach of non-fulfillment of License conditions may come to the notice of the LICENSOR through complaints or as a result of the regular monitoring. Wherever considered appropriate LICENSOR may conduct an inquiry either suo-moto or on complaint to determine whether there has been any breach in compliance of the terms and conditions of the LICENSE by the

LICENSEE and upon such inquiry the LICENSEE shall extend all reasonable facilities and shall endeavor to remove the hinderance of every type.

9.7 It shall be the responsibility of the LICENSEE to maintain the Quality of Service, even during the period when the notice for surrender/termination of LICENSE is pending and if the Quality of Service is not maintained, during the said notice period, the licensee shall be liable to pay damages. The quantum of damages and to whom payable shall be determined by the TRAI. The licensee shall also be liable to pay the License Fee till the end of the notice period and more specifically till the date on which the surrender/termination becomes effective.

9.8 For consideration of termination of License, the Licensee would be required to:

(i) pay all its dues (License fee and WPC charges) in terms of the License Agreement till the proposed date of termination as per self assessment.

(ii) pay a security deposit, which would be refunded after adjustment of the dues in terms of the License Agreement after final settlement of the company's account. The amount of security deposit should be equal to 50% of the highest annual license fee plus WPC charges paid by the licensee during the last three years, calculated on pro-rata basis for the period for which Audited accounts and other documents are not made available to the satisfaction of the Licensor.

(iii) provide an undertaking that DOT shall be free to invoke any other remedy for realization of any other outstanding dues from the company in the form of Indemnity Bond.

9.9 On compliance of Clause 9.8 by the Licensee, the Bank Guarantee would be returned by the Licensor consequent upon termination of license.

10. Actions pursuant to Termination of License:

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

10.2 On termination or surrender or expiry of the LICENSE, the Bank Guarantee shall be released to the LICENSEE only after ensuring clearance of all dues, which the LICENSEE is liable to pay to the licensor. In case of failure of the LICENSEE to pay the amounts due to the LICENSOR, the outstanding amounts shall be realised through encashment of the Bank Guarantee without prejudice to any other action(s) for recovery of the amounts due to the LICENSOR.

11.0 Force- Majeure:

11.1 If at any time, during the continuance of this LICENSE, the performance in whole or in part, by either party, of any obligation under this is prevented or delayed, by reason of war, or hostility, acts of the public enemy, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts (as are not limited to the establishments and facilities of the Licensee), fire, floods, natural calamities or any act of GOD (hereinafter referred to as EVENT), provided notice of happenings of any such EVENT is given by the affected party to the other, within 21 Calendar days from the date of occurrence thereof, neither party shall, by reason of such event, be entitled to terminate the LICENSE, nor shall either party have any such claims for damages against the other, in respect of such non-performance or delay in performance. Provided SERVICE under the LICENSE shall be resumed as soon as practicable, after such EVENT comes to an end or ceases to exist. The decision of the LICENSOR as to whether the service may be so resumed (and the time frame within which the service may be resumed) or not, shall be final and conclusive.

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

11.3 While it will normally not be a ground for non-payment of License Fee, the liability for payment of License fee for such inoperative period(s) due to force majeure clause may, however, be reduced/waived by the LICENSOR, at its discretion based on circumstances of the EVENT.

12. SET OFF CLUASE:

12.1 In the event any sum of money or claim becomes recoverable from or payable by LICENSEE to the LICENSOR either against this License Agreement or otherwise in any

manner, such money or claim can be (without restricting any right of set off for counter claim given or employed by law) deducted or adjusted against any amount or sum of money then due or which at any time thereafter may become due to the LICENSEE under this License Agreement or any other agreement or contract between the LICENSOR and the LICENSEE.

12.2 The aforesaid sum of money payable to the LICENSEE Company shall include any security, which can be converted into money.

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

13. WAY LEAVE:

14.1 The LICENSEE shall make its own arrangements for Right of Way (ROW). However, the Central Government may issue necessary notification conferring the requisite powers upon the licensee for the purposes of placing telegraph lines under Part III of the Indian Telegraph Act'1885. Provided that non-availability of the ROW or delay in getting permission / clearance from any agency shall not be construed or taken as a reason for non-fulfillment of the Roll-out obligations and shall not be taken a valid excuse for not carrying any obligations imposed by the terms of this License.

14. General:

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

14.2 All matters relating to this License will be subject to jurisdiction of Telecom Disputes Settlement and Appellate Tribunal (TDSAT) in terms of TRAI Act, 1997 including any amendment or modification thereof.

14.3 The Statutory provisions and the rules made under the Indian Telegraph Act, 1885 or Indian Wireless Telegraphy Act, 1933 shall govern this License agreement. Any order passed under these statutes shall be binding on the licensee.

PART-II COMMERCIAL CONDITIONS:

15. TARIFFS:

15.1 The LICENSEE will charge the tariffs for the SERVICE as per the TRAI Tariff orders / regulations / directions issued in this regard from time to time. The LICENSEE shall also fulfill requirements regarding publication of tariffs, notifications and provision of information as directed by TRAI through its orders / regulations / directions issued from time to time as per the provisions of TRAI Act, 1997 as amended from time to time.

16. Publication of the Public Mobile Radio Trunk Service Directory:

16.1 Determination of TRAI with regard to publication of Public Mobile Radio Trunk Service directory containing information of subscribers of PMRTS shall be applicable and binding.

PART-III FINANCIAL CONDITIONS:

17. FEES PAYABLE:

17.1 License Fees:

(a) The license fee for commercial PMRTS system shall be 5% of the 'Adjusted Gross Revenue' (AGR) from the Service (to be utilised towards contribution for USO).

17.2 Radio Spectrum Charges:

In addition to the license fee, the royalty and fees shall be separately paid for use of Radio Spectrum. The present arrangement of Spectrum Charging from Commercial Public Mobile Radio Trunking Service licenses shall be subject to changes made by WPC from time to time.

Further, royalty for the use of spectrum for point to point links and access links, if allowed to be established, (other than PMRTS Spectrum) shall be separately payable as per the details and prescription of Wireless Planning & Coordination Wing. The fee/royalty for the use

of spectrum/possession of wireless telegraphy equipment depends upon various factors such as frequency, hop and link length, area of operation etc. Authorization of frequencies for setting up Microwave links, if allowed to be established, by PMRTS Operators and issue of Licenses shall be separately dealt with WPC Wing as per existing rules.

The above spectrum charge is subject to review by WPC Wing from time to time.

18. Definition of 'Adjusted Gross Revenue':

18.1 Gross Revenue:

Definition of Revenue:

18.2 Adjusted Gross Revenue for the purpose of levying License Fee as a percentage of revenue shall include the Gross Revenue excluding:-

- (i) charges of pass through nature paid to other Telecom service provider(s) to whose network, the Licensee's network is interconnected,
- (ii) Service tax and sales tax actually paid to the Government, if gross revenue had included the component of service tax/sales tax

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

19. Schedule of payment of ANNUAL LICENSE FEE and other dues:

19.1 For the purpose of payment of the License Fee at Para 17.1 above, the year shall be of Twelve English Calendar months from 1st of April to 31st of March .

EXPLANATION: The license fee for the last quarter of first year and of the last quarter of the last year of the license, will be computed with reference to the actual number of days after excluding the earlier quarters, each being of three months.

19.2 License fee shall be payable in four quarterly installments during each Financial Year (FY). Quarterly installments of License Fee for the first three quarters of an FY shall be paid within 15 days of the completion of the relevant quarter. This fee shall be paid by the Licensee on the basis of actual revenues (on accrual basis) for the quarter duly certified with an affidavit by a representative of the LICENSEE, authorized by a Board Resolution coupled with General Power of Attorney. However, for the last quarter of FY, the licensee shall pay the License fee by 25th March on the basis of expected revenues for the quarter, subject to a minimum payment equal to the actual revenue share paid of the previous quarter.

19.3 The quarterly payment shall be made together with a STATEMENT in the prescribed form given in Annexure-II & Annexure-II-A, showing the computation of Adjusted Gross Revenue and License Fee payable for the previous quarter. The aforesaid STATEMENTS of each year shall be required to be audited by the Auditors (hereinafter called LICENSEE'S Auditors) of the LICENSEE appointed under Section 224 of the Companies' Act, 1956. The report of the Auditor should be in prescribed form given in Annexure-III.

19.4 The Licensee shall adjust and pay the difference between the payments made and actual amount duly payable (on actual basis) for the last quarter of FY within 15 days of the end of the quarter.

19.5 Any delay in payment of License fee, or any other dues payable under the LICENSE beyond the stipulated period will attract interest at a rate which will be 2% above the Prime Lending Rate (PLR) of State Bank of India existing as on the beginning of the Financial Year (namely first April) in respect of the license fees pertaining to the said Financial Year. The interest shall be compounded monthly and a part of the month shall be reckoned as a full month for the purposes of calculation of interest.

19.6 Final adjustment of the license fee for the year shall be made on or before 30th June of the following year based on the Gross Revenue Figures duly certified by the AUDITORS of the Licensee in accordance with the provision of Companies' Act, 1956.

19.7 A reconciliation between the figures appearing in the quarterly statements with those appearing in annual accounts shall be submitted along with a copy of the published annual accounts and audit report, within 7 (seven) days of the date of signing of the audit report. The annual financial account and the statement as prescribed in Condition No.19.3 shall be prepared following the norms as prescribed in Annexure-IV.

19.8 In case, the total amount paid on the self assessment of the LICENSEE as quarterly License Fee for the 4 (four) quarters of the financial year, falls short by more than 10% of the payable license fee, it shall attract a penalty of 50% of the entire amount of the short payment. This amount of short payment along with the penalty shall be payable within 15 days of the date of signing the Audit Report on the Annual Accounts, failing which interest shall be further charged as per terms of Condition 19.5. However, if such short payment is made good within 60 days from the last day of the financial year, no penalty shall be imposed.

19.9 The license Fee/royalty described at 17.2 above shall be payable at such time(s) and in such manner as the WPC Cell of the Ministry of Communications may prescribe from time to time.

19.10 All sums becoming due and payable as mentioned in this License Agreement shall be paid by the LICENSEE through a demand draft or Pay Order payable at New Delhi, drawn on any Scheduled Bank, in favour of the Pay & Accounts Officer (HQ), DOT or any other Authority if so designated by LICENSOR.

19.11 The LICENSOR, to ensure proper and correct verification of revenue share paid, can, if deemed necessary, modify, alter, substitute and amend whatever stated in Conditions No 19.3, 19.7, 21.5 and 21.6 hereinbefore and hereinafter written.

19.12 The LICENSEE, 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 LICENSEE shall also separately pay charges for network resources obtained by the licensee from BSNL/MTNL/other licensed Access service provider. This will be governed by mutual agreement and / or the determination of TRAI.

20.0 BANK GUARANTEE (BG) :

20.1 **FINANCIAL BANK GUARANTEE:-** The licensee shall submit a Financial Bank Guarantee (FBG), valid for one year, from any scheduled bank in India, or Indian Public Financial Institution (IPFI) in the prescribed format at Annexure V. The amount of FBG shall be Rupees one lakh or an amount equivalent to the license fee of the last two quarters of the previous year and other dues not otherwise securitised, which ever is higher, The FBG will be valid initially for one year and is to be maintained for the entire period of the License Agreement till final clearance of all such dues. The amount of FBG shall be subject to periodic review by the Licensor.

20.2 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 WPC. The bank guarantee shall be valid initially for a period of one year and is to be maintained for the entire period of the License Agreement till final clearance of all such dues.

20.3 The LICENSEE, on its own, shall extend the validity period of the Bank Guarantee (s) for similar terms at least one month prior to date(s) of its expiry without any demand or notice from the LICENSOR on year to year basis. Any failure to do so, shall amount to violation of the terms of the LICENSE and entitle the LICENSOR to encash the Bank Guarantee(s) and to convert into a cash security without any reference to the LICENSEE at his risk and cost. No interest or compensation whatsoever shall be payable by the LICENSOR on such encashment.

20.4 Without prejudice to its rights of any other remedy, Licensor may encash BG in case of any breach in the terms & conditions of the LICENSE by the LICENSEE

21.0 PREPARATION OF ACCOUNTS :

21.1 The LICENSEE will draw, keep and furnish independent accounts for the SERVICE and shall fully comply orders, directions or regulations as may be issued from time to time by the LICENSOR or TRAI as the case may be.

21.2 The LICENSEE shall be obliged to:

(a) Compile and maintain accounting records, sufficient to show and explain its transactions in respect of each completed quarter of the License period or of such lesser periods as the LICENSOR may specify, fairly presenting the costs (including capital costs), revenue and financial position of the LICENSEE's business under the LICENSE including a reasonable assessment of the assets employed in and the liabilities attributable to the LICENSEE's business, as well as, for the quantification of Revenue or any other purpose.

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

(c) Send to the LICENSOR a certified statement sworn on an affidavit, by authorized representative of the company, containing full account of Revenue earned from the SERVICE for each quarter separately along with the payment for the following quarter.

21.3 (a) The LICENSOR or the Telecom Regulatory Authority of India (TRAI), as the case may be, shall have a right to call for and the licensee shall be obliged to supply and provide for examination any books of accounts that the LICENSEE may maintain in respect of the business carried on to provide the service(s) under this License at any time without recording any reasons thereof.

21.3 (b) The LICENSEE shall invariably preserve all billing and all other accounting records (electronic as well as hard copy) for a period of three years from the date of publishing of duly audited & approved Accounts of the company and any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give a cause for cancellation of the LICENSE.

21.4 The records of the LICENSEE will be subject to such scrutiny as may be prescribed by the LICENSOR so as to facilitate independent verification of the amount due to the LICENSOR as its share of the revenue.

21.5 The LICENSOR may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order Audit of the accounts of the LICENSEE by appointing auditor at the cost of the LICENSEE and such auditor(s) shall have the same powers which the statutory auditors of the company enjoy under Section 227 of the Companies Act, 1956. The remuneration of the Auditors, as fixed by the LICENSOR, shall be borne by the LICENSEE.

21.6 The LICENSOR may also get conducted a 'Special Audit' of the LICENSEE company's accounts/records by "Special Auditors", the payment for which at a rate as fixed by the LICENSOR, shall be borne by the LICENSEE company. This will be in the nature of auditing the audit described in Para 21.5 above. The Special Auditors shall also be provided the same facility and have the same powers as of the companies auditors as envisaged in the Companies Act, 1956.

21.7 The LICENSEE shall be liable to prepare and furnish the company's annual financial accounts according to the accounting principles prescribed and the directions given by the LICENSOR or the TRAI, as the case may be, from time to time.

22.5 Only real time voice & message communication among the users of the service is permissible. Following are the some of the optional services which may be provided in the licensed network. Any other optional services may be listed in the proposal :

- i) Group calling
- ii) Priority call override
- iii) Fleet /Dispatch call
- iv) Mobile to mobile and mobile to Fixed direct communication by passing the base station without exceeding the maximum RF power limits specified in clause 20.6.1. above.
- v) Closed user group.

A mobile station is authorised to transmit any frequency assigned to the associated base station(s).

22.6 CHANNEL ASSIGNMENT AND LOADING:

22.6.1 No interconnection among two separately licensed systems will be permissible.

22.6.2 Separate license will be required for operating in another frequency band irrespective of same base station / repeater station sites being used for the new system.

22.6.3 Initially, not exceeding five channels (frequency pairs) will be assigned for PMRTS analogue system and for Digital system upto 30 frequency channels(25KHz each) depending on the availability, justification and actual usage of the same. Further additional channels will be considered subject to availability of frequency spectrum in the designated frequency bands in the particular service area and after taking into account growth of service. This will include the control channel also.

22.6.4 The mobile trunked radio channels must have a minimum numbers of mobiles on a per channel basis with 90 mobiles being considered as acceptable usage for analogue system. The loading per channel for digital system will be much higher in comparison to analogue system. The minimum numbers of mobiles on a per channel basis for digital system will be decided in consultation with TEC. The Licensor reserves the right to withdraw the assigned channels if subscriber based criteria is not met or the channels are not used as per the assigned technical parameters.

22.6.5 Additional channels can be considered for allotment only if use per channel has reached 90% in terms of erlang traffic and continues to remain so for atleast a period of three months prior to the date of application. If at the end of initial six months of the validity of license loading is less than 70% in terms of erlang traffic, the Telecom Authority may withdraw the radio channel assignment without any notice to the licensee.

22.6.6 The license for co-channel systems will be given on case by case clearance upon the terrain antenna height and necessary coordination as per established procedure.

23. THE APPLICABLE SYSTEM:

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

- (i) The installation of the sites excluding the installation of the equipment at the subscriber's premises which will be left at the option of the subscriber;
- (ii) the proper upkeep and maintenance of the equipment;
- (iii) maintaining the criteria of performance;
- (iv) maintaining the QoS as per clause 27.

24. Engineering Details:

- (a) The Licensee shall furnish to the Licensor or its authorised representative(s), in such manner and at such times as may be required, complete technical details with all calculations for engineering, planning and dimensioning of the system/network, concerned relevant literature, drawings, installation materials regarding the applicable system.
- (b) Licensee shall supply all tools, test instruments and other accessories to the testing party of Licensor and /or TEC for conducting tests, if it so desires, prior to commissioning of the service or at any time during the currency of the License.

25. Network Interconnection:

25.1(a) PSTN connectivity permitted will be limited to one PSTN line for 5 (Five) RF Channels (of 25 KHz each) for analogue system, only with one Licensed Access Service Operator.

25.1 (b) PSTN connectivity permitted will be limited to one E-1 link(30 circuits) for digital system up to 10,000 customers and thereafter, one additional E-1 link(30 circuits) for each additional 10,000 customers or part thereof, only with one Licensed Access Service Operator.

25.1 (c) Direct in Dialing PSTN connectivity is prohibited:

25.2 The inter-connection test with network of other service provider may be carried out by mutual arrangement. The inter-connection test schedule shall be mutually agreed. Adequate time not less than 30 days will be given by the Licensee for these tests.

25.3 The charges for access or inter-connection with other networks shall be based on mutual agreements between the Service Providers subject to compliance to any determination, regulation, orders or direction issued from time to time by TRAI under TRAI Act, 1997.

25.4 The PMRTS Licensee shall for the purpose of providing the Service install own equipment so as to be compatible with other Service/Access Provider's Equipment to which the PMRTS Licensees Applicable Systems are intended for inter-connection.

25.5 In the interest of security, suitable monitoring equipment as may be prescribed by the Licensor for each type of System used will be provided by the Licensee at his own cost for monitoring, as and when required .

26. INTERFACE:

26.1 The PMRTS Licensee shall operate and maintain the licensed Network conforming to Quality of Service standards to be mutually agreed between the service providers in respect of Network-Network interface subject to such other directions as the Licensor or TRAI may give from time to time. Failure on part of any Licensee to adhere to the quality of Service

stipulations by TRAI and Standards of TEC prescribed for network to network interface shall be taken adverse note against the Licensee

26.2 The charges for accessing other networks for inter-network calls shall be based on mutual agreements between the service providers conforming to the Orders/Regulations/Guidelines issued by the TRAI from time to time.

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

27. Quality of Performance:

27.1 The LICENSEE shall ensure the Quality of Service (QoS) as prescribed by the LICENSOR or TRAI. The LICENSEE shall adhere to such QoS standards and provide timely information as required therein.

27.2 The LICENSEE shall be responsible for: -

- i) Maintaining the performance and quality of service standards.
- ii) Maintaining the MTTR (Mean Time To Restore) within the specified limits of the quality of service.
- iii) The LICENSEE will keep a record of number of faults and rectification reports in respect of the service, which will be produced before the LICENSOR/TRAI as and when and in whatever form desired.

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

27.4 The LICENSOR or TRAI may carry out performance tests on LICENSEE's network and also evaluate Quality of Service parameters in LICENSEE's network prior to grant of permission for commercial launch of the service after successful completion of interconnection tests and/ or

at any time during the currency of the License to ascertain that the network meets the specified standards on Quality Of Service (QOS). The LICENSEE shall provide ingress and other support including instruments, equipment etc., for such tests.

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

28. Emergency and Public Utility Services:

28.1 Licensee shall independently provide all emergency and public utility services to its subscribers, including directory information services with names and address of subscribers.

PART-V OPERATING CONDITIONS:

29. Customer Service:

29.1 The LICENSEE shall register demand/request for Public Mobile Radio Trunking Service without any discrimination from any applicant, at any place in the licensed service area and provide the SERVICE, unless otherwise directed by the LICENSOR. The LICENSEE shall not in any manner discriminate between subscribers and provide service on the same commercial principle and shall be required to maintain a transparent, open to inspection, waiting list. The LICENSEE shall clearly define the scope of Service to the Subscriber(s) at the time of entering into contract with such Subscriber(s). LICENSOR shall have right to impose suitable penalty, not limited to a financial penalty, apart from any other actions for breach of this condition. The LICENSEE shall launch the SERVICE on commercial basis only after commencement of registration in the manner prescribed. Before commencement of SERVICE in an area, the LICENSEE shall notify and publicize the address where any customer can register demand /request for Public Mobile Radio Trunking Service. Any change of this address shall be duly notified by the LICENSEE.

Provided that nothing contained herein will affect or prejudice the rights of the LICENSEE to carry out check on credit worthiness of its prospective subscribers.

29.2 The LICENSEE shall widely publicize provision of service and shall not refuse registration of demand in the licensed service area. In case the provision of Public Mobile Radio Trunking Service to an applicant is not feasible for technical or other reasons beyond the control of LICENSEE, then the LICENSEE shall endeavour to make arrangement for providing service in such cases within a reasonable time.

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

29.4 It shall be the responsibility of the LICENSEE to issue or cause to be issued bills to its customers for use of the service. The LICENSEE shall maintain such records so as to produce itemized billing information. The billing system of the LICENSEE shall be able to generate the

billing information, in adequate details, to ensure satisfaction to the customer about the genuineness of the bill. The directions of TRAI, from time to time, in this regard shall apply.

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

29.6 The Licensee's contractual obligations (to various Telecom Service Providers including Other Service Providers not requiring License under Section 4 of Indian Telegraph Act, 1885) will include terms and conditions under which the SERVICE may be obtained, utilized and terminated.

29.7 The LICENSEE shall notify in writing all the arrangements with respect to repair, fault rectification, compensation or refunds. All complaints in this regard will be addressed / handled as per the guidelines, order or regulation or direction issued by the LICENSOR or TRAI from time to time.

29.8 Any dispute, with regard to the provision of SERVICE shall be a matter only between the aggrieved party and the LICENSEE, who shall duly notify this to all before providing the SERVICE. And in no case the LICENSOR shall bear any liability or responsibility in the matter. The LICENSEE shall keep the Licensor indemnified for all claims, cost, charges or damages in the matter.

30. The User Terminals (Mobile Telephone or Handset):

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

30.2 The Licensee shall be responsible to ensure that the user /mobile terminal is operated in accordance with the terms of the License and the WPC License. The SIM Card in the user terminal is non-transferable.

30.3 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 Government. They should carry a marking specifying their compliance with such standards.

30.4 Customer will be free to obtain the PMRTS terminal at his own option from any source, subject to interface approval by TEC / TRAI or any agency authorized by the LICENSOR in this behalf.

31. Obligations imposed on the Licensee:

31.1 The provisions of the Indian Telegraph Act 1885, the Indian Wireless Telegraphy Act 1933, and the Telecom Regulatory Authority of India Act, 1997 as modified from time to time or any other statute on their replacement shall govern this LICENSE.

31.2 The LICENSEE shall furnish all necessary means and facilities as required for the application of provisions of Section 5(2) of the Indian Telegraph Act, 1885, whenever occasion so demands. Nothing provided and contained anywhere in this License Agreement shall be deemed to affect adversely anything provided or laid under the provisions of the Indian Telegraph Act, 1885 or any other law in force.

32. Inspection and Testing of Installations:

32.1 The Licensor will also carry out all performance tests required for checking Quality of Service, if it so desires. The LICENSEE shall supply all necessary literature, drawings etc. regarding the equipment installed and shall also supply all the tools, test instruments and other accessories to the testing party of the LICENSOR for conducting the tests. The list of performance tests will be furnished by the LICENSEE one month prior to the date of commissioning to the Licensor. In case the Licensor chooses to conduct performance test and some deficiency is found therein by the licensor, the delay caused for rectification of the deficiencies, if any, will be entirely on account of the Licensee.

32.2 The Acceptance Testing for each and every interface with the BSNL/ MTNL/ or Other Service provider may be carried out by mutual arrangements between the licensee and the other party involved. The Acceptance Testing schedule shall be mutually agreed.

Part-VI SPECIAL CONDITIONS:

33. Right to inspect:

33.1 The LICENSOR or its authorised representative shall have right to inspect the sites used for extending the Service and in particular but not limited to, have the right to have access to leased lines, junctions, terminating interfaces, hardware/software, memories of semiconductor, magnetic and optical varieties, wired or wireless options, distribution frames, and conduct the performance test including to enter into dialogue with the system through Input/output devices or terminals. The LICENSEE will provide the necessary facilities for continuous monitoring of the system, as required by the LICENSOR or its 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.

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

34. Location of switches :

34.1 The LICENSEE on request, shall provide to the LICENSOR location details of switching centres, transmission centres, including routing details etc.

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

35. Confidentiality of Information:

35.1 The Licensee shall not normally employ bulk encryption equipment in its network. However, if any encryption equipment is used and connected to the Licensee's network, then it should have prior evaluation and written approval of the Government.

35.2 Subject to conditions contained in these terms and conditions, the LICENSEE shall take all necessary steps to safeguard the privacy and confidentiality of any information about a third party and its business to whom it provides the SERVICE and from whom it has acquired such information by virtue of the SERVICE provided and shall use its best endeavors to secure that :

- a) No person acting on behalf of the LICENSEE or the LICENSEE divulges or uses any such information except as may be necessary in the course of providing such SERVICE to the Third Party; and
- b) No such person seeks such information other than is necessary for the purpose of providing SERVICE to the Third Party.

Provided the above para shall not apply where:

- a) The information relates to a specific party and that party has consented in writing to such information being divulged or used, and such information is divulged or used in accordance with the terms of that consent; or
- b) The information is already open to the public and otherwise known.

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

35.4 The LICENSEE shall, prior to commencement of SERVICE, confirm in writing to the LICENSOR that the LICENSEE has taken all necessary steps to ensure that it and its employees shall observe confidentiality of customer information.

36. Prohibition of certain Activities by the Licensee:

36.1 The LICENSEE shall not engage on the strength of this LICENSE in the provision of any other Service other than the SERVICE as defined in this License Agreement.

36.2 To remove any doubt, it is, hereby, clarified that nothing contained in condition in Para above shall preclude the LICENSEE from engaging in advertising and promotional activities relating to any of the Applicable Systems.

36.3 The LICENSEE shall take measures to prevent an objectionable, obscene, unauthorized or any other content or harmful and unlawful messages or communications infringing upon copyright, intellectual property etc., in any form, from being carried on his network, inconsistent with the legal frame-work of the country. Once specific instances of such infringement are reported to the LICENSEE by the authority, the Licensee shall ensure without fail that the carriage of such material on his network is prevented immediately.

36.3.1 The LICENSEE is obliged to provide, without any delay, the tracing facility to trace origin or content of nuisance, obnoxious or malicious calls, messages or communications transported through his equipment and network. Any damages arising out of default on the part of LICENSEE in this regard shall be sole liability of the LICENSEE.

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

37.0 Security Conditions:

37.1 The LICENSEE shall provide necessary facilities depending upon the specific situation at the relevant time to the Government to counteract espionage, subversive act, sabotage or any other unlawful activity. The LICENSEE shall make available on demand to the authority authorized by the LICENSOR, full access to the switching / transmission centers, routes etc. for technical scrutiny and for inspection, which can be visual inspection or an operational inspection.

37.2 All foreign personnel likely to be deployed by the LICENSEE for installation, operation and maintenance of the LICENSEE's network shall be security cleared by the Government of India prior to their deployment. The security clearance will be obtained from the Ministry of Home Affairs, Government of India.

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

37.4 LICENSOR reserves the right to modify these conditions or incorporate new conditions considered necessary in the interest of national security and public interest and for proper conduct of telegraphs.

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

37.6 In the interest of security, suitable monitoring equipment as may be prescribed for each type of System used will be provided by the Licensee for monitoring, as and when required by the Licensor.

37.7 The precise delineation of geographical borders taken by the LICENSEE for the purpose of defining service area in India shall have prior approval of the Government of India. The terrestrial boundaries of India shall be as depicted in the maps issued by Survey of India.

37.8 The LICENSEE shall ensure that the Radio Transmitters used while deploying wireless system(s) are located and established at a distance of 10 KMs from the international border of India, and such radio transmitters will work in such a fashion that any signal or signals, emanating therefrom, fade out when nearing or about to cross international border and also become unusable within a reasonable distance across such border

37.9 The designated person of the Central/State Government as conveyed to the Licensor from time to time in addition to the licensor or its nominee shall have the right to monitor the telecommunication traffic in every PMRTS INSTALLATION or any other technically feasible point in the network set up by the licensee. The Licensee should make arrangement for monitoring simultaneous calls by government security agencies. The hardware at licensee's end and software required for monitoring of calls shall be engineered, provided/installed and maintained by the Licensee at licensee's cost. However, the respective Government instrumentality shall bear the cost of user end hardware and leased line circuits from the PMRTS installation to the monitoring centres to be located as per their choice in their premises

or in the premises of the licensee. In case the security agencies intend to locate the equipment all licensee's premises for facilitating monitoring, the licensee should extend all support in this regard including Space and Entry of the authorised security personnel. The Interface requirements as well as features and facilitates as defined by the Licensor should be implemented by the licensee for both data and speech. The Licensee should ensure suitable redundancy in the complete chain of Monitoring equipment for trouble free operation of monitoring of at least 210 simultaneous calls".

Along with the monitored call following records should be made available:

- (i) Called/calling party PMRTS mobile/PSTN numbers.
- (ii) Time/date and duration of interception.
- (iii) Location of target subscribers. For the present, Cell ID should be provided for location of the target subscriber. However, Licensor may issue directions from time to time on precision of location, based on technological developments and integration of Global Positioning System (GPS) with PMRTS NETWORK, which shall be binding on the licensee.
- (iv) PSTN/PLMN numbers if any call-forwarding feature has been invoked by target subscriber.
- (v) Data records for even failed call attempts.
- (vi) CDR (Call Data Record).

The licensee shall be required to provide the call data records of all the specified calls handled by the system at specified periodicity, as and when required by the security agencies.

37.10 The Government through appropriate notification may debar usage of mobile terminals in certain areas in the country. The LICENSEE shall deny service to areas specified by designated authority immediately and in any case within six hours on request. The Government or its authorised representative may carry out the accuracy of the areas so debarred. The LICENSEE shall also provide the facility to carry out surveillance of Mobile terminal activity within a specified area.

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

37.12 LICENSOR shall have the right to take over the SERVICE, equipment and networks of the LICENSEE (either in part or in whole of the service area) in case any directions are issued in the public interest by the Government in the event of a national emergency / war or low intensity conflict or any other eventuality. Any specific orders or directions from the Government issued under such conditions shall be applicable to the LICENSEE and shall be strictly complied with.

37.13 The complete list of subscribers shall be made available by the licensee on their website (having password controlled access), so that authorised Intelligence Agencies are able to obtain the subscriber list at any time, as per their convenience with the help of the password. The list should be updated on regular basis. Hard copy as and when required by security agencies shall also be furnished. The licensee shall ensure adequate verification of each and every customer before enrolling him as a subscriber, instructions issued by the licensor in this regard from time to time shall be scrupulously followed. The SIM Card used in the User terminal shall be registered against each subscriber for his bonafide use. The licensee shall make it clear to the subscriber that the SIM card used in the user terminal registered against him is non-transferable and that he alone will be responsible for proper and bonafide personal use of the service.

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

37.15 The Licensor or its representative(s) will have an access to the Database relating to the subscribers of the Licensee. The Licensee shall also update the list of his subscribers and make available the same to the Licensor at such intervals as may be prescribed. The Licensee

shall make available, at any prescribed instant, to the Licensor or its authorised representative details of the subscribers using the service.

37.16 The Licensee shall maintain all commercial records with regard to the communications exchanged on the network. Such records shall be archived for at least one year for scrutiny by the Licensor for security reasons and may be destroyed thereafter unless directed otherwise by the licensor.

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

37.18 (i) Chief Officer Incharge of technical network operation and Chief Security Officer should be a resident Indian citizen.

(ii) Details of infrastructure/network diagram(technical details of the network) could be provided on a need basis only to telecom equipment suppliers/manufacturers and the affiliate/parents of the licensee company. Clearance from the licensor(Department of Telecommunications, Government of India) would be required if such information is to be provided to any body else.

(iii) For security reasons, domestic traffic of such entities as may be identified /specified by the licensor shall not be hauled/routed to any place outside India.

(iv) The licensee company shall take adequate and timely measures to ensure that the information transacted through a network by the subscribers is secure and protected.

(v) The officers/officials of the licensee companies dealing with the lawful interception of messages will be resident Indian citizens.

(vi) The majority Directors on the Board of the company shall be Indian citizens.

(vii) The positions of the Chairman, Managing Director, Chief Executive Officer (CEO) and/or Chief Financial Officer (CFO), if held by foreign nationals, would require to be security vetted by Ministry of Home Affairs (MHA). Security vetting shall be required periodically on yearly basis.

In case something adverse is found during the security vetting, the direction of MHA shall be binding on the licensee.

(viii) The Company shall not transfer the following to any person/ place outside India:-

(a) Any accounting information relating to subscriber (Note: it does not restrict a statutorily required disclosure of financial nature) ;and

(b) User information.

(ix) The company must provide traceable identity of their subscribers.

(x) On request of the licensor or any other agency authorised by the licensor, the telecom service provider should be able to provide the geographical location of any subscriber (BTS location) at a given point of time.

(xi) The Remote Access (RA) to Network would be provided only to approved location(s) abroad through approved locations(s) in India. The approval for location(s) would be given by the Licensor (DOT) in consultation with the Security Agencies(IB).

(xii) Under no circumstances, should any RA to the suppliers/manufactures and affiliate(s) be enabled to access Lawful Interception System (LIS), Lawful Interception Monitoring (LIM), Call contents of the traffic and any such sensitive sector/data, which the licensor may notify from time to time.

(xiii) The licensee company is not allowed to use remote access facility for monitoring of content.

(xiv) Suitable technical device should be made available at Indian end to the designated security agency/licensor in which a mirror image of the remote access information is available on line for monitoring purposes.

(xv) Complete audit trail of the remote access activities pertaining to the network operated in India should be maintained for a period of six months and provided on request to the licensor or any other agency authorised by the licensor.

(xvi) The telecom service providers should ensure that necessary provision (hardware/software) is available in their equipment for doing the Lawful interception and monitoring from a centralized location.

(xvii) The telecom service providers should familiarize/train Vigilance Technical Monitoring (VTM)/security agency officers/officials in respect of relevant operations features of their systems.

(xviii) It shall be open to the Licensor to restrict the Licensee Company from operating in any sensitive area from the National Security angle.

(xix) In order to maintain the privacy of voice and data, monitoring shall only be upon authorisation by the Union Home Secretary or Home Secretaries of the States/Union Territories.

(xx) For monitoring traffic, the licensee company shall provide access of their network and other facilities as well as to books of accounts to the security agencies.

(xxi) The aforesaid Security Conditions shall be applicable to all the licensee companies operating telecom services covered under this licence irrespective of the level of FDI.

38. Application of Indian Telegraph Act:

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

38.2 As per the provision of Section 5 of Indian Telegraph Act, the licensee will provide necessary facilities to the designated authorities of Central/State Government as conveyed by the Licensor from time to time for interception of the messages passing through its network. Sub-section (2) of this Section reads as under :

“On the occurrence of any public emergency or in the interest of public safety, the Central Government or a State Government or any officer specially authorised in their

behalf by the Central Government or a State Government may, if satisfied that it is necessary or expedient to do so in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign states or public order or for preventing incitement to the commission of an offense for class or messages to or from any person or class of persons or relating to any particular subject, brought for transmission by or transmitted or received by any telegraph, shall not be transmitted or shall be intercepted or detained or shall be disclosed to the Government making the order or an officer thereof mentioned on the order:

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

PART-VII WPC WING'S LICENSE:

39. WPC WING'S LICENSE:

39.1 A separate specific authorisation shall be required from the WPC wing of the Department of Telecommunications, Ministry of Communications & IT which will permit utilization of appropriate frequencies / band for the establishment and possession and operation of Wireless element of the Telecom Service under specified terms and conditions including payment for said authorisation. Such grant of authorisation will be governed by normal rules, procedures and guidelines and will be subject to completion of necessary the prescribed formalities.

39.2 For this purpose, a separate application shall be made to the "Wireless Advisor to the Government of India, WPC Wing, Department of Telecommunications, Ministry of Communications & IT, Sanchar Bhavan, 20, Ashoka Road, New Delhi-110 001" in a prescribed application form available from WPC Wing.

39.3 Site clearance in respect of fixed stations and its antenna mast shall be obtained from the WPC Wing for which the applicant shall separately apply to the Secretary, Standing Advisory Committee on Frequency Allocations (SACFA) WPC Wing in a prescribed application form, to the following address:

The Secretary (SACFA), WPC Wing,
Department of Telecommunications,
Ministry of Communications & IT,
Sanchar Bhavan, 20, Ashoka Road,
New Delhi-110 001.

EXPLANATION: SACFA is the apex body in the Ministry of Communications & IT for considering matters regarding coordination for frequency allocations and other related issues / matters. (Siting clearance refers to the agreement of major wireless users for location of proposed fixed antenna from the point of view of compatibility with other radio systems and aviation hazard. It requires inter departmental coordination and is an involved process).

Normally the siting clearance procedure may take two to six months depending on the nature of the installations and the height of the antenna /masts.

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

39.5 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.

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

Annexure-I

(a) Metro Service Area: Metro Service Area for PMRTS license shall be as under:

Sl. No.	Metro Service Area	Area Covered
1.	Mumbai Metro service Area	Local Areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges.
2.	Delhi Metro service Area	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges.
3.	Kolkata Metro service Area	Local Areas served by Calcutta Telephone Exchanges.

(b) For Circle Service Area (Other than Metros) :

Circle service area for PMRTS license shall be as under:-

Sl. No.	Name of Telecom Circle Service Area	Areas covered
01.	West Bengal	Entire area falling within the Union Territory of Andaman & Nicobar Islands and area falling within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area.
02.	Andhra Pradesh	Entire area falling within the State of Andhra Pradesh and the area of Yenum of the Union Territory of Pondicherry .
03.	Assam	Entire area falling within the State of Assam.
04.	Bihar	Entire area falling within the re-organised State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganisation Act, 2000 (No.30 of 2000) dated 25 th August, 2000.
05.	Gujarat	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).
06.	Haryana	Entire area falling within the State of Haryana except the local areas served by Faridabad and Gurgaon Telephone exchanges.
07.	Himachal Pradesh	Entire area falling within the State of Himachal Pradesh
08.	Jammu & Kashmir	Entire area falling within the State of Jammu &

		Kashmir including the autonomous council of Ladakh.
09.	Karnataka	Entire area falling within the State of Karnataka
10.	Kerala	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.
11.	Madhya Pradesh	Entire area falling within the re-organised State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated 25 th August, 2000.
12.	Maharashtra	Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area.
13.	North East	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.
14.	Orissa	Entire area falling within the State of Orissa.
15.	Punjab	Entire area falling within the State of Punjab and Union territory of Chandigarh.
16.	Rajasthan	Entire area falling within the State of Rajasthan.
17.	Tamilnadu	Entire area falling within the State of Tamilnadu and Union Territory of Pondichery other than the Yenum, an area of Union Territory of Pondichery.
18.	Uttar Pradesh-West	Entire area of the State of Uttaranchal and area covered by Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh : Pilibhit, Bareilly, Badaun, Etah, Mainpuri , Etawah excluding the local telephone area of exchanges of Ghaziabad and Noida.
19.	Uttar Pradesh - East	Entire area covered by Eastern Uttar Pradesh other than the area specified in Sl.No.18 above.

It shall be a condition that allocation of frequency spectrum in circle service area under 6.1(b) above for PMRTS license shall be solely dependent on the availability of frequency spectrum in particular service area. Direct in Dialing PSTN connectivity is prohibited.

AFFIDAVIT

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

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

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

4. That the contents in Para 2 & 3 and Annexure are true and correct to the best of my knowledge, based on the records of the company.

Deponent.

VERIFICATION

Verified at on that the contents of paragraphs 1 to 3 of the affidavit and Annexure..... are true and correct to my knowledge, no part of it is false and nothing has been concealed there from.

Deponent.

ANNEXURE-II-A

Format of Statement of Revenue and License Fee

_____ (Name and address of operator)

Public Mobile Radio Trunk Service in _____ Service Area

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

(AMOUNT IN RUPEES)

S.N.	PARTICULARS	ACTUALS FOR THE PREVIOUS QUARTER	ACTUAL FOR THE CURRENT QUARTER	CUMULATIVE UPTO THE CURRENT QUARTER
1.	Revenue from Services:			
i.	Rentals			
ii.	Activation Charges			
iii.	Airtime Revenue			
iv.	PSTN charges			
v.	Service Tax			
vi.	Service charges			
vii.	Income from lease/rental/AMC of items in 2(i) and 2(ii).			
viii.	Any other income/miscellaneous receipt from service			
2.	Income from Trading activity: (all inclusive of sales tax)			
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 investments.			
i.	Interest income			
ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			
4.	Non-refundable deposits from subscribers.			
5.	Any other receipt /			

	Miscellaneous revenue.			
A	GROSS REVENUE OF THE LICENSEE COMPANY: (Add 1-5)			

B	DEDUCT:			
1.	PSTN related Call charges actually paid on to other Access telecom service provider			
2.	Service Tax paid to the Government.			
3.	Sales Tax paid to the Government.			
C	TOTAL DEDUCTION (1B to 3B)			
D	Adjusted Gross Revenue (A-C)			
	REVENUE SHARE @.....OF ADJUSTED GROSS REVENUE:			

Format Of Auditor’s Report On Statement Of Revenue And License Fee

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

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

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

(ii) In our view, the company has an adequate internal control system in relation to revenues which is commensurate with its size and the nature of its business. The system, in our opinion, provides reasonable assurance that there is no unrecorded revenue and that all revenue is recorded in the proper amount and in the proper period.

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

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

(Seal and Signature)

Place & Date

*Strike off wherever not applicable.

ANNEXURE –IV

NORMS FOR PREPARATION OF ANNUAL FINANCIAL STATEMENTS

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

PROFORMA FOR FINANCIAL BANK GUARANTEE

To

The President of India
Acting through the Telegraph Authority

In consideration of the President of India acting through the Telegraph Authority (hereinafter called 'the Authority') having agreed to grant a License to M/s _____ of _____ (hereinafter called 'the LICENSEE') to establish, maintain and operate Public Mobile Radio Trunked Service (PMRTS) (hereinafter called 'the SERVICE') in accordance with the License No. _____ dated _____ (hereinafter called 'the License') on the terms and conditions contained in the said License, which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (in words _____ only) under the said License by way of security for payment of the said License fee as well as such other fees/dues or charges required to be paid by the LICENSEE under the License, we _____ (indicate the name and address and other particulars of the Bank) (hereinafter referred to as 'the Bank') at the request of the LICENSEE hereby irrevocably and unconditionally guarantee to the Authority that the LICENSEE shall pay all the dues, including but not limited to, the License fee 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 LICENSEE to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one in terms of the License Agreement, or to pay all the above mentioned fees, dues and charges or any part thereof within the periods stipulated in the License.

3. We, the Bank, hereby further undertake as primary obligor and not merely as surety to pay such sum not exceeding Rs. _____(Rupees _____ Only) to the Authority immediately on demand and without demur stating that the amount claimed is due by way of failure of the LICENSEE to pay any fees or charges or any part thereof in terms of the said License, and/or by way of breach in any of the terms and conditions of the license by the licensee, without prejudice to the Licensor'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 LICENSEE has failed to pay the said License fees or any other fees or charge or any part thereof payable under the said License and as to the amount 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 License have been fully paid and

its claims satisfied or discharged or till Authority satisfies that the terms and conditions of the said License have been fully and properly carried out by the said LICENSEE and accordingly discharged this guarantee.

- (b) The Authority shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said License or to extend time of performance of any obligations by the said LICENSEE from time to time or to postpone for any time or from time to time any of the powers exercisable by the Authority against the said LICENSEE and to forbear or to enforce any of the terms and conditions relating to the said License and we shall not be relieved from our liability by reason of any variation or extension being granted to the said LICENSEE or forbearance act or omission on the part of the Authority or any indulgence by the Authority to the said LICENSEE or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.
- (c) Any claim which we have against the LICENSEE shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the Authority exercise any legal right or remedy of any kind in respect of any such payment or performance so long as the obligations of us hereunder remains owing and outstanding.
- (d) This Guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the LICENSEE.

6. We, the BANK, undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.

7. 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.....
.....
.....
.....

TRIPARTITE AGREEMENT

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

THE PRESIDENT OF INDIA acting through Shri _____, The Deputy Director General (CS), Department of Telecommunications, Sanchar Bhavan, New Delhi - 110 001 (hereinafter called "the LICENSOR");

AND

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

AND

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

WHEREAS:

- (i) By the LICENSE AGREEMENT dated _____ entered into between the LICENSOR and the LICENSEE, the LICENSOR has granted the LICENSE to the LICENSEE for a telecom project envisaging establishment, maintenance and working of Public Mobile

Radio Trunking Service in _____ Metro /Circle SERVICE AREA on the terms, conditions and covenants agreed to between them and incorporated therein.

- (ii) With a view to help and facilitate the financing of the Project to be set up by the LICENSEE pursuant to the LICENSE referred to above, the parties hereto are desirous of recording the terms and conditions to provide transfer/assignment of LICENSE as hereinafter provided in this AGREEMENT to protect and secure the Lender's interest arising out of grant of financial assistance to the LICENSEE.
- (iii) The Lenders have agreed to grant Financial Assistance to the LICENSEE to the extent mutually agreed between them on the terms, conditions and covenants set out in the respective Loan AGREEMENTs entered into by the LICENSEE with the respective Lenders.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS :

ARTICLE-1 - DEFINITIONS

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

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

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

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

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

{Explanation: 'Material Default' shall mean a continuous default by the LICENSEE for a minimum period of one month in payment of any two quarterly installments or one half yearly installment either of principal or interest or both under the Loan AGREEMENT or any breach by the LICENSEE of the terms & conditions of the Loan AGREEMENT or any other document duly executed by the LICENSEE in favour of the Lenders which in the considered opinion of the Agent is likely to affect adversely and substantially the ability of the LICENSEE to work or operate the project}.

1.3 "Financial Assistance" means the financial assistance granted or agreed to be granted by or any money due to the Lenders under the Loan AGREEMENTs and/or any other respective AGREEMENTs in respect of the projects referred to in Schedule hereto.

1.4 "LICENSE" means the LICENSE under the LICENSE AGREEMENT dated _____ entered into between the LICENSOR and the LICENSEE in respect of _____ Service Area including any amendments made thereto from time to time, for operation of _____ service by the LICENSEE.

1.5 "Lenders" means the parties referred to in the Schedule hereto and includes any syndicate members or participant lender in any syndicate /participation financing.

1.6. "Lender's Dues" means all monies owed by the LICENSEE to the Lenders in respect of the project whether fallen due or not under the Loan AGREEMENT or other respective AGREEMENTs related to the project.

1.7. "Loan AGREEMENTs" means the AGREEMENTs entered/to be entered into between the LICENSEE and the Lender or Lenders in respect of the Financial Assistance and referred to in Schedule hereto.

1.8 "Project" means the LICENSEE's Public Mobile Radio Trunking Service(PMRTS) project for establishment, maintenance and operation of PMRTS in the _____ Metro/ Circle Service Area.

- 1.9. "Selectee" means an Indian company within the meaning of Companies Act, 1956, selected by the Lenders and proposed to the LICENSOR for the purpose of assignment/transfer of the LICENSE as provided in this AGREEMENT.

ARTICLE 2

TRANSFER OR ASSIGNMENT OF LICENSE AS SECURITY FOR FINANCIAL ASSISTANCE

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

(a) the Selectee shall be capable of properly discharging the duties, obligations and liabilities under the LICENSE AGREEMENT.

(b) the Selectee shall be capable and shall provide adequate security to the satisfaction of the Lenders for the Financial Assistance.

(c) the Selectee shall have the capability and shall give necessary consent to assume the liability of the LICENSE Fee including the other dues of the LICENSOR and the Lenders' Dues;

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

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

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

2.4. The Agent shall notify the LICENSOR of the accrual of right to seek transfer/assignment of the LICENSE pursuant to Article 2.2 which the LICENSOR shall take on record.

2.5. Before transferring or assigning the LICENSE to the Selectee pursuant to this AGREEMENT, the LICENSOR shall satisfy itself as to the eligibility criteria under Article 2.3 and the decision of the LICENSOR in this regard shall be final.

ARTICLE - 3

MODALITY OF TRANSFER / ASSIGNMENT AND ENDORSEMENT OF LICENSE

3.1. The modality for the Agent seeking the transfer / assignment / endorsement of the LICENSE shall be as provided below:

- (i) the Agent after expiry of 30 days from the date of notice as per Article 2.2 may, invite, procure and negotiate offers under a transparent procedure either by private negotiations or public auction or tenders for transfer or takeover of the assets including the LICENSE of the LICENSEE pertaining to the project by the Selectee together with the Lenders' Dues and the dues of the LICENSOR.
- (ii) The Agent on behalf of the Lenders shall recommend to the LICENSOR, the name of the Selectee for its acceptance and shall request the LICENSOR to:
 - a) accede to transfer to the Selectee the right to operate the network of the Project in accordance with the terms agreed to between the Lenders and the Selectee.
 - b) Endorse and transfer the LICENSE to the Selectee on the same terms and conditions, for the residual period of the original LICENSE.
 - c) Enter into Tripartite AGREEMENT with the lenders and the Selectee on the same terms and conditions as are contained in this AGREEMENT.
 - d) Facilitate granting of WPC, SACFA and other approvals, clearance, permissions necessary for operating the service upon the appropriate applications made by the Selectee.
- (iii) The LICENSOR subject to satisfaction of criterion as to the network, experience, technical and equity parameters set out and determined in accordance with Article 2.3 & 2.5 and upon assumption of the liabilities by the Selectee as provided in Article 2.2 (c), shall proceed to transfer /assign by endorsement the existing LICENSE to the Selectee on the same terms and conditions as are contained in the LICENSE AGREEMENT for the residual period in favour of the Selectee.
- (iv) If the LICENSOR has any objection to the transfer of LICENSE in favour of the Selectee in terms of this AGREEMENT, it shall within 90 days from either the date of LICENSOR's receipt of the proposal made by the Agent, or the last date of any clarification called for by LICENSOR from the Agent, whichever date is later, give a reasoned order after hearing the Agent, for its refusal. If no objection is raised within

the above mentioned time limit, by the LICENSOR for the selection of the Selectee, the Selectee shall be deemed to have been accepted except in cases of accidental or wilful omission or suppression of material facts in this connection. The LICENSOR thereupon shall transfer /assign/endorse the LICENSE within 15 days of its acceptance /deemed acceptance of the Selectee.

Provided, however, that in the event of a refusal as stated above, the Agent may propose another Selectee whereupon the process outlined in this AGREEMENT for such acceptance shall once again be repeated and followed.

- (v) Decision of LICENSOR in selection of the Selectee shall be final and binding on the LICENSEE and Lender/Agent.
- (vi) All actions of the Agent pursuant to this AGREEMENT shall be for the benefit of the Lenders, and be binding upon Lenders. The Agent is authorised to receive payments on account of compensation or consideration for transfer of the Project in accordance with this AGREEMENT and give valid discharge for and on behalf of all Lenders. All monies so received by the Agent shall be held by it in trust for and made over to the Lenders to be distributed in accordance with their respective rights under the Loan Agreements as modified by any inter-se arrangement among the Lenders.

3.2. Unless otherwise agreed to by the LICENSOR, all actions as set out in Article 3.1 for the selection of a Selectee whether on first or subsequent occasions and the Submission of the final proposal to the LICENSOR for the transfer of the LICENSE in favour of the Selectee shall be completed by the Agent within a period of six months or such other period as may be mutually agreed by the LICENSOR and the Agent, from the date of the Notice of Event of Default.

3.3 The LICENSEE irrevocably agrees and waives any right to challenge the actions of the Agent or the Lenders or the LICENSOR taken pursuant to this AGREEMENT including the assignment/transfer of the LICENSE in favour of the Selectee. The LICENSEE agrees, and confirms that it shall not have any right to seek re-valuation of assets of the Project or the LICENSEE's Shares. It is confirmed by the LICENSEE that the right of the Lenders is irrevocable and shall not be contested in any proceedings before any Court or Authority and the LICENSEE shall have no right or remedy to prevent,

obstruct, injunct or restrain the LICENSOR or the Lenders from effecting or causing the transfer/assignment /endorsement of the LICENSE as requested by the Lenders through the Agent. Notwithstanding anything contained herein, the provisions of Article 7.11 shall continue to prevail.

- 3.4 If the LICENSOR decides to transfer the LICENSE to any person other than the Selectee, it shall take into account the Lenders' Dues as well as the LICENSOR's dues while inviting bids from the prospective transferees or assignees and shall include a suitable condition as agreed to by the Lenders for payment or take over of Lender's dues by such transferee or assignee. Such Transferee or the assignee shall have the option of repaying the Lenders' debt in full or to execute a Tripartite AGREEMENT similar to this AGREEMENT if lenders' dues remain outstanding and undischarged.
- 3.5. If a Selectee (new/alternate LICENSEE as provided in Article 3.4 above) is not found, then the LICENSE AGREEMENT shall stand terminated and the assets/infrastructure of defaulting LICENSEE shall have to be disposed off with LICENSOR having the first charge/right/precedence for recovery of its dues from proceeds of such disposal. Remainder of the proceeds of such disposal, if any, shall go to offset the dues of Lender(s) to the extent possible and balance left, if any, will go to the defaulting LICENSEE. The defaulting LICENSEE shall be liable to the LICENSOR for costs of all corrective efforts as per prevailing market forces and the decision of LICENSOR shall be final in all respects.
- 3.6. Provided always that nothing in this AGREEMENT shall be interpreted to mean that the LICENSOR has provided any guarantee or surety and it is expressly agreed that the LICENSOR has not provided any surety, guarantee or counter guarantee whether directly or indirectly for the recovery of Financial Assistance advanced or to be advanced by the Lenders to the LICENSEE.

ARTICLE 4
INTERIM PROTECTION OF SERVICE
AND PRESERVATION OF SECURITY

- 4 On the Agent issuing the Notice of Event of Default (and the LICENSEE has not cured the default for a period of 30 days) as hereinabove provided or in other circumstances

which in the considered opinion of the Agent is likely to affect adversely and substantially the Lenders' security, the Lenders shall be entitled to institute protective legal proceedings for a receivership to preserve and protect their security. In the first instance, the Agent shall notify the LICENSOR, to assume such receivership and operate the service, pending the transfer/assignment /endorsement of the LICENSE as provided herein but in the event LICENSOR declines to assume receivership, the Lenders shall be entitled to the appointment of a Receiver, with or without the intervention of the Court, of the Project and the receivables pending the transfer/assignment/endorsement of the LICENSE in accordance with this AGREEMENT by the LICENSOR. The receivership shall be co-terminus with the transfer/assignment/endorsement of the LICENSE to a Selectee. The Receiver shall be responsible for protecting the assets in receivership and rendering a true and proper account of the receivership to the Agent in accordance with the terms of its appointment. The Receiver shall make best efforts to protect the subscriber base of the Network and continue the Service, in accordance with the LICENSE obligations. Such a Receiver can be appointed by consent of the LICENSOR and the Lenders as herein contained, or in a legal proceeding for appointment of a Receiver, notwithstanding that no recovery or mortgage suit or any suit or proceeding for enforcement of the Lenders' Security is instituted by the Lenders. Such an action for appointment of the Receiver or Court Receiver as above shall be without prejudice to the other rights and remedies of the Lenders under the Loan Agreements.

ARTICLE 5

TERMINATION OF THE LICENSE BY THE LICENSOR

- 5.1. If under the LICENSE AGREEMENT, an event occurs which shall entitle the LICENSOR to terminate the LICENSE AGREEMENT, the LICENSOR shall intimate the Agent prior to exercising of its decision to terminate the LICENSE, and on such intimation the Lenders if so decide may cure such events within a period of 30 days from the date of the notice received from the LICENSOR failing which the LICENSOR without any further notice to either the LICENSEE or the Agent be entitled to terminate the LICENSE AGREEMENT, subject to Lenders' right to receive compensation (after setting off LICENSOR's dues if any),

- 5.2. Upon receipt of the Notice as referred to in Article 5.1, intimating occurrence of an event which can entail termination of LICENSE, the Agent shall take immediate steps to consider such a notice as an Event of Default and may initiate steps to invite, negotiate and procure offers for the take over and transfer of the Project of the LICENSEE by a prospective Selectee in accordance with the procedure as provided in Articles 2 and 3 hereinabove.

ARTICLE 6

LENDERS' RIGHT TO COMPENSATION

- 6.1 The LICENSEE hereby expressly authorises payment of such compensation to the Lenders, notwithstanding the pendency of any dispute or objection or claim that the LICENSEE may have against the Lenders/LICENSOR. The payment of compensation to the Lenders directly in accordance with this Article, made or caused to be made by the LICENSOR shall constitute a valid discharge of the LICENSEE to the extent of such payment received by the Lenders. All such payments shall be in favour of and shall be receivable by the Lenders to the exclusion of any receiver or Liquidator appointed for the assets of the LICENSEE.
- 6.2. The LICENSEE shall be entitled to receive any balance amount of the compensation after the dues of the LICENSOR, and the Lenders and other direct Fees or charges connected with the transfer of network of the LICENSEE to the Selectee, having been paid therefrom.

ARTICLE 7

GENERAL

- 7.1. The parties hereto expressly represent and warrant that they are duly empowered to sign and execute this Tripartite AGREEMENT and the agent is fully authorised by Members of the Lender's Consortium to enter into this Tripartite AGREEMENT for and on their behalf.

- 7.2. Notices under this AGREEMENT shall be sent to the Addresses first hereinabove mentioned. Any change in the address of any Party shall be duly notified by a Registered post acknowledgement due and delivered to the other parties.
- 7.3. The expressions "the LICENSOR" and "The LICENSEE" and "The Lenders" and "The Agent" herein before used shall unless there be anything repugnant to the subject or context include their respective replacements, successors, legal representatives, administrators and permitted assigns.
- 7.4. This AGREEMENT shall not be affected by reorganisation of any Lender or Agent and the successor - in - interest of such Lender or Agent, shall have the benefit of this AGREEMENT.
- 7.5. Any variation or modification to this AGREEMENT shall take effect when such variation or modification is made in writing under the signatures of the concerned parties.
- 7.6. The LICENSEE shall be bound to pay all Stamp Duty or other imposts, costs, charges and expenses as are applicable on this AGREEMENT or on any deed of assignment or transfer of the project and in the event of the Lenders making such payment for the time being, such payment shall be deemed to be a part of the Lenders' Dues.
- 7.7. The parties hereby expressly agree that for the purpose of giving full and proper effect to this AGREEMENT, the LICENSE AGREEMENT and this AGREEMENT shall be read together and construed harmoniously.
- 7.8. The consultation, recommendation or approval of the Agent under this AGREEMENT shall always be taken as a consultation, recommendation or approval of every concerned Lender.
- 7.9. Notwithstanding anything contained in this AGREEMENT, the rights and remedies available to the LICENSOR under LICENSE AGREEMENT and Interconnect AGREEMENT respectively, shall remain protected and unaffected.

7.10 It shall not be necessary for the Lenders to enforce or exhaust any other remedy available to them before invoking the provisions of this AGREEMENT.

7.11 (i) Any dispute, difference or claim arising out of or in connection with or in relation to this AGREEMENT shall be decided by arbitration and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996 (of India), or any modification or re-enactment thereof and be governed by the laws of India. The venue for arbitration shall be New Delhi and the Courts in New Delhi shall alone have jurisdiction in matters arising out of such arbitration AGREEMENT or award or protection of property or assets of the project.

(ii) Before resorting to arbitration, the parties shall attempt to settle in good faith any dispute, difference or claim referred to above, by negotiation between them and in the event of failure of such negotiation, the arbitration shall be resorted to.

(iii) Each party to the dispute, difference or claim shall appoint one arbitrator and the arbitral tribunal thus appointed shall make the award within 30 days after appointment of the last arbitrator. In case the arbitrators thus appointed are of even number then such appointed arbitrators shall choose another arbitrator with mutual consent who will act as the presiding arbitrator of the arbitral tribunal.

SCHEDULE _ _

LIST OF LENDERS AND PARTICULARS OF LOANS

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

Name of Lenders	Amount of Loan	Date of Loan AGREEMENT

B. Particulars of Syndication/Participation in the Loans.

C. WITNESS WHEREOF, THE PARTIES HERETO HAVE SET THEIR HANDS AND SEAL ON THE DATE, MONTH AND YEAR HEREINABOVE MENTIONED

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

DY. DIRECTOR GENERAL (CS)

IN PRESENCE OF

AND

SIGNED AND DELIVERED BY SHRI

-----, CONSTITUTED ATTORNEY

DULY AUTHORISED OFFICER OF.....

FOR AND ON BEHALF OF

ACTING FOR ITSELF & AS AGENT FOR OTHER LENDERS.

IN PRESENCE OF

AND

(.....-)

THE COMMON SEAL OF

.....

LIMITED HAS PURSUANT TO THE

RESOLUTION OF ITS BOARD OF

DIRECTORS PASSED IN THAT

BEHALF ON THE DAY

OF 2007, HEREUNTO BEEN

AFFIXED IN THE PRESENCE OF

SHRI

AND SHRI WHO HAS/HAVE

SIGNED/COUNTERSIGNED THESE PRESENTS IN TOKEN THEREOF.

Interpretation of Terms/ Definitions

1. **APPLICABLE SYSTEMS:** The "applicable system" means all the necessary equipment/ sub-systems engineered to provide Public Mobile Radio Trunk Service using analogue/digital technology in accordance with operational/technical and quality requirements and other terms and conditions of the license agreement.
2. **AUDITOR** means the LICENSEE's auditor for the time being appointed for the purpose and in accordance with the requirements of the Companies Act, 1965.
3. **BSNL** means Bharat Sanchar Nigam Limited as a Telecom Service Provider and/ or its successors.
4. **CONNECTABLE SYSTEM** means a telecommunication system which is authorised to be run under a License to provide public telecommunications service and is authorised to be connected to the Applicable system.
5. **DOT** means Department of Telecommunications, Government of India.
7. **EFFECTIVE DATE:** The effective date is the date on which this License Agreement is signed by the parties. This license comes into effect from the effective date of the license. For those licensees, who have migrated from old license regime to new license regime, the effective date of their licenses shall be the date of signing of original license agreement.
8. **EMERGENCY** means an emergency of any kind, including any circumstances whatever resulting from major accidents, natural disasters and incidents involving toxic or radioactive materials.
9. **EMERGENCY SERVICES** in respect of any locality means the relevant public, police, fire, ambulance and coast guard services for that locality.

10. ENGINEERING: The technical application of the dimensioning rules and results thereof in order to provide network resources to meet specified Grade of Service (GOS).
11. LICENSE: License means a license granted or having effect as if granted under section 4 of the Indian Telegraph Act 1885 and Indian Wireless Act 1933.
12. LICENSEE: A registered Indian Company that has been awarded license to provide the PMRTS service, within the geographical boundaries of the specified service area.
13. "LICENSOR" shall refer to the President of India acting through any authorised person, who granted License under Section 4 of Indian Telegraph Act 1885 and Indian Wireless Telegraph Act 1933, unless otherwise specified.
14. "MESSAGE" means anything falling within sub Clause/paragraph (3) of section 3 of the Indian Telegraph Act 1885.
15. "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 where ever used in the license agreement are interchangeable.
15. MTNL means Mahanagar Telephone Nigam Limited.
16. OPERATOR means any person who is Licensed to run a relevant connectable system.
17. Public Switched Telephone Network (PSTN) means a fixed specified switched public telephone network. A two-way switched telecommunications service to the general public.
18. Public Land Mobile Network (PLMN) means land based mobile network e.g. Cellular Mobile Telephone Service being operated within the country under license from Licensor on non-exclusive basis.
19. 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 included acceptable grade of number of faults per unit population of the

subscriber served, the mean time to restore (MTTR), faults carried over beyond the MTTR and the satisfactory disposal thereof.

20. SERVICE AREA: Service area means geographical boundary of area wherein licensee is authorized to provide Public Mobile Radio Trunk Service.

Service Area for this License Agreement is specifically defined in Schedule-I appended hereto.

21. SERVICES OR SERVICE means Public Mobile Radio Trunk Service which is defined as

- (i) a two way land mobile service in which users communicate among themselves through a pair of radio frequencies out of a pool in a designated frequency band , assigned to the system using and
- (ii) the pair of frequencies is allocated on placement of call request and returned to the pool on completion of call and
- (iii) the communication usually takes place through repeater station (also called base station). Once user is assigned a channel (a pair of frequencies) by the system, no one else can interfere with the communication.

22. Sim Card: Subscriber Identity Module (SIM) Card, which is fitted into a mobile station, after which the mobile station can be activated to make or receive telephone calls.

23. CUSTOMER: Customer means any person or legal entity, which avails of the Public Mobile Radio Trunk Service from the LICENSEE.

24. 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.

25. TARIFF: 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.

26. TRAI means Telecom Regulatory Authority of India constituted under the Telecom Regulatory Authority of India Act, 1997 as amended from time to time.

27. User Terminal (UT) or Mobile Terminal (MT), also known as Hand Set or Mobile Station: means the equipment used by the subscribers to avail the Public Mobile Radio Trunk Service provided by the licensee.

28. VSNL means "Videsh Sanchar Nigam Ltd."

29. WPC means Wireless Planning and Co-ordination Wing of the Ministry of Communications, Department of Telecommunications, Government of India.