

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATION & INFORMATION
TECHNOLOGY
DEPARTMENT OF TELECOMMUNICATIONS**

**LICENCE AGREEMENT
FOR PROVISION OF
VSAT SERVICE USING INSAT SYSTEM**

No. : 815- / -DS

LICENCE AGREEMENT

This AGREEMENT is made on the ----- by and between the President of India acting through Shri..... (name), ADG () Department of Telecommunications (DOT), Government of India, Sanchar Bhawan, 20 Ashoka Road, New Delhi -110001 (hereinafter called the LICENSOR which expression shall, unless repugnant to the context , include its successors and assigns) of the FIRST PARTY.

AND

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

WHEREAS by virtue of provisions of Section 4 of Indian Telegraph Act1885, the LICENSOR has privilege to grant the LICENCE and LICENSEE has requested to grant Licence to establish, install, operate and maintain VSAT Closed Users Group Domestic Data Network service via INSAT Satellite System on non- exclusive basis within territorial boundary of India.

AND WHEREAS in pursuance to the said request of the LICENSEE , the LICENSOR has agreed to grant the LICENCE to the LICENSEE to establish, install, operate and maintain VSAT Closed Users Group Domestic Data Network service via INSAT Satellite System (hereinafter called the SERVICE) on non- exclusive basis within territorial boundary of India.

NOW THIS AGREEMENT WITNESSTH AS FOLLOWS :-

1. In consideration of the payment of Entry Fee along with other payments mutually agreed including LICENCE Fee and due performance of all terms and conditions mentioned in the SCHEDULE 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 LICENCE to establish, install, operate and maintain the VSAT Closed Users Group Domestic Data Network service via INSAT Satellite System (SERVICE) within territorial boundary of India on the terms and conditions contained in the SCHEDULE appended to this LICENCE AGEEMENT.
2. Subject to Clause (1) herein above, the LICENCE hereby granted will remain valid for 20 (Twenty) years from the Effective date, unless revoked earlier.
3. The LICENSEE hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in this LICENCE AGREEMENT without any deviation or reservations.
- 4 . Unless otherwise mentioned or appearing from context, the Guidelines for provision of VSAT Closed Users Group Domestic Data Network service via INSAT Satellite System including the application and the Letter of Intent for LICENCE to operate VSAT Closed Users Group Domestic Data Network service via INSAT Satellite

System, shall form part and parcel of this AGREEMENT and all of them shall be read as a single document. Provided, however, that in case of conflict or inconsistency on any issue relating to this LICENCE AGREEMENT, the terms set out in the main body of this AGREEMENT read with schedules and ANNEXURES hereto shall prevail.

5. The License shall be governed by the provision of Indian Telegraph Act, 1885, Indian Wireless Telegraphy Act, 1933 and Telecom. Regulatory Authority of India Act, 1997 as modified or replaced from time to time and the rules, order, direction and regulations issued or framed thereunder.
6. EFFECTIVE DATE of the LICENCE is ----- as the date of signing of this LICENCE AGREEMENT.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed through their respective authorized representatives on the

Signed for and on behalf of the President of India

Signed on behalf of M/s -----

by ADG (LR-----), Department of Telecom(DOT),
Government of India

by Mr. -----
Authorized Signatory as
holder of General Power of
Attorney dated -----,
executed in accordance with
the Resolution dated -----
passed by the Board of
Directors.

IN PRESENCE OF :

1. Signature
- Name
- Occupation
- Address
- Place

2. Signature
- Name
- Occupation
- Address
- Place

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SCHEDULE

TERMS AND CONDITIONS

1. OWNERSHIP OF THE LICENSEE COMPANY

1.1 A. **Foreign Direct Investment (FDI):** The Licensee must be an Indian company, registered under the Indian Companies Act 1956. The Licensee shall ensure that the total foreign equity in the LICENSEE Company does not, at any time during the entire LICENSE PERIOD, exceed 74% of the total paid up equity subject to the following FDI norms:

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

1.1 B. (i) The details of the equity holdings in the LICENSEE Company as disclosed by the LICENSEE company, are as follows:

Sl. No.	Name of Promoter/Partner	Indian/ Foreign	Equity %	Net Worth
1.				
2.				
3.				

(ii) Details of equity holding of the Promoter/Partner Indian Companies of the LICENSEE Company, as disclosed by the LICENSEE company, are as follows:

Sl. No.	Name of Promoter/Partner	Indian/ Foreign	Equity %	Net Worth
1.				
2.				
3.				

(iii) The LICENSEE shall declare the Indian & Foreign equity holding (both direct & indirect) in the LICENSEE company and submit 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. The compliance report should be certified by the Company Secretary or the Statutory Auditor of the LICENSEE Company.

1.2 There shall be no change in the Indian and Foreign promoter(s) or their equity participation unless permitted by the LICENSOR. The licensee company may, with prior written consent of the LICENSOR replace a promoter(s) by another promoter(s) of equal or higher standing as stipulated below:

- (a) an existing foreign promoter may be substituted by another foreign promoter of similar standing.
- (b) The existing Indian Promoter(s) may also be allowed to acquire the foreign promoter's shareholding; and
- (c) Transfer of equity inter-se between existing Indian promoters may be permitted, provided the majority Indian promoter continues to hold at least the present shareholding for a period of five years from the effective date of LICENCE AGREEMENT. The merger of Indian companies may be permitted as long as competition is not compromised.

1.3 The LICENSEE shall also ensure that:

- (i) Any change in share holding shall be subject to all necessary statutory requirements.
- (ii) Management control of the LICENSEE Company shall at all times remain in Indian hands.

1.4 Change in the name of the LICENSEE Company shall be permitted in accordance with the provisions under the Indian Companies Act, 1956.

2. Scope of the Licence

2.1 The LICENCE is granted to provide SERVICE as defined in Para 2.2 of this LICENCE AGREEMENT, on a non-exclusive basis.

Provided further that the LICENSOR, of its own or through a DESIGNATED AUTHORITY, shall always have a right to operate the SERVICE anywhere in India.

- 2.2 (i) The Closed User Group Domestic Data Network via INSAT Satellite System using VSAT shall be restricted to geographical boundaries of India.
- (ii) The intent of this LICENCE is not to grant long distance carrier rights.

(iii) The scope of service is to provide data connectivity between various sites scattered within territorial boundary of India using VSATs. These sites should form part of Closed User Group (CUG). However, the Commercial VSAT licensee after obtaining ISP license may use same Hub station and VSAT (remote station) to provide Internet service directly to the subscribers, and in this case VSAT (remote station) may be used as a distribution point to provide Internet service to multiple independent subscribers.

(iv) PSTN connectivity is not permitted. The VSAT service LICENSEES can set up a number of CUGs using the shared hub infrastructure.

(v) Data Rate, as specified in TEC Interface Requirements No. IR/SCB-08/01 MAY 2007, is allowed, subject to the compliance of the Technical parameters as specified in TEC Interface Requirements No. IR/SCB-08/01 MAY 2007, as modified from time to time.

2.3 Definition of Closed User Group for CUG domestic VSAT network:-

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

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

Provided that ultimate consumer of a service or a product shall not be a part of the Closed User Group; and provided further that the closed user group is meant for legitimate business communication purposes of the group.

A Closed User Group can also be formed among a holding company and its subsidiaries or among interconnected undertakings, these terms being defined as per MRTP Act, 1969 provided that such Closed User Group shall be only for the purposes of legitimate business communications of the group.

2.4 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.

2.5 The LICENSEE shall clearly define the scope of Service to the subscriber(s) at the time of entering into contract with such subscriber(s). Any dispute with regard to the service provided to the subscriber shall be a matter between the subscriber and the licensee only.

3. DURATION OF LICENCE

3.1 This LICENCE comes into force on ----- (hereinafter called the EFFECTIVE DATE of the LICENCE and is on non-exclusive basis, and shall be valid for a period of 20 years unless revoked earlier for reasons as stated in the LICENCE AGREEMENT.

4. EXTENSION OF LICENCE

- 4.1 The LICENSOR may extend, if deemed expedient, the period of LICENCE on terms mutually agreed by 10 years at one time, upon request of the LICENSEE, if made during 19th YEAR of the LICENCE period. The decision of the LICENSOR shall be final in regard to the grant of extension.

5. FEES PAYABLE :

- 5.1 LICENSEE shall pay one time Entry Fee of Rs.30 lakhs (Rupees Thirty lakhs only) which shall be non-refundable and shall be payable before signing of LICENCE.

LICENCE FEE :- In addition to the Entry Fee described above, Annual LICENCE FEE in the form of revenue share @ 6 % (Six per cent) of ADJUSTED GROSS REVENUE (AGR) inclusive of Universal Service Obligation (USO) shall be payable. The AGR is defined in definitions.

5.2 Radio Spectrum Charges :-

- (a) The LICENSEE shall also pay fees and royalty for the use of radio frequency as per details prescribed by Wireless Planning & Coordination (WPC).
- (b) The LICENSEE shall also pay the space segment charges as applicable from time to time and secure them through a Financial Bank Guarantee.

6. SCHEDULE OF PAYMENT OF ANNUAL LICENCE FEE AND OTHER DUES

- 6.1 For the purposes of the LICENCE Fee at 5.2 and 5.3 above, the Ist year shall end on 31st March following the date of commencement of the LICENCE Agreement and the LICENCE Fee for the First year shall be determined on a pro-rata basis for the actual duration of the "year". From second year onwards, the year shall be of Twelve English calendar months from 1st of April to 31st of March for payment of LICENCE Fee.

EXPLANATION: The License Fee for the last quarter of the first year and 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.

- 6.2 LICENCE Fee shall be payable in four quarterly installments during each financial year (FY). Quarterly installments of licence fees for the first three quarters of a FY shall be paid within 15 days of the completion of 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 licence fee by 25th March on the basis of expected revenues for the quarter, subject to a minimum payment equal to actual revenue share paid for the previous quarter. The licensee shall adjust and pay the difference between

the payment made and actual amount duly payable (on accrual basis) for the last quarter of FY within 15 days of the end of the quarter.

- 6.3 The quarterly payment shall be made together with a STATEMENT in the prescribed format given in **Annexure-I**, showing the computation of Adjusted Gross Revenue (AGR) and LICENCE 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 format given in **Annexure-II**.
- 6.4 The LICENSEE shall adjust and pay the difference between the advance payment made and actual amount payable (on accrual basis) of the previous quarter, along with the advance payment for the current quarter.
- 6.5 Any delay in payment of LICENCE Fee, or any other dues payable under the LICENCE 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 on 1st April of that 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.
- 6.6 Final adjustment of the LICENCE 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.
- 6.7 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. 6.3 shall be prepared following the norms as prescribed in **Annexure-III**.
- 6.8 In case, the total amount paid on the self assessment of the LICENSEE as quarterly LICENCE Fee for the 4 (four) quarters of the financial year, falls short by more than 10% of the payable LICENCE Fee, it shall attract a penalty of 50% of the entire amount of 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 6.5. However, if such short payment is made good within 60 days from the last day of the financial year, no penalty shall be imposed.
- 6.9 The LICENCE Fee/royalty towards WPC charges shall be payable at such time(s) and in such manner as the WPC Wing of the Department of Telecommunications, Ministry of Communication may prescribe from time to time.
- 6.10 All sums becoming due and payable as mentioned in this LICENCE 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.

6.11 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. 6.3, 6.7, 8.5 and 8.6 hereinbefore and hereinafter written.

7. **BANK GUARANTEES**

(a) **Performance Bank Guarantee:**

- (i) LICENSEE shall maintain throughout the period of the LICENCE a Performance Bank Guarantee (PBG) in the prescribed format for Rs. 50 lakhs initially valid for one year. The format of PBG is at **Annexure-VI**. The PBG will be encashed for violation of any of the terms and conditions of the licence agreement. The PBG shall be submitted before the licence agreement is signed and shall be in addition to the BG submitted towards roll out obligation.
- (ii) The LICENSEE shall also submit alongwith entry fee a Performance Bank Guarantee (PBG) in the prescribed format for Rs. 10 lakhs valid for eighteen months towards meeting the roll out obligation. The format of this PBG is placed at **Annexure-IV**.
- (iii) In the event of non commissioning of service within the first year, another Bank Guarantee for an amount of Rs. 10 Lakhs valid for 18 months shall be submitted. Wherever the service is not commenced till the expiry of first year from the effective date of LICENCE, the first Bank Guarantee of Rs. 10 Lakhs submitted alongwith Entry Fee shall be encashed and forfeited by the LICENSOR. The second Bank Guarantee shall be encashed and forfeited on expiry of two years from the effective date of LICENCE for non commencement of service and the LICENCE shall be liable for termination. The Bank Guarantee will be returned on satisfactory completion of Roll Out Obligation.

(b) **Financial Bank Guarantee:**

7.1 At the time of signing the Licence Agreement, the financial bank guarantee (FBG) for Rs. 30 lakhs (equivalent to entry fee), valid for six months is to be submitted. Thereafter, The VSAT LICENSEE shall submit a Financial Bank Guarantee (FBG), valid for one year, from any Scheduled Bank in India or from any Indian Public Financial Institution (IPFI) duly authorized to issue such Bank Guarantee, in the prescribed format at **Annexure-V**. The amount of FBG shall be equivalent to an estimated sum payable for two quarters towards LICENCE Fee and other dues not otherwise securitised. The amount of FBG shall be subject to periodic review by the LICENSOR.

7.2 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 LICENCE and entitle the LICENSOR to encash the Bank Guarantee(s) and to convert it 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.

- 7.3 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 of an amount equivalent to the estimated sum payable annually in the Performa prescribed by WPC, to WPC, valid for a period of one year, renewable from time to time till final clearance of all such dues.
- 7.4 Without prejudice to its rights of any other remedy, the LICENSOR may encash the Bank Guarantee(s) in case of any breach, in the terms and conditions of the LICENCE by the LICENSEE.

8. PREPARATION OF ACCOUNTS

- 8.1 The LICENSEE will draw, keep and furnish independent accounts for the SERVICE and shall fully comply with the orders, directions or regulations as may be issued from time to time by the LICENSOR or TRAI as the case may be.
- 8.2 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 LICENCE 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 LICENCE 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 three 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 alongwith the payment for the following quarter.
- 8.3 (a) The LICENSOR or the TRAI, as the case may be, shall have a right to call for and the LICENSEE shall be obliged to supply and provide for examination any books of accounts that the LICENSEE may maintain in respect of the business carried on to provide the service(s) under this LICENCE at any time.
- (b) The LICENSEE shall invariably preserve all billing and all other accounting records (electronic as well as hard copy) for a period of one year 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 LICENCE.

- 8.4 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.
- 8.5 The LICENSOR may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order an 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.
- 8.6 The LICENSOR may also get conducted a 'Special Audit' of the LICENSEE company's accounts/records by "Special Auditors", the payment for which at rates as fixed by the LICENSOR, shall be borne by the LICENSEE company. The Special Auditors shall also be provided the same facility and have the same powers as that of the companies' Auditors as envisaged in the Companies Act, 1956.
- 8.7 The LICENSEE shall be liable to prepare and furnish the company's annual financial accounts according to the norms prescribed and the directions given by the LICENSOR or the TRAI, as the case may be, from time to time.

9. DELIVERY OF SERVICE

- 9.1 LICENSEE shall be solely responsible for installation, networking and operation of necessary equipment and systems for provision of SERVICE, treatment of SUBSCRIBER complaints, issue of bills to its subscribers, collection of its component of revenue, attending to claims and damages arising out of his operations.
- 9.2 A minimum of 5 VSATs alongwith HUB must be commissioned within a period of one year from the effective date of LICENCE.

10. INFORMATION TO THE LICENSOR AND TRAI

- 10.1 The LICENSEE shall be obliged to furnish any information to the LICENSOR as called upon from time to time. The LICENSEE shall also submit information to TRAI as per any order, direction and regulation issued from time to time under the provisions of TRAI Act, 1997 or any amended or modified statute.
- 10.2 The LICENSEE shall, in no case, permit connectivity or similar type of service to any other Telecom. SERVICE PROVIDER (including those OTHER SERVICE PROVIDERS who do not require LICENCE under Section 4 of the ITA, 1885) whose LICENCE/ permission is either terminated or suspended or not in operation at a given point of time. Where connectivity already exists, the LICENSEE shall be obliged to disconnect or serve connectivity immediately without loss of time. Upon receipt of any reference from the LICENSOR in this regard, disconnection shall be made effective within one hour of receipt of such reference. On the question of dis-connectivity the decision of the LICENSOR shall be final and binding.

- 10.3 Wherever considered appropriate LICENSOR may conduct an inquiry either suo-moto or on a complaints to determine whether there has been any breach in compliance of the terms and conditions of the LICENCE by the LICENSEE, and for facilitating such inquiry the LICENSEE shall extend all reasonable facilities without any hindrance.

11. TRANSFER OF LICENCE

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

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

- (ii) The transferee or assignee is fully eligible in accordance with eligibility criteria contained in tender condition 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

- (iii) All the past due 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 any thing remained unpaid of the past period by the outgoing company.

12. MODIFICATIONS IN THE TERMS AND CONDITIONS OF LICENCE

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

13. SUSPENSION, REVOCATION OR TERMINATION OF LICENCE

- 13.1 The LICENSOR reserves the right to suspend the operation of this LICENCE in whole or in part, at any time, if, in the opinion of the LICENSOR, it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of Telegraphs. Revenue share as Licence Fee, payable to the LICENSOR will not be required to be paid for the period for which the operation of this LICENCE remains suspended in the entire Service Area but claim of refund of any charge or fee shall not be maintainable.

Provided that the LICENSOR shall not be responsible for any damage or loss caused or arising out of aforesaid action. Provided further that the suspension of the LICENCE will not be a cause or ground for extension of the period of the LICENCE and suspension period will be taken as period already spent.

13.2 Without prejudice any other remedy available for the breach of any conditions of LICENSE, the LICENSOR may, by a written notice of 60 calendar days issued to LICENSEE at its registered office, terminate this LICENCE in whole or parts, under any of the following circumstances:

if the LICENSEE

- a) fails to commission or deliver any or all of the services within the time period(s) specified in the LICENCE.
- b) fails to perform any obligation(s) under the LICENCE including timely payments of LICENCE fee and other charges due to LICENSOR.
- c) fails to rectify the failure within the notice period, as may be pointed out to the LICENSEE by the LICENSOR.
- d) Becomes bankrupt/goes in liquidation or is declared insolvent or is ordered to be wound up.
- e) is recommended by TRAI for termination of LICENCE for non compliance by the LICENSEE, of the terms and conditions of the LICENCE.

13.3 LICENSEE may surrender the LICENCE, by giving an advance notice, of at least 60 calendar days to the LICENSOR to this effect. The LICENSEE shall also notify all its subscribers of consequential withdrawal of SERVICE by sending a 30 calendar days' notice to them. The LICENSEE shall pay all dues payable by it till the date on which the surrender of the LICENCE becomes effective. The effective date of surrender of LICENCE will be 60 calendar days counted from the date of receipt of such notice by the LICENSOR.

13.4 During the period when a notice for termination or surrender of LICENCE is pending, the QUALITY OF SERVICE to the subscribers as per prescribed standards, shall have to be maintained by the LICENSEE, failing which, it shall be treated as material breach without prejudice to any other remedy available to the LICENSOR.

13.5 The LICENSOR reserves the right to revoke the LICENCE at any time in the interest of public by giving a notice of 60 calendar days counted from the date of issue of such notice.

13.6 The LICENSOR reserves the right to take over the entire services, equipments and networks of the LICENSEE or revoke/terminate/suspend the LICENCE in public interest or national security or in the event of national emergency/war or low 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 in implications of security so requires. The decision of the LICENSOR shall be final.

14. ACTIONS PURSUANT TO TERMINATION OF LICENSE :

14.1 If under the Licence Agreement, an event occurs which entitles the LICENSOR to terminate the Licence Agreement, the LICENSOR shall proceed in accordance with the terms and conditions provided in the **Tripartite Agreement** wherever such

agreement is executed and signed. In cases where no Tripartite Agreement is signed, the action will be taken as per the clauses given below:-

- 14.2 On termination or surrender or expiry of the LICENCE, the Bank Guarantee shall be released to the LICENSEE only after ensuring clearance of all dues and fulfillment of roll out obligation, otherwise the Bank Guarantee shall be encashed without prejudice to any other action(s) for recovery of amounts due to LICENSOR.

15. OBLIGATIONS IMPOSED ON THE LICENSEE

- 15.1 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 the replacement of either or all shall govern this LICENCE.

- 15.2 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 LICENCE AGREEMENT shall be deemed to affect adversely anything provided or laid under the provisions of Indian Telegraphs Act, 1885 or any other law on the subject in force.

16. NETWORK STANDARDS

- 16.1 Data Rate (Transmission speed) :-**Data rate, as specified in TEC Interface Requirements No. IR/VST-08/02-Dec. 2003, is allowed. Provided that any other notification or modification thereof issued by the Licensor from time to time shall be binding on the Licensee.

- 16.2 Technical Parameters :-**The technical parameters mentioned in Interface Requirements for CUG domestic VSAT networks namely No. IR/VST-08/02-Dec. 2003 issued by T.E.C. are to be strictly complied with. Any other notification or modification thereof issued from time to time in this regard shall be binding.

- 16.3** Requisite monitoring facilities/ equipment for each type of system used, shall be provided by the LICENSEE at own cost for monitoring as and when required by the LICENSOR.

17. NETWORK INTERCONNECTION

- i) **Interconnection with PSTN** Not permitted
- ii) **Network of other VSATs** – Interconnection shall be permitted through the Hub **on case to case basis**, wherever the CUG nature of the network is not violated.
- iii) **Terrestrial data lines leased by customers of VSATs** – Interconnection shall be permitted **on case to case basis**, wherever the CUG nature of the network is not violated.

- iv) **Terrestrial data lines of a public nature:-** Interconnection shall be permitted through the Hub provided it is connected to a public data network such as Internet/ INET.
- v) **Overseas office of the CUG for data transfer purposes:-** Interconnection shall be permitted **on a case to case basis** subject to the condition that the connection should be between the hub and the server of the overseas office through a leased line passing through an international gateway which can be monitored for security purposes.
- vi) **WAN Operators:-** Interconnection shall be permitted **on case to case basis**, wherever the CUG nature of the network is not violated.
- vii) **Internet/INET:-** The hub of VSAT LICENSEE shall be allowed to be connected to an internet node of his choice through a lease line taken from Telecom service provider who is authorized to sell bandwidth/ leased line. Similar inter-connection of the Hub with INET is also permitted.
- viii) **Other media to provide for redundancy:-** Switchover between a terrestrial CUG network and a VSAT based CUG network belonging to the same customer shall be permitted for redundancy purpose.

17.1 **Interconnection of CUGs :-** Inter-connection between CUGs, where the CUG nature of the network is not violated, will be permitted on a case to case basis.

17.2 **Standardization of User Network and Network Interfaces :-** The user-network and network interfaces should conform to standard interfaces such as X25, X75, TCP/IP or such international standards that may be specified from time to time by Telecom authority.

17.3 The LICENSEE shall comply with any order, direction, determination or regulation issued by TRAI under TRAI Act, 1997 as amended from time to time.

18. TARIFFS

18.1 The LICENSEE will charge the tariff for the service as per the TRAI tariff orders/ regulations /directions issued in this regard from time to time. The LICENSEE shall also fulfil requirements regarding publication of tariff notification and provision of information as directed by TRAI through its orders/ regulations/directions issued from time to time as per provision of TRAI act 1997 as amended from time to time.

19. CUSTOMER SERVICE

19.1 The LICENSEE shall register demand/ request for service without any discrimination from any applicant, at any place in the 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. 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 subscriber can register demand / request for service. Any change of this address shall be duly notified by the LICENSEE.

- 19.2 The LICENSEE shall ensure continuity of services to its customers.
- 19.3 The LICENSEE's contractual obligations towards the CUSTOMER will include terms and conditions under which the SERVICE shall be provided or terminated. The LICENSEE shall notify to CUSTOMERS all the arrangements or everything with respect to billing, repair, fault rectification, compensation or refunds etc.. All complaints in this regard will be addressed/ handled as per the guidelines, orders or regulations or directives issued by the LICENSOR.
- 19.4 The LICENSEE shall enter into a standard agreement with each of the VSAT subscriber. The following condition shall be included in the agreement:
- “The VSAT subscriber has read the LICENCE agreement between the LICENSEE and the Authority completely and shall not violate any of the conditions/ restrictions on his part in the process of using the service.” For this purpose LICENSEE shall make a copy of this LICENCE agreement available to each of the subscriber.
- 19.5 The LICENSEE shall equip himself with the means to measure the originating and terminating traffic in respect of each subscriber. He should be able to generate the billing information, in enough detail, to convince the subscribers satisfactorily.

20. COMPLAINT – BOOKING AND TREATMENT :

- 20.1 The LICENSEE shall equip himself with adequate mechanisms to settle complaints from his subscribers, to rectify the faults in his own equipment or those occurring in subscriber's equipment for which there is a maintenance contract between LICENSEE and the subscriber(s) and take such corrective measures to bring the faulty elements back into satisfactory operation. The MTTR agreed to shall be respected. The LICENSEE shall also publish the information relating to the complaints and remedial procedures relating to the Service.
- 20.2 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.
- 20.3 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 have any liability or responsibility in the matter towards the aggrieved party and shall be kept indemnified from all costs, charges, claims or damages.

21. CONFIDENTIALITY OF INFORMATION

- 21.1 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. However, the LICENSEE shall have the responsibility to ensure protection of privacy of communication and to ensure that unauthorized interception of MESSAGE does not take place.
- 21.2 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 and shall use its best endeavours to secure that :
- (a) No person acting on behalf of the LICENSEE or any member of the LICENSEE's group (associates) 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.
- 21.3 The LICENSEE shall take necessary steps to ensure that the LICENSEE and any person (s) acting on its behalf and members of the LICENSEE's group (associates) and any persons acting on their behalf observe confidentiality of customers information.
- 21.4 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 are observing confidentiality of customer information.

22. QUALITY OF SERVICE

- 22.1 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.
- 22.2 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 as given below in respect of normal failures excluding catastrophes :

- (a) 90% of faults resulting due to subscriber's complaints should be rectified within 24 hours and 99% within 3 Calendar days.
 - (b) 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.
- 22.3 The Licensee shall be responsive to the complaints lodged by his subscribers. He shall rectify the anomalies within the MTTR specified and maintain the history sheets for each installation, statistics and analysis on the overall maintenance status.
- 22.4 The LICENSOR or TRAI may carry out performance tests and also evaluate the QoS parameters in LICENSEE's network at any time during the tenure of the LICENCE period. The LICENSEE shall provide ingress and other support including instruments, equipment etc. for carrying out such performance tests and evaluation of QUALITY OF SERVICE parameters.

23. SECURITY CONDITIONS

- 23.1 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 LICENSOR.
- 23.2 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.
- 23.3 The LICENSEE shall provide necessary facilities including any specific facility as may be required depending upon the specific situation at the relevant time to the Government of India to counteract espionage, subversive act, sabotage or any other unlawful activity.
- 23.4 The LICENSEE shall make available on demand to the agencies authorized by the LICENSOR, full access to the Hub station and VSAT Terminals etc. for technical scrutiny and for inspection which can be visual inspection or an operational inspection.
- 23.5 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, who will follow standard procedure in the matter.
- 23.6 The LICENSEE shall ensure protection of privacy of communication and ensure that unauthorized interception of MESSAGES do not take place.
- 23.7 LICENSOR shall have the right to take over the SERVICE, alongwith equipment and network of the LICENSEE or revoke/ terminate/ suspend the LICENCE either in part or in whole of the SERVICE AREA as per direction if any, issued in the public interest by the Government of India in case of emergency or interest of national

security or war or low intensity conflict or any other eventuality. 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. Further, the LICENSOR reserves the right to keep any area out of the operation zone of the SERVICE if implications of security so require.

- 23.8 LICENSOR reserves the right to modify these conditions or incorporate new conditions considered necessary in the interest of national security, or public interest or for proper conduct of telegraphs.
- 23.9 LICENSEE will ensure that the Telecommunication installation carried out by him should not become a safety hazard and is not in contravention of any statute, rule or regulation and public policy.
- 23.10 In the interests 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 LICENSOR. The specific orders or directions from the Government, issued under such conditions, shall be applicable.
- 23.11 The precise delineation of geographical borders taken by the LICENSEE for the purpose of defining SERVICE AREA across International borders, if any, shall be prior approval of the Government of India. The terrestrial boundaries of India shall be as depicted in the maps issued by Survey of India.
- 23.12 The LICENSEE shall create a buffer zone of 10 KM width along the Indian International border, if any, where no service would be permitted. Width of this buffer zone along the borders with Indian Territory shall be as decided by the Government of India from time to time. As and when there is any change in the structure of defined, for whatsoever reason, buffer zone create by the LICENSEE, it should be reported to the LICENSOR immediately. The Government and its authorized representative may carry out physical verification of the accuracy of buffer zone so created.
- 23.13 The LICENSEE shall provide a list updated at quarterly intervals, of his subscribers directly to authorized security agencies and also to the LICENSOR. Additions and deletions in this list should be reported on monthly basis. 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.
- 23.14 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 Hub-Station/VSAT terminals and any other point in the network set up by the LICENSEE. The LICENSEE should make arrangement for monitoring message by Government security agencies at the location particularly desired by the Central Government /the State Government /Union Territory. The Hardware/Software required for monitoring of message in the VSAT network shall be engineered, provided /installed and maintained by the LICENSEE as also in the premises of security agencies at LICENSEE's cost. However, the respective Government instrumentality shall bear the cost of leased line circuits from the Hub to

the monitoring centers to be located as per their choice or in the premises of the LICENSEE. In case the security agencies intend to locate the equipment for facilitating monitoring, the LICENSEE should extend all support in this regard including Space and Entry of the authorized security personnel. The Interface requirements as well as features and facilities as defined by the LICENSOR should be implemented by the LICENSEE.

- 23.15 The LICENSOR or its representative (s) will have an access to the data base relating to the subscribers of the LICENSEE. The LICENSEE shall also update the list of his subscribers and make available the same to the LICENSOR at such intervals as may be prescribed. The LICENSEE shall make available, at any prescribed instant, to the LICENSOR or its authorized representative, details of the subscribed using the service.
- 23.16 The LICENSEE shall maintain all commercial records with regard to the communications exchanged on the network till the LICENSOR clears the same for destruction. Such records shall be archived for at least one year for scrutiny by the LICENSOR for security reasons.
- 23.17 (i) The Chief Officer Incharge of technical network operations and the 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 anybody else.
- (iii) For security reasons, domestic traffic of such entities 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 authorized by the licensor, the licensee should be able to provide the geographical location of any subscriber at a given point of time.
 - (xi) The Remote Access (RA) to Network would be provided only to approved location(s) abroad through approved location(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/manufacturers and affiliate(s) be enabled to access Lawful Interception System(LIS), Lawful Interception Monitoring(LIM), Call contents of the traffic and any such sensitive sector/data, which the licensor may notify from time to time.
 - (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 licensee 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 licensee 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 authorization 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 Conditions shall be applicable to all the licensees irrespective of the level of FDI.

24. PROHIBITION OF CERTAIN ACTIVITIES BY THE LICENSEE

- 24.1 The LICENSEE shall not hereunder engage, on the strength of this LICENCE, in the provision of services other than the SERVICE as defined in this LICENCE AGREEMENT.
- 24.2 To remote any doubt, it is, hereby, clarified that nothing contained in condition 24.1 above shall preclude the LICENSEE from engaging in advertising and promotional activities relating to any of the applicable systems.
- 24.3 The LICENSEE shall ensure that objectionable, obscene, unauthorized content, messages or communications infringing copyright, intellectual property etc., in any form, are not carried on his network, consistent with the established laws of the country. Once specific instances of such infringement are reported to the LICENSEE by the authorized agencies, the LICENSEE shall ensure that the carriage of such material on his network is prevented immediately.
- 24.4 The LICENSEE is obliged to provide, without any delay, all the tracing facilities to trace messages or communications transported through his equipment and network, to authorized officers of Government of India including Police, Customs, Excise, Intelligence Department officers etc. when such information is required for investigations or detection of crimes and in the interest of national security. Any damages arising on account of LICENSEE's failure in this regard shall be payable by the LICENSEE.
- 24.5 In case any confidential information is divulged to the LICENSEE for proper implementation of the AGREEMENT, it shall be binding on the LICENSEE, its employees, agents and servants to maintain its secrecy and confidentiality.

25. ACCEPTANCE TESTING :

- 25.1 Mandatory performance verification of HUB Station will be carried out by NOCC or any other agency authorized by the Authority for this purpose on payment of necessary testing charges by LICENSEE.
- 25.2 For VSATs supplied or leased by the LICENSEE, a certificate from the LICENSEE duly supported by the manufacturer certificate meeting the mandatory performance requirements shall be submitted by the LICENSEE to NOCC. Mandatory performance verification of VSATs will be carried out by NOCC on selective basis on payment of necessary testing charges by LICENSEE.

26. RIGHT TO INSPECT :

The LICENSOR, or his authorized representative shall have the right to inspect the sites used for extending the SERVICE. The LICENSOR or its authorized representative shall, 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/out devices or terminals. The LICNESEE will provide the necessary facilities for continuous monitoring of the system, as required by the LICENSOR or its authorized representative(s). The LICENSOR will ordinarily carried out inspection after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

27. OPERATING CONDITION:

- 27.1 The LICENSEE shall make his own arrangements for all infrastructure involved in operation and providing the Services. He shall be solely responsible for the installation, networking, operation, treatment of the complaints, issue of bills and collection of revenue for the services provided by him in addition to the claims, damages arising out of this operation.
- 27.2 For the purpose of providing the Services, he may install equipment suitable to the technology compatible with the Technical Parameters as specified in TEC Interface Requirements No. IR/SCB-08/01 MAY 2007 as modified from time to time.
- 27.3 The LICENSEE will provide details of equipment, address of equipment location and site configuration details on monthly basis to the Authority from the date of signing of the LICENCE agreement or as and when required by the Authority.
- 27.4 In the process of operating the Services, the LICENSEE shall be responsible for :
- (i) The installation of the equipment at the sites, if required by the subscriber. However, ownership (out right purchase or lease from LICENSEE) of equipment at the subscriber's premises will remain at the option of the VSAT subscriber. The relevant specifications will be made available to the registered subscriber desirous of obtaining their own VSATs.
 - ii) The proper operation and maintenance of the equipment in the network, as required.
 - iii) Maintaining the criteria of performance as listed in the mandatory service requirements.
 - iv) Maintaining the MTTR within the scope of mandatory service requirements.
- 27.5 The LICENSEE shall be responsible for the measurement of the messages, in units, or as the case may be and shall keep a record of the same for purposes of billing in so far as his equipment and the Services are concerned. The LICENSEE shall maintain all commercial records with regard to the communications exchanged on the network till the Authority clears for destruction. Such records should be archived for at least one year for scrutiny by the Authority for security reasons.
- 27.6 The LICENSEE shall be responsible for the complaints lodged by the users of his service. He shall rectify the faults within MTTR specified in the scope of mandatory service requirements.

- 27.7 The resources required for operation of the Services such as transponder/space segment etc. will be mutually agreed between the parties. The LICENSEE may apply for and obtain the desired resources from the Any other licensed Telecom Service Provider. The Any other licensed Telecom Service Provider reserves the right to grant such resources, on such terms and conditions as it may decide from time to time. The operation and tariff for the traffic passed through these resources as well as provision of these resources shall be governed by the prevailing rules and the guidelines of the BSNL/MTNL/the licensed Telecom Service Provider on the subject. This does not entitle the LICENSEE as a matter of right to demand the resources, including space segment.
- 27.8 The Authority reserves the right to revise the procedure of operation of LICENCE during its currency based upon its experience or otherwise without any claims whatsoever on the Authority from the LICENSEE.
- 27.9 The LICENSEE shall provide at his own cost technical facilities for accessing any port of the switching equipment at the HUB for interception of the messages by the designated authorities at a location to be determined by the Authority.
- 27.10 The LICENSEE shall provide a voice communication between the HUB Station and Network Operation Control Centre of the INSAT System at his own cost.
- 27.11 Obtaining all type of clearances shall be the LICENSEE's obligation which will not have any connection with the payment of license fee as per schedule fixed in the license agreement.
- 27.12 The LICENSEE should clearly indicate the specification of the service to the VSAT subscriber at the time of signing the contract with them.
- 27.13 The intent of this LICENCE is not to grant long distance carrier rights to the LICENSEE. No inter connection with PSTN/ public/private/value added/any other network is foreseen in this LICENCE agreement except what is specifically permitted in condition 17 of Licence Agreement.

28. OPERATION AND MAINTENANCE OF HUB STATION :

- 28.1 The HUB Station shall be operated and maintained by the LICENSEE subject to the following conditions:-
- (i) The Hub station as well as all the VSATs shall be within the geographical boundary of India.
 - (ii) The VSAT at the premises of customer/ users should have a logo prominently displayed indicating the name of VSAT LICENSEE.
 - (iii) The Authority or its representative will have access to the HUB as well as the technical facilities provided by the LICENSEE for monitoring, inspection etc.
 - (iv) Before energizing the VSAT network, necessary clearances from INSAT Network Operations Control Center (NOCC) on payment of prescribed charges will be

taken by the LICENSEE. NOCC instructions with regard to space segment access and other relevant operational matters will have to be complied by the LICENSEE.

- (v) The LICENSEE will provide a Hot line/ VSAT along with Remote NMS Terminal between Hub/Network Control Station of CUG and NOCC of Authority for effective monitoring of the space segment uses.
- (vi) The hub station shall have the auto tracking facility to access all the satellites in INSAT Geo stationary arc. The hub station shall have 4 Port feed and motorized polarization adjustment facility.
- (vii) The information should be maintained in the Network Management System (NMS) in such a way that by giving simple software command, the data related to the total number of VSATs configured/operational with date of commissioning should be available network-wise/customer-wise, alongwith their date of configuration, date of commissioning, coordinates, address of the VSAT locations alongwith the name of city, district, state etc.. In this regard, LICENSEE would abide by the directive issued by the LICENSOR/ NOCC.

29. REQUIREMENT TO FURNISH INFORMATION

- 29.1 The LICENSEE shall furnish such documents, accounts, estimates, returns, reports or other information to the LICENSOR as well as to the TRAI in such manner and at such frequency/ time frames as either of them may demand, in accordance with the rules/ orders as may be specified from time to time.

30. ENGINEERING DETAILS :

- (a) The LICENSEE shall furnish to the LICENSOR, in such manner and at such times as the LICENSOR may require, complete technical details with all calculations for engineering, planning and dimensioning of the system/ network/ routes, concerned relevant literature, drawing, installation materials regarding the APPLICABLE SYSTEMS for the SERVICE.
- (b) List of performance tests conducted shall be furnished by the LICENSEE one month prior to the date of commissioning of SERVICE. The report shall indicate clearly the parameters, if any, not meeting the performance standards and their effect thereof.
- (c) LICENSEE shall supply all tools, test instruments and other accessories to the testing party of LICENSOR for conducting tests.

31. DISPUTES SETTLEMENT :

- 31.1 As per provisions of Telecom. Regulatory Authority of India Act, 1997 the dispute between LICENSEE and the LICENSOR shall be settled in the Telecom. Disputes Settlement and Appellate Tribunal, if such dispute arises out of or connected with the provisions of this AGREEMENT. In the event of any amendment or modification or

replacement of TRAI Act, 1997 such modified provisions shall apply for adjudication of the said dispute.

32. FORCE-MAJEURE :

32.1 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. However, the Force Majeure events noted above will not in any way cause extension in the period of the LICENSE and will also not be a ground for non-payment of LICENCE Fee.

32.2 Provision of alternative transponder capacity in case of any unforeseen failure of normally allocated space segment is not guaranteed. In case of failure of space segment an attempt will be made to provide the space segment from standby transponder, if any available to the extent technically feasible. However, no claims for the space segment failure will be allowed.

33. SET OFF CLAUSE :-

33.1 In the event any sum of money or claim becomes recoverable from or payable by LICENSEE to the LICENSOR either against this LICENCE 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 LICENCE Agreement or any other Agreement or contract between the LICENSOR and the LICENSEE.

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

33.3 After exercising the right of set off, the LICENSOR shall expressly notify such action to the LICENSEE company immediately in writing.

34. LEASING OF THE SPACE SEGMENT OF INSAT

- 34.1 The required space segment shall be reserved/ allocated on INSAT satellite by Department of Space (DOS) on terms and conditions as specified by Department of Space (DOS) from time to time.
- 34.2 The operation of space segment will be governed by rules and procedures of NOCC.
- 34.3 The space segment charges will be payable to DOS as applicable from time to time.
- 34.4 The space segment monitoring charges shall be payable to NOCC by LICENSEE as per the rates to be decided by DOT.

35. FREQUENCY AUTHORISATION

- 35.1 A separate LICENCE shall be obtained by the LICENSEE directly from the WPC Wing of Ministry of Communication, which will permit utilization of appropriate radio frequency spectrum for the establishment and operation of the VSAT Network under usual terms and conditions of that LICENCE. Grant of LICENCE will be governed by normal rules, procedures & guidelines and will be subject to completion of necessary formalities.
- 35.2 For this purpose, an application shall be made directly to the Wireless Advisor to the Govt. of India, WPC Wing, Ministry of Communication, Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110001 in a prescribed application form available from WPC Wing.
- 35.3 Siting clearance in respect of HUB Station/VSAT shall be obtained directly from the WPC Wing for which an applicant shall apply directly to the Secretary, SACFA (Standing Advisory Committee on Frequency Allocations) in the prescribed application form to the following address:

The Secretary (SACFA)
WPC Wing, Ministry of Communications
Sanchar Bhawan, 20 Ashoka Road,
New Delhi – 110001.

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

- 35.4 LICENCE fee and Royalty shall have to be paid for grant of WPC LICENCE which will be as prescribed by WPC and subject to revision from time to time.

- 35.5 The LICENSEE shall not cause harmful interference to other authorized users of radio spectrum. The Licensee shall abide by any instructions of the Government for elimination of harmful interference to other authorized users.
- 35.6 The Wireless Planning and Coordination (WPC) Wing shall have the right to inspect from time to time the installations from technical angle to check conformity with WPC wing's licence.
- 35.7 For use of space segment and setting up and operationalisation of Earth Station etc., LICENSEE shall directly coordinate with and obtain clearance from Network Operations Control Centre (NOCC), apart from obtaining SACFA clearance and clearance from other authorities.

DEFINITIONS AND INTERPRETATIONS

Unless the context otherwise requires, the different terms and expression used in the LICENCE AGREEMENT shall have the following meaning assigned to them :-

1. "ADJUSTED GROSS REVENUE" for the purpose of levying LICENCE Fee as a percentage of revenue shall include the Gross Revenue excluding:-
 - i) charges of pass through nature payable to other Telecom service provider(s) to whose network, the LICENSEE's network is interconnected for carriage of data.
 - ii) Service tax and sales tax actually paid to the Government, if gross revenue had included the component of service tax.

"GROSS REVENUE"

The Gross Revenue shall include all revenues accruing to the LICENSEE on account of goods supplied, services provided, leasing/hiring of infrastructure, use of its resources by others, application fees, installation charges, call charges, late fees, sale proceeds of instruments (or any terminal equipment including accessories), VSAT hardware/software, fees on account of Annual Maintenance Contract/ Annual Comprehensive 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.

2. "APPLICABLE SYSTEMS" means all the necessary equipment, systems/ sub-systems and components of the network engineered to meet relevant ITU standards, ITU-T, ITU-R recommendations, TEC specifications and Industry Standards for provision of SERVICE in accordance with operational, technical and quality requirements and other terms and conditions of the Licence Agreement.
3. "AUDITOR" means the Licensee's Auditor for the time being appointed in accordance with the provisions of the Companies Act, 1956.

4. "AUTHORITY" shall refer to the Director General, Telecommunications, Government of India, and includes any officer empowered by him to perform all or any of the functions of the Telegraph Authority.
5. **BACK HAUL CONNECTIVITY BETWEEN VSAT NETWORK AND HOST COMPUTER OF THE CUSTOMERS**

"Host computer of the customers can be connected to network of the service provider by Radio, (subject to the availability of the frequencies), leased lines/ optical fibre cables/other media from any licensed Telecom Service Provider can be used who is authorized to lease out such lines for such interconnectivity."
6. 'BSNL' - Bharat Sanchar Nigam Limited and/ or its successors.
7. "COMMISSIONING OF SERVICE" means complete installation of HUB equipment and atleast 5 VSATs.
8. "CONNECTABLE SYSTEM" means a telecommunication system which is authorized to be run under a licence, which authorizes connection of that system to the Applicable system.
9. "DESIGNATED AUTHORITY" is the entity who is authorized or empowered by the LICENSOR to issue instructions and to seek adherence to them.
10. "DOT" means the Department of Telecommunications, Government of India who is also the LICENSOR.
11. "EFFECTIVE DATE" The date on which this LICENCE AGREEMENT is signed by the parties and if the parties have signed on different dates, the later of two dates.
12. "ENTRY FEE" The prescribed non-refundable amount of fee to be paid before signing of LICENCE AGREEMENT to provide Basic Telephone Service in a Service Area.
13. "INTERCONNECTION" is as defined by the TRAI vide its regulations issued in this respect.
14. "ICC" means INSAT Coordination Committee.
15. "LICENSEE" is the registered Indian Company that has been awarded LICENCE to set up, operate and provide the SERVICE.
16. "LICENSOR'S AUDITOR" means as Auditor appointed for the purpose of auditing who shall have same powers as enjoyed by Auditors appointed under Section 227 of the Companies Act, 1956.
17. "MESSAGE" means anything falling within subsection 3 of section 3 of the Indian Telegraph Act 1885, and specifically permitted under this LICENCE.

18. “NETWORTH” shall mean the sum total, in Indian rupees, of paid up equity capital and free reserves converted at the prevalent conversion rate indicated by the Reserve Bank of India on the date of the application.
19. “NOCC” means Network Operation Control Centre of the Department of Telecom, Government of India.
20. “QUALITY OF SERVICE” means evaluation of Service on the basis of observed measures on the grade of service, calls lost due to wrong processing, the bit error rate or the response time. The Quality of Service also includes acceptable grade of number of faults per unit population of the subscribers served, the Mean Time To Repair (MTTR), faults carried over beyond the MTTR and the disposal thereof.
21. “SERVICE AREA” defines the geographical limits within which the LICENSEE may operate and offer the Services except the areas specified from time to time by Government of India.
22. The term “SERVICE” means closed user group domestic Data Network via INSAT Satellite System using VSAT.
23. TDSAT – Telecom. Disputes Settlement and Appellate Tribunal.
24. “TECHNICAL SPECIFICATIONS” means the specifications referred to as mandatory service requirement of the related service.
25. “TEC” means Telecom. Engineering Centre.
26. TRAI means Telecom. Regulatory Authority of India constituted under the TRAI Act 1997 as amended from time to time.
27. “VALIDITY OF THE LICENCE” is the period for which this LICENCE may be effective;
28. “VSAT” means Very Small Aperture Terminal.
29. “VSAT LICENCE” means the LICENCE for those networks in which the Hub equipment and facilities are owned and operated by LICENSEE and services is provided to third parties using the shared Hub infrastructure. The subscriber end equipment and facilities may be owned by the subscriber/ LICENSEE.
30. “WPC” means Wireless Planning and Coordination wing of Ministry of Communications and Information Technology, Department of Telecommunication, Government of India.
31. “YEAR” for the purpose of the Licence Fee shall be the financial year ending 31st March and the four quarters shall respectively end on 30th June, 30th September, 31st December and 31st March.

----- (Name and address of operator)
 VERY SMALL APERTURE TERMINAL SERVICE

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

(AMOUNT IN RUPEES)

Sl. No.	PARTICULARS	ACTUALS FOR THE PREVIOUS QUARTER	FIGURES FOR CURRENT QUARTER	CUMULATIVE FIGURES UPTO THE PREVIOUS QUARTER
1.	Revenue from Services:			
i.	Revenue from provisioning of VSAT Service as defined in definitions (Annexure I) and Condition 17 of Schedule			
ii.	Revenue from supplementary/value added services.			
iii.	Service Tax			
iv.	Revenue from lease/rentals of items in 2(i) and (ii) below.			
v.	Revenue from Annual Comprehensive Maintenance Contract (ACMC)/ Annual Maintenance Contract (AMC) etc.			
Vi.	Any other income/ miscellaneous receipt.			
2.	Income from Trading activity: (all inclusive of sales tax)			
i.	Sale of VSAT including antennas and other accessories including software, hardware etc.			
ii.	Sale of accessories, etc.			
iii.	Any other income/miscellaneous receipt from trading activity.			
3.	Income from investments.			
i.	Interest income			
ii.	Dividend income			
iii.	Any other miscellaneous receipt from investments.			

4.	Non-refundable deposits.			
5.	Revenue from sharing/leasing of other infrastructure			
6.	Miscellaneous revenue.			
AA	GROSS REVENUE OF THE LICENSEE COMPANY:			
	DEDUCT:			
1.	Revenue of pass through nature actually passed on to other service providers. (operator-wise details). Note: Lease/rent charges for hiring of infrastructure not to be deducted.			
2.	Service Tax paid to the Government.			
3.	Sales Tax paid to the Government			
BB	TOTAL DEDUCTIBLE REVENUE			
CC	ADJUSTED GROSS REVENUE: (AA-BB)			
	REVENUE SHARE @..... OF ADJUSTED GROSS REVENUE:			

ANNEXURE -II

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

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

We have examined the attached Statement of Revenue and LICENCE 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 LICENCE 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 LICENCE Fee payable by the company to the Government, in terms of the LICENCE AGREEMENT No. signed between the company and the Department of Telecommunications. We report that:

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

* Strike off wherever not applicable.

NORMS FOR PREPARATION OF ANNUAL FINANCIAL STATEMENTS

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

ANNEUXRE-IV

PERFORMANCE BANK GUARANTEE FOR FULFILLING NETWORK ROLL-OUT
OBLIGATIONS FOR COMMERCIAL CLOSED USER GROUP VSAT SERVICE

To

The President of India
(Acting through Telegraph Authority)

In consideration of the President of India, Acting through Telegraph Authority (hereinafter referred to as 'the Authority'), having agreed to grant a LICENCE to M/s _____ of _____ (hereinafter called 'the LICENSEE') to establish, maintain and operate Commercial Closed User Group VSAT service (hereinafter called 'the SERVICE') as per Letter of Intent LICENCE No..... dated..... (hereinafter called 'the said LICENCE') on the terms and conditions contained in the said LICENCE, which inter-alia provides for production of a Bank Guarantee to the extent of Rs 10,00,000 (in words Ten lakhs only) for the service by way of security for the due observance and performance of the terms and conditions of the said LICENCE. 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 render all necessary and efficient services which may be required to be rendered by the LICENSEE in connection with and/or for the performance of the said LICENCE and further guarantees that the service which shall be provided by the LICENSEE under the said LICENCE, shall be actually performed in accordance with the terms & conditions of the LICENCE to the satisfaction of the Authority.

2. We, the Bank, hereby undertake to pay the Authority, an amount not exceeding Rs. 10,00,000 (Rupees Ten lakhs only) against any loss or damage caused to or suffered or would be caused to or suffered by the Authority by reason of any breach by the said LICENSEE of any of the terms and conditions contained in the said LICENCE.
3. We the Bank hereby, in pursuance of the terms of the said LICENCE, absolutely, irrevocably and unconditionally guarantee as primary obligor and not merely as surety the payment of an amount of Rs 10,00,000 (Rupees Ten lakhs only) to the Authority to secure due and faithful performance by the LICENSEE of all his/their obligations under the said LICENCE.
4. We, the Bank hereby also undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Authority stating that the amount claimed is due by way of loss or damage caused or would be caused to or suffered by the Authority by reason of breach by the said LICENSEE of any of the terms or conditions contained in the said LICENCE or by reason of the LICENSEE's failure to perform any of it's obligations under the said LICENCE."

5. We, the Bank, hereby agree that the decision of the Authority as to whether, the LICENSEE has failed to or neglected to perform or discharge his duties and obligations as aforesaid and/or whether the service is free from deficiencies and defects and is in accordance with or not of the terms & conditions of the said LICENCE and, as to the amount payable to the Authority by the Bank hereunder shall be final and binding on the Bank.
6. WE, THE BANK, DO HEREBY DECLARE AND AGREE that:
 - (a) the Guarantee herein contained shall remain in full force and effect for a period of One Year 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 LICENCE have been fully paid and its claims satisfied or discharged or till the Authority satisfies that the terms and conditions of the said LICENCE 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 LICENCE 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 LICENCE 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.
7. We the BANK undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.
8. Notwithstanding anything hereinabove stated, our liability under the Guarantee is limited to Rs. 10,00,000 (Rupees Ten lakhs only) and a claim arising out of the guarantee must be received by the bank in writing on or before -----, after which the liability of the bank would be extinguished.

Dated _____ day _____

for _____ ..
(Name of the Bank)

Witness:

1.....

.....

.....

.....

2.....

.....

.....

.....

PROFORMA FOR FINANCIAL BANK GUARANTEE

To

The President of India
(Acting through the Telegraph Authority)

In consideration of the President of India, (hereinafter called 'the Authority') having agreed to grant a LICENCE to M/s _____ of _____ (hereinafter called 'the LICENCEE') to establish, maintain and operate Service (hereinafter called the SERVICE) in accordance with the LICENCE No. _____ dated _____ (hereinafter called 'the LICENCE') on the terms and conditions contained in the said LICENCE, which inter-alia provides for production of a Bank Guarantee to the extent of Rs. _____ (Rupees _____ only) under the said LICENCE by way of security for payment of the said LICENCE Fee as well as such other Fees/dues or charges required to be paid by the LICENCEE under the LICENCE, We _____ (indicate the name and address and other particulars of the Bank) (hereinafter referred to as 'the Bank') at the request of the LICENCEE hereby irrevocably and unconditionally guarantee to the Authority that the LICENCEE shall pay all the dues, including but not limited to, the LICENCE Fee and other charges to the Authority.

2. We, the Bank, hereby undertake to pay to 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 LICENCEE to extend the validity of the guarantee or give a fresh guarantee in lieu of existing one, or to pay all the above mentioned Fees, dues and charges or any part thereof within the periods stipulated in the LICENCE.
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 LICENCEE to pay any Fees or charges or any part thereof in terms of the said LICENCE.*
4. WE, THE BANK, DO HEREBY DECLARE AND AGREE that the decision of the Authority as to whether LICENCEE has failed to pay the said *LICENCE* Fees or any other Fees or charge or any part thereof payable under the said *LICENCE* 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 *LICENCE* have been fully paid and its claims satisfied or discharged or till Authority satisfies that the terms and conditions of the said *LICENCE* have been fully and properly carried out by the said LICENCEE 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 *LICENCE* 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 *LICENCE* and we shall not be relieved from our liability by reason of any 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 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.....

PROFORMA FOR PERFORMANCE BANK GUARANTEE

To

The President of India
(Acting through the Telegraph Authority)

In consideration of the President of India, (hereinafter referred to as 'the Authority'), having agreed to grant a LICENCE to M/s _____ of _____ (hereinafter called 'the LICENSEE') to establish, maintain and operate VSAT service (hereinafter called 'the SERVICE') as per Letter of Intent LICENCE No..... dated..... (hereinafter called 'the said LICENCE') on the terms and conditions contained in the said LICENCE, which inter-alia provides for production of a Bank Guarantee to the extent of Rs _____ (in words _____) for the service by way of security for the due observance and performance of the terms and conditions of the said LICENCE. 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 render all necessary and efficient services which may be required to be rendered by the LICENSEE in connection with and/or for the performance of the said LICENCE and further guarantees that the service which shall be provided by the LICENSEE under the said LICENCE, shall be actually performed in accordance with the terms & conditions of the LICENSEE to the satisfaction of 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 breach by the said LICENSEE of any of the terms and conditions contained in the said LICENCE including failure to extend the validity of this guarantee or to give a fresh guarantee in lieu of the existing one.
3. We the Bank hereby, in pursuance of the terms of the said LICENCE, absolutely, irrevocably and unconditionally guarantee as primary obligor and not merely as surety the payment of an amount of Rs..... (Rupees..... only) to the Authority to secure due and faithful performance by the LICENSEE of all his/their obligations under the said LICENCE.
4. We, the Bank hereby also undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Authority stating that the amount claimed is due by way of loss or damage caused or would be caused to or suffered by the Authority by reason of breach by the said LICENSEE of any of the terms or conditions contained in the said LICENCE or by reason of the LICENSEE's failure to perform any of it's obligations under the said LICENCE."

5. We, the Bank, hereby agree that the decision of the Authority as to whether, the LICENSEE has failed to or neglected to perform or discharge his duties and obligations as aforesaid and/or whether the service is free from deficiencies and defects and is in accordance with or not of the terms & conditions of the said LICENCE and, as to the amount payable to the Authority by the Bank hereunder shall be final and binding on the Bank.
6. WE, THE BANK, DO HEREBY DECLARE AND AGREE that:
 - (a) the Guarantee herein contained shall remain in full force and effect for a period of Three Years from the date hereof and that it shall continue to be enforceable till all the dues of the Authority and by virtue of the said LICENCE have been fully paid and its claims satisfied or discharged or till the Authority satisfies that the terms and conditions of the said LICENCE 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 LICENCE 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 LICENCE 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.
7. We the BANK undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing.
8. Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to Rs..... and our Guarantee shall remain in force until..... year from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e.all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

Dated _____ day _____

for _____ ..
(Name of the Bank)

Witness:

- 1.....
-
-
-
-
- 2.....
-
-
-

ANNEXURE – VII

TRIPARTITE AGREEMENT

THIS **TRIPARTITE AGREEMENT** made at _____ on this the _____ day of 2003 amongst;

THE PRESIDENT OF INDIA acting through Shri _____. The Assistant Director General (LR-V), 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/authorized 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/authorized officer pursuant to the General Power of Attorney dated _____ executed per terms of the Board Resolution dated _____.

WHEREAS:

- (i) By the LICENCE AGREEMENT dated _____ entered into between the LICENSOR and the LICENSEE, the LICENSOR has granted the LICENCE to the LICENSEE for a telecom project envisaging to establish, installed, operate and maintain VSAT Closed User Group Domestic Data Network via INSAT Satellite System on non exclusive basis within territorial boundary of India 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 LICENCE referred to above, the parties hereto are desirous of recording the terms and conditions to provide transfer/assignment of LICENCE 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 schedule bank/an Indian Public Financial Institution/ an Indian Majority controlled, non-banking finance company engaged in 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).

1.2 “Event of Default” means occurrence of any of the following events:-
(i) A default by the LICENSEE in payment of the LICENCE Fee or other dues duly payable to the LICENSOR, under the LICENCE AGREEMENT.
(ii) A material default of the terms and conditions of Loan AGREEMENTS.

(Explanation: ‘Material Default’ shall means a continuous default by the LINCENSEE 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 “LICENCE” means the LICENCE under the LICENCE AGREEMENT dated _____ entered into between the LICENSOR and the LICENSEE in respect of _____ Service Area including any amendment made thereto from time to time, for operation of _____ service by 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 nor 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 Basic Telephone Service/Cellular Mobile Telephone Service (CMTS)/ radio paging Service, VSAT Service using INSAT System project for establishment, maintenance and operation of Basic Telephone Service/CMTS Radio Paging Service in the _____ Circle/Service Area.s
- 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 LICENCE as provided in this AGREEMENT.

ARTICLE 2

TRANSFER OR ASSIGNMENT OF LICENCE AS SECURITY FOR FINANCIAL ASSISTANCE

- 2.1 The LICENSOR hereby agrees to transfer or assign the LICENCE by endorsement thereon in favour of the selectee selected by the Lenders in accordance with the Articles 2 & 3 hereunder provided that nothing contained herein shall entitle the Lenders to operate the Service under LICENCE 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 LICENSOR 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 default, the Lenders may invite, negotiate and procure offers of Lenders for the take over and transfer of the project together with all the assets pertaining to the Project of LICENSEE including the LICENCE to the Selectee upon such selectee’s assumption of the liabilities and obligations of the LICENSEE towards the LICENSOR under the LICENCE 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 LICENCE 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 given necessary consent to assume the liability of the LICENCE 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 LICENCE 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 LICENCE pursuant to Article 2.2 which the LICENSOR shall take on record.
- 2.5 Before transferring or assigning the LICENCE 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 LICENCE

- 3.1 The modality for the Agent seeking the transfer/assignment/endorsement of the LICENCE 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 LICENCE 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 LICENCE to the Selectee on the same terms and conditions, for the residual period of the original LICENCE.
 - 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, permission 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 LICENCE to the Selectee on the same terms and conditions as are contained in the LICENCE AGREEMENT for the residual period in favour of the Selectee.

(iv) If the LICENSOR has by objection to the transfer of LICENCE 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 the 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 willful omission or suppression of material facts in this connection. The LICENSOR thereupon shall transfer/assign/endorse the LICENCE 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 authorized 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 submission of the final proposal to the LICENSOR for the transfer of the LICENCE 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 Notice of Event of Default.

3.3 The LICENSEE irrevocably agrees and waives any right to challenge the action of the Agent or the Lenders or the LICENSOR taken pursuant to this AGREEMENT including the assignment/transfer of the LICENCE 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 LICENCE 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 LICENCE 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 the 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 LICENCE 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 Lenders 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 cost 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 LICENCE 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 LICENCE in accordance with this AGREEMENT by the LICENSOR. The receivership shall be co-terminus with the transfer/assignment/endorsement of the LICENCE 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 LICENCE 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 LICENCE BY THE LICENSOR

- 5.1 If under the LICENCE AGREEMENT, an event occurs which shall entitle the LICENSOR to terminate the LICENCE AGREEMENT, the LICENSOR shall intimate the Agent prior to exercising of its decision to terminate the LICENCE, 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 LICENCE 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 LICENCE, 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.

ARTILCE – 6

LENDERS' RIGHT TO COMPENSATION

- 6.1 The LICENSEE hereby expressly authorizes 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 authorized by Members of the Lender’s Consortium to enter into this Tripartite AGREEMENT for and on their behalf.
- 7.2 Notices under the 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 reorganization 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 LICENCE 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 LICENCE 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 AGREENEFT 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.

IN 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:

ASSISTANT DIRECTOR GENERAL (LR-V)
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 -----,
HEREUNTO BEEN AFFIXED IN THE
PRESENCE OF SHRI -----

AND SHRI ----- WHO HAS/HAVE
SIGNED/COUNTERSIGNED THESE
PRESENTS IN TOKEN THEREOF.