

Government of India
Ministry of Communications
Department of Telecom
Sanchar Bhavan, 20, Ashoka Road, New Delhi - 110001
(Data Services Cell)

File No. 820-01/2006-LR(VOL.-II) Pt-2

Dated: 07.10.2021

To

All Internet Service Providers Licensees
Granted Under Guidelines dated 24.08.2007

Subject: Amendment in Internet Service Provider (ISP) License Agreement granted as per 24.08.2007 guidelines for rationalization of Bank Guarantees—regarding.

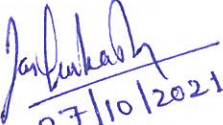
In pursuance of Condition No. 5.1 of the Internet Service Provider Licenses granted under the guidelines dated 24.08.2007, LICENSOR hereby amends/ appends the following conditions in the said ISP License Agreements with immediate effect:

Existing Condition	Amended/ Appended Condition
PART III FINANCIAL CONDITIONS Condition 21. Bank Guarantees: 21.1 Performance Bank Guarantee: Performance Bank Guarantee (PBG) valid for two years from any scheduled bank in prescribed format as per Annexure-IV has to be submitted before signing of LICENCE AGREEMENT for amount equal to Rs. 2 crores/ 20 Lakh for (category 'A' & 'B' service areas).	PART III FINANCIAL CONDITIONS Condition 21. Bank Guarantees: 21.1 Performance Bank Guarantee: Performance Bank Guarantee (PBG) in prescribed format at Annexure-IV of this license agreement shall be submitted separately for each service area for the amount equal to Rs. 40 Lakh / 4 Lakh for (category 'A' & 'B' service areas) respectively initially, before signing the License Agreement, valid for one year, from any scheduled bank or public financial institution duly authorized to issue such bank guarantee, to cover violation of license conditions and to ensure the performance under the license agreement including compliance of instructions issued by the Licensor from time to time. The PBGs shall be maintained and kept valid by the licensee during the entire currency of the license agreement. However, the Licensor may increase the value of PBGs whenever any demand is raised for non-compliance of terms and conditions of License/ authorization to the extent it remains un-securitized by the existing PBGs,

	which shall be maintained till clearance of such demand by the licensee.
<p>21.2 Financial Bank Guarantee:</p> <p>The LICENSEE shall submit a Financial Bank Guarantee (FBG), valid for one year, from any Scheduled Bank or Public Financial Institution duly authorized to issue such Bank Guarantee, in the prescribed Performa Annexure-V. Initially, the financial bank guarantee shall be for an amount of Rs. 10 / 1 lakh (for category 'A' & category 'B' service areas respectively) and which has been submitted before signing the Licence agreement. Subsequently, the amount of FBG shall be equivalent to the estimated sum payable equivalent to license fee for two quarters and other dues not otherwise securitized and any additional amount as deemed fit by the Licensor. The amount of FBG shall be subject to periodic review by the Licensor and shall be renewed from time to time till final clearance of all dues.</p>	<p>21.2 Financial Bank Guarantee:</p> <p>The LICENSEE shall submit a Financial Bank Guarantee (FBG), valid for one year, from any Scheduled Bank or Public Financial Institution duly authorized to issue such Bank Guarantee, in the prescribed Performa Annexure-V. Initially, the financial bank guarantee shall be for an amount of Rs. 10 / 1 lakh (for category 'A' & category 'B' service areas respectively) and which has been submitted before signing the Licence agreement. Subsequently, the amount of FBG shall be equivalent to 20% of the estimated sum payable (of License fee for two quarters and other dues not otherwise securitized). The amount of FBG shall be subject to periodic review on six monthly basis by the Licensor and shall be renewed from time to time till final clearance of all dues.</p>

2. The PBGs and FBGs of existing Licensee shall be revised to **20%** of the current total amount held by the Licensor subject to the conditions in para 3 below.
3. The rationalization of Bank Guarantees shall not be applicable in following cases:
 - a. Bank Guarantees furnished or required due to any Court order or Bank Guarantees which are subject matter of any Litigation, will continue. For example, Bank Guarantees for which the Licensor has been restrained to encash by a Court order, or Bank Guarantees related to One Time Spectrum Charges (OTSC) under litigation.
 - b. Bank Guarantees of Licensees who are currently under Corporate Insolvency Resolution Process (CIRP) or related litigation, or those Licensees who have closed operations (undergoing liquidation/ liquidated).
 - c. Bank Guarantees submitted in respect of past spectrum auctions for securitization of deferred spectrum instalments, including PBGs, will continue to be held by Licensor without any reduction.
4. In case of multiple Bank Guarantees for all the licenses/ authorizations held, the Licensee shall have an option to submit Bank Guarantee(s) centrally at one place instead of Licensed Service Areas (LSAs) wise.

5. This amendment comes into effect with **immediate** effect.
6. This amendment shall be part and parcel of Internet Service Provider (ISP) Licenses granted as per 24.08.2007 guidelines. All other terms and conditions shall remain unchanged.


07/10/2021

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DDG (WPF)/ DDG(A/C) for kind information please.