

Government of India
Ministry of Communications
Department of Telecommunications
Sanchar Bhawan, Ashoka Road, New Delhi-110001
(Carrier Services-III Cell)

No. 10-54/2010-CS-III (Vol. II)

Dated: 08.10.2021

To

All the NLD Licensees (Other than UL)

Subject: Amendment to the NLD License (Other than UL) for rationalization of Bank Guarantees - regarding.

In pursuance to Condition 12.1 of the NLD license, the Licensor hereby amends the NLD license agreement as under:

Existing clause	Amended clause
<p>7. FINANCIAL CONDITIONS</p> <p>FINANCIAL BANK GUARANTEE</p> <p>7.1 The LICENCEE 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 proforma annexed (in the Licence Agreement for National Long Distance Service). The amount of FBG shall be equivalent to the estimated sum payable for two quarters towards the Licence Fee, and other dues not otherwise securitised. The amount of FBG shall be subject to periodic review by the LICENSOR and FBG shall be accordingly renewed by LICENSEE from time to time for such amount as directed by the LICENSOR. Initially, the FBG, valid for a period of one year, shall be for an amount of Rs. 20 Crores (Rupees Twenty Crores), which shall be submitted within one year from the EFFECTIVE DATE of the LICENCE AGREEMENT but prior to the commencement of service. The service shall not be</p>	<p>7. FINANCIAL CONDITIONS</p> <p>FINANCIAL BANK GUARANTEE</p> <p>7.1 The LICENCEE 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 proforma annexed (in the Licence Agreement for National Long Distance Service). The amount of FBG shall be equivalent to the 20% of estimated sum payable for two quarters towards the Licence Fee, and other dues not otherwise securitised. The amount of FBG shall be subject to periodic review by the LICENSOR and FBG shall be accordingly renewed by LICENSEE from time to time for such amount as directed by the LICENSOR. Initially, the FBG, valid for a period of one year, shall be for an amount of Rs. 20 Crores (Rupees Twenty Crores), which shall be submitted within one year from the EFFECTIVE DATE of the LICENCE AGREEMENT but prior to the</p>

H. Kumar

commenced unless the FBG is submitted in the prescribed format for requisite amount.	commencement of service. The service shall not be commenced unless the FBG is submitted in the prescribed format for requisite amount.
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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 the NLD License Agreement and all others Terms & Conditions shall remain unchanged.

Pradeep
08/10/21

(Pradeep Kumar)
Director (CS-III)
For and on behalf of the President of India
Ph. No. 23036348

Copy to:

1. Secretary (TRAI).
2. DGT, DoT (HQ)/CGCA.
3. Advisor (Economics)/ Wireless Advisor/ Sr. DDG (TEC).
4. DDG(AS)/DDG(DS)/DDG(Satellite)/DDG (LFP)/ DDG (LFA)/ DDG (SPPI)/ DDG(SA)/ DDG(WPF)/ DDG(A/C) for kind information please.
5. Director (IT) may kindly arrange to upload this letter on the website of DoT.