

Government of India
Ministry of Communications and Information Technology
Department of Telecommunications
Sanchar Bhawan, 20 Ashoka Road, New Delhi-110 001.

No. 800-23/2011-VAS (Vol.II)

Dated, the 31st May, 2016

SUB: GUIDELINES FOR GRANT OF UNIFIED LICENSE (VIRTUAL NETWORK OPERATORS).

One of the strategies for seamless delivery of converged services is to move towards a Unified License regime and facilitate delinking of licensing of networks from the delivery of services so that Telecom Service Provider (TSP) can utilize their networks and spectrum efficiently by sharing active and passive infrastructure and also to facilitate resale at service level by introduction of Virtual Network Operator (VNOs).

2. While introducing the UL regime (in its first phase), the Department of Telecommunications (DoT) decided that this regime may be introduced over two phases with the delinking of licensing for networks from the delivery of services be taken up in a second phase. In convergence era, same network can provide various services which are independent of network layer, that means, the delivery of services can be provided by one operator and network may be owned by a distinct operator.

3. After considering the recommendations of TRAI on VNO, the Government has decided to grant Unified License VNO {UL(VNO)}. The basic features of UL(VNO) are as follows:-

- (i) VNOs are treated as extension of NSOs (Network Service Operator) or TSPs and they would not be allowed to install equipment interconnecting with the network of other NSOs
- (ii) Applicant can apply for UL (VNO) along with VNO authorisation for any one or more services listed below:
 - a. Unified License VNO (All Services)
 - b. Access Service (Service Area-wise)
 - c. Internet Service (Category-A with All India jurisdiction)



- d. Internet Service (Category-B with jurisdiction in a Service Area)
- e. Internet Service (Category C with jurisdiction in a SSA)
- f. National Long Distance (NLD) Service
- g. International Long Distance (ILD) Service
- h. Global Mobile Personal Communication by Satellite (GMPCS) Service
- i. Public Mobile Radio Trunking Service (PMRTS) Service
- j. Very Small Aperture Terminal (VSAT) Closed User Group (CUG) Service
- k. INSAT MSS-Reporting (MSS-R) Service.
- l. Resale of International Private Leased Circuit (IPLC) Service

Authorisation for UL VNO (All Services) would however cover all services listed at para 3(ii) (b) in all service areas, 3 (ii) (c), 3(ii) (f) to 3(ii) (l) above. No more UL for authorization of resale of IPLC shall be granted except for the Applications already under process for Resale of IPLC.

4. The broad guidelines for grant of Unified License (VNO), i.e., UL (VNO); are as follows:-

1. General

- (i) The applicant must be an Indian company, registered under the Indian Companies Act, 2013.
- (ii) The applicant company shall submit the application in single copy in the prescribed Application form enclosed at **Annexure-II**.UL (VNO) and Authorisation under UL (VNO) shall be issued on non-exclusive basis i.e. without any restriction on the number of entrants for provision of any service in a Service Area.
- (iii) One Company can have only one UL (VNO). The applicant company can apply for authorisation for more than one service and service area subject to fulfillment of all the conditions of entry simultaneously or separately at different time. The tenure of such authorisation will run concurrently with the UL(VNO).

- (iv) At the time of applying for UL (VNO), the applicant has to apply for authorisation of at least one service listed in para 3(ii) above.
- (v) In case VNO authorisation is required for more than 4 SSAs in a Telecom Circle for ISP 'C' category, Category "B" ISP authorisation for the respective telecom circle is to be applied for.
- (vi) The applicant company shall pay nonrefundable processing fee as prescribed in **Annexure-I** along with the application (Two copies) in the form of Demand Draft/Pay Order from a Schedule Bank payable at New Delhi issued in the name of Pay & Accounts Officer (Headquarter) DOT or through Bharatkosh or e-payments.
- (vii) The total composite foreign holding shall be governed by Foreign Direct Investment (FDI) policy of the Government of India as announced by Department of Industrial Policy and Promotion from time to time.
- (viii) The applicant company shall have a minimum paid up equity capital and networth of the amount indicated in **Annexure-I** for the respective Service(s) and Service Area(s) on the date of the application and a certificate to this effect shall be provided by the registered Company Secretary alongwith application. Any applicant seeking additional authorisation, subsequent to grant of UL(VNO), has to meet the minimum cumulative networth required on the date of application for seeking such additional authorisation. The requirement under this license for the combined minimum Networth and paid-up equity shall be limited to a maximum of Rs. 10 Crore (Rupees Ten Crore only), each. The paid-up equity capital shall be maintained during the currency of the License.
- (ix) Net worth shall be as defined in the Companies Act 2013 and as amended from time to time. The networth of promoters/equity share holders shall not be counted for determining the networth of the company. While counting the Net-worth, the foreign currency shall be converted into Indian Rupees at the prevalent rate indicated by the Reserve Bank of India as on the date of Application received.
- (x) Grant of UL (VNO) to the applicant shall be on the basis of the claims, representations and submissions made by the applicant as duly certified by the Company Secretary and authorized Director of the Company. The

applicant is therefore advised to ascertain their eligibility for the license and authorisations applied for with utmost care and diligence. The application shall be decided, so far as practicable, within 60 days of the submission of the application complete in all respect and the applicant company shall be informed accordingly. In case the applicant is eligible for grant of license or additional authorisation, a Letter of Intent (LOI) will be issued. The applicant shall be required to deposit non- refundable Entry Fee and submit the Bank Guarantees / other documents and sign the license agreement within the specified period as mentioned in the letter of intent (LOI) failing which the offer of grant of license may be withdrawn at the expiry of the permitted period.

- (xi)** In case the applicant is found to be not eligible for the grant of license for UL(VNO) or for additional authorisation under UL (VNO), the applicant shall be informed accordingly.
- (xii)** The grant of License would be subject to fulfillment of all requisites under the application and meeting eligibility conditions by the applicant. Mere filing of application would not lead to assignment of any priority. If deemed expedient, Licensor may seek clarification before rejecting the application.
- (xiii)** VNOs that enter the network would do so based on arriving at a mutual agreement between an NSO and a VNO.
- (xiv)** VNOs shall be permitted for services as indicated in para 3 (ii) above.
- (xv)** The terms and conditions of sharing of infrastructure between the NSO and VNO shall be on the basis of mutually accepted terms and conditions between the NSO and the VNO.
- (xvi)** VNOs shall be permitted to set up their own network equipment viz. Base Transceiver System (BTS), Base Station Controller (BSC), Mobile Switching Centre (MSC), Remote Switching Unit (RSU), Digital Subscriber Line Access Multiplexer (DSLAM), Local Area Network (LAN) switches,). VNOs shall not be allowed to own/ install equipment of core infrastructure, i.e., Gateway Mobile Switching Centre (GMSC), Soft Switches and Trunk Automatic Exchange (TAX) or equivalent. Therefore, they are not allowed to own/install equipment which are required for interconnection with other

NSO(s), viz. GMSCs, Soft-switches and TAX. Soft Switch is an Application Programme Interface (API) that is used to bridge a traditional Public Switch Telephone Network (PSTN) and Voice over Internet Protocol (VoIP) by linking PSTN to Internet Protocol (IP) networks and managing traffic that controls a mixture of voice, fax, data and video. Soft Switch is a software based switching platform based on open systems.

(xvii) VNOs shall also be allowed to create their own service delivery platforms in respect of customer service, billing and VAS.

(xviii) An operator who wishes to provide telecom services to its customers utilizing the underlying network and/or access spectrum of an existing NSO will have to obtain UL (VNO) license.

(xix) Only pan-India or service area-wise authorizations may be granted under a UL (VNO) license. However, UL (VNO) licensee will be able to service an area within the LSA of the NSO with which the VNO has entered into an agreement for delivery of services.

(xx) There would not be a restriction on the number of VNO licensees per service area

(xxi) There shall be no restriction on the number of VNOs parented by an NSO.

(xxii) VNOs will be allowed to have agreements with more than one NSO for all services other than access services and such services which need numbering and unique identity of the customers.

(xxiii) An NSO shall allocate a numbering range to their VNO(s) from the numbering range allocated to it by the licensor. VNOs shall also utilise the LRN and network codes of the parent NSO for the purpose of routing of calls.

(xxiv) There would not be any mandate to an NSO for providing time bound access to its VNO; rather, it shall be left to the mutual agreement between NSO and VNO. However DoT/TRAI shall have right to intervene in the matter as and when required to protect the interest of consumers and telecom sector.

(xxv) CAF verification and number activation shall be the responsibility of a VNO.



(xxvi) A VNO shall bear the penalty on account of failure of subscriber verification norms (for its own customers). Other penalties which are beyond the scope of the VNO viz. roll out obligations, core network issues etc. shall be borne by the NSO as per existing norms defined for them.

(xxvii) No spectrum shall be assigned to the VNOs.

(xxviii) In case, the MSC or equipment capable of interception is with VNO, then fulfilling requirement of Law Enforcement Agencies (LEA) would be a responsibility of VNO.

2. Financial Conditions

(a) Entry Fee:

A one-time non-refundable **Entry Fee** for authorisation of each Service and service area shall be payable before signing of license agreement and thereafter for each additional authorisation (s) as per Annexure-I. The total amount of Entry fee shall be subject to a maximum of Rs. **7.5** Crore (Rupees Seven crore fifty lacs only), whichever is higher..

(b) License Fee:

(i) In addition to the Entry Fee, an annual License fee and Spectrum Usage Charges (SUC) as a percentage of Adjusted Gross Revenue (AGR) shall be paid by the Licensee service-area wise for each authorized service separately as per procedure prescribed in applicable Chapter of Unified Licensor (VNO) from the effective date of the respective authorisation. The License fee is at present 8% of the AGR, inclusive of USO Levy which is presently 5% of AGR. SUC shall be applicable as per rates applicable for NSO and can be amended from time to time.

Provided that from Second Year of the effective date of respective authorisation, the License fee shall be subject to a minimum of 10% of the Entry Fee of the respective authorized service and service area as in Annexure-I.

- (ii) The Licensor reserves the right to modify the above mentioned License fee and SUC any time during the currency of UL (VNO) agreement.

(c) Bank Guarantees:

In any case the, applicant company shall submit the Bank Guarantees i.e. PBG and FBG in prescribed proforma for each authorized service and service area separately in the concerned offices of the controllers of communication accounts (CCAs)/ DoT.

3. Terms of License

The Unified License (VNO) shall be issued on non-exclusive basis, for a period of 10 years. **However, depending on technological developments and experience gathered, this duration of license can be reviewed after 3-4 years.**The Licensor may renew, if deemed expedient, the period of License by 10 years at a time, upon request of the Licensee, on the terms specified by the Licensor, subject to extant policy. The decision of the Licensor shall be final and binding in this regard. On renewal, the Licensee may be required to pay a renewal fee as may be notified by the Licensor.

The prospective telecom service provider can obtain Unified License (VNO) with authorisation for any number of offered services in the composite license document. Any number of the remaining services can also be authorized subsequently as per the request of licensee. However, the validity of license shall be 10 years from the effective date of the first authorisation in the Unified License (VNO). This would imply that authorisation for services added at a later date would be valid only for the remaining period, without any prorata rebate in entry fee etc. and on fulfillment of the additional eligibility criteria, payment of required fee etc.

4. Equity holding in other companies:

No one VNO and another NSO (other than VNO's parent NSO) and a VNO & another VNO in the same service area directly or indirectly shall have any beneficial interest in each other.

For the purpose of this clause:

(a) Promoter shall mean legal entity other than Central Government, financial institutions and scheduled banks, which hold 10% or more equity in the licensee company.

(b) Beneficial interest shall mean holding of any equity directly or indirectly including through chain of companies in the licensee company.

(c) Any arrangement contrary to above shall be made consistent with the above stipulations within a period of one year from the date of grant of UL (VNO).

5. Security Conditions

5.1 The Chief Officer in charge of technical network operations and the Chief Security Officer/Chief Information Security Officer, 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. All foreign personnel likely to be deployed by the LICENSEE for installation, operation and maintenance of the LICENSEE's network shall also be security cleared by the Government of India prior to their deployment. The security clearance will be obtained from the Ministry of Home Affairs, Government of India, who will follow standard drill in the matter.



5.2 LICENSOR shall have the right to take over the SERVICE, equipment and networks of the LICENSEE or revoke/terminate/suspend the LICENSE either in part or in whole of the Service area in the interest of national security or in case of emergency or war or low intensity conflict or any other eventuality in public interest as declared by the Government of India. Any specific orders or direction from the Government issued under such conditions shall be immediately applicable to the LICENSEE without loss of time 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. Provided any taking over or suspension of license, issuance of an order and exclusion of an area, as described above shall neither be a ground of extension of license period or expansion of area in different corner or reduction of duly payable fee

5.3 For detailed conditions of the UL (VNO), applicant may refer to the UL (VNO) document on the DoT website <www.dot.gov.in>.

6. The LICENSOR reserves the right to modify at any time these guidelines and terms and conditions of the LICENSE, if in the opinion of the LICENSOR it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the telegraphs. The decision of the LICENSOR shall be final and binding in this regard.
7. If at any time, any averments made or information furnished for obtaining the license is found incorrect, the application and the license if granted thereto on the basis of such application, may invite penalties and/or cancellation as may be deemed fit by the Licensor.
8. Applications are to be submitted to the Under Secretary (AS-I), Department of Telecommunications, Sanchar Bhavan, 20 Ashoka Road, New Delhi-110 001.
9. This guidelines shall be part and parcel of the Unified License (VNO) agreement and the same will be read in harmony with the Unified License



(VNO) agreement which is attached herewith or on the DoT website
<www.dot.gov.in>



(R.K. Soni)

Director (AS-I)

For and on behalf of President of India

Annexure-I

Details of Minimum required Equity, Minimum Networth, Entry Fee for various service authorisations

Sl. No.	Service Authorization(s) (VNO)	Minimum Equity (Rs. Cr.)	Minimum Networth (Rs. Cr.)	Entry Fee (Rs. Cr.)	Application processing fee (Rs. Cr.)
1	UL(VNO-All services)	10.0	10.0	7.5	0.01
2	Access Service (Telecom Circle / Metro Area)	1.0	1.0	0.5 (0.25 for NE & J&K)	0.005
3	NLD (National Area)	1.0	1.0	1.25	0.005
4	ILD (National Area)	1.0	1.0	1.25	0.005
5	VSAT (National Area)	Nil	Nil	0.15	0.005
6	PMRTS (Telecom circle/Metro)	Nil	Nil	0.0025	0.0015
7	GMPCS (National Area)	1.0	1.0	0.5	0.005
8	INSAT MSS-R (National Area)	Nil	Nil	0.15	0.005
9	ISP "A" (National Area)	Nil	Nil	0.15	0.005
10	ISP "B" (Telecom circle/Metro Area)	Nil	Nil	0.010	0.0015
11	ISP "C" (SSA)	Nil	Nil	0.001	0.001
12	Resale of IPLC (National Area)	2.5	2.5	1.000	0.005

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

APPLICATION FOR GRANT OF UL (VNO) / Authorisation for Additional Services
under Unified License (VNO)

(To be submitted in single copy)

1. Name of Applicant Company: _____

2. Complete postal address
with Telephone/FAX Nos./E-Mail
i) Corporate Office _____

- ii) Registered Office _____

3. Address for correspondence with _____
Telephone/FAX Nos./E-mail

4. Name of Authorised contact

person, his designation, address
and Telephone/FAX Nos./Email
5. Details of payment of processing fee (DD/PO to be enclosed in a separate
envelope)/e-payment/ Bharat kosh.

6. Certified copy of Certificate of Registration along with Articles of Association and Memorandum of Understanding to be attached.

(To be certified by the Certificate from Company Secretary/ Statutory Auditor and countersigned by Director duly authorised by the company)

7. (a) Details of Promoters/Partners/Shareholder in the Company: The Promoters to be indicated.

S.No.	Name of Promoter/ Partner /Shareholder	Indian/ Foreign	Equity %age.	Networth
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(Complete break-up of 100% of equity must be given. Equity holding upto 5% of the total equity shared among various shareholder can be clubbed but Indian and Foreign equity must be separate.)

(b) **Equity details**

Indian -----
Foreign -----

Total

(Certificate from Company Secretary/ Statutory Auditor countersigned by Director duly authorised by the company to be attached)

(c) FDI up to 100 % with 49% under automatic route and beyond 49% through FIPB route. The applicant is required to disclose the status of foreign holding.

(Certificate from Company Secretary/ Statutory Auditor countersigned by Director duly authorised by the company to be attached)

(d) Networth of the company _____



(Certificate from Company Secretary/ Statutory Auditor countersigned by Director duly authorised by the company to be attached)

8. Services for which authorisation sought

S.No	Name of the Service	Service Area, if applicable	Remark, if any

9 Details of the licenses granted under section 4 of Indian Telegraph Act 1885 or authorisation for various services under UL (VNO) held by the applicant

S.No.	Name of License/ Service authorization	Service area	No. and date of license/ authorisation

10. Paid up capital (Certificate from Company Secretary/ Statutory Auditor countersigned by Director duly authorised by the company to be attached)

11 Certified copy of approval of Government of India for Foreign Equity
(To be applicable if FDI is more than 49%) (Certificate from Company Secretary/ Statutory Auditor countersigned by Director duly authorised by the company to be attached)

12. (a) **Names of Chairman / Managing Director /**

Directors of the applicant Company

Nationality

_____	_____
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(b) **Details of Chief Executive Officer / Chief Technical Officer /Chief Finance Officer**

<u>Name</u>	<u>Designation</u>	<u>Nationality</u>
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13. Power of Attorney by Resolution of Board of Directors that the person signing the application is authorized signatory.

Certificates/undertaking:

- 1 A. I hereby certify that I have carefully read the guidelines and License Agreement for providing UL (VNO). I undertake to fully comply with the terms and conditions therein.
- 2 B. I understand that this application if found incomplete in any respect and/or if found with conditional compliance or not accompanied with the processing fee shall be summarily rejected.
- 3 C. I understand that processing fee is non-refundable irrespective of any reason whatsoever.
- 4 D. I undertake to sign the License Agreement, within the prescribed time notified to me failing which my application shall be taken rejected and processing fee forfeited.
- 5 E. I understand that all matters relating to the application or license if granted to me will be subject to jurisdiction of courts/Tribunal(s) in Delhi/New Delhi only.
- 6 F. I understand that if at any time, any averments made or information furnished for obtaining the license is found incorrect, then my application and the license if granted thereto on the basis of such application, shall be cancelled.

Date

the

Place.

Signature and name of

Authorised Signatory

(Company's Seal)



Annexure III

SERVICE AREA (TELECOM CIRCLES/ METROS) AND THE AREAS COVERED BY THEM

Sl. No.	Name of Service Area	Areas covered
01.	West Bengal Service Area	Entire area falling within the Union Territory of Andaman & Nicobar Islands and area falling within the State of West Bengal and the State of Sikkim excluding the areas covered by Kolkata Metro Service Area.
02.	Andhra Pradesh Service Area	Entire area falling within the State of Andhra Pradesh & Telangana State
03.	Assam Service Area	Entire area falling within the State of Assam.
04.	Bihar Service Area	Entire area falling within the re-organised State of Bihar and newly created State of Jharkhand pursuant to the Bihar Reorganisation Act, 2000 (No.30 of 2000) dated 25 th August, 2000.
05.	Gujarat Service Area	Entire area falling within the State of Gujarat and Union Territory of Daman and Diu, Silvassa (Dadra & Nagar Haveli).
06.	Haryana Service Area	Entire area falling within the State of Haryana except Panchkula town and the local areas served by Faridabad and Gurgaon Telephone exchanges.
07.	Himachal Pradesh Service Area	Entire area falling within the State of Himachal Pradesh
08.	Jammu & Kashmir Service Area	Entire area falling within the State of Jammu & Kashmir including the autonomous council of Ladakh.
09.	Karnataka Service Area	Entire area falling within the State of Karnataka
10.	Kerala Service Area	Entire area falling within the State of Kerala and Union Territory of Lakshadweep and Minicoy.
11.	Madhya Pradesh Service Area	Entire area falling within the re-organised State of Madhya Pradesh as well as the newly created State of Chattisgarh pursuant to the Madhya Pradesh Reorganisation Act, 2000 (No:28 of 2000) dated 25 th August, 2000.
12.	Maharashtra Service Area	Entire area falling within the State of Maharashtra and Union Territory of Goa, excluding areas covered by Mumbai Metro Service Area.
13.	North East Service Area	Entire area falling within the States of Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur and Tripura.
14.	Orissa Service Area	Entire area falling within the State of Orissa.
15.	Punjab Service Area	Entire area falling within the State of Punjab and Union territory of Chandigarh and Panchkula town of Haryana.

16.	Rajasthan Service Area	Entire area falling within the State of Rajasthan.
17.	Tamilnadu Service Area (including Chennai Service Area)	Entire area falling within the State of Tamilnadu and Union Territory of Pondichery including Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges
17A.	Tamilnadu Service Area (excluding Chennai Service Area)	Entire area falling within the State of Tamilnadu and Union Territory of Pondichery excluding Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges
17B.	Chennai Service Area	Local Areas served by Chennai Telephones, Maraimalai Nagar Export Promotion Zone (MPEZ), Minzur and Mahabalipuram Exchanges
18.	Uttar Pradesh (West) Service Area	Entire area covered by Western Uttar Pradesh with the following as its boundary districts towards Eastern Uttar Pradesh : Pilibhit, Bareilly, Badaun, Etah, Mainpuri and Etawah. It will exclude the local telephone area of Ghaziabad and Noida. However, it will also include the newly created State of Uttaranchal pursuant to the Uttar Pradesh Re-organisation Act, 2000 (No.29 of 2000) dated 25 th August, 2000.
19.	Uttar Pradesh (East) Service Area	Entire area covered by Eastern Uttar Pradesh with the following as its boundary districts towards Western Uttar Pradesh : Shahjahanpur, Farrukhabad, Kanpur and Jalaun.
20.	Delhi Service Area	Local Areas served by Delhi, Ghaziabad, Faridabad, Noida, and Gurgaon Telephone Exchanges
21.	Kolkata Service Area	Local Areas served by Calcutta Telephones.
22.	Mumbai Service Area	Local Areas served by Mumbai, New Mumbai and Kalyan Telephone Exchanges

NOTE:

1. Yenum, an area of Union Territory of Pondicherry is served under Andhra Pradesh Telecom Circle in East Godavari LDCA.
2. The definition of Local areas of exchanges will be as applicable to the existing cellular operators, i.e. at the time of grant of cellular Licenses in Metro cities.
3. The definition of local areas with regard to the above service area as applicable to this License is as per definition applicable to Cellular Mobile Service Licenses as in the year 1994 & 1995, when those Licenses were granted to them. This is in accordance with respective Gazette Notification for such local areas wherever issued and as per the statutory definition under Rule 2 (w) Indian Telephones Rules, 1951, as it stood during the year 1994/1995 where no specific Gazette Notification has been issued.
- 4.

Government of India
 Ministry of Communications & Information Technology
 Department of Telecommunications
 (Access Services Division)
 1203, Sanchar Bhavan, 20, Ashoka Road, New Delhi-110001

No. _____ **Dated:** **2016**

To,

Subject: Letter of Intent (LoI) for award of UL (VNO)

With reference to your application dated regarding grant of service authorizations under UL (VNO), the undersigned is directed to convey the approval of competent authority for award of Unified License authorization for Service Area, on non-exclusive basis subject to the Guidelines of Unified License (VNO).

2. The LOI is being issued based on the information/certificate submitted by you with the condition that at a later date if the information/certificate is found wrong or misleading, the license shall be liable to be terminated. Further, if the information/ certificate/ undertaking being submitted by the company along with the compliance of the LOI, is found wrong or misleading at a later date, then also, the license shall be liable to be terminated or any other action as deemed fit by the licensor.

3. A copy of the prescribed authorisation format is enclosed with this LOI. Amended authorisation in the prescribed format, shall be signed only after compliance of the following, within twenty one working days on receipt of this LoI, failing which the same shall stand cancelled without any further reference :-

- (i) Submission of **Rs** as non-refundable Entry Fee for authorisation in Unified License (VNO) for service area.
- (ii) Submission of one additional Financial Bank Guarantee (FBG) for **Rs** **Crores** (Rs crores only) for additional authorisation in Unified License (VNO) for service area in the prescribed format as per UL (VNO) Agreement.
- (iii) In respect of all licences granted under Section 4 of the Indian Telegraph Act, 1885 (including Indian Wireless Telegraphy Act, 1933) to you or any of your

promoter(s)/partner(s) or associate(s)/sister concerns, you are required to furnish the following before signing the Licence Agreement:-

‘An unconditional and unequivocal undertaking to clear all dues to the Department of Telecommunication (including the WPC) raised up to date under the respective Licence Agreements without any reservation or deviation and would also be liable to pay all such dues which would be assessed and demanded in respect of the licenses referred above, if quashed under the orders of the Hon’ble Supreme Court, up to the date of termination.’

- (iv) No one VNO and another NSO (other than VNO's parent NSO) and a VNO & another VNO in the same service area directly or indirectly shall have any beneficial interest in each other.

For the purpose of this clause:

(a) Promoter shall mean legal entity other than Central Government, financial institutions and scheduled banks, which hold 10% or more equity in the licensee company.

(b) Beneficial interest shall mean holding of any equity directly or indirectly including through chain of companies in the licensee company.

(c) Any arrangement contrary to above shall be made consistent with the above stipulations within a period of one year from the date of grant of UL (VNO).

a)

4. Unequivocal and unconditional acceptance of this offer should be conveyed latest by twenty one working days on the receipt of this LoI along with the required certificates/undertaking, PBGs & FBGs.

5. In accordance with the condition No.7 of the FBG and condition No. 8 of PBG Format, the Bank has to designate a local branch where the respective CCA Office is located for an ink signed copy of invocation letter. In case of M/s, the following city is to be designated.

Service Area

.....

City

.....

Therefore the name of such branch will be mentioned by the Bank, issuing Bank Guarantee.

6. The applicant Company is required to submit, the details of the Licenses held by the associate/sister concern apart from Applicant Company, along with compliance of this LOI.

7. This LOI is issued without prejudice to the rights and contentions of the Government in the court cases/ disputes/ show cause notices issued/ to be issued under the respective licenses granted to you or any of your promoter(s)/partner(s) or associate(s)/sister concerns.

Director (AS-I)
Tel. No. 23036284

Encl:

- (i) Proforma for Undertaking

Proforma for UNDERTAKING

To

The Department of Telecom/Licensor,

In consideration of the Department of Telecom (hereinafter called 'the Licensor') having agreed to grant additional authorisation in Unified Licence (VNO) {UL (VNO)} with authorization for (hereinafter called 'the LICENSE') for Service Area to us, we M/s

....., (hereinafter referred to as Licensee) in accordance with para 3 (iv) of the Letter of Intent

No. _____ dated _____

(hereinafter called 'the LOI') do hereby give our unconditional and unequivocal undertaking that in respect of all licences granted under Section 4 of the Indian Telegraph Act, 1885 (including Indian Wireless Telegraphy Act, 1933) to us or any of our promoter(s)/partner(s) or associate(s)/sister concerns, we undertake that all dues to the Licensor (including the WPC) would be paid and cleared in terms of such Licence Agreements for demands raised up to date.

We also undertake that in respect of all licences granted under Section 4 of the Indian Telegraph Act, 1885 (including Indian Wireless Telegraphy Act, 1933) to us or any of our promoter(s)/partner(s) or associate(s)/sister concerns, which have been quashed as per the orders of the Hon'ble Supreme Court in Writ Petition (Civil) No 423/2010 vide their judgement/order dated 02.02.2012 or have expired or expiring, we undertake that all dues to the Department of Telecommunication (including the WPC) would be paid and cleared in terms of such Licence Agreements for demands raised up to date and demands which would be assessed and raised for the period up to the termination/cancellation/expiry of such licenses.

We also undertake, that the Performance and Financial Bank Guarantees given under compliance to the LOI for the UL(VNO)with authorization of licenses shall stand as a security for payment of the above said dues. We hereby irrevocably and unconditionally guarantee to the Licensor to pay all such dues, and in case of failure, the Licensor shall be entitled to recover its said dues by encashment of the said PBGs and FBGs, and in lieu of which we further undertake to furnish fresh PBGs and FBGs as per the requirement of our additional authorisation in Unified Licence with authorization of service.

We, the Licensee, DO HEREBY DECLARE AND AGREE that the decision of the Licensor as to whether LICENSEE has failed to pay the said dues shall be final and binding on us.

This Undertaking shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the LICENSEE. We, the Licensee, undertake not to revoke this Undertaking except with the previous consent of the Licensor in writing after the Licensor is satisfied on recovery of all said dues.

Licensee

