

File No. 10-49/2002-BS-I
Government of India
Ministry of Communications & IT
Department of Telecommunications
(Basic Service Cell)
Sanchar Bhawan, 20, Ashoka Road, New Delhi – 110 001.

Dated : 24.03.2005

To

All ILD/ NLD/IP-II licensees

Subject: Amendment to clause 6.5 and 6.8 of ILD/NLD/IP-II licensees.

The undersigned is directed to convey the approval of the competent authority for amendment in clause **6.5** and **6.8** of the licence agreements for International Long Distance Service (ILD), National Long Distance Service (NLD) and Infrastructure Provider (Category –II) (IP-II) as per the details enclosed as annexure for respective licences.

2. These amendments concerning interest and penalty shall be applicable only from 2005-2006, that is , in respect of the licence fee arising for the period from 1st April 2005 onwards.

3. Other terms and conditions of the respective licence agreements shall remain unchanged.

(Govind Singhal)
Director (BS-III)

Copy to;

1. Secretary , TRAI, New Delhi
2. Sr. DDG(TEC)
3. DDF(LF)

ANNEXURE

S.N	Nature of Licence	Existing Clause	Proposed for Amendment
1.	<i>International Long Distance Service</i>	<p>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 5% above the Prime Lending Rate (PLR) of State Bank of India prevalent on the day the payment became due. 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.</p> <p>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 150% 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.</p>	<p>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 as on the beginning of the financial year (1st April) in respect of the licence fees pertaining to the said financial year. The interest shall be compounded monthly and a part of the month shall be reckoned as a full month for the purpose of calculation of interest.</p> <p>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.</p>
2.	<i>National Long Distance Service</i>	<p>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 5% above the Prime Lending Rate (PLR) of State Bank of India prevalent on the day the payment became due. 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.</p> <p>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 150% 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 levied.</p>	<p>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 as on the beginning of the financial year (1st April) in respect of the licence fees pertaining to the said financial year. The interest shall be compounded monthly and a part of the month shall be reckoned as a full month for the purpose of calculation of interest.</p> <p>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.</p>

3.	Infrastructure Provider- (Category-II)	<p>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 5% above the Prime Lending Rate (PLR) of State Bank of India prevalent on the day the payment became due. 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.</p> <p>6.8 In case, the cumulative quarterly licence fee paid for the financial year falls short by more than 10% of the duly payable LICENCE Fee, it shall attract a penalty of 150% of the entire amount of short payment. This amount of short payment along with the penalty shall be payable within 25 days of the date of signing the audit report on the annual accounts, failing which interest shall be further charged in 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 levied.</p>	<p>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 as on the beginning of the financial year (1st April) in respect of the licence fees pertaining to the said financial year. The interest shall be compounded monthly and a part of the month shall be reckoned as a full month for the purpose of calculation of interest.</p> <p>6.8 In case, the cumulative quarterly licence fee paid for the financial year falls short by more than 10% of the duly 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 25 days of the date of signing the audit report on the annual accounts, failing which interest shall be further charged in 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.</p>
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