

AGREEMENT

BETWEEN

UNIVERSAL SERVICE OBLIGATION FUND

AND

M/s BHARAT SANCHAR NIGAM LIMITED

FOR

**PROVISION OF 10 NOS. OF 2G MOBILE BTSs WITH EDGE
TECHNOLOGY**

IN LAKSHADWEEP ISLANDS

**No. 30-176-3/2015-BB-USOF
DATED 29/04/2020**

Burde
29/04/20

P.K. Pandey
29/04/2020

(विलास बुरडे)
(VILAS BURDE)
निदेशक (यू.एस.ओ.एफ.)
Director (USOF)
सुसंचार विभाग, भारत सरकार
Dept. of Telecom, Govt. of India
नई दिल्ली/New Delhi

(पी. के. पण्डेय)
(P. K. PANDEY)
प्रधान महाप्रबंधक (रेडियो)
Principal General Manager (Radio)
भारत संचार निगम लि. निमित्त कार्यालय, नई दिल्ली
B.S.N.L. Corporate Office, New Delhi

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS
UNIVERSAL SERVICE OBLIGATION FUND (USOF)
20, ASHOKA ROAD, NEW DELHI-110 001, INDIA**

Contents

SECTION-I : AGREEMENT	3
SECTION – II : SCOPE AND GENERAL CONDITIONS	6
SECTION – III : TECHNICAL CONDITIONS	10
SECTION –IV : OPERATING CONDITIONS.....	11.
SECTION – V: COMMERCIAL CONDITIONS.....	13
SECTION – VI : FINANCIAL CONDITIONS	14
SECTION – VII: INTERPRETATION OF TERMS/ DEFINITIONS.....	18

SECTION-I : AGREEMENT
Government of India
Department of Telecommunications
Universal Service Obligation Fund
20, Ashoka Road, Sanchar Bhawan, New Delhi- 110001

AGREEMENT

The Agreement is made and entered into on the 29th day of April, 2020

Between

The President of India, acting through the Administrator, Universal Service Obligation Fund(USOF) who for the purpose of this Agreement is being represented by Director (VSB), Sh. Vilas Burde, Department of Telecommunications, under Government of India and having its office at 2nd Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi 110001, (hereinafter referred to as the "Administrator", which expression, unless repugnant to the context or meaning thereof, shall include its successors, administrators or assignees;) of the First Part

AND

M/s. Bharat Sanchar Nigam Limited, a company registered under the Companies Act 1956, having its registered office at Bharat Sanchar Bhawan, H. C. Mathur Lane, New Delhi – 110 001, acting through Shri P.K. Pandey, PGM (Radio), Bharat Sanchar Nigam Limited, the Authorized Signatory (hereinafter called the Universal Services Provider or "BSNL" which expression shall, unless repugnant to the context or meaning thereof, shall include its successors, administrators or permitted assignees) of the Second Part.

Whereas, BSNL vide its letter no.100-21(2)2016-TPL (R) /39 dated 07-02-2019 conveyed the approved cost of Rs. 10.23 Cr. to be funded by USOF duly approved by Competent Authority for augmentation of 2G mobile connectivity with EDGE Technology in Lakshadweep Islands on the basis of Detailed Project Report (DPR) submitted by BSNL on 16.03.2016, clarification dated 22.06.2016 and letter dated 07-02-2019 as recommended by the Technical Group constituted under Member (Technology) for enhancement of Mobile connectivity in Lakshadweep.

WHEREAS the BSNL has agreed to make provision of augmentation of 2G mobile connectivity with EDGE Technology in Lakshadweep Islands as per approved DPR, the Administrator has, subject to the BSNL performing all his obligations, agreed to provide subsidy/fund on the terms and conditions hereinafter;

NOW THIS AGREEMENT WITNESSE AS FOLLOWS:

In consideration of the mutual covenants set out in this Agreement, the parties agree as follows:

1. The BSNL has made provision of augmentation of 2G mobile connectivity with EDGE Technology in Lakshadweep Islands as per approved DPR and subsequent clarification and modification based on consent.
2. This Agreement will remain valid for 2 years (24 months) unless revoked earlier for any reason whatsoever. Date of effect of this Agreement shall be the date of signing of the agreement.



3. The BSNL hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in this Agreement without any deviation or reservation of any kind.
4. This Agreement is divided into seven Sections. Apart from the present Section-I, other Sections are as under:
 - II. Scope and General Conditions
 - III. Technical Conditions
 - IV. Operating Conditions
 - V. Commercial Conditions
 - VI. Financial Conditions
 - VII. Interpretation of Terms/ Definitions

All the Sections and Annexures together form the Agreement.

5. **No Partnership** – Nothing in this Agreement shall be construed to constitute a partnership or agency between the Parties and the BSNL shall not make any assurance, promise or covenant nor shall hold himself out as competent to do so on behalf of the Administrator nor shall pledge the credit of the Administrator for any transaction in relation to this Agreement.
6. **No Employment** – Nothing in this Agreement shall constitute an offer or assurance of employment of any nature whatsoever to the BSNL or any person employed by or under him for this Agreement.
7. **Indemnify the Administrator** – The BSNL shall indemnify and at all times keep the Administrator indemnified and harmless against any direct loss to it or any claims by any third person, for any personal injury to anybody or loss to property, movable or immovable, caused by or attributable to any act or omission of the BSNL or any of his officer, employee, agent or professional etc. while performing or purporting to perform this Agreement.
8. **Waiver** – Neither the failure of either Party to insist on any occasion upon the performance of the provisions of this Agreement nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right thereunder. Waiver by either Party of any default by the other Party in the observance or performance of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent default or of other provisions of or obligations under this Agreement nor shall affect the validity or enforceability of this Agreement in any manner.
9. **Severability of Terms** – If for any reason whatsoever, any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed through their respective authorized representatives on 29th day of April, 2020.

Signed for and on behalf of President of India

P.K. Pandey
29/04/2020
(P. K. Pandey)
PGM (Radio), BSNL
Bharat Sanchar Bhawan,
Harish Chandra Mathur Lane,
Janpath,
New Delhi – 110001

(P. K. Pandey)
प्रधान महाप्रबन्धक (रेडियो)
Principal General Manager (Radio)
भारत संचार भवन लि. निर्दिष्ट मार्ग, नई दिल्ली
S.N.L. Corporate Office, New Delhi

Witnesses:

Kapil

(Kapil Sharma)
Asst. Manager (Sat), BSNL,
Bharat Sanchar Bhawan,
Harish Chandra Mathur Lane,
Janpath,
New Delhi – 110001

Burde
29/04/2020
(VILAS BURDE)
Director (VSB)
Universal Service Obligation Fund,
Department of Telecommunications,
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(VILAS BURDE)
निदेशक (यू.एस.ओ.एफ.)
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सर्वसंचार विभाग, भारत सरकार
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नई दिल्ली/New Delhi

Sahil Garg

(SAHIL GARG)
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(साहिल गर्ग)
(SAHIL GARG)
उप प्रशासक (यू.एस.ओ.एफ.)
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नई दिल्ली/New Delhi

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SECTION – II: SCOPE AND GENERAL CONDITIONS

2.1 Introduction

- 2.1.1 The Telecom Commission on its meeting 14.12.2016 has approved proposal for expenditure approval for augmentation of 2G mobile connectivity with EDGE Technology in Lakshadweep Islands at an estimated cost limited to Rs 10.1 Cr is to be funded by USO Fund. The expenditure proposal was for setting up of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands on nomination basis at an estimated cost limited to Rs. 10.1 Cr. on the basis of detailed project report submitted on 16.03.2016 and clarification dated 22.06.2016 by BSNL. Further, BSNL vide letter no.100-2(2) (2)/2016-TPR (R) dated 07-02-2019 has intimated the cost Rs. 10.23 Cr.
- 2.1.2 The above CAPEX of the project would be funded by USOF to BSNL on nomination basis.
- 2.1.3 Digital Communication Commission (DCC) in its meeting held on 13-06-2019 has considered for extension of rollout period from June 2017 to June 2018 for the project of 2G mobile connectivity with edge technology in Lakshadweep.
- 2.1.4 The Agreement shall be subject to the terms and conditions (including transfer, assignments or franchising) UASL (Unified Access Service License)/UL (Unified License)/ Migration or award of new license in lieu of UASL.
- 2.1.5 BSNL shall be bound by the terms and conditions of the Agreement and any other instructions issued from time-to-time by the Administrator. BSNL shall always be liable to perform the obligations under this Agreement for the works related to augmentation of 2G mobile connectivity with Edge Technology in Lakshadweep Islands for which the Agreement has been entered into during the validity period of the Agreement.

2.2 Scope of the Agreement

- 2.2.1 BSNL has made provisioning for augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands as per approved DPR & subsequent clarification and modifications as agreed.
- 2.2.2 USOF shall provide financial support as per the Financial Conditions of the Agreement. USOF subsidy will be paid only in respect of the Capex cost incurred for augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands as per terms and condition agreed in DPR and subsequent clarification.
- 2.2.3 The BSNL shall be bound by the terms and conditions of the Agreement as well as by such orders/directions/regulations of Department of Telecommunications (DoT)/Telecom Regulatory Authority of India (TRAI) as amended from time to time.
- 2.2.4 The terms and conditions of the relevant License Agreement, as applicable, shall prevail and shall be binding *mutatis mutandis*.

2.3 Deliverables

- 2.3.1 BSNL has installed 2G mobile connectivity by 10 BTSs in Lakshadweep Islands as in-accordance with the Report of Recommendations of the Technical Group, constituted for vetting of Technical Requirements and as per DPR with its subsequent clarification and modification as agreed upon. Detailed Cost Estimates for augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands shall be as per terms and conditions mentioned in DPR and its subsequent clarification.
- 2.3.2 BSNL confirms that it has procured required equipment for augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands as per approved DPR.
- 2.3.3 The subsidy shall be utilized by BSNL for procurement of equipment and installation, testing commissioning etc. as per provision made in the DPR.
- 2.3.4 BSNL confirms that it has installed, tested and commissioned the 10 BTS as per standards followed in BSNL.

2.3 (A) Ownership of Assets

The ownership of assets created under this project will be vested in BSNL.

2.4 Duration of the agreement

This Agreement will remain valid for 2 years (24 months) from the Effective Date of signing of the Agreement.

2.5 EXTENSION OF AGREEMENT

The Administrator may extend, if deemed expedient, the validity of Agreement for such period and on such terms as may be mutually agreed with BSNL. The decision of the Administrator shall be final in this regard.

2.6 MODIFICATIONS IN TERMS AND CONDITIONS OF AGREEMENT

The Administrator reserves the right to modify at any time the terms and conditions of the Agreement, in consultation with BSNL, if in the opinion of the Administrator 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 service. The decision of the Administrator shall be final in this regard.

2.6 (A) REQUIREMENT TO FURNISH INFORMATION

BSNL shall furnish to the Administrator, on demand, such documents, accounts, estimates, returns, reports or any other information as may be called for by the Administrator pertaining to provisioning of augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands as agreed under this Agreement.

2.7 SUSPENSIONS, REVOCATION OR TERMINATION OF AGREEMENT

2.7.1 The Administrator may, without prejudice to any other remedy available for the breach of any conditions of Agreement, by a written notice of 90 calendar days issued to the BSNL at its registered office, terminate the Agreement under any of the following circumstances:

- a) Failure to perform any obligation(s) under the Agreement;
- b) Failing to rectify, within the time prescribed, any defect as may be pointed out by the Administrator.

2.7.2 The Agreement shall stand terminated forthwith in case the BSNL goes into liquidation or is ordered to be wound up.

2.7.3 Wherever considered appropriate, Administrator may conduct an inquiry to determine whether there has been any breach in compliance of the terms and conditions of the Agreement by the BSNL and upon such inquiry, the BSNL shall extend all reasonable facilities and shall endeavor to remove the hindrance of every type.

2.7.4 It shall be the responsibility of BSNL to maintain the Quality of Service as per conditions of the Agreement during the period of notice for termination of Agreement failing which penalty shall be imposed.

2.8 ACTIONS PURSUANT TO TERMINATION OF AGREEMENT

2.8.1 If it is found that the BSNL had received any payment in excess of the amounts under the Agreement prior to termination, then such amount shall be paid back immediately on demand by the BSNL to the Administrator. Any amount due from the BSNL under this agreement, without prejudice to any other mode of recovery, may be recovered as arrears of land revenue.

2.9 DISPUTE SETTLEMENT

2.9.1 Except otherwise provided in this Agreement in the event of any question or interpretation of any clause, dispute or difference or to any other claim, right, matter or thing whatsoever in any way arising out or relating to this agreement whether arose during the progress of the work or after the cancellation, termination, completion or abandonment thereof shall be settled by the parties amicably through negotiation within a period of 30 days of the notice by other party, failing which, the dispute shall be referred to the sole arbitrator appointed by the Secretary, Department of Telecommunications, Government of India. The arbitration shall be conducted in accordance with the provisions of the Arbitration & Conciliation Act, 1996 or any statutory modification of re-enactment thereof and the rules made there under and for the time being in force shall apply to the arbitration proceedings. The arbitrator shall adjudicate on only such disputes as are referred to him by the appointing authority and give separate award against each dispute and claim referred to him and shall give reasons for the award. The fee payable to arbitrator shall be paid equally by both the parties.

2.9.2 The venue of the arbitration proceeding shall be New Delhi.

2.9.3 Notwithstanding any dispute or claim of the pendency of any arbitration or other proceedings, BSNL shall continue to provide the service for the whole duration of the Agreement.

2.10 SET OFF CLAUSE

2.10.1 In the event any sum of money or claim becomes recoverable from or payable by the BSNL to the Administrator either against the Agreement or otherwise in any manner, such money or claim can (without restricting any right of set off for counter claim given or implied by law) be deducted or adjusted against any amount or sum of money then due or which at any time thereafter may become due to the BSNL under this Agreement or any other Agreement or Contract between the Administrator/ Department Of Telecommunications, Govt. of India and the BSNL.

2.10.2 The aforesaid sum of money payable by the BSNL shall include any valuable security convertible into money.

2.10.3 After exercising the right of set off, a notice shall always be given immediately by the Administrator to the BSNL.

2.11 OTHER OBLIGATIONS

2.11.1 The BSNL shall be bound by the terms and conditions of the Agreement as well as by such orders/directions/regulations of DoT/ TRAI from time to time and instructions as are issued by the Administrator.

2.11.2 The provisions of the Indian Telegraph Act, 1885 or the Indian Wireless Telegraphy Act, 1933 as amended or replaced, the Rules made and orders passed under these statutes, so far as applicable, shall be binding on the BSNL.

2.11.3 The BSNL represents and warrants to the Administrator that: -

2.11.3.1 It is duly organized and validly incorporated under the laws of India, and has full power and authority to execute and perform its obligations under this Agreement;

2.11.3.2 It has taken all necessary corporate and other actions under applicable laws to authorize the execution and delivery of this Agreement and to validly exercise its rights and perform its obligations under this Agreement;

2.11.3.3 It has the financial standing and capacity to undertake and perform the obligations in accordance with this Agreement;

2.11.3.4 This Agreement constitutes its legally valid and binding obligation, enforceable against it in accordance with the terms hereof, and its obligations under this Agreement will be legally valid, binding and enforceable obligations under it in accordance with the terms hereof;

2.11.3.5 The execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by, any of the terms of its memorandum and Articles of Association or any Applicable law or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected.

SECTION – III: TECHNICAL CONDITIONS

- 3.1** The BSNL confirms that it has worked within the framework of the Technical conditions of the BSO/UMTS/UASL/NLDO/UL License Agreement as the case may be.
- 3.2** The requirements specified herein are the minimum requirements to be complied. BSNLs may deploy equipment to support enhanced capabilities and advanced services.
- 3.3** The BSNL shall abide by the existing land laws, labour laws, local customs and the best of prevalent latest practices in the Industry.
- 3.4** Administrator, USOF shall not be responsible for any breach of such Act(s)/ Law(s) by the executing entities for whatsoever may be the reason.

3.5 Technical Solution:

- 3.5.1 BSNL shall be solely responsible for procurement, installation, testing, commissioning, operation and maintenance of satellite links used for augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands as per DPR at specified site locations by installing modems, convertors, LNA, HPA, Antenna, combiner & Associated civil and electrical works required to provide satellite, links etc.

3.6 QUALITY OF SERVICE PARAMETERS

- 3.6.1 The Quality of Service Parameters for BTSs as prescribed by TRAI shall be applicable
- 3.6.2 The BSNL shall ensure provision of reliable services to the customers as per the Quality of Service (QoS) prescribed by the TRAI from time to time. The BSNL shall adhere to such QoS standards and provide timely information as required therein.
- 3.6.3 The Administrator or TRAI may carry out performance tests either directly themselves or through Designated Monitoring Agency and also evaluate the QoS parameters at any time during the tenure of the Agreement. The BSNL shall provide ingress and other support including documents, instruments, equipment etc. for carrying out such performance tests and evaluation of Quality of Service parameters.
- 3.6.4 The BSNL shall be responsive to the complaints lodged by the customers. They shall rectify the deficiencies and maintain the history sheets for each installation, statistics and analysis on the overall maintenance status.
- 3.6.5 Proper arrangement should be made by the BSNLs for reporting/ booking service related complaints.

3.7 Quality Assurance:

- 3.7.1 It shall be the responsibility of BSNL to ensure that TSEC / Validation /Quality Assurance Testing/ Acceptance Testing are conducted as per Tender Requirements specified by BSNL.
- 3.7.2 It shall be the responsibility of BSNL to ensure compliance to QoS requirements.

SECTION –IV: OPERATING CONDITIONS

4.1 CUSTOMER SERVICE

The terms and conditions of the, NLDO or BSO or CMTS or UASL or UL License Agreement and any future evolution of licenses from time to time, as applicable, shall prevail and shall be binding *mutatis mutandis*. The same shall also be applicable in case of migration to or award of new license in lieu of the ILN/NLDO/BSO/ CMTS/ UASL/UL license.

4.2 RIGHT TO INSPECT, TEST AND MONITORING

4.2.1 The Administrator or his authorized representative shall have the right to inspect the equipment installed by the BSNLs at Sites so created for augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands in particular but not limited to, access to backhaul, terminating interfaces, distribution frames etc. and conduct the service performance tests. The BSNL will provide the necessary facilities at own cost for monitoring of the system, as required by the Administrator or its authorized representative(s). The Inspection will ordinarily be carried out after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

4.2.2 Wherever considered appropriate Administrator may conduct any inquiry either *suo-motu* or on a complaint, to determine whether there has been any breach in compliance of terms & conditions of the Agreement by the BSNL, and during such inquiry the BSNL shall extend all reasonable facilities without any hindrance.

4.3 UPGRADATION OF EQUIPMENT

The BSNL may upgrade the existing equipment by installing new equipment, if required, during the validity of the Agreement provided it meets all other performance parameters of Quality of Service.

4.4 ROLL OUT

4.4.1 BSNL has commissioned all the 10, 2G sites of Lakshadweep Expansion project as per letter no. MS/PLG/LAKSHADWEEP/DPR/2018-19/19 dated 15/10/2018.

4.4.2 BSNL confirms that roll out the augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands as per timeline mentioned in Annexure –A.

4.5 CONFIDENTIALITY OF INFORMATION

The terms and conditions as to confidentiality of information of the BTS system as the case may be, shall be binding *mutatis mutandis*.

4.6 PROHIBITION OF CERTAIN ACTIVITIES BY THE UNIVERSAL SERVICE PROVIDER

The terms and conditions as to prohibition of certain activities of the UASL agreement, as the case may be, shall be binding *mutatis mutandis*.

4.7 SECURITY CONDITIONS

4.7.1 The terms and conditions as to security conditions of the UASL or UL Agreement, as the case may be, shall be binding *mutatis mutandis*.

4.7.2 Mandatory Licensing requirements, policy guidelines, etc., with regards to security related concerns issued by the Government of India from time-to-time shall be strictly followed.

4.7.3 If the entity is found indulging in acts inimical to India's national security, the agreement is liable to be terminated and matter will be reported to concerned authorities for suitable legal/criminal action.

SECTION – V: COMMERCIAL CONDITIONS

5.1 The BSNL confirms that it has carried out augmentation of 2G mobile connectivity by 10 BTSs in Lakshadweep Islands by performing the following activities:

5.1.1 Procurement, installation, testing, commissioning, operation and maintenance of the 2G mobile connectivity by 10 BTSs in Lakshadweep Islands and other necessary equipment in accordance as per DPR and subsequent clarification and modifications as agreed. Associated civil and electrical works required to install the said equipment has also been carried out by BSNL as provisioned in DPR.

5.1.2 The BSNL shall be solely responsible for installation, operation and maintenance of necessary equipment and systems, provision of services to the customers, treatment of subscriber complaints and attending to claims and damages arising out of his operations.

5.2 Inspection, Testing and Monitoring

5.2.1 The Administrator or his representative or the agencies authorized (Hereinafter referred to as the Designated Monitoring Agency) shall have the right to inspect and test the equipment installed for provision of augmented BTS system as per prescribed test schedules for their conformity for provision of augmentation of satellite bandwidth.

5.2.2 Should any inspected or tested components/link fail to conform to the specifications, the Administrator may reject them and the BSNL shall either replace the rejected components or make all alterations necessary to meet specification/ requirements free of cost to the Administrator.

5.2.3 If any equipment or any part thereof is found defective or fails to fulfill the requirements of the Agreement, the Designated Monitoring Agency shall give notice to the BSNL setting forth details of such defects or failure and the BSNL shall at their own cost make the defective equipment good, or alter the same to make it comply with the requirements of the Agreement forthwith and in any case within a period not exceeding one month of the initial report. These replacements shall be made by the BSNL free of all charges at site.

5.2.4 Nothing in Clause 5.2 shall in any way release the BSNL from other obligations under this contract.

5.3 CHANGES IN AGREEMENT SIGNED

5.3.1 The Administrator & BSNL may, at any time, by a mutual consent, make changes within the general scope of the Agreement, subject to the condition that such changes will not have any financial implications.

- a. Drawings, designs or specifications of the scheme
- b. Location of BTS in Lakshadweep Islands.

SECTION – VI: FINANCIAL CONDITIONS

6.1 SUBSIDY FROM UNIVERSAL SERVICE OBLIGATION FUND

6.1.1 Funding from USOF shall be limited to the Capital Expenditure (CAPEX) approved by DoT/USOF

6.1.2 BSNL shall submit claim linked to segment and various stages of milestones, along with the physical and financial progress report and other supporting documents in prescribed affidavit format (Annexure-I), as per the following disbursement schedule:

S. No	Payment Stages	Payment Milestone	Physical Progress	Documentary Evidence
1	2	3	4	5
1	CAPEX Subsidy (1st Instalment)	90% of Approved Cost	On completion of 100% work subject to documentary evidence as given in Col. No. 5	<p>1. Signed copy of agreement.</p> <p>2. Subsidy claim statement as per prescribed Affidavit Proforma (Annexure-I) on a stamp paper which should be dully signed by the Authorized signatory of the company duly authorized by a Board Resolution of the Company. The claim for subsidy shall be accompanied by a pre-receipted bill with revenue stamp.</p> <p>4. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of approved cost link-wise as per approved DPR.</p> <p>5. Utilization certificate of services being utilized through BTS.</p>

S. No	Payment Stages	Payment Milestone	Physical Progress	Documentary Evidence
				<p>6. BTSs wise work done certificates as applicable and its augmentation with EDGE technology as per details given in Annexure-A1.</p> <p>7. Acceptance Testing Report duly signed by authorized signatory of BSNL.</p> <p>8. Commissioning certificate Report signed by authorized signatory of BSNL.</p>
2	CAPEX Subsidy (2nd Instalment)	10 % of Approved cost	On submission of documentary evidence as given in Col No. 5	<p>1. Social Impact Assessment Report by CCA/USOF.</p> <p>2. Physical Verification Report of created infrastructure by CCA.</p> <p>3. Quarterly statements duly certified by the auditors of the USP.</p>

6.2 Release of fund:

- a) The funding towards Capex shall be disbursed by the Controller of Communication Accounts Office, Kerala, the Designated Monitoring Agency, in accordance with the aforesaid schedule and other provisions of the Agreement. Any advance payment shall be adjusted against the next instalment.
- b) The claim in the prescribed format along with the supporting documents should be submitted, at the office of Controller of Communication Accounts Office within one month of signing of the agreement. Condonation of delay for claims received after this date may be considered by CCAs under exceptional circumstances as per prevailing instructions.
- c) The claims of BSNL would be said to be settled only after adjustment & recovery of any pending LD, penalties, outstanding dues, etc. as per the Agreement or recovery of inadmissible/excess funding as ascertained on the basis of scrutiny, sample physical verification conducted by CCA office to authenticate the claims during the Agreement period, as per instructions issued thereunder or as per the report of the IMA.




- 6.3 Annual Audit:** The aforesaid claim statements for each financial year shall be required to be audited by the auditors of BSNL appointed under Section 139 or any other relevant section of the Companies Act, 2013. The report of the Auditors should be in the prescribed form given in Annexure-II to be filed with the designated Controller of Communication Account Offices within 7 (seven) calendar days of the date of signing the audit report but not later than 30th September of the following year.
- 6.4** The funding for the instalment shall be paid after making adjustments, if any, for the payments made in the previous instalment(s).
- 6.5** Final adjustment, if any in respect of excess or shortage in the disbursed amount shall be made in the following year based on the statements duly certified by BSNL.
- 6.6** In case BSNL is found to have claimed and received in excess of 10% of the amount due to them, the entire amount in excess shall be recovered along with an interest from the date of disbursement at the prime lending rate (PLR) of State Bank of India prevalent on the day the disbursement was made. 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 (Month for this purpose shall be taken as an English calendar month). No further funding shall be disbursed until final adjustment of the excess payment.
- 6.7** No interest shall be payable for any short/late payment made to BSNL by the Administrator USOF or concerned Controller of Communication Accounts Office.
- 6.8** The guidelines regarding inspection of sites and verification of claims regarding the project will be communicated separately.
- 6.9** All the relevant records, systems, relevant NOC (Network Operation Centre)/ Network Management System (NMS) data, logbooks, books of accounts of BSNL shall be subject to such scrutiny & examination as may be prescribed by the Administrator so as to facilitate independent verification of the claims and disbursed/paid amount.
- 6.10** Administrator, USOF reserves the right to issue instructions, prescribe procedures, formats and certificates with respect to physical and financial progress of the project, financial reports for reconciliation and verification. Depending on the stage of completion of the project and requirements, the same may be prescribed which has to be furnished by BSNL.
- 6.11** In order to ensure proper utilization of funds released and verification thereof, the Administrator can issue instructions/directions & even modify, alter, or substitute and amend, if deemed necessary, whatever is stated herein.
- 6.12** Bank Guarantees: Performance Bank Guarantee (PBG) is not required from BSNL so long as BSNL continues to be wholly owned by the Government of India.



6.13 Maintenance and Supply of Records:

- a) The Administrator shall have the right to call for and BSNL shall be obliged to maintain, supply and provide for examination the relevant NOC (Network Operation Centre) data, books of accounts, measurement books, log books and any record(s) relating to provision of 10 NOS. OF 2G MOBILE BTSs WITH EDGE TECHNOLOGY IN LAKSHADWEEP ISLANDS.
- b) BSNL shall invariably preserve all accounting records and other records (electronic as well as hard copy) for a period of three years from the date of publishing of duly audited and approved accounts of the company. Any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give cause for cancellation of the Agreement.
- c) The relevant records of BSNL shall be subject to such scrutiny as may be prescribed by the Administrator so as to facilitate independent verification of the amount due to BSNL.





SECTION – VII: INTERPRETATION OF TERMS/ DEFINITIONS

Unless the context otherwise requires, the different terms and expressions used shall have the meaning assigned to them in the following paragraphs:

- 7.1 **ADMINISTRATOR** means the Administrator, Universal Service Obligation Fund in the Department of Telecommunications under Ministry of Communications
- 7.2 **CAPITAL EXPENDITURE** means all items of expenditure incurred for survey, design, implementation and commissioning of mobile towers along with associated equipments for the provision of deliverables under the agreement.
- 7.3 **EFFECTIVE DATE** is the date on which this Agreement comes into effect.
- 7.4 **LICENCE** means a License granted or having effect as if granted under the Section-4 of the Indian Telegraph Act, 1885 and the Indian Wireless Act, 1933.
- 7.5 **LICENSEE** means a registered Indian Company that has been awarded License to provide the service (CMTS and or Unified Access Service and/or Unified License), within the geographical boundaries of the specified Service Area.
- 7.6 **PROJECT** means survey, design, installation and commissioning & continued provision of mobile service with applicable Quality of Service norm, from the mobile sites under this agreement.
- 7.7 **QUALITY OF SERVICE (QoS)** is evaluated on the basis of observable measure on the grade of service or the response time and also includes acceptable grade of number of faults per unit population of the subscriber served, the mean time to restore (MTTR), faults carried over beyond the MTTR and the satisfactory disposal thereof, as may be laid down by the Regulatory Authority.
- 7.8 **SCHEME** means provision of mobile service with applicable Quality of Service norm, from the mobile sites under this agreement.
- 7.9 **SERVICE AREA** means the territorial jurisdiction as specified under the CMTS or UASL Service License or Unified license except the areas that may be notified to be excluded from time to time.
- 7.10 **SUBSIDY from Universal Service Obligation Fund (USOF)** means the disbursements from USOF towards meeting the universal service obligations in terms of the Agreement.
- 7.11 **TRAI** means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.
- 7.12 **UNIVERSAL SERVICE PROVIDER (BSNL)** means such entities like CMTS/ UASL/ NLD Licensees, which have entered into an Agreement with the Administrator for provision of specified Universal Service.
- 7.13 **USO** means Universal Service Obligation as enunciated in the **Indian Telegraph (Amendment) Act, 2003**, the **Indian Telegraph (Amendment) Act, 2006** and the Rules framed there under.
- 7.14 **USO FUND** means the fund established under the **Indian Telegraph (Amendment) Act, 2003**.

**Timelines for 2G mobile connectivity by 10 BTSs augmentation in
in Lakshadweep Islands in accordance with the decision taken by
Telecom Commission in the meeting held on 14.12.2016**

Sl. No.	2G mobile service with EDGE Technology	Time Lines
1	10 nos.	Work has already been completed during May-June 2018 as per letter of BSNL dated 15.10.2018.

[Handwritten mark]

[Handwritten signature]

**AFFIDAVIT AND FORMAT OF STATEMENT FOR SUBSIDY CLAIM FOR
AFFIDAVIT (ON STAMP PAPER)**

1. I, _____ - aged about _____ year's son of _____ resident of _____ do solemnly affirm and state as under:
2. That _____ I _____ am _____ (Name of the Company) and I am duly authorized by the resolution dated _____ passed by Board of Directors of the Company to furnish affidavit on behalf of **Bharat Sanchar Nigam Limited**(Name of the Company).
3. That a claim of Rs. _____ (In words) is being made for the period _____ (date)for expenditure incurred/ to be incurred(only while claiming mobilization advance) by BSNL for the purpose of augmentation of 2G mobile connectivity with Edge Technology in Lakshadweep Islands in accordance with the deliverables under clause 2.3 of Section II of the Agreement.
4. That the claim pertains to the augmentation of 2G mobile connectivity with Edge Technology in Lakshadweep Islands as per DPR and subsequent clarifications & **Annexure A** (POs/APOs / BTSs-wise work-done certificates as applicable)
5. That excess payment or shortage, if any, in the subsidy received shall be adjusted/recovered based on the statements duly certified by the Auditors of the Company and scrutiny as prescribed by the Administrator.
6. That the subsidy for 2G mobile connectivity with Edge Technology in Lakshadweep Islands has not been claimed under any other MOU/ Agreement entered into with the Administrator for the same Service Area.
7. That the cumulative release of funds as CAPEX related USO subsidy support, made so far including this claim is within the overall approved project cost.

Deponent

VERIFICATION

Verified at **New Delhi** on _____ (date), that the contents of para 1 to 7 above of the affidavit are true and correct to the best of my knowledge, no part of it is false and nothing has been concealed there from.

Deponent

Format at Auditor's Report on Statement of Subsidy from USOF
(To be submitted along with Final Claim)

To

The Board of Directors

We have examined the attached Statements(s) of claims of BSNL for subsidy support from USO Fund for the period ending _____. We understand that the aforesaid statement(s) is/are to be furnished to the Central Government for assessment of the subsidy payable to BSNL by the Government, as per the **Agreement issued vide letter number** _____ dated _____ for Subsidy Disbursement for augmentation of 2G mobile connectivity with Edge Technology in Lakshadweep Islands.

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 purposes of our audit.
2. In our opinion and to the best of our knowledge and belief and according to the explanations given to us, the Statements have been prepared in accordance with the conditions contained in the said MOU and clarification thereon in this behalf and gives a true and fair view of the subsidy claimed for the period computed on the basis of the aforesaid conditions.

(NAME AND SIGNATURE WITH COMPANY'S SEAL)



Form of Utilization Certificate

Agreement No. _____

Name of Circle: Kerala Telecom Circle

Sl. No.	USOF Subsidy installments	Sanction letter no.	Amount
1	90% of Approved Cost		
2	10% of Approved Cost/ Remaining Actual Cost		
3			
4			

1. I certify that a sum of Rs. _____ Cr. for CAPEX related subsidy was received for the Kerala Telecom Circle, as per details given above.
2. It is also certified that out of the above mentioned total funds of Rs. _____ Cr. a sum of Rs. _____ Cr. only has been utilized for the purpose for which it was sanctioned. It is further certified that the unspent balance of Rs. **NIL** only was remaining as on _____ (date).
3. Certified that I have satisfied myself that the terms & conditions of the Agreement no. _____ have been duly fulfilled/are being fulfilled for which USOF subsidy was sanctioned and I have exercised the following checks to see that the money has been actually utilized for the purpose for which it was sanctioned.
 - i) BSNL's statement of accounts w.e.f. _____ (Date) have been duly audited and are enclosed/ would be submitted in final claim / would be forwarded by(specify the date) in accordance to provision 6.3 of Section VI of the Agreement.
 - ii) It has been ensured that the deliverables and contractual obligations has been according to the requirements as per the Agreement.
4. The utilization of the aforesaid funds has resulted in following outputs:-
 - i) Additional 2 G BTSs : 10 nos.
5. Certificate that the deliverables assigned under the project as per clause 2.3 of Section II of the Agreement has been satisfactorily completed. *(This clause certifying the project completion to be inserted in the UC form, while claiming last installment of subsidy).*

(P. K. Pandey)
Authority Signatory,
(As approved by BSNL Board,
(Stamp to be affixed

Annexure-A1

Work done certificate for subsidy claim for Provision of 10 NOS. OF 2G MOBILE BTSs WITH EDGE TECHNOLOGY IN LAKSHADWEEP ISLANDS

Agreement No. dated

1. I,agedabout.....years,sonof Shri.....resident ofdo solemnly affirm and state as under:
2. That, I amof BSNL and I am duly authorized by the Management committee of the BSNL Board dated..... to furnish Work Done Certificate on behalf of BSNL.
3. That the equipment has been procured through tendering process and installed, tested and commissioned for Provision of 10 NOS. OF 2G MOBILE BTSs WITH EDGE TECHNOLOGY.....IN LAKSHADWEEP ISLANDS as per the approved DPR and the Agreement and the modifications issued thereunder.
4. That the deliverables as per the provisions of the Agreement and the modifications issued thereunder has been satisfactorily completed.
5. That the BTS..... has been commissioned on
6. That a claim of Rs. (Rupees.....) being the subsidy for the approved capital expenditure cost and incurred by BSNL towards the Provision of 10 NOS. OF 2G MOBILE BTSs WITH EDGE TECHNOLOGY IN LAKSHADWEEP ISLANDS.
7. That no reused equipment or telecom infrastructure has been deployed or installed for which, the capital expenditure subsidy is being claimed as stated in Para 5 above.
8. That excess payment or shortage, if any, in the subsidy received shall be adjusted/recovered based on the statements duly certified by the Auditors of the company and scrutiny/verification as prescribed by Administrator, USOF.
9. That the subsidy for augmentation of the BTS has not been claimed under any other MoU/Agreement entered into with the Administrator, USOF.
10. This is issued with the approval of the competent authority.

Name
Authorized Signatory,
(As approved by BSNL Board)
(Stamp to be affixed)

VERIFICATION

Verified at on....., that the contents of Para 1 to 10 above of the certificate are true and correct to the best of my knowledge, no part of it is false and nothing has been concealed there from.

Name
Authorized Signatory,
(As approved by BSNL Board)
(Stamp to be affixed)

