

F. No. 30-174-2/2014-BB-USOF (Vol. II)
Government of India
Ministry of Communications
Department of Telecommunications
Universal Service Obligation Fund
Sanchar Bhawan, 20, Ashoka Road, New Delhi

Dated 17.07.2018

Shri Anupam Srivastava
Chairman & Managing Director,
Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan
Harish Chandra Mathur Lane
Janpath, New Delhi-110001

Subject: Augmentation of Satellite bandwidth by BSNL for Andaman & Nicobar Islands – Regarding withdrawal of revised MoU signed on 28.03.2017 and modifications/ additions in the MoU signed on 29.12.2015

Reference is invited to letter No. 100-21(1)(1)/2014-TPL(R)/DPR/127 dated 28.03.2017 from PGM (Radio) BSNL regarding signing of revised MoU between USOF and BSNL for augmentation of satellite bandwidth in Andaman & Nicobar Islands.

2. MoU No. 30-174-2/2014-BB-USOF was signed between USOF and BSNL on 29.12.2015 for subsidy disbursement towards CAPEX for satellite bandwidth augmentation in Andaman & Nicobar Islands. As BSNL failed to furnish the tender discovered total CAPEX for the project in accordance with the MoU provisions, modification of the MoU was approved in exercise of power conferred under clause 11 of the MoU dated 29.12.2015.
3. With the approval of the Administrator USOF, revised MoU No. 30-174-2/2014-BB-USOF (Vol. II) was signed between USOF and BSNL on 28.03.2017. I have been directed to convey the approval of Administrator USOF to treat the Revised MoU No. 30-174-2/2014-BB-USOF (Vol. II) signed between USOF and BSNL on 28.03.2017 for augmentation of satellite bandwidth in Andaman & Nicobar Islands **as withdrawn.**
4. The undersigned has been further directed to convey the approval of the Administrator, USO Fund to modify following clauses of the MoU No. 30-174-2/2014-BB-USOF dated 29.12.2015 signed between USOF and BSNL and addition of new clauses, in exercise of powers conferred **under clause 11 of the MoU dated 29.12.2015**, as below:

Existing Condition	Modified Condition
3.1 BSNL shall upgrade satellite bandwidth from 260 Mbps to 1 Gbps as per details given in the Annexure-A.	3.1 BSNL shall upgrade satellite bandwidth from 260 Mbps to 1 Gbps in accordance with the Report of Recommendations of the Technical Group, constituted for vetting of Technical Requirements and Detailed

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<p>3.5 BSNL shall submit monthly report to Administrator about the progress of the work.</p> <p>4.1 An amount of Rs. 8.098 Crore will be paid as mobilization advance, adjusted against total CAPEX subsidy payable, for preparatory activities and would be released within 4 weeks of signing of the MoU. Further subsidy payments shall be released on the basis of the total CAPEX subsidy payable, ascertained via competitive tendering and duly approved, for augmentation of satellite connectivity in Andaman & Nicobar to 1 Gbps, as per the timeline enclosed at Annexure-A.</p> <p>5.5 The claim for subsidy shall be accompanied by a pre-receipted bill with revenue stamp. Disbursement of subsidy shall be by cheque, through the Office of the Administrator or any other designated Authority. The Administrator shall pay the subsidy after making adjustments, if any.</p> <p>5.6 The aforesaid Statements shall be required to be audited by the Auditors of BSNL appointed under Section 224 of the Companies' Act, 1956. The report of the Auditors should be in the prescribed form given in Annexure-II to be filed with the Administrator or designated authority along with the claims.</p>	<p>Cost Estimates for augmentation of satellite system for Andaman & Nicobar Islands as per the timelines given in Annexure-A.</p> <p>3.5 BSNL shall submit monthly report to Administrator and its Designated Monitoring Agency (DMA) viz. Controller of Communication office (CCA), Tamil Nadu about the progress of the work.</p> <p>4.1 An amount of Rs. 8.098 Crore will be paid as mobilization advance, adjusted against total CAPEX subsidy payable, for preparatory activities and would be released within 4 weeks of signing of the MoU.</p> <p>5.5 The claim for subsidy shall be accompanied by a pre-receipted bill with revenue stamp. Disbursement of subsidy shall be by cheque, through the Office of the Administrator or designated Authority viz. CCA Tamil Nadu. The Administrator shall pay the subsidy after making adjustments, if any.</p> <p>5.6 The aforesaid Statements shall be required to be audited by the Auditors of BSNL appointed under Section 139 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 Administrator or designated Authority viz. CCA Tamil Nadu within 7 Calendar days of the date of signing of the Audit</p>
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<p>5.8 The records and the facilities/ commissioned sites, of BSNL shall be subject to such scrutiny and inspection, as may be prescribed and directed by the Administrator, so as to facilitate the verification of the subsidy claimed and paid to BSNL under the MoU.</p>	<p>report but not later than 30th September of the following year.</p> <p>5.8 The records and the facilities/ commissioned sites, of BSNL shall be subject to such scrutiny and inspection/ test of the satellite bandwidth augmentation, as may be prescribed and directed by the Administrator through Designated Monitoring Agency (DMA) and/or LSA of DoT, so as to facilitate the verification of the deployment of equipment and commissioning of the links/ augmented bandwidth as per the approved DPR. Further CCA, Tamil Nadu as DMA would undertake the following responsibilities-</p> <p>A. For ensuring compliance of the terms & conditions of the MoU & for reconciling the physical progress with subsidy claimed/ released under the MoU.</p> <p>B. Settlement of subsidy claims of BSNL under the project, which is not disbursed centrally, and recovery and adjustments, if any, based on any scrutiny/ inspection/ physical verification carried out by USOF.</p> <p>C. Post-disbursement, Physical verification of the infrastructure/ sites for validation/ authentication of the subsidy claimed/ released.</p>
<p>10. This MoU will be valid for a period of ONE year from the date of signing.</p>	<p>10. This MoU will be valid for a period of THREE years from the date of signing.</p>

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II) **New clauses added:**

5.10 BSNL shall submit the details of the satellite links commissioned and the bandwidth augmented."

5. The revised approved DPR is enclosed.

6. All other terms and conditions of the aforesaid Agreement shall remain unchanged.

7. It is requested to convey your acceptance for the same immediately.

This issues with the approval of Administrator USOF.

Encl.: As above.

Burde
17/7/18
(Vilas Burde)
Director (VSB), USOF

Copy to:

1. Jt. Administrator (F) USOF.
2. Shri P. K. Pandey, PGM (Radio), BSNL Corporate Office, New Delhi.

Copy for kind information to:

Administrator USOF

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F. No. 30-174-2/2014-BB-USOF (Vol. II)
Government of India
Ministry of Communications
Department of Telecommunications
Universal Service Obligation Fund
Sanchar Bhawan, 20, Ashoka Road, New Delhi

Dated: 20/11/2018

Shri Anupam Srivastava
Chairman & Managing Director,
Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan
Harish Chandra Mathur Lane
Janpath, New Delhi-110001

Subject: Augmentation of satellite bandwidth from 1 Gbps to 2 Gbps in Andaman & Nicobar Islands under Comprehensive Telecom Development Plan -reg.

The under signed has been directed to convey the approval of the Administrator, USO Fund for modifications/additions in the existing MoU dated 29/12/2015, signed between USOF and BSNL for satellite bandwidth from 260 Mbps to 1 Gbps, for implementation of Augmentation of satellite bandwidth from 1 Gbps to 2 Gbps also in Andaman & Nicobar Islands, in exercise of powers conferred under clause 11, as below:

Existing Condition	Modified Condition
After the clause 3.5	New clause inserted as 3.6. BSNL shall upgrade satellite bandwidth from 1 Gbps to 2 Gbps in accordance with the Report of Recommendations of the Technical Group, constituted for vetting of Technical Requirements and Detailed Cost Estimates for augmentation of satellite system for Andaman & Nicobar Islands as per the timelines given in Annexure-A and details given in Annexure-B.
After the clause 3.6	New clause inserted as 3.7. BSNL shall submit monthly report to Administrator, USOF and its Designated Monitoring Agency (DMA) viz., Controller of Communication Accounts office (CCA), Tamil Nadu about the progress of the work.
After the clause 4.2	New clause inserted as 4.3. 10% of the estimated cost of Rs. 42.29 crore plus applicable taxes will be paid as mobilization advance, adjusted against total CAPEX subsidy payable, for preparatory activities and would be released within 4 weeks from issue of this addendum.

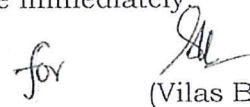


After the clause 5.10	Annexure 'X' & 'A' regarding subsidy from universal service obligation fund is enclosed.
10. This MoU will be valid for a period of THREE Years from the date of signing	This MoU will be valid for a period of FOUR years from the date of signing.

3. All other terms and conditions of the aforesaid Agreement shall remain unchanged.

4. It is requested to convey your acceptance for the same immediately.

Encl.: As above.


(Vilas Burde)
Director (VSB), USOF

Copy to:

1. Pr. CCA, Tamil Nadu for necessary action. A copy of the MoU dated 29/12/2015 along with addendum dated 17/07/2018 are also enclosed herewith.
2. Jt. Administrator (F) USOF.
3. Shri P. K. Pandey, PGM (Radio), BSNL Corporate Office, New Delhi.

Copy for kind information to: Administrator USOF.

Annexure-X

1 SUBSIDY FROM UNIVERSAL SERVICE OBLIGATION FUND

- 1.1 Funding from USOF shall be limited to the Capital Expenditure (CAPEX) approved by DoT/TC and actually incurred for the project in accordance with the approved DPR.
- 1.2 BSNL shall intimate the market discovered costs to USOF and subsequent to its approval, in case it exceeds the estimated amount, funding shall be done. In this regard, funding shall be on actuals.
- 1.3 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	Mobilization Advance	10% of the estimated cost of Rs. 42.29 crore plus applicable taxes.	Preparatory Activities	1. Receipt of valid claim
2	CAPEX Subsidy claim for Q1	20% of tender discovered CAPEX shall be claimed as subsidy by end of the quarter. (Payment made under S. No.1 shall be adjusted)	NA	1. 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. 2. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of tender discovered cost link-wise as per approved DPR. 3. Relevant POs & APOs 4. Utilization certificate(Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps. 5. Link wise commissioning certificate and the bandwidth augmented as per details given in Annexure-A1
3	CAPEX Subsidy claim for Q2	10% of tender discovered CAPEX shall be	Bandwidth augmentation at	1. 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

S. No.	Payment Stages	Payment Milestone	Physical Progress	Documentary Evidence
		claimed as subsidy by end of the quarter.	10% of total sites.	<p>subsidy shall be accompanied by a pre-receipted bill with revenue stamp.</p> <p>2. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of tender discovered cost link-wise as per approved DPR.</p> <p>3. Relevant POs & APOs</p> <p>4. Utilization certificate(Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps.</p> <p>5. Link wise commissioning certificate and the bandwidth augmented as per details given in Annexure-A1</p>
4	CAPEX Subsidy claim for Q3	10% of tender discovered CAPEX shall be claimed as subsidy by end of the quarter.	Bandwidth augmentation at 20% of total sites.	<p>1. 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>2. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of tender discovered cost link-wise as per approved DPR.</p> <p>3. Relevant POs & APOs</p> <p>4. Utilization certificate(Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps.</p> <p>5. Link wise commissioning certificate and the bandwidth augmented as per details given in Annexure-A1</p>
5	CAPEX Subsidy claim for Q4	10% of tender discovered CAPEX shall be claimed as subsidy by end of the quarter.	Bandwidth augmentation at 30% of total sites.	<p>1. 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>2. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of tender discovered cost link-wise as per approved DPR.</p> <p>3. Relevant POs & APOs</p> <p>4. Utilization certificate(Annexure-III) of previously sanctioned fund against the total</p>

S. No.	Payment Stages	Payment Milestone	Physical Progress	Documentary Evidence
				CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps. 5. Link wise commissioning certificate and the bandwidth augmented as per details given in Annexure-A1
6	CAPEX Subsidy claim for Q5	10% of tender discovered CAPEX shall be claimed as subsidy by end of the quarter.	Bandwidth augmentation at 40% of total sites.	1. 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. 2. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of tender discovered cost link-wise as per approved DPR. 3. Relevant POs & APOs 4. Utilization certificate(Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps. 5. Link wise commissioning certificate and the bandwidth augmented as per details given in Annexure-A1
7	CAPEX Subsidy claim for Q6	15% of tender discovered CAPEX shall be claimed as subsidy by end of the quarter.	Bandwidth augmentation at 55% of total sites.	1. 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. 2. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of tender discovered cost link-wise as per approved DPR. 3. Relevant POs & APOs 4. Utilization certificate(Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps. 5. Link wise commissioning certificate and the bandwidth augmented as per details given in Annexure-A1
8	CAPEX Subsidy claim for Q7.	15% of tender discovered CAPEX shall be	Bandwidth augmentation at	1. 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

S. No.	Payment Stages	Payment Milestone	Physical Progress	Documentary Evidence
		claimed as subsidy by end of the quarter.	75% of total sites.	<p>subsidy shall be accompanied by a pre-receipted bill with revenue stamp.</p> <p>2. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of tender discovered cost link-wise as per approved DPR.</p> <p>3. Relevant POs & APOs</p> <p>4. Utilization certificate(Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps.</p> <p>5. Link wise commissioning certificate and the bandwidth augmented as per details given in Annexure-A1</p>
9	CAPEX Subsidy claim for Q8	10% of tender discovered CAPEX shall be claimed as subsidy by end of the quarter.	Bandwidth augmentation at 100% of total sites.	<p>1. 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>2. Work done certificate as per prescribed proforma (Annexure-A1) along with apportionment of tender discovered cost link-wise as per approved DPR.</p> <p>3. Relevant POs & APOs</p> <p>4. Utilization certificate(Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps.</p> <p>5. Link wise commissioning certificate and the bandwidth augmented as per details given in Annexure-A1</p>
10	Following year after project (augmentation of bandwidth from 1gbps to 2 Gbps)(Payment shall be made after adjustment of the Mobilization Advance & quarterly payments given to the BSNL)	Remaining amount/adjustment(If any)	NA	<p>1. Quarterly statements duly certified by the auditors of the USP</p>

2

Release of fund:

- a) The funding towards Capex shall be disbursed by the Controller of Communication Accounts Office, TamilNadu, the Designated Monitoring Agency, in accordance with the aforesaid schedule and other provisions of the Agreement, with each quarter ending on 30th June, 30th of September, 31st of December and 31st of March. Any advance payment shall be adjusted against the quarterly claim. The claim for a part of quarter will be computed with reference to the actual number of days in that quarter.
- 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 the end of the quarter. Condonation of delay for claims received after this date may be considered 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.

3

Annual Audit: The aforesaid quarterly 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.

4

The funding for a quarter shall be paid after making adjustments, if any, for the payments made in the previous quarter(s).

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 quarterly statements duly certified by BSNL.

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.

- 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.
- 8 The guidelines regarding inspection of sites and verification of claims regarding the project will be communicated separately.
- 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.
- 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.
- 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.
- 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.

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 Augmentation of Satellite Bandwidth from 1 Gbps to 2 Gbps in Andaman & Nicobar 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.

Annexure-A

Timelines for satellite bandwidth augmentation in
Andaman & Nicobar Islands in accordance with the decision taken by
Telecom Commission in the meeting held on 21.12.2017

Sl. No.	Cumulative Bandwidth	Time Lines
1	1 Gbps	April, 2018
2	1.5 Gbps	Sept, 2018
3	2 Gbps	December, 2018

Note: The targets are subject to timely provision of fund by DoT and other regulatory approvals.



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GOVT. OF INDIA/ भारत सरकार

Ministry of Communications/ संचार मंत्रालय

Department of Telecommunications/ दूरसंचार विभाग

Universal Service Obligation Fund/ सार्वभौमिक सेवा दायित्व निधि

Sanchar Bhawan, New Delhi - 110001

Ph. No. 011-23036712

www.usof.gov.in

email: dyadmnf.hq-dot@nic.in

F. No. 30-56/2017-USOF/BSNL Claim/Bandwidth Augmentation/ 98 102
Dated: 14/01/2019

Shri Anupam Srivastava
Chairman & Managing Director,
Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan,
Harish Chandra Mathur Lane,
Janpath, New Delhi-110001.

Subject: Augmentation of Satellite bandwidth by BSNL for Andaman & Nicobar Islands- Regarding modification/additions in the MoU signed on 29/12/2015.

Kindly refer to your letter No. 100-21(1)(6)/2017-TPL(R) dated 05/12/2018 on the above subject.

2. In continuation of this office letter No. 30-174-2/2014-BB-USOF (Vol.II) dated 20/11/2018, the under signed has been directed to convey the approval of the Administrator, USO Fund to modify following paras of the MoU No. 30-174-2/2014-BB-USOF dated 29/12/2015, signed between USOF and BSNL and addition of new clauses, in exercise of powers conferred **under clause 11 of the MoU dated 29/12/2015 in respect of augmentation of satellite bandwidth from 1 Gbps to 2 Gbps in Andaman & Nicobar Islands**, as below:

Existing Condition	Modified Condition
In respect of Annexure 'X' only, regarding subsidy from universal service obligation fund. (After the clause 5.10)	Annexure 'X-I' regarding Subsidy from Universal Service Obligation Fund.

3. All other terms and conditions of the aforesaid MoU shall remain unchanged.
4. It is requested to convey your acceptance for the same immediately.

This issues with the approval of the Administrator, USOF

Encl.: As above.

Ran:

(Ranvijay Singh)
Asstt. Administrator (F-II)

Copy to:

1. CCA, Tamil Nadu for necessary action.
2. DDG (III), USOF for necessary action.
3. Shri P. K. Pandey, PGM (Radio), BSNL Corporate Office, New Delhi.

Copy for kind information to: Administrator USOF.

1 SUBSIDY FROM UNIVERSAL SERVICE OBLIGATION FUND

- 1.1 Funding from USOF shall be limited to the Capital Expenditure (CAPEX) approved by DoT/TC and actually incurred for the project in accordance with the approved DPR.
- 1.2 BSNL shall intimate the market discovered costs to USOF and subsequent to its approval. Funding shall be on actuals.
- 1.3 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	Mobilization Advance	10% of the estimated cost of Rs. 42.29 crore plus applicable taxes.	Preparatory Activities	After signing of the MoU.
2	Subsidy claim (1 st Instalment)	50% of actual cost discovered through tender shall be claimed as subsidy in instalment. (Payment made under S. No.1 shall be adjusted at this stage)	On confirmation of material delivery	<ol style="list-style-type: none"> 1. 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. 2. Relevant POs/Work Orders for equipment and other item as per DPR, Receipt of Challan. 3. Utilization certificate (Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps. 4. Monthly progress report indicating the details of augmentation of Satellite Connectivity in Andaman & Nicobar Islands up to 2 Gbps as per details given in Annexure-A1
3	Subsidy claim (2 nd Instalment)	20% of actual cost discovered through tender shall be claimed as subsidy in instalment.	Bandwidth augmentation at 50% of total sites.	<ol style="list-style-type: none"> 1. 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. 2. Utilization certificate (Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps. 3. Monthly progress report indicating the details of augmentation of Satellite Connectivity in Andaman & Nicobar Islands up to 2 Gbps as per details given in Annexure-A1
4	Subsidy claim (3 rd Instalment)	20% of actual cost discovered through tender shall be claimed as subsidy in instalment.	Bandwidth augmentation at 100%.	<ol style="list-style-type: none"> 1. 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.

S. No	Payment Stages	Payment Milestone	Physical Progress	Documentary Evidence
				<p>2. Monthly progress report indicating the details of augmentation of Satellite Connectivity in Andaman & Nicobar Islands up to 2 Gbps as per details given in Annexure-A1</p> <p>3. Relevant challan for equipment & other items as per DPR.</p> <p>4. Utilization certificate (Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps.</p>
5	After Six months of completion of project (Payment shall be made after adjustment of instalment payments given to the BSNL)	Remaining 10% of actual cost discovered through tender shall be claimed post completion of the project and amount/ adjustment (If any)	NA	Quarterly statement duly certified by the Auditors of the USP.

2 Release of fund:

- a) The funding towards Capex shall be disbursed by the Controller of Communication Accounts Office, TamilNadu, the Designated Monitoring Agency, in accordance with the aforesaid schedule and other provisions of the MoU. 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 after receipt of the material/augmentation of bandwidth. Condonation of delay for claims received after this date may be considered 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 MoU 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 MoU period, as per instructions issued thereunder or as per the report of the IMA.

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.

4 The funding for the instalment shall be paid after making adjustments, if any, for the payments made in the previous instalment(s).

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 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.

- 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.
- 8 The guidelines regarding inspection of sites and verification of claims regarding the project will be communicated separately.
- 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.
- 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.
- 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.
- 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.
- 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 Augmentation of Satellite Bandwidth from 1 Gbps to 2 Gbps in Andaman & Nicobar 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 MoU.
 - 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.



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GOVT. OF INDIA/ भारत सरकार

Ministry of Communications/ संचार मंत्रालय

Department of Telecommunications/ दूरसंचार विभाग

Universal Service Obligation Fund/ सार्वभौमिक सेवा दायित्व निधि

Sanchar Bhawan, New Delhi - 110001

Ph. No. 011-23036712

www.usof.gov.in

email: dyadmnf.hq-dot@nic.in

F. No. 30-56/2017-USOF/BSNL Claim/Bandwidth Augmentation//2443-47

Dated: 17/05/2019

To

Shri Anupam Srivastava
Chairman & Managing Director,
Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan,
Harish Chandra Mathur Lane,
Janpath, New Delhi-110001.

Subject: Augmentation of Satellite bandwidth by BSNL for Andaman & Nicobar Islands- Regarding modification/additions in the MoU signed on 29/12/2015.

Kindly refer to your letter No. 100-21(1)(6)/2017-TPL (R) dated 07/03/2019 on the above subject.

2. In continuation of this office letter No. 30-56/2017-USOF/BSNL Claim/Bandwidth Augmentation dated 14/01/2019, the under signed has been directed to convey the approval of the Administrator, USO Fund to modify following paras of the MoU No. 30-174-2/2014-BB-USOF dated 29/12/2015, signed between USOF and BSNL and addition of new clauses, in exercise of powers conferred **under clause 11 of the MoU dated 29/12/2015 in respect of augmentation of satellite bandwidth from 1 Gbps to 2 Gbps in Andaman & Nicobar Islands**, as below:

Existing Condition	Modified Condition
In respect of Annexure 'X-I' only, regarding subsidy from universal service obligation fund. (After the clause 5.10)	Annexure 'X-II' regarding Subsidy from Universal Service Obligation Fund.

3. The amendments have been made with reference to acceptance dated 14/03/2019.

4. All other terms and conditions of the aforesaid MoU shall remain unchanged.

This issues with the approval of the Administrator, USOF

Encl.: As above.

Ran

(Ranvijay Singh)

Asstt. Administrator (F-II)

Copy to:

1. CCA, Tamil Nadu for necessary action.
2. DDG (H), USOF for necessary action.
3. Shri P. K. Pandey, PGM (Radio), BSNL Corporate Office, New Delhi.

Copy for kind information to: Sr. PPS to Administrator USOF.

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Annexure: X-II

1. SUBSIDY FROM UNIVERSAL SERVICE OBLIGATION FUND

- 1.1. Funding from USOF shall be limited to the Capital Expenditure (CAPEX) approved by DoT/TC and actually incurred for the project in accordance with the approved DPR.
- 1.2. BSNL shall intimate the market discovered costs to USOF and subsequent to its approval. Funding shall be on actuals.
- 1.3. 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	Mobilization Advance	10%* of the estimated cost of Rs. 42.29 crore plus applicable taxes.	Preparatory Activities	After issuance of Addendum
2	Subsidy claim (1 st Instalment)	50% of actual cost discovered through tender shall be claimed as subsidy in instalment. (*Payment made under S. No.1 shall be adjusted at this stage)	On confirmation of material delivery	<ol style="list-style-type: none">1. 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.2. Relevant POs/Work Orders for equipment and other item as per DPR.3. Utilization certificate (Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps.4. Monthly progress report indicating the details of augmentation of Satellite Connectivity in Andaman & Nicobar Islands up to 2 Gbps as per details given in Annexure-A1
3	Subsidy claim (2 nd Instalment)	40% of actual cost discovered through tender shall be claimed as subsidy in instalment.	Bandwidth augmentation at 50% of total sites.	<ol style="list-style-type: none">1. 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.2. Utilization certificate (Annexure-III) of previously sanctioned fund against the total CAPEX subsidy payable for augmentation of satellite connectivity in Andaman & Nicobar Islands to up to 2 Gbps.3. Monthly progress report indicating the details of augmentation of Satellite Connectivity in Andaman & Nicobar Islands up to 2 Gbps as per details given in Annexure-A1

S. No	Payment Stages	Payment Milestone	Physical Progress	Documentary Evidence
4	After Six months of completion of project (Payment shall be made after adjustment of instalment payments given to the BSNL)	Remaining 10% of actual cost discovered through tender shall be claimed post completion of the project and amount/ adjustment (If any)	NA	statement of claims duly certified by the Auditors of the USP.

2. Release of fund:

- a) The funding towards Capex shall be disbursed by the Controller of Communication Accounts Office, TamilNadu, the Designated Monitoring Agency, in accordance with the aforesaid schedule and other provisions of the MoU. 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, Tamil Nadu, **within one month from the date of issue of amendment to MoU for the links already commissioned. For remaining links, the claim is to be submitted within one month after receipt of the material/augmentation of bandwidth.** Condonation of delay for claims received after this date may be considered 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 MoU 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 MoU period, as per instructions issued thereunder or as per the report of the IMA.
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.
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