

AGREEMENT

BETWEEN

UNIVERSAL SERVICE OBLIGATION FUND

AND

M/s BHARAT SANCHAR NIGAM LIMITED

FOR

**Hiring/restoring of 10 Gbps International Bandwidth for
Internet connectivity to Agartala from BSCCL, Bangladesh**

No. 30-170-1/2020/Cox Bazar/USOF

DATED 18/08/2021

GOVERNMENT OF INDIA

MINISTRY OF COMMUNICATIONS

DEPARTMENT OF TELECOMMUNICATIONS

UNIVERSAL SERVICE OBLIGATION FUND (USOF)

20, ASHOKA ROAD, NEW DELHI-110 001, INDIA





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SECTION-I

AGREEMENT

**Government of India
Department of Telecommunications
Universal Service Obligation Fund
20, Ashoka Road, Sanchar Bhawan, New Delhi- 110001**

The President of India, acting through the Administrator, Universal Service Obligation Fund (USOF), who, for the purpose of this Agreement, is being represented by **Smt. Anshuli Arya, Administrator, USOF, Department of Telecommunications**, under Government of India and having its office on the 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 Party

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, Janpath, New Delhi, acting through **Sh. Pravin Kumar Purwar, CMD, BSNL**, the authorized signatory (hereinafter called the Universal Service Provider or “USP” which expression shall, unless repugnant to the context, include its successor in business, administrators, liquidators and assigns or legal representatives) of the Second Party.

Whereas the USP has requested vide their letter No. BSNLCO-ILD/13/(11)/1/2020-ILD dated 30.12.2020 and 21.01.2020, for financial support from USOF for hiring of 10 Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata and has also submitted Acceptance Letter No. BSNLCO-ILD/13/(11)/1/2020-ILD dated 15.03.2021 to the USOF, as per the minutes of the meeting issued vide USOF’s Letter No. 30-170-1/2020/CoxBazar/USOF dated 12.02.2021 and the Administrator, USOF agreed to enter into an Agreement with the USP for “Hiring/restoration of 10 Gbps International Bandwidth by the USP for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata, for

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providing the internet services on non-discriminatory basis to all users,” with financial support from USOF.

NOW THIS AGREEMENT WITNESSES AS FOLLOWS:

1. In consideration of the performance of all the terms and conditions mentioned in this Agreement on the part of the USP, the Administrator does enter into this Agreement on nomination basis with the USP for hiring/restoration of 10 Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata.

2. This Agreement will remain valid for 36 months (i.e. three years) from the effective date unless revoked earlier for any reasons whatsoever.

3. The USP hereby agrees and unequivocally undertakes to fully comply with all the terms and conditions stipulated in this Agreement without any deviation or reservation of any kind.

4. The effective date of this Agreement shall be from the actual date of hiring/ restoration of 10 Gbps International Bandwidth for Internet Connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata.

5. This Agreement is divided into six Sections. Apart from the present Section-1, other Section are as under:

- i) General Conditions
- ii) Technical Conditions
- iii) Operating Conditions
- iv) Financial Conditions
- v) Definitions

All the Sections and Annexures together form the Agreement.

6. **No Partnership**– Nothing in this Agreement shall be construed to constitute a partnership or agency between the Parties and the USP 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.



7. **No Employment** – Nothing in this Agreement shall constitute an offer or assurance of employment of any nature whatsoever to the USP or any person employed by or under him for this Agreement.

8. **Indemnify the Administrator**– The USP 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 USP or any of his officer, employee, agent or professional etc. while performing or purporting to perform this Agreement.

9. **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.

10. **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.

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IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed through their respective authorized representatives on the 18.08.2021.

Signed for and on behalf of President of India

Vaxena

(Vineet Saxena)

Principal General Manager (ILD)
Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan
H.C. Mathur Lane, Janpath
New Delhi – 110001

(विनीत सक्सेना)
(VINEET SAXENA)
प्रधान महामन्धक (आई.एल.डी.)
Principal General Manager(ILD)
भारत संचार निगम लि. निगमित कार्यालय, नई दिल्ली
B.S.N.L. Corporate Office, New Delhi

Gupta

(Arun Gupta)

Director (BB-II)
Universal Service Obligation Fund
Department of Telecommunications
Sanchar Bhawan, 20 Ashoka Road
New Delhi - 110001

(अरुण गुप्ता)
(ARUN GUPTA)
निदेशक (बी. बी.-II) यू.एस.ओ.एफ.
Director (BB-II) USOF
सुरसंचार विभाग, भारत सरकार
Dept. of Telecom, Govt. of India
नई दिल्ली/New Delhi

Witnesses:

Buddha Priya Rahul
(*Buddha Priya Rahul* 18/08/2021)
BUDDHA PRIYA RAHUL
DM(CILD&SP) BSNL CO
Bharat Sanchar Bhawan
Janpath, New Delhi

Sahil Garg
(*Sahil Garg* 18/08/2021)
SAHIL GARG
Deputy Admin (F)
USOF, DOT.

SECTION - II
GENERAL CONDITIONS

- 2.1** The Agreement shall be subject to the terms and conditions (including transfer, assignment or franchising) of Internet Service Provider (ISP) /Unified License (UL)/ILD License, as applicable.
- 2.2** The Universal Service Provider (USP) i.e. M/s Bharat Sanchar Nigam Limited shall be bound by the terms and conditions of the Agreement or any other instructions issued from time-to-time by the Administrator. The USP shall always be liable to perform the obligations under this Agreement for Provision of specified Services for which the Agreement has been entered into during the validity period of the Agreement.
- 2.3 Scope of the Agreement**
- 2.3.1** The USP shall hire/restore 10 Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata. The purpose for hiring this bandwidth is to resolve the issues pertaining to slow internet speed, high congestion and high latency of Internet Traffic in States of Northern Eastern Region (NER).
- 2.3.2** USP shall utilize the aforesaid 10 Gbps International bandwidth for providing internet services to all the users.
- 2.3.3** USOF shall provide financial support for hiring/restoration of 10 Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata, as per the Financial Conditions of the Agreement.
- 2.4 Deliverables**
- 2.4.1** The USP shall be solely responsible for supply, installation (including Associated civil and electrical works), Testing, Commissioning, Operation & Maintenance of hiring /restoration of 10 Gbps International Bandwidth within their network for improving internet speed and reducing latency & congestion of the Internet Traffic of all the users of the NER.

2.5 Timelines

2.5.1 USP shall hire/restore 10Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata deliver internet services within 90 days from the date of signing of this Agreement.

2.6 Duration of Agreement

2.6.1 The Agreement shall be valid for a period of 36 months (i.e. three years) from the effective date unless revoked earlier for reasons as specified elsewhere in the document.

2.7 Modifications in the Terms and Conditions of Agreement

2.7.1 The Administrator reserves the right to modify at any time the terms and conditions of the agreement, in consultation with the USP, if in the opinion of the Administrator, it is necessary or expedient to do so in the 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.

2.8 Requirement to furnish information

2.8.1 The USP shall furnish to the Administrator, on demand, such documents, accounts, estimates, returns, reports or other information as may be called for by the Administrator. The USP shall also submit information to TRAI as per any order or direction or regulation issued from time to time under the provisions of TRAI Act, 1997, as amended, modified or replaced from time to time.

2.9 Suspensions, Revocation or Termination of Agreement.

2.9.1 The Administrator reserves the right to suspend the operation of the Agreement in whole or in part, at any time, if, in the opinion of the Administrator, it is necessary or expedient to do so in the public interest or in the interest of the security of the State. However, the Administrator shall not be responsible for any damage, claim or loss, caused or arising out of such action. The suspension of the Agreement

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will not be a cause or ground for extension of the period of the Agreement and suspension period will be counted towards period spent under the validity of Agreement.

2.9.2 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 USP 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.
- c. Going into liquidation or is ordered to be wound up.

Provided that if the relevant ISP/ ILD/ Unified License of the USP, as applicable, is terminated, then this Agreement shall also be deemed to be terminated forth-with.

2.9.3 The Administrator reserves the right to revoke the Agreement at any time in public interest by giving a notice of 60 days, counted from the date of receipt of such notice.

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

2.9.5 It shall be the sole responsibility of the USP to maintain the Quality of Service (QoS) as per standards prescribed by TRAI/DoT, during the period of notice of termination of Agreement also.

2.10 Actions Pursuant to Termination of Agreement

2.10.1 In case of termination of the Agreement before the expiry period, if it is found that the USP 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 USP to the Administrator.

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2.11 Indemnity

2.11.1 The USP shall indemnify the Administrator in respect of any damages, claims, loss or action against Administrator for acts of commission or omission on the part of the USP, its agents or servants.

2.12 Dispute Settlement

2.12.1 In the event of any dispute or difference arising under the Agreement, or in connection thereof, except as to the matter, the decision of which is specifically provided elsewhere under the Agreement, the same shall be taken up by either party for resolution through AMRCD (Administrative Mechanism for Resolution of Commercial Disputes) as mentioned in DPE OM No. 4(1)/2013-DPE (GM)/FTS-1835 dated 22.05.2018, OM NO. 334774/DoLA/AMRD/2019 dated 31.03.2020 and/or any other instructions issued in this regard from time to time.

2.13 Force- Majeure

2.13.1 If at any time, during the continuance of the Agreement, the performance in whole or in part, by either party, of any obligation under this is prevented or delayed, by reason of war, or hostility, acts of the public enemy, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts (not limited to the establishments or facilities of the Universal Service Provider), fire, floods, natural calamities or any act of GOD (hereinafter referred to as EVENT), provided notice of happenings of any such EVENT is given by the affected party to the other, within 10 Calendar days from the date of occurrence thereof, neither party shall, by reason of such event, be entitled to terminate the Agreement, nor shall either party have any such claims for damages against the other, in respect of such non-performance or delay in performance. Provided SERVICE under the Agreement shall be resumed as soon as practicable, after such EVENT comes to an end or ceases to exist.

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2.13.2 The decision of the Administrator as to whether the service may be so resumed (and the time frame within which the service may be resumed) or not, shall be final, binding and conclusive.

2.13.3 However, the Force Majeure events noted above will not in any way cause extension in the period of the Agreement.

2.13.4 It is understood and declared that any strike, lock out or labour dispute or unrest only in the undertaking of the USP or the reasonable harshness of the nature due to the terrain or difficulties arising from remoteness of the area or insufficiency of funds will not be treated as an EVENT.

2.14 Set off Clause

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

2.14.2 After exercising the right of set off, a notice shall always be given immediately within seven days by the Administrator to the USP.

2.15 Other Obligations

2.15.1 The USP shall be bound by the terms and conditions of the Agreement/relevant ILD/ISP/Unified License as well as by such orders/directions/regulations of TRAI as per provisions of the TRAI Act, 1997, as amended from time to time, and instructions as issued by the Administrator/DoT.

2.15.2 The Order, Regulation or Rules made under Indian Telegraph Act 1885 including Indian Telegraph (Amendment) Act, 2003 and Indian Wireless Telegraphy Act, 1933 shall be binding on the USP.

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SECTION-III
TECHNICAL CONDITIONS

- 3.1 The USP shall work within the framework of the Technical conditions of the ISP /ILD/ Unified License, as applicable.
- 3.2 The hired /restored 10 Gbps International Bandwidth shall have the capability to support applications like Internet browsing, Voice over IP, Multimedia, Video conferencing, E-learning, E-Telemedicine, E-governance, etc.
- 3.3 The USP shall ensure the Quality of Service Parameters for International Bandwidth for Internet Services, provided under the Agreement, within the framework of the Quality of Service Conditions of the ISP License/Unified License, prescribed by DoT and related TRAI regulations, as applicable.
- 3.4 The USP shall make arrangements for periodical testing of 10 Gbps hired International Bandwidth.
- 3.5 The USP shall make arrangements for efficient running of the services by ensuring availability of spares and service/maintenance contracts.
- 3.6 The USP shall keep a record of faults, rectification reports and other related details in respect of the 10 Gbps International Bandwidth, which will be produced before the ADMINISTRATOR or TRAI as and when and in whatever form desired.
- 3.7 The USP shall maintain a record of performance of the 10 Gbps International Bandwidth for monitoring.
- 3.8 The ADMINISTRATOR or TRAI may carry out performance tests, either directly by them or through their authorized agency and/or evaluate the QoS parameters for the 10 Gbps International Bandwidth and associated all infrastructure and services at any time during the validity period of the AGREEMENT. The USP shall provide ingress and other support including documents, instruments, equipment etc., for carrying out such performance tests and evaluation of Quality of Service parameters.

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- 3.9 If the QoS parameters are not met, as specified, during the period of the Agreement, Administrator may take necessary action and issue notice(s) to the USP to improve the QoS, as per specifications, within the stipulated time period, failing which, the decision of the Administrator shall be final in this regard.
- 3.10 The USP shall ensure to maintain the uptime of 10 Gbps International Bandwidth, as per the prescribed standards of TRAI/DoT applicable License condition and/or defined by the Administrator, USOF.

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SECTION-IV
OPERATING CONDITIONS

4.1 Customer Service

- 4.1.1** The USP shall be solely responsible for supply, installation, Testing, Commissioning, Operation & Maintenance of all the infrastructure including their associated core network, required for hiring/restoration of 10 Gbps International Bandwidth within their network for improving internet speed and reducing latency & congestion of the Internet Traffic of the NER and also to provide internet services to all the users by utilizing the aforesaid Bandwidth. The terms and conditions of the ISP /ILD/ Unified License Agreement, as applicable, in this regard shall prevail and shall be binding mutatis mutandis.
- 4.1.2** The USP shall be solely responsible for supply, 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 the operations for utilizing the aforesaid 10 Gbps as applicable for internet connectivity
- 4.1.3** Wherever considered appropriate, Administrator may conduct any inquiry, either suo-moto or on a complaint, to determine whether there has been any breach in compliance of terms & conditions of the Agreement by the USP, and during such inquiry, the USP shall extend all reasonable facilities without any hindrance.
- 4.1.4** The Administrator or his representative or the agencies authorized by Administrator shall have the right to inspect and test the hired/restored 10 Gbps International Bandwidth. 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.
- 4.1.5** If any equipment or any part thereof is found defective or fails to fulfill the requirements of the Agreement, a notice shall be issued to BSNL setting forth details of such defects or failure and the BSNL shall at their

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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.

4.2 Confidentiality of information

The terms and conditions of the ISP License / ILD/ Unified License, as applicable, shall be binding mutatis mutandis.

4.3 Prohibition of certain Activities by the USP

The terms and conditions of the ISP/ILD / Unified License, as applicable, shall be binding mutatis mutandis.

4.4 Security Conditions

4.4.1 The terms and conditions of the ISP License/ ILD License/ Unified License, as applicable, shall be binding mutatis mutandis.

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

4.4.3 If the USP or any other entity associated with the project is found to be indulging in acts inimical to India's national security, the Agreement is liable to be terminated and matter will be reported to the concerned authorities for suitable legal/criminal action.

4.5 Application of Indian Telegraph Act

The terms and conditions of the ISP License / ILD License/ Unified License, as applicable, with regard to applicability of Indian Telegraph Act 1885, and rules framed there-under, shall be binding mutatis mutandis.

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SECTION-V
FINANCIAL CONDITIONS

5.1 Subsidy for Universal Service Obligation

5.1.1 Earlier USOF has agreed to provide financial support of Rs. 4.2972 crore per annum for a period of 3 years for a total amount of Rs. 12.8916 crore from the actual date of hiring/ restoration of 10 Gbps International Bandwidth for Internet Connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar. Now, based on the quotes received by BSNL from BSCCL as mentioned in para 5.1.2, USOF shall provide financial support as per Table-1 in 5.1.3 from the actual date of hiring/ restoration of 10 Gbps International Bandwidth for Internet Connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata. The aforesaid financial support is calculated, based on the rate of the withholding tax for Bangladesh @10% and conversion rate of 1 Dollar = INR 76. However, the actual financial support will be subject to applicability of rate of withholding tax for Bangladesh and the rate of conversion of Dollar into Rupee.

5.1.2 The quotes received from M/s BSCCL for 3 years are as under

- a. One Time Charges (OTC) for 10G: 3,000 USD
- b. Monthly Recurring Charges (MRC):

Capacity	Price for first year (USD)	Price for second year (USD)	Price for third year (USD)
10 Gbps	46,000	45,000	44,500

5.1.3 Calculation sheet as per the quotes received from BSCCL for financial support for 10 Gbps International Bandwidth at Agartala from BSCCL

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TABLE-I				
Calculation Sheet for Financial Support for 10 Gbps International Bandwidth at Agartala from BSCCL (through Cox Bazar/Kuakata link)				
Items		USOF subsidy for 1st year	USOF subsidy for 2nd year	USOF subsidy for 3rd year
(a)	Cost of 10 Gbps per annum (In USD)	5,52,000	5,40,000	5,34,000
(b)	Cost of 10 Gbps (in INR @ 76)	4,19,52,000	4,10,40,000	4,05,84,000
(c)	Cost of 10 Gbps ILL Chennai Link per annum (In INR)	78,37,148	78,37,148*	78,37,148*
(d)	Net additional Cost to BSNL {(b)- (c)} per annum (In INR)	3,41,14,852	3,32,02,852	3,27,46,852
(e)	Adhoc Revenue adjustment (i.e. 20% of (d)) (In INR)	68,22,970	66,40,570	65,49,370
(f)	Net Amount to be funded by USOF {(d) - (e)} (In INR)	2,72,91,882	2,65,62,282	2,61,97,482
(g)	Rounding off(In INR)	2,72,92,000	2,65,62,000	2,61,97,000
(h)	Withholding Tax (if applicable) @10% {10/90 of (b)} (In INR)	46,61,333	45,60,000	45,09,333
(i)	Total Funding [(g) + (h)] per annum (In INR)	3,19,53,333	3,11,22,000	3,07,06,333
(j)	Total funding in rounding off) (In INR)	3,19,53,000	3,11,22,000	3,07,06,000

* Deduction of Chennai link will be dynamic based on rate discovery in the tender for the period.

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5.2 Schedule for Disbursement of subsidy:

- 5.2.1** The payment terms will be 100% advance for each year to be paid directly by the USOF to the USP. The payment for 2nd year will be made upon demand from BSNL, settlement of previous year(s) financial support and along with study of incremental revenue.
- 5.2.2** Payment of First installment as 100% advance of the subsidy shall be payable for hiring/restoration of 10 Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata, subject to submission of claim/demand from BSNL as per the format given in Annexure-I along with Purchase Order given by BSNL to the BSCCL, Bangladesh, for hiring/restoring the aforesaid International Bandwidth.
- 5.2.3** Second installment of 100% advance of the subsidy shall be payable after 12 months from the effective date of the Agreement, subject to utilization of the first year advance for the stipulated purpose for which USP shall submit Claim statement in Annexure-I, utilization certificate as per Annexure-III along with copy of invoices and payment made thereof and study of incremental revenue by USP.
- 5.2.4** Third installment of 100% advance of the subsidy shall be payable after 24 months from the effective date of the Agreement, subject to utilization of previous year (s) advance for the stipulated purpose for which USP shall submit Claim statement in **Annexure-I**, utilization certificate as per **Annexure-III** along with copy of invoices and payment made thereof and study of incremental revenue by USP.
- 5.2.5** For the settlement of final/third installment, BSNL shall submit utilization certificate as per **Annexure-III**, along with copy of invoices and payment made thereof, Auditor's report in **Annexure-II** and study of increment revenue, to the USOF Finance Wing.
- 5.2.6** All claims for subsidy shall be accompanied by a pre-receipted bill with revenue stamp.
- 5.2.7** The USP shall not receive any financial support for the same purpose, from other sources like State Governments or independent investors etc.
- 5.2.8** BSNL shall submit the claim for subsidy, along with the supporting documents, as per 5.2 above for each year to USOF. Subsequent to submission of the claim along with supporting documents, USOF shall settle the claims of BSNL on yearly basis.

- 5.2.9** The subsidy for a year shall be paid after making adjustments, if any for the payments instalment(s).
- 5.2.10** 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.
- 5.2.11** The claims of BSNL would be settled only after adjustment & recovery of any outstanding dues, etc. as per the Agreement or recovery of inadmissible/excess funding as ascertained on the basis of scrutiny conducted by USOF or its authorized representatives to authenticate the claims during the Agreement period.
- 5.2.12** In case BSNL is found to have claimed and received in excess of 10% of the amount due to them, the excess amount 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.
- 5.2.13** No interest shall be payable for any short/ late payment made to the BSNL by the USOF.

5.3 Maintenance of Records.

- 5.3.1** The USP shall draw, keep and furnish accounts for which the Agreement has been entered into and it shall fully comply with Orders, Directions or Regulations, as may be issued from time to time, by the ADMINISTRATOR.
- 5.3.2** The records of the USP shall be subject to such scrutiny as may be prescribed by the Administrator so as to facilitate independent verification of the Subsidy claimed.

(a) The ADMINISTRATOR or the TRAI, as the case may be, shall have right to call for, and the USP shall be obliged to maintain, supply and provide for examination of the books of accounts and records of

faults. The USP shall also be required to supply and provide for examination any other records that it maintains in respect of the business carried on to provide the Service(s) under this Agreement at any time.

(b) The USP shall invariably preserve all CDR/billing details, 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 & approved Accounts of the company and any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give a cause for cancellation of the AGREEMENT.

5.3.3 The subsidy claims for each year shall be required to be audited by the Auditors of BSNL appointed under Section 225/Section 619 of the Companies Act 1956. The reports of the Auditors, submitted by BSNL, should be in the prescribed form at given in Annexure-II, to be filed with the USOF Finance 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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SECTION-VI
DEFINITIONS

6.1 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:

- 6.2 ADMINISTRATOR** means the Administrator, Universal Service Obligation Fund in the Department of Telecommunications under Ministry of Communications & IT.
- 6.3 AGREEMENT** means this Agreement.
- 6.4 EFFECTIVE DATE** is the date on which the actual date of hiring/restoration of 10Gbps International Bandwidth for Internet Connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata.
- 6.5 ISP** means the Internet Service Provider
- 6.6 ILD** means International Long Distance License
- 6.7 LICENCE** means a License, granted or having effect as if granted under section 4 of the Indian Telegraph Act, 1885 and Indian Wireless Act, 1933.
- 6.8 LICENSEE** means a licensee who has been awarded License to provide the service (Basic, ISP, ILD, Unified License etc.), within the geographical boundaries of the specified Service Area under the Indian Telegraph Act, 1885.
- 6.9 QUALITY OF SERVICE (QoS)** is evaluated as prescribed by TRAI/DoT/USOF.
- 6.10 SUBSIDY** means the disbursements made from USOF towards meeting the universal service obligations in terms of this Agreement.





- 6.11 **TRAI** means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.
- 6.12 **USO** means Universal Service Obligation, as enunciated in Indian Telegraph (Amendment) Act, 2003, and the Rules framed there under.
- 6.13 **USOF** means the Universal Service Obligation Fund, established under Indian Telegraph (Amendment) Act, 2003 and Rules framed there-under
- 6.14 **Universal Service Provider** means such entities like CMTS/ UL/ UASL/NLD/ILD/ISP Licensees etc., which have entered into an Agreement with the Administrator for provision of specified Universal Service.
- 6.15 **Point of Presence (POP)** is a location where 10 Gbps international Bandwidth is connected.
- 6.16 **Study of Incremental Revenue** will provide a comparison of ARPU and number of subscribers between the pre and post restoration of this link.

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ANNEXURE- I

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

AGREEMENT NO. _____ DATED _____ FOR _____ (USP)

I, _____, aged about _____ Years s/o, d/o of Shri _____, resident of _____, do solemnly affirm and state as under:

1. That I am _____ of _____ (____); Universal Service Provider in _____ Licensed Service Area and I am duly authorized by BSNL to furnish an Affidavit on behalf of BSNL _____ (USP).

2. That a claim of Rs. _____ (In words) for the period _____ pertains to the hiring/ restoration of 10 Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata after the date of entering into the Agreement, for which commissioning self-certificate is submitted as Annexure-A including study of incremental revenue, as per the Agreement. The calculation sheet for this claim, as per the format of Table-I of clause 6.1.1 of the Agreement, along with additional details, if any, is attached.

a. That a yearly subsidy claim of Rs. _____ (Rupees _____) for the period _____ is being made for hiring/ restoration of 10 Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata, as per Clauses 5.1 and 5.2 of the Agreement. Further it is certified that this claim is based on the actual payment is made to BSCCL, Bangladesh incurred by USP.

3. That the content of this Annexure, along with Annexure-A, is true and correct to the best of my knowledge, based on the records of the company, which are available for further verification by the appropriate authorities and that the 10 Gbps International Bandwidth has been commissioned/hired & were functional and internet services have been rendered by utilizing aforesaid bandwidth from the date as stated.

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4. That any advance claimed and paid to USP for the aforesaid bandwidth shall be adjustable against the amount payable for the aforesaid bandwidth.
5. That any subsidy claimed in arrears or in advance shall be utilized for the purpose as stipulated in the Agreement.
6. That excess payment or shortage, if any, in the subsidy received shall be adjusted in the following year(s) based on the statements duly certified by the Auditors of the Company and scrutiny as prescribed by the Administrator.
7. The services provided under this Agreement have not been utilized in claiming subsidy under any other Agreement entered into with the Administrator.
8. That the 10 Gbps International Bandwidth has been restored under the Agreement and would continue to be operated & maintained as per the terms & conditions of the Agreement and the relevant License Agreement.
9. I understand that Administrator or their representative shall have right to inspect & verify the site and records & systems, during the currency of the Agreement and if any deficiency is observed the subsidy paid to the company shall be recovered forthwith, without prejudice to the right of Administrator to take any other action(s) as deemed fit.

For and on behalf of USP

Signature & Stamp of the authorized signatory of the USP

W

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ANNEXURE-II

FORMAT FOR AUDITOR'S REPORT ON STATEMENT OF CLAIM
FOR SUBSIDY FROM USOF

To

The Board of Directors

.....

.....

We have examined the attached Statement(s) of claim for subsidy from USO Fund of (The name of the Universal Service Provider) for the period (s) from----- to -----. We understand that the aforesaid statement(s) is /are to be furnished to the Central Government for assessment of the subsidy payable to the Universal Service Provider by the Government, in terms of the Agreement No. _____ for Subsidy Disbursement for hiring/ restoration of 10 Gbps International Bandwidth for internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata under Universal Service Obligation.

We report that:

1. We have examined all the records and 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 Agreement and instructions/guidelines issued there under and clarification thereon in this behalf and gives a true and fair view of the subsidy claims and utilized for the period computed on the basis of the aforesaid conditions.

US

Signature

3. In our opinion and to the best of information, record of interruption of 10 Gbps International Bandwidth for internet connectivity and record of traffic generated and revenue figures is kept in such a manner as to reflect the correct position, for the purpose of claiming subsidy.

(Name and Signature of the Auditor signing)

FOR AND ON BEHALF OF (NAME OF THE AUDITOR FIRM)



Form of Utilization Certificate

Agreement No. _____ Dated _____

Sl. No.	USOF Subsidy installments	Sanction letter no.	Amount
1	Installment No. 1		
2	Installment No. 2		
3	Installment No. 3		

- I certify that a sum of Rs. _____ Cr. for the restoration of 10 Gbps International Bandwidth, subsidy was received, as per details given above.
- 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. _____ only was remaining as on _____ (date).
- 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.

- 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 Clause 5.3.3 of Financial Condition of the Agreement.
- It has been ensured that the deliverables and contractual obligations have been according to the requirements as per the Agreement.




4. The utilization of the aforesaid funds has resulted in following outputs: -
 - (i) _____
 - (ii) _____
5. Certificate that the responsibilities assigned under the Agreement has been satisfactorily completed.

For and on behalf of USP

Signature & Stamp of the authorized signatory of the USP

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PROFORMA FOR SELF CERTIFICATION BY UNIVERSAL SERVICE PROVIDER

1. I,, aged about years s/o, d/o Shri....., resident of, do solemnly affirm and state as under:

2. That I amof (Name of the Company), and I am duly authorized by BSNL to furnish a Certificate on behalf ofBSNL.....(Name of the Company)

3. That as per the Agreement signed with Administrator, USOF vide Agreement No. _____ dated _____ for hiring /restoration of 10 Gbps International Bandwidth for Internet connectivity to Agartala from BSCCL, Bangladesh via Cox Bazar/Kuakata, the following works have been completed successfully, as per the terms and conditions of the Agreement :

A. POP Location Details

B. Date of restoration

C. Date of Completion and Acceptance Testing (A/T) --- Testing report should be enclosed.

D. Technical Parameters :

(i) Average Traffic passed through International Bandwidth

E. Study of incremental revenue after restoring 10 Gbps International Bandwidth (To be submitted for payment of 2nd year onward)

4. That the details of the components mentioned above are true and correct, based on the records of the company, which are available for further verification by the appropriate authorities and that the components have been provided and are functional/ services are being rendered for the period in which they have been shown as installed/commissioned.

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5. That the components at the infrastructure site shown as installed/commissioned in the said reporting period have been completed on the dates as shown above.
6. The contents of the Self Certification are true and correct, no part of it is false and nothing has been concealed there from.

For and on behalf of (Name of the company)
Signature of the authorized signatory of the USP

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John