

**AGREEMENT**  
**SUBSIDY DISBURSEMENT**  
**TWOARDS**  
**REPLACEMENT OF MARR VPTs**  
( REPLACED BETWEEN 01.04.2004 AND 30.06.2003 )  
UNDER  
**UNIVERSAL SERVICE OBLIGATION**

NO. 30-107/2002- USF DATED 19/03/2004

IN ORISSA SERVICE AREA

**TOTAL PAGES -27**

**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMUNICATIONS & INFORMATION**  
**TECHNOLOGY**  
**DEPARTMENT OF TELECOMMUNICATIONS**  
**OFFICE OF ADMINISTRATOR (USF)**  
**20,ASHOKA ROAD, NEW DELHI-110001 INDIA**

## AGREEMENT

**FOR**

### **REPLACEMENT OF MAARR VPTs**

This Agreement is entered into on the 19<sup>th</sup> day of March, 2004 by and between the presidents of India acting through shri. S. K Srivastava, Asst .Administrator (USF), Department of Telecommunications (DoT), Sanchar Bhawan, 20, Ashoka Road, New Delhi – 110001( hereinafter called the Administrator) of the FIRST PARTY.

**AND**

M/S. Bharat sanchar Nigam Limited, a company registered under the companies Act 1956, having its registered office at Sanchar Bhawan, 20 Ashoka Road , New Delhi - 110001, Acting through shri h.c. pant, Company secretary and GM ( Legal), the authorised Signatory (hereinafter called the Universal service provider or USP which expression shall, unless repugnant to the context, include its successor in business. Administrator, liquidators and assigns or legal representatives) of the SECOND PARTY.

WHEREAS an Agreement no. 30-107/2002- USF dated 25.9.2003 has been entered into for the subsidy disbursement for 1, 40,210 MARR VPTs to be replaced with effect from 01.07.2003 under Universal service obligation as per Tender Document, and as stipulated in the Tender, Where the new VPTs after 01.04.2002 & on and before 30.06.2003, the subsidy support from the data the new VPTs have been provided in replacement of MARR VPTs for a total period of seven years from the date of replacement. The owner operator shall get subsidy at the Representative rate emerging from the bidding process of the aforesaid Tender or benchmark if no Representative Rate has emerged.

WHEREAS the USP has now requested and the Administrator agreed to enter in to Agreement for the MARR VPTs which have already been replaced in the service areas described in SCHEDULE-I appended hereto on the terms and conditions recorded hereinafter in these presents.

#### **NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:**

1. In consideration of the performance of all the and conditions mentioned in this Agreement on the part of the part of the USP, the Administrator does, enter into this Agreement for replacement of MARR VPTs in the contracted service area as described in SCHEDULE-I appended hereto.
2. This Agreement will remain valid for 8 years 3 months from 01.04.2002 from the Effective data unless revoked earlier for any reason whatsoever.
3. The USP 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. Effective Date of this Agreement shall be 1.04.2002.

ements in USP's service Area viz, orissa may also be entered into from time to time in future without any restriction on number of USPs at the sole decision of Administrator.

6. This Agreement does not modify in any way the obligation for providing VPTs under the Basic/Cellular service Licence Agreement No. 10-3/200- BS –II Dated 29.09.2000 For all India service Areas.
7. Unless otherwise mentioned or appearing from the context, the aforesaid Tender Document and clarification to the Tender Document shall from part and parcel of this Agreement. Provided that in case of conflict or inconsistency on any issue relating to this Agreement, the terms set out in the body of this Agreement with schedules annexed thereto shall prevail.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed through their respective authorised representatives on the 19<sup>th</sup> March, 2004.

Signed for and on behalf of president of India.

By (S.K. Srivastava  
Assistant Administrator (USF)

Signed on behalf of M/S. BSNL by Mr. H.C. Pant, authorised signatory and holder of general power of Attorney dated 06.08.2003, executed in accordance in accordance with the Resolution No. Nill, dated 02.08.2003, passed by the Board of Directors.

In the presence of:  
Witnesses:

1.

Signature

Name : Jiwan Das  
Occupation: ADG (USO)  
Address : BSNL corporate office  
Place. New Delhi

2.

Signature

Name: V.N. Srivastava  
Occupation: Asst. ADMINISTRATOR (Fin)  
Address: O/o Administrator (USF), DOT , Sanchar Bhawan,  
Place: New Delhi

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**SCHEDULE**

**SCHEDULE OF SERVICE AREA**

The service Area for which this Agreement is entered into is given below:

**ORISSA**

## SCHEDULE –II

### TERMS AND CONDITIONS

#### PART –I

#### GENERAL CONDITIONS

1.0 Transfer, Assignment or Franchising of the Agreement entered into, shall be subject to relevant conditions of the Basic service Licence.

#### 2.0 Scope of the Agreement

2.1 The Universal service provider should have installed new VPTs between 01.04.2002 and 30.06.2003 in replacement of MARR VPTs and shall operate and maintain all such new VPTs working in the SSA (s) in the service Area for which this Agreement has been entered into.

2.2 The Universal service provider shall be solely responsible for provision and operation of necessary equipment and systems, treatment of subscriber complaints, collection of call charges and issue of receipts thereof, attending to claims and damages arising out of his operations.

#### 3.0 Duration of Agreement

3.1 The Agreement shall be valid for a total period of 8 years and 3 months from unless revoked earlier for reasons as specified elsewhere in the document.

#### 4.0 Extension of Agreement

4.1 The Administrator may extend, if deemed expedient, the validity of Agreement for such period and on such terms as may be mutually agreed which shall be reviewed during the fifth year of the Agreement . The decision of the Administrator shall be final in this regard. On expiry of the Agreement period, the responsibility of operation & maintenance of the VPTs shall lie on the owner operator . Further, after the mid term review of the Representative rate of subsidy during the third year, if it is found that based on net cost no subsidy is payable, the USP shall be obliged to operate and maintain the replaced VPTs for the period of Agreement without any subsidy from the Administrator.

#### 5.0 Modifications in the Terms and conditions of Agreement

5.1 The Administrator reserves the right to modify at any time the terms and conditions of the Agreement, 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.

6.0 **Requirement to furnish information.**

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

7.0 **Suspension, Revocation or Termination of Agreement.**

7.1 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 public 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 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.

7.2 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 Universal Service provider 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 respective Basic/cellular service licence of the USP is terminated , then the Agreement for replacement of MARR VPTs shall also be deemed to be terminated forth- with.

7.1.2 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 data of issue of such notice.

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 Universal Service provider shall extended all Reasonable facilities and shall endeavor to remove the hindrance of every type.

7.4 It shall be the responsibility of the Universal service provider to maintain Quality Of service as per conditions of the Agreement, during the period of notice for termination of Agreement; otherwise this shall be a cause for invocation and forfeiture of PBG.

8.0 **Actions Pursuant to Termination of Agreement.**

8.1 Wherever the Agreement is terminated is prematurely, the Administrator may, at his sole discretion, in order to ensure continuity of service, enter into an Agreement with another

operator the service, who will be paid subsidy at the Representative Rate determined under the Agreement based on this tender.

8.2.1. If the QoS had not been maintained as per the standard prescribed hereto during the notice period then no subsidy for the notice period shall be payable.

8.2.2 In case of termination of the Agreement before the expiry period, the prescribed PBG will be encashed and forfeited. Additionally, if it is found that the Universal service provider had received any payment in excess of the amount under the Agreement prior to termination, then such amount shall be paid back immediately on demand by the USP to the Administrator.

## 9.0 INDEMNITY

9.1 The Universal service provider 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 Universal service provider, its agents or servants.

## 10.0 Disputes settlement:

10.1 In the event of any question, dispute or difference arising under the Agreement, or in connection thereof, except as to the matter, the decision of which is specifically provided hereinafter called the “ TRIBUNAL” consisting of sole Arbitrator to be appointed upon nomination made by secretary, Department of legal Affairs, Ministry of Law & justice, Government of India.

10.2 The venue of Arbitration shall be New Delhi or anywhere in India, as may be fixed by the TRIBUNAL. The Arbitration proceeding shall be conducted in accordance with provisions of Arbitration and Conciliation Act 1996 as amended or replaced from time to time.

## 11.0 Force-Majeure

11.1 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 of 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 end or ceases to exist.

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



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

#### 12.0 **SET OFF CLAUSE**

12.1 In the event any sum of money or claim becomes recoverable from or payable by the Universal service provider 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) deduced or adjusted against any amount or sum of money then due or which at any time thereafter may become due to the Universal service provider under this Agreement or any other Agreement or contract between the Administrator and the Universal service provider.

12.2 The aforesaid sum of money payable to the Universal service provider shall include any valuable security which can be converted into money.

12.3 After exercising the right of set off, a notice shall always be given immediately by the Administrator to the Universal service provider.

#### 13.0 **OTHER OBLIGATION**

13.1 The Universal service provider shall be bound the terms and conditions of the Agreement 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 are issued by the Administrator.

13.2 The statutory provisions and the rules made under Indian Telegraph Act 1885 or Indian Wireless telegraphy Act, 1933 or any order these statutes, so far applicable, shall be binding on the Universal service provider.

## PART II

### COMMERCIAL CONDITIONS

#### 14.0 Tariffs

14.1 The Universal service provider will charge the tariffs for the SERVICE from the customer/ users as per the TRAI Tariff orders/ regulations/directions issued in this in this regard from time to time. The Universal service provider shall also fulfill requirements regarding publication of tariffs, notifications and provisions of information as per the provisions of TRAI Act, 1997 as replaced or amended from time to time.

14.2 All rates must be prominently displayed in (i) local language , and (ii) Hindi and/or English near each public access telephone facility operated by the universal service Provider. The USP shall also display the names and particulars of the concerned persons with whom the customer / user of the VPT service may lodge their complaints/ grievances. The USP should also display Toll free public Utility Telephone numbers such as fire, police, Ambulance etc. A complaints book shall also be available at each VPT site and shall be produced for inspection by the Administrator and/ or persons /organizations authorized in this regard.

## SECTIONS V

### TECHNICAL CONDITIONS

#### **15.0 TECHNICAL CONDITIONS**

15.1 The Universal service provider shall work within the framework of the Technical conditions of the Basic service Licence.

15.2 The MARR VPTs replaced using any wireless technology shall use fixed wall type wireless terminal (FWT) as custodian premises equipment.

#### **16.0 Quality of service parameters:**

The Quality of service parameters for Basic Telecommunication service as prescribed by TRAI shall prevail.

16.1 The Universal service provider shall ensure the Quality of service (QoS) as prescribed by the TRAI from time to time. The Universal service provider shall adhere to such QoS standards and provide timely information as required therein.

- a. The ADMINISTRATOR or TRAI may carry out performance tests either directly by themselves or through authorized agency and also evaluate the QoS parameters for the VPTs at any time during the tenure of the AGREEMENT. The Universal service provider shall provide ingress and other support including documents, equipment etc. for carrying out such performance tests and evaluations of Quality of service parameters.
- b. The Universal service provider will keep a record of VPTs provided in replacement of existing MARR VPTs indicating faults and rectification reports of such new VPTs provided in replacement and other related details in respect of the service rendered, which will be produced before the Administrator or TRAI as and in whatever form desired.
- c. The Universal service provider shall be responsive to the complaints lodged by its customers. He shall rectify the anomalies and maintain the history sheets for each installations, statistics and analysis on the overall maintenance status.
- d. Proper arrangement should be made by the USPs for reporting/ booking faulty VPTs and its regular testing. Print out of line tests of VPTs got conducted on daily basis and record of metered call units (MCU) should be preserved by the Universal service provider for a period of at least one year or till the final settlement of subsidy claimed, whichever is later. The broad guidelines for maintenance of VPTs is given in ANNEXURE-I.

**SECTIONS**  
**FINANCIAL CONDITIONS**

- 17.0 Subsidy from Universal service fund (USF)
- a. SSA-wise Representative rate , which subsidy is disbursable, shall be as follows:

SI.no.	Name of SSA	Total no of MARR VPTs replaced	Representative rate per VPT per annum	Rate
1	BALASORE	400	14800	3700
2	BARIPADA	251	14900	3725
3	BERHAMPUR	647	15200	3800
4	BHUBANESWAR (PURI)	0	-	-
5	BOLAGIR	119	14900	3725
6	CUTTACK	315	14900	3725
7	DHENKANAL	375	15100	3775
8	KALAHANDI	190	15100	3775
9	KORAPUT	247	16700	4175
10	PHULBANI	221	15100	3775
11	SAMBHALPUR	302	15300	3825
12	SUNDERGARH	305	14900	3725

TOTAL 3372 -

The Representative rate for payment of subsidy shall be reviewed during the third year of the Agreement. The modified rate of subsidy will be determined based on review taking into consideration, inter-alia, the increase in revenue receipts in view of provision of STD facility on all VPTs by end 2004 in terms of TRAI recommendations. The modified representative rate for subsidy based on review shall be applicable from the 4<sup>th</sup> year of the Agreement.

Further , after the mid term review of the Representative rate of subsidy during the third year, if it is found that based on net cost, no subsidy is payable the USP shall be obliged to operate and maintain the replaced VPTs for the period Agreement without any subsidy from the Administrator.

- b. The Universal service provider shall receive from the date the new VPT is provided in replacement of MARR VPTs and made functional. Such subsidy shall be given up to a maximum period of seven from the date of initial replacement of each MARR VPT.

- 18.0 Schedule for disbursement of subsidy by the Administrator to the Universal service provider.

For the purpose of the Agreement, and disbursement of funds from USF the 1<sup>st</sup> year shall end on 31<sup>st</sup> March, following the date of commencement of the Agreement and the disbursement for the First year shall be determined on a pro-rate basis for the actual duration of the 'year' From second year onwards the year shall be of Twelve English calendar months from 1<sup>st</sup> April to the 31<sup>st</sup> March.

EXPLANATION: The disbursement of funds for the last quarter of the first year and last quarter of the last year Agreement will be computed with reference to the actual number of days excluding the other quarters, each being of three months.

- b. The subsidy from USF shall be disbursed in four quarterly installments during each financial year. Each installment shall be disbursed quarterly in arrears generally in arrears generally within thirty days of receipt of a valid claims for the VPTs maintained up to the closed of the previous quarter.
- c. The Universal service provider shall submit its claim for quarterly subsidy in a STATEMENT in the prescribed form given in Attachment 1 & 2 to Annexure II

Showing the computation of subsidy for the quarter, by 30<sup>th</sup> of the month following the quarter. Any claims received there after shall be treated as time-barred. In exceptional cases, the Administrator reserves the right to allow a period of another 15 days where valid reasons exist for submission of claims beyond the 30 days time limit. The Attachment 3 to Annexure II lays down the norms for preparation of subsidy claim. The SSA wise subsidy claims should be submitted as prescribed on a hard copy in the formats of Attachments 1 and 2 to Annexure II which should be duly signed by the Authorized signatory of the company. In addition to the hard copy the USP should also submit the claim on a CD ROM in MS Excel format for each service Area. The Authorized signatory of the company should also put his signature and seal of the company on the CD ROM Disc.

18.4 The claims shall be duly certified with an Affidavit as per Annexure II by a representative of the Universal service provider duly authorized by a Board resolution of the Universal service provider. In preparation of the statement, the norms as per attachment 3 to Annexure II shall be followed.

18.5 The aforesaid quarterly STATEMENTS of each year shall be required to be audited by the Auditors of the Universal service provider appointed under section 224 of the companies' Act 1956. The report of the Auditors be in the prescribed form given in Annexure III to be filed with the Administrator within (seven) calendar days of the date signing of the Audit Report but not later than 30<sup>th</sup> September of the following year.

18.6 The VPTs that remain faulty for more than 7 days in a quarter, shall not be reckoned for the purpose of disbursement of full subsidy from USF and subsidy payable shall be reduced proportionately for the total no. of days the VPT remains faulty during the quarter.

Provided further that if a VPT remained faulty for five days or more during the quarter, no subsidy for the entire quarter for that VPT shall be disbursed.

Explanation:

VPTs that remain disconnected for non-payment shall be treated as faulty. The VPTs remaining non functional for any reason are to be treated as faulty. VPTs which register no incremental meter reading during the entire quarter, will not qualify for subsidy support in that quarter from quarter ending 31.12.2003.

18.7 All claims 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 controller of communication Accounts, of the respective Telecom circles or any other designated Authority.

18.8 The Administrator shall pay the subsidy for a quarter after making adjustments, if any, for the payments made in the previous quarter.

18.9 Final adjustment, if any in respect of excess or shortage in the subsidy disbursed shall be made in the following year based on the quarterly statements duly certified by the Auditors of the Universal service provider.

18.10 In case the Universal service provider is found to have claimed and received in excess of 10% of the subsidy due to him, 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 interest shall be payable for any short payment made to the USP by the Administrator.

18.11 The records of the Universal service provider shall be subject to such scrutiny as may be prescribed by the Administrator so as to facilitate independent verification of the subsidy claimed.

18.12 The Administrator, to ensure proper and correct verification of subsidy paid, can if deemed necessary modify, alter, or substitute and amend whatever is stated herein.

19.0 BANK GUARANTEES:

19.1 There is no requirement for submission of performance Bank Guarantee (PBG) by BSNL, as long as it is a 100% Government owned company.

20.0 Maintenance of records.

21.0 The Universal service provider will draw, keep and furnish accounts for the VPTs for which the Agreement has been entered into and shall fully comply to orders, directions or regulations as may be issued from time to time by the ADMINISTRATOR.

20.2 (a) The ADMINISTRATOR or the TRAI, as the case may be, shall have the right to call for and the Universal service provider shall be obliged to maintain, supply and provide for examination the book of account records of faults. The Universal service provider 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 Universal service provider 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 & approved Accounts of the company and any other breach, sufficient to give a cause for cancellation of the AGREEMENT.

20.3 The service provider shall submit by 30<sup>th</sup> June of the following year the actual cost and revenue details for the service provided in the format prescribed in Annexure-IV.

20.4 The relevant records of the Universal service provider will be subject to such

as may be prescribed by the ADMINISTRATOR or TRAI so as to facilitate independent verification of the amount due to the Universal service provider as subsidy from the USF.

## SECTION VII OPERATING CONDITIONS

### 21.0 Customer service

21.1 The terms and conditions of the Basic service Licence Agreement shall prevail and shall be binding mutatis mutandi.

### 22.0 Right to inspect

22.1 The Administrator or his authorised representative shall have the right to inspect the sites used for extending the service and in particular but not limited to, have the right to have access to leased lines, junctions, terminating interfaces, hardware/software, memories of semiconductor, magnetic and optical varieties, wireless options, distributions frames, and conduct the performance test including entering into dialogue with the system through Input/ output, devices or terminals. The Universal service provider will provide the necessary facilities at own cost for continuous monitoring of the system, as required by the Administrator or its authorised 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 inspections.

22.2 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 Universal service provider, and during such inquiry the Universal service provider shall extend all reasonable facilities without any hindrance.

### 23.0 Location of VPTs

23.1 The Universal service provider may change the location of the VPTs to provide better access to the public within the geographical boundaries of the same village during the validity of the Agreement under intimation to the Administrator. No subsidy towards relocation of VPT shall be payable to the USP.

### 24.0 Change of Technology

24.1 The USP may provide new VPTs based on new technology in place of the MARR VPTs already replaced by it as a part of maintenance effort during the validity of the Agreement provided it meets all other performance parameters of quality of service. The subsidy shall however be disbursed at the Representative rate.

- 26.0 Confidentiality of information
- 26.1 The terms and conditions of the Basic service License shall be binding mutatis mutandi.
- 27.0 Prohibition of certain Activities by the Universal service provider
- 27.1 The terms and conditions of the Basic service License shall be binding mutatis mutandi.
- 28.0 Security conditions
- 28.1 The terms and conditions of the Basic service License shall be binding mutatis mutandi.
- 29.0 Application of Indian Telegraph Act.
- 29.1 The terms and conditions of the Basic License shall be binding mutatis mutandi.



## SECTION VIII DEFINATIONS

### 30.0 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:

- 30.1 ADMINISTRATOR means the Administrator, Universal service fund in the department of Telecommunications under Ministry of communications & IT.
- 30.2 BENCHMARK: Benchmark is the rate that shall form the ceiling for submission of bids which includes the subsidy both towards annualized capital recovery and operation and maintenance of replaced MARR VPTs minus revenue.
- 30.3 AGREEMENT shall mean the Agreement signed by the Universal service provider with the Administrator, related to Universal service obligation on the basis of the outcome of the bidding process.
- 30.4 CAPEX means capital Expenditure incurred in providing new VPTs in replacement of MARR VPTs. The expenditure shall include the cost incurred on the VPTs terminal equipment, solar panel/batteries if required, line (wired or wireless ) upto, and inclusive of line card in the telephone exchange.
- 30.5 CAPITA; RECOVERY means the aggregate of depreciation, interest on debt and return on equity on the capital cost, annualized over a period of seven years.
- 30.6 CUSTOMER includes any subscriber which subscribes to /avails of the service from the service provider.
- 30.7 DESIGNATED MONITORING AGENCIES, refers to the agencies authorized by the Administrator to carry out inspection of the records, claims and installations including physical verification in order to ensure compliance with conditions of the Agreement.
- 30.8 EFFECTIVE DATE is the date on which this Agreement comes into effect.
- 30.9 LICENCE means a Licence granted or having effect as if granted under section 4 of the Indian Telegraph Act 1885 and Indian wireless Act 1933.
- 30.10 LICENSEE; A registered Indian company that has been awarded License to provide the service (Basic and /or CMTS ), within the geographical boundaries of the specified service Area.
- 30.11 MARR refers to Access technology known as multi- Access Radio Relay.
- 30.12 NET COST : Net cost for the purpose of this Agreement shall be Annual capital recovery and operating Expenses minus Annual revenue.

For the purpose of arriving at revenue, no deduction of any kind whatsoever except service tax, if any, paid to the Government is allowed.

- 30.13 OPEX refers to operating Expense involved in operation and maintenance of VPTs' Terminal equipment, line (wired or include the staff cost, office and administrative expenses, expenditure on maintenance, license fees and spectrum charges paid to the Government and commission paid to the custodian for running the VPT.
- 30.14 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 satisfactory disposal thereof.
- 30.15 SERVICE AREA: service area means the territorial jurisdiction as specified under the Basic service Licence except the areas that may be notified to be excluded From time to time .
- 30.16 SECONDARY SWITCHING AREA (SSA) : SSA is one of the several areas into which the country is divided by the telecom Authority and declared as such for the purpose of charging for trunk calls which generally is co-terminus with Revenue District.
- 30.17 SUBSIDY from Universal service fund (USF) means the disbursements made from USF towards meeting the Universal service obligations in terms of the Agreement.
- 30.18 TRAI means Telecom Regulatory Authority of India constituted under the TRAI Act , 1997 as amended from time to time.
- 30.19 USO means Universal service obligation as enunciated in NTP-99 and the guidelines issued by the DOT and amended from time to time.
- 30.20 VPT means the first public telephone installed in a village which till then did not have any telephone.

## GUIDELINES FOR PROVISION OF SERVICE MAINTENANCE AND PERFORMANCE MONITORING OF THE VPTs

Provision of fault free and efficient VPT service is one of the prime concerns of the Administrator . The broad guidelines given below should be followed by the Universal service providers (USPs) to ensure proper functioning of VPTs.

1. Testing of VPTs should be carried out daily from the exchange.
2. Testing of WLL links should be carried out daily from Base station.
3. Meter reading should be checked fortnightly and low reading should be taken as indication of the system not performing properly and subsequently be checked.
4. VPT custodians should be advised to book their fault at telephone exchange and /or the nominated nodal officer.
5. Repair centers should be set up in each service Area.
6. Sufficient spare units should be procured and stocked.
7. Annual Repair contract /AMC should be entered into with supplier of the systems as far as possible.
8. Inspection schedules should be formulated by Universal service provider and should be strictly adhered to.
9. Monthly /weekly performance report should be maintained for monitoring and kept ready for inspection by USF Administration.
10. Meeting should be held with villagers to sort out the grievances.
11. VPTs disconnected for non-payment may be shifted to new location/custodian.
12. Un-serviceable components of the system should be replaced.
13. In case of public complaints about non-availability of relocate VPT on account of their location in panchayat Bhawan etc., USPs are authorized to relocate VPTs in grocery shops etc.
14. In case where meter readings remain zero due to non use of VPTs for a prolonged time and not due to faults, USPs are authorized to shift VPTs to other suitable location. Selection of alternate custodian/location in the same village in this situation should be made by USP, preferably at grocer's shop.
15. The VPT should be available to general public without discrimination for at least 12hrs preferably from 9AM to 9 PM.
16. The MARR VPTs replaced by using any wireless technology shall use fixed wireless Terminal (FWT) only as customer's premises Equipment.

Annexure II

AFFIDAVIT AND FORMAT FOR SUBSIDY CLAIM  
AGREEMENT NO.      DATED  
AFFIDAVIT (ON STAMP PAPER)

I-----aged about----years son of shri-----resident of-----, do ----- solemnly affirm and state under:

2. That Iam ----- of ----(Name of the company), Basic service provider----- in service area and Iam duly authorised by the resolutions dated----- passed by Board of Directors of the company to furnish affidavit on behalf of----- (Name of the company).
3. That a claim of Rs.----- (Rupees----- ) is being made for the period ----- to -----. The details of calculation of subsidy is as per Attachments enclosed.
4. That the contents of Attachments \_\_\_\_\_&\_\_\_\_\_ are 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 new VPTs provided in replacement of MARR VPTs were functional from the date of replacement shown in the statements (in the prescribed proforma vide Attachments 1 & 2 Annexure II of the Agreement).
5. That excess payment or shortage, if any, in the subsidy received shall be adjusted in the following year based on the quarterly statements duly certified by the Auditors of the company and scrutiny as prescribed by the Administrator.
  
6. The subsidy for the MARR VPTs on their replacement has been claimed under any other Agreement entered into with the Administrator for the same service Area.
7. That the deduction of subsidy has been made in the claims for the VPTs remaining non functional for any reasons including those disconnected for non payment.
8. For the claim from the quarter ending 31.12.2003 , the subsidy has not been claimed for VPTs registering no incremental meter reading during the entire quarter.
9. That the VPTs provided are available for use by general public at a specified location in the village against which it has been shown as installed.

Deponent.

VERIFICATION

Verification at----- on ----- that the contents of the affidavit and Attachment \_\_\_\_\_  
& \_\_\_\_\_ are true and correct to the best of my knowledge, no part of it is false and  
nothing has been concealed therefrom.

Deponent.

Attachment 1/3 to Annexure II

STATEMENT OF SUBSIDY CLAIM FOR MARR VPTs ALREADY REPLACED AS PER AGREEMENT NO. \_\_\_\_\_

NAME OF THE SERVICE PROVIDER:  
 NAME OF THE SERVICE AREA:  
 NAME OF THE SSA:  
 QUARTER ENDING:  
 QUARTER BEGINNING:  
 REPRESENTATIVE RATE FOR THE SSA:

1	2	3	4	5	6	7		8	9	10
S. NO	Name of village	MARR VPT no with STD code as prefix.	Technology used for replacement	STD code & no. of the VPT provided in replacement	Date of replacement	Period of fault of the already replaced MARR		No. of days of each incidence of fault to be added up	No. of existence of the quarter of VPT	Sl. no. for the incidence
						From	To			

NOTE: 1. Please refer the enclosed detailed norms for subsidy calculation before feeding the date given at Attachment 3/3.  
 2. The MARR VPTs already replaced in the above format should be sorted by the date of replacement in the ascending order.  
 3. The MARR VPTs already replaced in the previous quarter should also be include in the claim for the current quarter.  
 ( Signature of authorized signatory with company seal).

Attachment 2/3 to AnnexureII

SUMMARY STATEMENT OF NUMBER OF MARR VPTs ALREADY REPLACED FOR  
THE SERVICE AREA \_\_\_\_\_  
AS PER AGREEMENT NO.

NAME OF THE SERVICE PROVIDER:  
NAME OF THE SERVICE AREA:  
FOR THE QUARTER ENDING:

SI. No.	Name of the ssa	Opening Balance (MARR VPTs reolaced till the end of the previous quarter effective from the date of Agreement).	MARR VPTs replaced during the quarter	Total no of MARR VPTs replaced for which subsidy has been claimed (closing balance I.E. (3)+(4)	Subsidy payable for quarter	Subsidy deduction for period of fault	Net subsidy payable
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(Signature of the authorised representative with  
company seal.)

Attachment 3/3 to Annexure II  
NORMS FOR PREPARATION OF SUBSIDY CLAIM FOR VPTs PROVIDED IN 1  
REPLACEMENT OF MARR VPTs

1. The number of VPTs as per Agreement only will be considered for subsidy claim.
2. The date of replacement will be included to arrive at the number of days.
3. The no. of days of existence of the (column no. 9 of Attachment 2/3 ) provided in replacement of MARR VPT shall include all the days from the date of replacement till the end of the quarter. In the case of VPTs replaced in the previous quarters, the no. of days of existence would be equal to the total no. of days in the quarter.
4. All the dates in Attachment 2/3 should be presented as DD/MM/YY uniformly throughout the claim.
5. Actual number of days in the quarter may be taken for calculation of subsidy i.e. 90 or 91 or 92, as the case may be.
6. For calculation of pro-rate subsidy actual number of days in the quarter shall be considered i.e., to say pro-rate subsidy.

Subsidy for quarter x Actual number of days of  
existence of the VPT in the quarter.

7. In the case of replacement during the quarter, deduction of the vpt remaining faulty for more than 45 days in the quarter, shall be limited to the actual amount of subsidy payable for the vpt in the quarter instead of deducting the full quarter's subsidy.
8. The periods of fault shall include the duration for which VPTs have remained non functional for any reason.
9. For deduction of subsidy for duration of fault, 'from & to' will be included.
10. Rounding off to the nearest rupee may be done only in the total of each Attachment and not in individual cases.
11. Rough work, corrections or overwriting in the Annexures will not be accepted.
12. Only claims submitted SSAwise as per the list of SSAs Provided in the Agreement shall be accepted. Claims submitted separately separately for Revenue Districts or any other category shall be rejected.
13. Page number should be indicated on each page of the claim and contain the initials in original, of an officer authorized for this purpose . The last page of Attachment 2/3 should contain the signature of the authorized representative with company seal.



Annexure –III

Format of Auditor’s Report on statement of claim for subsidy from USF

To

The Board of Directors

\_\_\_\_\_

We have examined the attachment statement (s) of claim for subsidy from USOF of -----  
( the name of the Basic service provider ) for the quarter (s) ending \_\_\_\_\_. 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 document no. 30-107/2002-USF FOR SUBSIDY Disbursement for  
Replacement of MARR VPTs installed prior to 1.4.2002 under Universal service obligation ,  
stream I.

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 according to the explanation given to us, the statements have been prepared in accordance with the conditions in the said Tender document/ Agreement 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.
3. In our opinion and to the best of information, record of faults is such a manner as to reflect the correct position, for the purpose of claiming subsidy.

(NAME AND SIGNATURE WITH COMPANY’S SEAL)

**ANNEXURE IV**  
**FORMAT FOR SUBMISSION OF COST AND REVENUE DETAILS OF THE**  
**VPTs PROVIDED IN REPLACEMENT OF MARR VPTs AS PER THE AGREEMENT NO.**

FOR THE FINANCIAL YEAR  
 SERVICE AREA  
 NAME OF THE SSA

SL.NO.		(A) LANDLINE		(B) WLL		(C) VSAT		(D) OTHERS (pl. specify)	
		STD	NON STD	STD	NON STD	STD	NON STD	STD	NON STD
1.	NO. OF VPTs								
2.	Average Annual Revenue (Net of service tax) per vpt								
3.	Average Annual OPEX per vpt (a) License Free (b) spectrum charges © Staff cost (d) Office & Admn. Exp. (e) Maintenance expenditure (f) Commission paid to custodian								
	<b>TOTAL:</b>								

Signature of the Authorised Signatory of the company.

For and on behalf of (Name of the company).