

Bharat Sanchar Nigam Limited

(A Government Enterprises)

No. VAS-4/IVR-Policy/2013

Dated: 25th June 2013

Policy for Voice based VAS through IVR or Human Assisted Platform to the GSM/CDMA/ PSTN Subscribers of BSNL on non-exclusive basis

Interested and eligible companies for providing Voice based Value Added Services (VAS) through IVR or Human Assisted Platform may submit their proposal for consideration by BSNL on non-exclusive and cost of content/services (revenue sharing) basis. The services can be offered to BSNL's GSM/CDMA/PSTN subscribers after entering into an agreement with BSNL.

The proposal, complete in all respect can be submitted on any working day, addressed to Dy. Manager (VAS-II), Second Floor, Bharat Sanchar Bhawan, HC Mathur Lane, Janpath, New Delhi-110001. BSNL will scrutinize such proposal and will enter into an agreement within 15 days from the date of finalization of the list of services & their respective price points, else will communicate back deficiencies.

1. Eligibility Conditions:

- 1.1 The company should be registered & incorporated under the Indian Companies Act,1956.
- 1.2 The company should have a minimum annual turnover during the last financial year or in current financial year at the time of submission of proposal:-
 - i) Rs. 3 Crore for agreement covering all Zones/ Clusters.
 - ii) Rs. 2 Crore for agreement covering specific Zone (s) but not all Zones.
 - iii) Rs. 1 Crore for agreement covering specific Cluster (s) but not all Clusters in a Zone.The company will have to submit a turnover certificate from the company's Auditors/ CA to this effect.
- 1.3 The period of non-exclusive agreement will be 27 months (3 months for installation of equipment & integration with BSNL network and 24 months for service).
- 1.4 The company will have to deposit one-time non-refundable empanelment fee as given below:
 - i) Rs. 4.5 lakh for agreement covering all Zones/Clusters.

- ii) Rs. 1.25 lakh per Zone for agreement covering specific Zone(s).
 - iii) Rs. 50,000 per Cluster for agreement covering specific Cluster (s).
- 1.5 The company will have to give a commitment to generate topline revenue along with Bank Guarantee (BG) during the period of agreement, as given below :
- i) Rs. 8 Crore with BG of 5% of the committed amount for agreement covering all Zones.
 - ii) Rs. 2 Crore per Zone with BG of 5% of the committed amount for agreement covering specific Zone(s).
 - iii) Rs. 75 Lakh per Cluster with BG of 10% of the committed amount for agreement covering specific Cluster (s).
- 1.6 The Bank Guarantee is to be provided within 15 days of signing of the agreement. The Bank Guarantee should be valid for 33 months and will be forfeited in case of non-generation of the committed revenue during the agreement period.
- 1.7 The company should not have substantial equity stake(10% or more), or vice versa, in and of any Basic services/ Cellular services/ Internet services/ Unified Access services/ National Long Distance services operating company (ies) in India or their promoters. Even at a later date, if there is a substantial change in the ownership structure of the company leading to the above mentioned types of companies/promoters getting more than 10% stake, then BSNL reserves the right to terminate the contract.
- 1.8 The company should not be a Licensed Service Provider to provide Basic services/Cellular Services/ Internet services/ Unified access services/NLD services anywhere in India.
- 2. List of documents to be submitted as part of the proposal:**
- 2.1 Copy of the Article of Association & Memorandum of Association.
 - 2.2 List of Directors including their names(s) and address(es) alongwith contact telephone numbers, DIN of each director & CIN of the company.
 - 2.3 Certified True copy of Board's/ Management's resolution in favor of authorized signatory.
 - 2.4 Specimen signature of the authorized official duly attested by Company's/authorized signatory's Banker.
 - 2.5 Latest audited Annual Report of the company. In case, printed copy is not available then copy duly certified by the Company Secretary/ Director/ Managing Director/Authorized signatory of the company.

- 2.6 Turnover certificate from the company's Auditors/ CA mentioning the field of turnover as required under the eligibility conditions.
- 2.7 Empanelment fee in the form of Demand Draft as per eligibility conditions.
- 2.8 Revenue generation commitment, required as per eligibility conditions and an undertaking clearly committing to submit the Bank Guarantee within 15 days of signing of the agreement.
- 2.9 Undertakings, in support of company not having equity stake and not being a Licensed Service Provider as required in eligibility conditions.
- 2.10 NDU, duly notarized on non judicial stamp paper of Rs.50/- (NDA format enclosed).
- 2.11 Details of voice based services, including End User Price, which the company wants to provide on BSNL's network.
- 2.12 Contact details i.e. Name, mail id, phone no., mobile no., fax no. of a responsible person for liaisoning in this matter.
- 2.13 Solution deployment plan i.e., all zones, specific zone(s) or Cluster(s).

Draft agreement, containing the complete commercial, financial and technical conditions to be signed for providing the voice based Value Added Services, shall be forwarded to the eligible companies only after evaluating the proposal containing the above documents in full after finalization of the list of services & their respective price points.

3. General Terms and Conditions of the Agreement:

- 3.1 Geographical area of BSNL network is divided into Clusters under various Zones, as given below:

Sl.	Zone	Cluster	Circles
1	North	Cluster 1	Rajasthan
		Cluster 2	Uttar Pradesh (East)
		Cluster 3	Uttar Pradesh (West) and Uttarakhand
		Cluster 4	Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir
2	South	Cluster 5	Andhra Pradesh
		Cluster 6	Karnataka
		Cluster 7	Kerala

		Cluster 8	Tamilnadu and Chennai TD
3	East	Cluster 9	Kolkata TD, West Bengal and Andaman & Nicobar
		Cluster 10	Assam, North East-I and North East-II
		Cluster 11	Bihar and Jharkhand
		Cluster 12	Orissa
4	West	Cluster 13	Gujarat
		Cluster 14	Madhya Pradesh and Chhattisgarh
		Cluster 15	Maharashtra

- 3.2 The agreement with the eligible company will be signed for 27 months (out of which, 3 months may be for installation, integration of the equipment/ system with BSNL network and starting of the services).
- 3.3 Agreement is signed on non-exclusive and cost of content/services sharing basis to provide the Voice based Value Added Services through IVR (Interactive Voice Response) Platform and/or Human Assisted Platform to the GSM/PSTN/CDMA subscribers of BSNL.
- 3.4 Renewal or extension of the agreement for two years at a time basis can be considered provided the performance of the VAS Provider is satisfactory i.e.,:
- i) Generates minimum monthly topline revenue of Rs.2 Lakh/ Rs.75000/- for the each zone/Cluster for Zonal/Cluster agreement respectively for at least 12 months in two years else the VASP(s) will have to deposit non-refundable empanelment fee even for renewal as per prevailing policy of BSNL at that time.
 - ii) Achieves minimum commitment of topline revenue of Rs.8 Crore/2 Crore/ 75 lakh for all four Zones/each Zone/Cluster agreement respectively else the BG will be forfeited and the VASP(s) will have to submit fresh BG for renewal of the agreement.
- 3.5 BSNL reserves the right to provide the voice based VAS on its own or to enter into Agreement with other service providers/companies for providing similar services in its licensed service area(s) from time to time in future without any restriction on number of VAS providers.
- 3.6 VASPs intending to provide Voice Chat Service shall be provided OBD free of cost to enable this service i.e., IBD from subscriber and OBD from the system will complete voice chat call. This will be subject to EUP approval by BSNL.
- 3.7 VASP/Company shall be totally bound and obliged to comply with all applicable norms and directions issued from time to time by the Regulator (TRAI) or the Licensor (DOT) or Govt. of India.

4. Interconnection to the network of BSNL

- 4.1 The system of VASP will be allowed to be connected to a designated telecom network switch of BSNL on E1 link(s), as available & feasible, for providing the specified services. The connectivity between BSNL and the system of VASP shall be exclusively utilized for carrying the traffic of BSNL subscribers only and for the specified services.
- 4.2 When VASP installs its setup/ equipment in some other building outside the BSNL exchange, BSNL shall provide the connectivity free of cost if the system of VASP is installed within 2.5 kms from the interconnecting BSNL TAX/Nodal Exchange/ GMSC (in case BSNL has a nearby transmission set up due to RSU/ DLC etc. the effective distance may be taken up from such nodal point) to enable proper working of E1. In this case, the line driver or the modem required for connectivity shall be provided by VASP. BSNL shall charge VASP for other telecom resources provided as per the applicable tariffs and/or discounts, if any.
- 4.3 The VASP shall integrate its system with BSNL's VAS Provisioning system for transferring customer VAS profile related database on daily basis and also for enabling near on-line execution of activation or renewal or de-activation of VAS through VAS Provisioning system based on request/ option received from the customer.
- 4.4 The cost of content /service (revenue share) for Zonal/ Cluster deployment arrangement to VASP effective from 1.7.2013 is mentioned below:

S.N	Type of Service	Network	Revenue share to VAS Provider
1	Direct Access Service (Pay per use-Browsing)	GSM/CDMA/PSTN	40%
2	Subscription Service: Browsing Part	GSM/CDMA	40%
3	Subscription service :Rental Part	GSM/CDMA	30%

The payment to VASP shall be on the basis of the cumulative minutes based on CDRs generated for the calls answered by the setup of VASP.

- 4.5 Payment shall be made on monthly basis to the VASP on receipt of the bill by BSNL. The VASP shall submit the Licensed Service Area-wise bill to the Zonal In-charge or to the Cluster In-charge, as the case may be. (DET (VAS) or any other officer nominated by GM (CMTS), Nodal Centre or GM In-charge of VAS in the Cluster, who will verify the bill within maximum 15 days, and arrange for release of the cost of content/services payment to the VASP within next 15 days. The payment of charges shall be made to the VASP after deduction of TDS as per provisions of the Income Tax Act, 1961.

4.6 Co-location facility in BSNL premises will be extended to VASP subject to feasibility & payment of requisite Infrastructure charges as per VAS Infra Charge policy of BSNL (may be obtained at the time of signing of agreement) applicable at the time of signing of agreement and amended from time to time. The word Infrastructure means electricity/ power/ space/ air-conditioning and connectivity (E1s). In brief, infrastructure charges as on 1-1-2012 per deployment per annum are:-

- (i) Upto 2 KW : Rs. 2.5 lakhs
- (ii) Between 2 to 6 KW : Rs. 3.5 Lakhs
- (iii) Between 6 to 12 KW : Rs. 6.0 Lakhs
- (iv) Beyond 12 KW : to be decided on case to case basis

There shall be an annual increase of 10% on above every 1st January commencing year 2013 onwards.

5. Delivery of Service:

The Company will ensure provisioning of commercial services in the agreed service area within 3 months from the date of signing of the agreement.

6. Marketing of Services:

6.1 VASP shall be responsible for the marketing, advertising etc. of these services at his own cost BSNL shall be under no obligation (official & legal) to market & advertise the services defined under this agreement. BSNL will not be liable any cost under any circumstances what so ever.

6.2 VASP will market/ promote its services at its own cost. The expenses for promotion Campaign(s) and the extent and scope of such media advertisements etc. shall be at the discretion of VASP. VASP may gets pamphlets or brochure designed, approved, printed at least up to 2% of the BSNL GSM subs base in the zone and delivered to DGM (Sales and Marketing),CM office in the circle or any other predefined single point of delivery in circle, during first six months of the agreement and again during next 12 months. BSNL will facilitate distribution of these pamphlets / brochures through its franchisees and point of sales (POS) to those customers who will be coming to POS for recharge or buying some other BSNL products/services. BSNL will not be liable to pay any cost under any circumstances what so ever.

6.3 VASP may be allowed to display / pasting of banners and hand bills etc. of the contest / services in BSNL's Customers Service Centre's and bill collection centres or other indoor locations. The printing / pasting costs of such displays will be borne by VASP.

- 6.4 VASP shall mention BSNL's applicable brands in all its promotions specific to the services defined under this agreement.
- 6.5 BSNL and VASP may work out special promotion schemes / contests etc. other than above, exclusively for BSNL's Mobile subscribers, on mutually agreed basis, under this agreement.
- 6.6 VASP shall get marketing plans approved by the DGM (Sales & Marketing), CM of BSNL Corporate office for the services under this agreement.
- 6.7 BSNL may extent other facilities for promotion as per its policy applicable during currency of the agreement.

7. Indemnification:

- 7.1 VASP agrees to protect, defend, indemnify and hold harmless BSNL and its employees, officers, directors, agents or representatives from and against any and all liabilities, damages, fines, penalties and costs (including legal costs and disbursements) arising from or relating to:
 - a. Any breach of any statute, regulation, direction, orders or standards from any governmental body, agency, telecommunications operator or regulator applicable to such party;
 - b. Any breach of the terms and conditions in this agreement by VASP.
 - c. Any claim of any infringement of any intellectual property right or any other right of any third party or of law by VASP.
 - d. Any claim made by any third party arising out of the use of the services and arising in connection with interruption or degradation of service to BSNL's GSM/CDMA/PSTN Telephone subscribers caused solely by VASP.
- 7.2 This clause shall survive the termination or expiry of this Agreement.

8. Dispute Settlement:

- 8.1 In the event of any question, dispute or difference arising under this agreement or in connection there-with (except as to the matters, the decision to which is specifically provided under this agreement), the same shall be referred to the sole arbitration of the CMD, BSNL, New Delhi.

or

In case his/her designation is changed or his/her office is abolished, then to the sole arbitration of the officer for the time being entrusted (whether in addition to his own duties or otherwise) with the functions of the CMD, BSNL.

or

By whatever designation such an officer may be called (hereinafter referred to as the said officer)

and

If the CMD, BSNL or the said officer is unable or unwilling to act as such, then to the sole arbitration of some other person appointed by the CMD, BSNL or the said officer. The agreement to appoint an arbitrator will be in accordance with the Arbitration and Conciliation Act 1996.

- 8.2 There will be no objection to any such appointment on the ground that the arbitrator is a BSNL Servant or that he/she has to deal with the matter to which the agreement relates or that in the course of his/her duties as a BSNL servant he/she has expressed his/her views on all or any of the matters in dispute. The award of the arbitrator shall be final and binding on both the parties to the agreement. In the event of such an arbitrator to whom the matter is originally referred, being transferred or vacating his/her office or being unable to act for any reason whatsoever, the CMD, BSNL or the said officer shall appoint another person to act as an arbitrator in accordance with terms of the agreement and the person so appointed shall be entitled to proceed from the stage at which it was left by his/her predecessors.
- 8.3 The arbitrator may from time to time with the consent of both the parties enlarge the time frame for making and publishing the award. Subject to the aforesaid, Arbitration and Conciliation Act, 1996 and the rules made there under, any modification thereof for the time being in force shall be deemed to apply to the arbitration proceeding under this clause.
- 8.4 The venue of the arbitration proceeding shall be the office of the CMD, BSNL, New Delhi or such other places as the arbitrator may decide.

9. Directions/ guidelines from Licensor/Regulator or any Government statutory body.

- 9.1 In accordance with clause 6.1A of DOT guidelines vide letter No 842-725/2005-VAS-66 dated 31st July, 2008 and any directions of DOT thereunder, BSNL shall have the right to direct, to warn, to penalize the company or terminate the Agreement after considering any report of conduct or antecedents detrimental to the security of the nation. The decision of BSNL in this regard in accordance with such DOT directions shall be final and binding and in any case the company shall bear all liabilities in the matter and keep BSNL informed for all claims, cost, charges or damages in this respect.
- 9.2 In accordance with DOT guidelines vide letter No 800-62/2008-ASP II/2 dated 14th May, 2008 the company shall provision for lawful interception for VAS which are being provided to BSNL subscribers using Voice bearer/GPRS/SMS/USSD/PTT etc. Further, any new Value Added Services

should be added/ commissioned in the network only after having confirmed the provisioning of appropriate monitoring facilities for the same.

- 9.3 In accordance with TRAI Directions dated 4.7.2011, no forced activation of VAS is to be done by any VASP. In case VASP is found indulging in VAS forced activations, BSNL reserves right to take action as per BSNL's prevailing policy, amended from time to time.

10. Quality of Service:

- 10.1 VASP shall ensure the Quality of Service (QoS) as prescribed by TRAI (Regulator) from time-to-time. VASP shall operate and maintain the Network conforming to Quality of Service standards to be mutually agreed subject to such other directions as the competent authority may give from time to time. VASP shall adhere to such QoS standards and provide timely information as required therein.

- a) In the process of operating the Services, VASP shall be responsible for
 - i) Installation, Operation & proper maintenance of the equipment;
 - ii) Maintaining the performance and quality of service standards.
- b) Grade of Service: 1 in 500
- c) Response time for start of message on receipt of call on Applicable System shall be less than or equal to 10 seconds.
- d) Response time to query/ de-activation command from VAS Provisioning system shall not exceed 120 seconds.

- 10.2 Maintaining the MTTR (Mean Time to restore) within the specified limits of the quality of service as given below in respect of normal failures excluding catastrophes:

- i) 90% of faults reported by subscribers should be rectified within 24 hours and 99% within three Calendar days.
- ii) VASP will keep a record of number of faults and rectification reports in respect of the service, which will be produced before BSNL as and when and in whatever form desired.
- iii) Rectification of fault in the VASP owned links /equipment will have to be ensured within 24 hours.

- 10.3 VASP shall be responsive to the complaints lodged by BSNL. He shall rectify the anomalies within the MTTR specified above and maintain the history sheets for each installation, statistics and analysis on the overall maintenance status and the same shall be made available to BSNL at desired intervals in prescribed format/Performa.

11. Submission of Proposal:

This policy is open ended. BSNL reserves the right of periodic review of the entire policy or any elements thereof based on its business needs.

- 11.1 Interested and eligible companies, who are willing to provide service for specific zone (s) or all zone, may submit their proposals alongwith all the requisite documents as per condition 2 above, on any working day to:-

**Deputy Manager (VAS-II),
Bharat Sanchar Nigam Limited,
Second Floor, Bharat Sanchar Bhawan,
HC Mathur Lane, Janpath, New Delhi-110001.**

- 11.2 Interested and eligible companies, who are willing to provide service for specific cluster (s), may submit their proposals alongwith all the requisite documents as per condition 2 above, on any working day to DGM (VAS) of any concerned circle of the cluster of BSNL.

- **FORMAT OF THE NON-DISCLOSURE UNDERTAKING**

(To be submitted duly notarized on non-judicial stamp paper of Rs.50/- only)

M/s _____, a company registered under Companies Act 1956, having its registered office at _____ acting through Shri _____, the authorized signatory (which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) hereby declare and undertake that we will not divulge any part of this agreement either through oral or written communication or through any mode to anyone.

We further undertake and declare that we shall be responsible for safe custody of the papers/documents including the Agreement proposed to be entered into between M/s BHARAT SANCHAR NIGAM LIMITED and ourselves. We shall ensure all necessary steps to safeguard the privacy and confidentiality of the Agreement and shall use our best endeavours to secure that no person acting on our behalf or ourselves divulge or disclose or use any part of the Agreement without the written consent of M/s BHARAT SANCHAR NIGAM LIMITED.

We further declare and undertake that if we declare not to sign the above Agreement with M/s BHARAT SANCHAR NIGAM LIMITED, we shall return back the copy of the Agreement (in original) back to GM (VAS) acting on behalf of M/s BHARAT SANCHAR NIGAM LIMITED within one month without preserving any copy of the same, in any form, whatsoever.

We further declare and undertake to indemnify M/s BHARAT SANCHAR NIGAM LIMITED for any loss or damage(s) caused to it by virtue of any default from our side in compliance to the aforesaid conditions.

Signed on behalf of M/s _____ by Shri _____
(Name and Designation) authorized signatory.

UNDERTAKING

We, M/s _____, a company registered under Companies Act 1956, having registered office at _____ do hereby undertake and declare that we do not have substantial equity stake (10% or more) in & of any

- Basic Services
- Cellular Services
- Internet Services
- Unified Access Services
- National Long Distance Services

operating company(ies) in India.

Signed on behalf of M/s _____ by Shri _____
(Name & Designation) authorized signatory (with company stamp).

UNDERTAKING

We, M/s _____, a company registered under Companies Act 1956, having registered office at _____ do hereby undertake and declare that we are not a licensed service provider to provide Basic services/Cellular services/Internet services/Unified Access services/ NLD services anywhere in India.

Signed on behalf of M/s _____ by Shri _____
(Name & Designation) authorized signatory (with company stamp).