

Bharat Sanchar Nigam Limited
(A Government Enterprises)

Opportunity to become Technical partner for providing Direct Operator Billing on various mobile distribution channels on non-exclusive basis

No. VAS-8/DOB/2017

Dated:18th December, 2018

BSNL is currently providing the GSM/PSTN/CDMA services across the nation except Delhi and Mumbai and has a GSM/CDMA subscriber base of approx. 110 Millions Prepaid and Postpaid and 18 Millions PSTN subscriber. At present BSNL has 25 Million mobile data users and 5 Mn landline broadband customers of different tariff plans.

Proposals are invited from interested and eligible companies (named as Direct Operator Billing partner or DOBP) to become Technical partner for providing **Direct Operator Billing on various mobile distribution channels on non-exclusive and cost of content/services (revenue sharing) basis**. The eligible companies can offer the services to BSNL's GSM mobile subscribers after entering into an agreement with BSNL for providing Direct Operator Billing on various mobile distribution channels.

The proposal, complete in all respect, addressed to GM (VAS), Room No.124,First Floor, Bharat Sanchar Bhawan, HC Mathur Lane, Janpath, New Delhi-110001, can be submitted on any working day. BSNL will scrutinize such proposal and will enter into an agreement within 15 days from the date of finalization of the list of services. BSNL reserves the right to reject any proposal without assigning any reason.

Salient points regarding eligibility conditions, documents required and major terms & conditions are given below: -

1. Eligibility Conditions:

- 1.1 The prospective VASP shall either be a company registered and incorporate in India under Companies Act, 1956/2013 or a Foreign company. In case prospective VASP is Foreign Company, it can participate either through its established place of business in India duly registered with the Registrar of Companies, Ministry of Corporate Affairs, Government of India or through its wholly owned subsidiary company registered and incorporate under companies act 1956/2013.
- 1.2 The company should have a minimum annual turnover (audited) of Rupees 1Crore or equivalent during the last financial year in one of the following areas or any combination thereof,
 - a) Telecom applications/ VAS or
 - b) IT applications or
 - c) Content provisioning or
 - d) Content development or
 - e) Content application development.

The turnover of parents / holding company may also be considered for deciding turnover criteria, the subsidiary company shall submit a declaration in this regard.

- 1.3 The period of non-exclusive agreement will be 14 months (2months for installation of equipment & integration with BSNL network and 12 months for service).
- 1.4 The company will be required to submit a non-refundable connectivity fee Rs.4.5 lakhs plus applicable GST for all four zones along with the proposal in the form of DD in favor of Accounts Officer (Cash), BSNL, New Delhi.
- 1.5 The company will have to give a commitment to generate topline revenue of Rs.50 Lakhs in all Zones during the tenure of agreement and back it up with the Performance Bank Guarantee (PBG) of 15% of committed amount (i.e. Re.7.5 Lakhs for all Zones).
- 1.6 The Bank Guarantee is to be provided within 15
- 1.7 days of signing of the agreement. The Bank Guarantee should be valid for 20 months and will be forfeited in case of not generating the committed revenue in agreement period.

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) along with 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 of the same 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 Non-refundable empanelment fees in the form of DD, required as per eligibility conditions.
- 2.8 NDU, duly notarized on non judicial stamp paper of Rs.50/- (NDA format enclosed).
- 2.9 Details of various mobile distribution channels/merchants for which Direct Operator / Carrier Billing, including range of price points, which the company wants to provide on BSNL's network.
- 2.10 Contact details i.e. Name, email id, phone no., mobile no., fax no. of a responsible person for liaising in this matter.

Draft agreement, containing the complete commercial, financial and technical conditions to be signed for providing the Direct Operator Billing (DOB) on various mobile distribution channels would be sent 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 BSNL's Cellular Mobile Operations are divided into four Zones viz. East, West, North and South, comprising of the Licensed Service Areas as defined below:

S. No.	Zone	Licensed Service Areas
1.	East	Assam, Bihar including Jharkhand, Kolkata Metro, Orissa, West Bengal including A&N, North East (NE-I including NE-II)
2.	West	Gujarat, Maharashtra, Madhya Pradesh including Chhattisgarh
3.	North	Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, UP (East), UP (West) including Uttarakhand,
4.	South	Andhra Pradesh, Karnataka, Kerala, Tamil Nadu including Chennai.

- 3.2 The required connectivity to the concerned network elements of BSNL will be provided by BSNL free of cost.
- 3.3 The VASP shall have to enable its platform, such that it can allow the CVPS compatibility with its platform along with charging of subscribers accordingly. VASP platform shall have capability of STV bundling which may arise from time to time with BSNL data services and associated cost levied in the form of retailer's cost or otherwise as per terms of BSNL.
- 3.4 The standard cost of content/service (revenue share) to DOB partner will be 70% of the End User Price (EUP) after deducting License charges/Spectrum charges/Corporate taxes etc., as levied by the Government of India (GOI) from End User Price (EUP).
- 3.5 Any charges or Fee levied by the GOI any time in future shall also be deducted before sharing revenue with DOBP.
- 3.6 Payment shall be made on monthly basis to the company on receipt of the bill. The company shall **submit the State/UT-wise bill (in compliance of GST)** to the Zonal In-charge, who may be DET (VAS) or any other officer nominated by GM (CMTS), Nodal Centre. The Zonal In-charge shall verify the bill within 7days and CMTS-Nodal Centre shall release the cost of content/services payment to the company within the next 15days. The payment of charges shall be made to the company after deduction of TDS amount as per provisions of the Income Tax Act 1961.

- 3.7 The agreement with the eligible company will be signed for 14 months (out of which, 2 months will be for installation, integration of the equipment/ system with BSNL network and starting of the services).
- 3.8 Renewal or extension of the agreement will be based on the performance of the DOBP and as per prevailing policy of BSNL at that time. As per current policy, the extension for one year can be considered provided the performance of the DOBP is satisfactory and DOBP generates minimum total revenue of Rs.50,00,000/- for all zones for last 12 months, else, the company will have to again deposit the non-refundable empanelment fee of Rs. 4.5 Lakh along with BG.
- 3.9 Existing Value Added Service providers (VASPs) will not be permitted to integrate with DOBP for procurement of VAS services.
- 3.10 In addition to above, DOBP will integrate merchant with its server only after taking approval of BSNL. BSNL will give its consent / disagreement within 5 working days.
- 3.11 BSNL reserves the right to provide the Direct Operator Billing on various mobile distribution channels on its own or to enter into Agreement with other service providers/companies for providing similar services in its licensed Cellular Mobile Telephony service area(s) from time to time in future without any restriction on number of VAS providers.
- 3.12 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 Government of India.
- 4 **Integration of platform:-** VASP shall integrate its system with BSNL's VAS Provisioning system for transferring customer VAS Profile database on daily basis and also for enabling near on-line execution of activation, renewal or de-activation of VAS through VAS Provisioning system based on request/option received from the customer.
- 5 **Payment gateway:-** Online payment gateway (net banking/credit card/debit card / M-Wallet) of BSNL shall initially take the cost of the services from customers and thereafter revenue share will be share with VASP as per agreed on financials.
- 6 **Operator agnostic:-** The system of the VASP should be Interoperable among various systems of BSNL wherein VASP has to enable its all network element with BSNL systems in seamless manner.

7 Delivery of Service:

The company shall ensure provisioning of commercial services in the agreed service area within 7 days of provision of completion of integration period.

8 Marketing of Services:

Marketing, advertising and promotion of agreed service besides sourcing the content for the services will be done by the company at its own cost. No promotional SMS connectivity will be given free of cost.

9 Indemnification:

DOBP 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 **DOBP**;
- c) Any claim of any infringement of any intellectual property right or any other right of any third party or of law by **DOBP**;
- d) Any claim made by any third party arising out of the use of the services and arising in connection with interruptions or degradations of service caused solely by **DOBP**.
- e) The **DOBP** shall comply with all the Laws, Directives, guidelines etc. of the Land where **DOBP** is located and shall be fully responsible for the same. The **DOBP** shall indemnify BSNL for any liability rising out of non compliance of the same.

This clause shall survive the termination or expiry of this Agreement.

10 Dispute Settlement:

10.1 Except as otherwise provided elsewhere in the contract, In the event of any disputes, controversy, or differences arising out of or relating to this agreement, or the breach, termination or invalidity thereof between the parties, such party or parties shall make a request to the other party or parties to amicably settle such differences or disputes and parties shall thereupon make every effort to settle the same amicably within a period of 60(sixty) days from date of making of such request.

Where parties are unable to settle the disputes though conciliation, the same shall be referred to the authority in BSNL (CMD/ CGM/GMTD, as the case may be) for referral of such disputes to a sole arbitrator (chosen from the name(s) provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration and Conciliation Act, 1996 , any amendment thereof , and any notification issued or rules made there under from time to time.

- 10.2 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.
- 10.3 The venue of the arbitration proceeding shall be New Delhi/ or Circle/SSA HQ (as the case may be).

11. Directions / Guidelines from Licensor/regulator or Any Govt. statutory body:

- 11.1 In accordance with DOT guidelines, 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.
- 11.2 In accordance of DOT guidelines, the company shall have provision for lawful interception for VAS which are being provided to BSNL subscribers using Voice bearer/data/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.
- 11.3 In accordance with TRAI directions, no forced activations of VAS is to be done by any VASP. In case VASP is found indulging in VAS forced activations, BSNL reserves the right to take action as per BSNL prevailing policy, amended from time to time.

12 Quality of Service:

- 12.1 The Company shall ensure the Quality of Service (QoS) as prescribed by TRAI (Regulator) from time-to-time. The Company shall operate and maintain its 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. The Company shall adhere to such QoS standards and provide timely information as required therein.
- 12.2 In the process of operating the Services, the company shall be responsible for Installation, Operation & proper maintenance of the equipment.
- 12.3 Maintaining the performance and quality of service standards.
- 12.4 Response time to any query/ de-activation command from VAS Provisioning system shall not exceed 120 seconds.

12.5 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:

- 12.5.1 90% of faults reported by subscribers should be rectified within 24 hours and 99% within three Calendar days.
- 12.5.2 The company 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.
- 12.5.3 Rectification of fault in the company owned links /equipment will have to be ensured within 24 hours.
- 12.5.4 The company 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 & analysis on the overall maintenance status and the same shall be made available to BSNL at desired intervals in prescribed format/ Performa.

13 Condition for BG(Bank Guarantee:

The Bank Guarantee of 7.5 lakhs is to be provided within 15 days from signing date of the agreement. The Bank Guarantee should be valid for 20 months and will be forfeited in case of not generating the committed revenue in agreement period.

14 Submission of Proposal:

Interested and eligible companies may submit their proposals along with all the requisite documents as per condition 2 above, on any working day to:-

**GM (VAS),
Bharat Sanchar Nigam Limited,
Room No. 124, Bharat Sanchar Bhawan,
H.C. Mathur Lane, Janpath, New Delhi - 110001.**

Note: This policy is open ended and any company which is interested and meets the eligibility conditions may submit its proposal on any working day. BSNL would however reserve the right of periodic review of the entire policy or any elements thereof based on its business needs.

F ORMAT 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.