

Opportunity to become VAS Provider for providing USSD based VAS to the GSM Subscribers of BSNL on non-exclusive basis

Proposals are invited from interested and eligible companies for providing **USSD based Value Added Services on non-exclusive and cost of content/services (revenue sharing) basis**. The eligible companies can offer the services to BSNL's GSM subscribers after entering into an agreement with BSNL.

The proposal, complete in all respect, addressed to Dy.Manager (VAS-I), Second 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 & their respective price points else will communicate deficiencies.

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

1. Eligibility Conditions:

- a. The company should be registered & incorporated under the Indian Companies Act, 1956.
- b. The company should have a minimum annual turnover (audited) of Rupees 10 Crore during the last financial year.
- c. The company must have provided USSD based Value Added Services satisfactorily to at least One Telecom Company in India or in any other country during the last one year at the time of submitting the proposal. Company will have to submit experience certificate from the Telco to this effect.
- d. The period of non-exclusive agreement will be 26 months (2 months for installation of equipment & integration with BSNL network and 24 months for service).
- e. The company will be required to submit a non-refundable empanelment fee of Rs.4.5 lakhs along with the proposal in the form of DD in favor of Accounts Officer (Cash), BSNL, New Delhi.
- f. The company will have to give a commitment to generate minimum topline revenue of Rs.5 Crore during the tenure of agreement. This revenue commitment has to be backed up with a Bank Guarantee @ 5% of committed revenue, i.e. Rs.25 Lakhs, within 15 days of signing of the agreement. The Bank Guarantee should be valid for 32 months and will be forfeited in case of not generating the committed revenue in agreement period.
- g. The company should not have an equity stake in & of any Basic services/ Cellular services/ Internet services/ Unified Access services/ National Long Distance services/ International Long Distance services operating company(ies) in India.
- h. The company should not be a licensed service provider to provide Basic services/ Cellular Services/ Internet services/ Unified access services/ NLD/ ILD services anywhere in India.

2. List of documents to be submitted as part of the proposal:

- a) Empanelment fees in the form of DD required as per eligibility conditions.
- b) Latest audited Annual Report of the company or Turnover certificate from the company's Auditors/ CA as required under the eligibility conditions.
- c) Certificate from the concerned Telecom Operator showing the experience as required under the eligibility condition.
- d) Copy of the Articles & Memorandum of Association.
- e) Latest list of Directors on the board of the Company with their address(es), contact telephone numbers, Email Ids, DIN of each director, CIN of the company, etc.
- f) Board's resolution in favor of authorized signatory.
- g) Power of Attorney duly notarized on non-judicial stamp paper of Rs.100/- in favor of authorized signatory.
- h) Attestation of the signatures of the authorized signatory by any scheduled Bank.
- i) Revenue generation commitment in support of eligibility conditions and an undertaking clearly committing to submit the Bank Guarantee within 15 days of signing of the agreement.
- j) Undertakings, in support of company not having equity stake and not being a licensed service provider as required in eligibility conditions.
- k) NDA, duly notarized on non judicial stamp paper of Rs.50/- (NDA format enclosed).
- l) Details of USSD based services including price points, which the company wants to provide on BSNL's network.
- m) Contact details i.e. Name, mail id, phone no., mobile no., fax no. of a responsible person for liasoning in this matter.

Draft agreement, containing the complete commercial, financial and technical conditions to be signed for providing the USSD based Value Added Services, shall be forwarded to the eligible companies only, after evaluating the proposal containing the above documents in full.

3. General Terms and Conditions of the Agreement:

- a. The agreement with the eligible company will be signed for 26 months (out of which, 2 months may be for supply, installation, integration of the equipment/ system with BSNL network and starting of the services).
- b. Renewal or extension of the agreement will be based on the performance of the VAS Provider 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 USSD provider is satisfactory, meets the revenue commitment and is willing to give further commitment to generate minimum revenue of Rs.2.5 crore during the extension period of one year. The decision of BSNL in this regard shall be final.
- c. BSNL reserves the right to provide the USSD based Value Added Services 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.
- d. The agreement will be signed on all India basis. 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 and accordingly, the company will have to integrate its system in each of these four zones:

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

e. The required connectivity to the concerned network elements of BSNL will be provided by BSNL. Hosting space, inside BSNL premises, can be given subject to availability of space and feasibility. Infrastructure charges shall be applicable as per BSNL policy. At present, BSNL charges Rs.2 Lakhs per annum per site deployment for infrastructure (electricity/ power/ space/ air-conditioning and connectivity) for power consumption upto 1 KW.

f. The cost of content/service (revenue share) will be as mentioned below:

BSNL share	USSD (gateway + content) VAS provider's share
70%	30%

g. Payment shall be made on monthly basis to the company on receipt of the bill. The company shall submit the Licensed Area-wise bill 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 7 days and CMTS-Nodal Centre shall release the cost of content/services payment to the company within the next 15 days. The payment of charges shall be made to the company after deduction of TDS amount as per provisions of the Income Tax Act 1961.

h. No cost of content/services (revenue share) shall be payable by BSNL to **VAS provider** if its zonal monthly topline revenue remains less than Rs.50,000/-. The cost of content/services to **VAS provider** shall be on pro-rata basis in case of any period less than one calendar month.

i. 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.

j. **Delivery of Service:**

The company shall ensure provisioning of commercial services in the agreed service area within thirty days of provision of requisite connectivity by BSNL. The verification and testing of successful integration, including proper charging, will be carried out by one of the Sub Divisional Engineers/ Junior Telecom Officer, to be nominated by the GM (CMTS), Nodal Centre.

k. **Marketing of Services:**

Marketing, advertising and promotion of agreed VAS besides sourcing the content for the services will be done by the company at its own cost. The Company may get pamphlets or brochures designed, approved, printed at least upto 2% of the BSNL GSM subscriber

base in the zone and delivered to DGM (Sales & Marketing) office in the Circle or any other predefined single point of delivery in the Circle, during first 6 months of the agreement and again during next 12 months. BSNL will facilitate distribution of these pamphlets/ brochures through its Franchisees & Points of Sales (POS) to those customers who will be coming to POS for recharge or buying some other BSNL products/ services.

1. Dispute Settlement:

- (i) 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 designation is changed or his office is abolished, then in such cases 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.

There will be no objection to any such appointment on the ground that the arbitrator is a BSNL Servant or that he has to deal with the matter to which the agreement relates or that in the course of his duties as a BSNL servant he has expressed his 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 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 out by his predecessors.

- (ii) 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.
- (iii) 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.

m. Security and Lawful Interception for Value Added Service:

- (i) 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.
- (ii) In accordance of 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.

n. Quality of Service:

(i) Company shall operate and maintain its setup including the Application Servers conforming to Quality of Service standards to be mutually agreed.

(ii) Company shall be responsible for:-

- Maintaining the performance and quality of service standards.
- Ensuring an overall Uptime of the services to be more than 98% on monthly basis.
- Maintaining the MTTR (Mean Time To Restore) of rectification of 90% of faults within 24 hours and 99% of such faults within 3 Calendar days, in respect of normal failures excluding catastrophes reported on monthly basis by subscribers or by BSNL authorities.
- Maintaining a record of number of faults and rectification reports in respect of the service, this will be produced before BSNL as and when and in whatever form desired.
- Ensuring that any fault at company's end resulting in non-availability of the service is rectified within three hours.

(iii) Company shall be responsive to the complaints lodged by BSNL. It shall rectify the anomalies within the specified MTTR and maintain the history sheets for each installation, statistics and analysis on the overall maintenance status & the same shall be made available to BSNL at prescribed intervals in prescribed format/ proforma.

(iv) In case of non-availability of the Services/ service getting affected partially/ fully due to Company's reasons for more than three hours, the compensation shall be charged from company for the idle capacity charges on the basis of last three calendar month average usage as per calculation given below:

- ✓ Average cost of content/ service earned by company during one month = C
- ✓ Number of hours for which the service remained unavailable/ affected = H
- ✓ Compensation = $[C/(30*24)] \times H$

The amount so calculated will be deducted from the payment of the corresponding month.

4. Submission of Proposal

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

**Dy. Manager (VAS-I),
Bharat Sanchar Nigam Limited,
Second Floor, Bharat Sanchar Bhawan,
HC 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.

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 an equity stake in & of any

- Basic Services
- Cellular Services
- Internet Services
- Unified Access Services
- National Long Distance Services
- International 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/ILD services anywhere in India.

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