

Policy for engaging partners for exploitation of Fiber network to provide various services to houses / shops / offices etc.

No. MTNL/CO/Tech & Plg/FTTH Policy/Ver-II/2018-19

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1. Introduction:

- 1.1 Mahanagar Telephone Nigam Limited (MTNL) is a major PSU (Public Sector Unit) providing telecommunication services in Delhi, Mumbai for basic services and in adjoining areas also for mobile services. It is offering full range of telecom services / solutions like Voice, Data, Internet, Broadband, VOIP, etc from its vast fixed & mobile networks in its license service areas of Delhi & Mumbai.
- 1.2 MTNL has substantial optical fiber resources in its operating area. These optical Fibre cables are available on major / minor roads and in colony areas. MTNL wishes to exploit these resources for providing services such as Broadband, Voice, Data, VAS including video (IPTV/OTT) to all its existing as well as new customers.
- 1.3 For better utilization of resources, MTNL seeks offer from interested partners for extending these services to customers with last mile on any media / technology on revenue share basis.

2. OBJECTIVE OF THE POLICY:

- 2.1 Under this policy, MTNL proposes to select partners, to extend the last mile reach of optical fiber through fiber/ LAN / Wi-Fi or any other technology, for providing customers the **High Speed Broadband Internet, for Home & Office segments (to be termed as FTTx services hereinafter) as well as several value added services (VAS) including video (IPTV/OTT).Voice can also be offered but as a bundled product with FTTx services.**
- 2.2 MTNL to engage Partners to provide last mile Infrastructure through fiber/ LAN / Wi-Fi or any other technology to extend the last mile reach of optical fiber to customer for providing MTNL services.
- 2.3 Partners selected under this policy can also create /provide VAS services, (like IPTV, Home Surveillance, educational content, gaming etc.) on its own or through a tie up with third party, to the customers acquired under this arrangement as well as to other MTNL customers.

3. Eligibility Conditions for Partners:

- 3.1 The following criterion shall be met by the Partner / Company who intend to be engaged by MTNL as Passive/Active Infrastructure Provider for FTTX Services & VAS:-
 - 3.1.1 The Partner shall have a valid Department of Telecommunication license issued for 10 years period at a time for Virtual Network Operator.

- 3.1.2 The partner must have a net worth of Rs. 1 Cr (One Crore) and the partner either directly 'or' through its parent company to have turnover of Rs.10 Cr in last Financial Year.
- 3.2 The Partner shall submit necessary documentary proof to establish that they meet the eligibility criteria. All documents submitted shall be self-attested by the director/Partner/ owner.
- 3.3 In addition to above, the partner shall furnish the documents comprising of following **(Wherever applicable): -**
- (i) Valid VNO license issued for 10 years period at a time.
 - (ii) Certificate of incorporation
 - (iii) Article or Memorandum of Association or partnership deed or proprietorship deed as the case may be.
 - (iv) Registration certificate from State Director of Industries or from Secretariat for Industrial Approval (SIA), Ministry of Industries, Government of India.
 - (v) Approval from Reserve Bank of India /SIA in case of foreign collaboration.
 - (vi) Latest and valid NSIC Certificate duly certified by NSIC
 - (vii) Documentary Evidences established in accordance with the Clause 3.1.2 above for promoters as well as their company.

4. Scope of Work:

4.1 For FTTx Services:

- 4.1.1 This Policy is for Engaging partners who are interested in launching Telecom Services in MTNL Service areas, to extend last mile on Fibre/ LAN / Wi-Fi or any other Last-mile Wired &/or Wireless technology for providing Broadband, VAS including video (IPTV/OTT) Services.
- 4.1.2 MTNL has fiber network across both the cities in Delhi and Mumbai usually on roadside near the cabinets / pillars / hand holes. Under this policy MTNL wishes to select partner (s) **for extending the fiber to the "x" (FTTX), Where the "X" could be Home, shop, offices etc. or any establishments of customer extending the connectivity through any technology to customers from MTNL exchange / RSU / designated point** . Multiple MTNL services like broadband, voice and/or any other MTNL's own or other partners' VAS can be provided to the customer over this extended end link.
- 4.1.2.1 MTNL at no extra cost will make available the Fiber / connectivity from its exchange or from any other existing point of presence, where MTNL fiber / connectivity is already available and feasible after meeting MTNL own requirements and at no extra cost to MTNL to partner's access equipment. The partner is supposed to build and extend the fiber / connectivity from MTNL's existing Exchange/point of presence to its access equipment. The partner will further extend the fiber connectivity from its access equipment to the customer premises and provide the necessary services as per SLA (Service Level Agreement) contract/agreement.

- 4.1.2.2 MTNL shall provide space for three racks free of cost in Telephone Exchanges in each city for housing equipments for Partner's Services other than OLT and other access equipment for providing FTTx Services; however power charges shall be levied as per para 4.1.2.4. Additional space for one rack shall be provided with every 10000 connections
- 4.1.2.3 There will be no charges for space inside the MTNL premises allotted to partner only for interconnection, video & VAS equipments as per bare minimum requirements for space but electricity & air conditioning will be chargeable at power rating of the equipment as given below:

Sl. No.	Power (Load)	Rate per month per site INR
1	Upto 125 Watt	1500

Beyond 125 watts, for each watt @ Rs.15 per month per watt. The rates are subject to change as per MTNL Policy and changes in electricity tariff.

4.2 For VAS Services:

- 4.2.1 This Policy is primarily for FTTx Services and no exclusive VAS service agreement will be executed under this Policy. Further, VAS services which do not require any telecom licenses will also be considered under this policy.
- 4.2.2 Partners selected under this policy can also create /provide VAS services, (like IPTV, Home Surveillance, Educational content, Gaming etc.) on its own or through a tie up with third party, to the broadband customers acquired under this arrangement as well as to other MTNL broadband customers on revenue share basis. Partner shall indemnify MTNL for third party VAS services and shall be fully responsible towards MTNL.
- 4.2.3 Partner will connect its network with MTNL network for VAS services at multiple Point of Interconnects (POIs) by providing its fibre. At least two points have to be identified for redundancy / disaster recovery. If in future, any other point of interconnect will be required, partner shall bring its fiber to MTNL's nearest point of interconnect.
- 4.2.4 The Partner has to arrange for and maintain the content to be provided as part of the VAS services along with the copyrights and intellectual property rights of the VAS services offered through MTNL to Customers. The partner will indemnify MTNL of all Liabilities arising out of third party arrangement.
- 4.2.5 The Partner has to operate and maintain the mutually agreed services by carrying out function of generating billing data, its reconciliation and customer care. The aforesaid clauses shall be governed by roles and responsibilities defined for each party as defined in this POLICY.

5. ROLES AND RESPONSIBILITIES: The roles and responsibilities of different partners will be as follows. In case any activity is not explicitly defined then the same will be settled on mutual agreement basis.

5.1 Customer Location:

- 5.1.1 MTNL customer premises could be of the following types which are illustrative in nature. Practically MTNL with the help of partner will try to reach every possible

places / establishments where both MTNL and the party are willing to provide services.

5.1.2 Houses - Stand Alone / Bungalows / Row Houses / Multi Story (Single Unit) / Multi Story (Multiple Units like Gated Community etc.) etc.

5.1.3 Shops / Offices - Stand Alone / Row Shops / Market Complex / Multi Story (Single Unit) / Multi Story (Multiple Units like Market Complex, Multiplex Malls etc.) etc.

5.2 MTNL's responsibility will be to provide the optical fiber connectivity as per para 4.1.2.1 and picking up this fibre will be the responsibility of revenue share partner.

5.3 The operation and maintenance of connectivity beyond designated places as mentioned above will be the responsibility of partner.

5.4 The required infrastructure for interconnection to the concerned network elements for Partner equipment of FTTX and VAS services shall be provided by MTNL. Co-location facility in MTNL premises shall be extended to partner subject to feasibility for the purpose of interconnection only and no infrastructure charges shall be levied by MTNL from partner for such infrastructure provided in MTNL premises for interconnection only however power charges as per para 4.1.2.3 will be levied. MTNL may also allow installation of OLTE of the partner at MTNL exchange site (if Partner wishes so) at nominal rent covering cost of electricity & air-conditioning in terms of para 4.1.2.4 above. Necessary segregation in location of OLTE at MTNL site can be taken, if required, to avoid unhindered entry of partner staff to MTNL installation subject to feasibility.

5.5 Operation and maintenance of backhaul fiber & equipment supplied by MTNL will be responsibility of MTNL.

5.6 The Partner will supervise the service delivery and service assurance to the customer. However the back end responsibility will remain with the respective partner / MTNL depending upon, who provides it. MTNL will provide all the Core and Backend available resources delivering bandwidth upto Partner's fiber tapping point.

5.7 Commercial instructions, Advice notes and Bills for all services to be issued by MTNL on behalf of the Partner both for post-paid and pre-paid services as service provider. Partner will submit updated list of customers with tariff plan and services availed along with value added services on monthly basis.

5.8 MTNL will identify a SPOC (Single Point of Contact) at a senior level for fast resolution, of problems, if any.

5.9 Tariff of services to be decided by a standing committee comprising of officers of MTNL and the partner.

5.10 CAF (Customer Acquisition Form) to be completed in original and collected by the partner, as per regulatory requirements. Partner shall submit duplicate to MTNL's designated office.

- 5.11 Postpaid & prepaid billing shall be done in the name of common brand name by using MTNL's billing system at no extra cost. Bills to the customers will be issued in the common brand name by using MTNL system. Collection from the customers will be made in the common brand Name. The collection is to be done by MTNL
- 5.12 The access network for providing Broadband services will be parented to MTNL's BRAS, OSS, BSS via MTNL MPLS network..
- 5.12.1 Reports, if any not available in MTNL billing System, are required to be submitted by partner to MTNL such as:
- 5.12.1.1 Details of active subscribers
 - 5.12.1.2 Details of inactive/suspended subscribers
 - 5.12.1.3 Total number of PINs (Status & denomination wise) under his report.
 - 5.12.1.4 Details of activated and non-activated PINs
 - 5.12.1.5 Details of daily recharge details containing Recharge on account of Rental
 - 5.12.1.6 Recharge on account of VoD /Content
 - 5.12.1.7 Recharge on account of additional packages/Any other charges.
- 5.12.2 All tariffs for IPTV/Contents/VoD, etc. to be decided by a standing committee comprising of officers of MTNL and the partner. In case of any directive by regulator / Government / statutory body, the same shall be implemented with intimation to MTNL.
- 5.12.3 Queries about billing disputes should be available in Web Self Care (WSC).
- 5.12.4 Subscribers' details should be linked to Set Top Box (STB) MAC ID.
- 5.12.5 Low balance messaging on TV screen is required to be automated.
- 5.12.6 Details PIN management security and Audit details should be available in the system.
- 5.13 Partner will purchase the PINs / coupons from MTNL after upfront deduction of the MTNL's revenue share plus applicable levies & taxes and sell at full cost to the subscriber and keep the proceeds.
- 5.14 During the agreement period, partner shall ensure compliance to the regulatory requirements stipulated in VNO license and/or security guidelines issued time to time by Department of Telecommunication/Government of India.
- 5.15 MTNL may allow partner to use MTNL's available existing equipment/system for lawful interception etc., from time to time to fulfill the prevalent regulatory compliances. However, interconnection requirements, if any shall be responsibility of partner without any extra cost to MTNL.
- 5.16 Access Equipment:**
- 5.16.1 Access technology (after Broadband Equipments, from Telephone Exchange to Customer Premises) keeps on changing. Normally, access network has Central Equipment, which can be installed in telephone exchanges (MTNL) or even at other central locations including customer buildings provided by the Partner,

depending upon feasibility. Presently GPON access technology is in vogue, in which central equipment is called as OLT and the customer premise equipment is called as ONT. Partner can service multiple building from same OLT provided these feed customers under this agreement only.

- 5.16.2 In future, the partner can introduce new access technology for their portion after POC and mutual consent with MTNL. However, while introducing new access technology necessary steps shall be taken for revenue assurance and proper audit trail of each subscribers, services provided to each of the subscribers, tariff and package details of each subscribers and their billing in the system with verifiable mechanism and audit trail.
- 5.16.3 MTNL is also pioneering in introducing the state of the art technology to its customers, in such cases also the partner will have to upgrade their skill / resources to match technology in a mutually agreed time frame.
- 5.16.4 All the stores / equipment etc. will have to be provided by the Partner for its portion of work.

5.17 Partner's VAS (Value Added Services):

- 5.17.1 The partner is permitted to provide VAS (Value Added Services) to MTNL customers acquired through this Fiber project or any other customers. However it should be understood by all the partners that their value added services must be for FTTx customers acquired under this agreement only. In addition it can be for other MTNL Broadband customers. ***In case, a VNO wants to provide exhaustive bouquet of value added services, the same may be considered by MTNL based on nature of services and future potential alongwith the business viability on case to case basis. However, the provision of the same shall not be counted towards targeted purpose revenue share if VAS is not bundled with FTTx plan.***
- 5.17.2 The Partner can use the MTNL Data center for hosting and can utilize the MTNL Data Center Managed Services on mutually decided commercials or they can host the services at any other Tier 3 certified data center in India.
- 5.17.3 Further MTNL is having lots of real estate space at strategic locations. The Partner can hire MTNL space at a mutually negotiate rates for providing the services envisaged in this project.
- 5.17.4 In case, partner needs telecom connectivity for CDN (Content Delivery Network) between Delhi and Mumbai for providing services in this contract/agreement, then the required connectivity will be provided to the partner at 20% discount of MTNL prevailing rate or the preferred rate offered by MTNL to other customers.
- 5.17.5 For providing VAS the interconnectivity can be at more than two places (One Main and the other one disaster recovery) as per need to meet the SLA and provide high customer experience.
- 5.17.6 At customer premises, the CPE (Customer Premise Equipment), should work normally on the AC supply available at customer premises and no UPS is required. In case the same is required by the customer, the same has to be supplied by the partner against suitable tariff.

5.17.7 The different type of VAS services could be as follows. This is only an illustrative list.

- 5.17.7.1 IPTV (Internet Protocol TV) / Interactive TV / Time Shift TV
- 5.17.7.2 Video on Demand
- 5.17.7.3 Home Surveillance
- 5.17.7.4 Education
- 5.17.7.5 Gaming
- 5.17.7.6 Entertainment
- 5.17.7.7 Convenience – Like Cloud Storage etc.
- 5.17.7.8 Location Based Services
- 5.17.7.9 Internet of Things
- 5.17.7.10 Digital Cable TV
- 5.17.7.11 Any Other Services deemed fit

5.18 VAS Services Provisioning:

- 5.18.1 Partner will intimate MTNL under email the concept note of VAS services.
- 5.18.2 Within seven working days MTNL Nodal Officer will intimate the MTNL stand on such VAS services.
- 5.18.3 If decided to go ahead then within seven working days of proposal consent by MTNL, POC will be demonstrated by the partner. The location / target customer / any other details from MTNL side if needed will be apprised by the nodal officer.
- 5.18.4 Three Week time for POC (Proof of Concept)
- 5.18.5 If POC is successful, then VAS will be launched from 6th week of proposal / specified mutually agreed date, however, it would joint endeavor to have such decisions be taken, timely.
- 5.18.6 If POC is not success full then first the shortfall noticed will be attended then only further necessary action will be taken.
- 5.18.7 The Initial tariff, considering the proposal of the partner, shall be fixed by the committee with members of MTNL & Partner. The Partner is supposed to study market dynamics and accordingly submit a suitable tariff proposal which would be reviewed at reasonable intervals.
- 5.18.8 The VAS services will keep on changing / evolving as per the customer taste over a period of time. The partner is supposed to keep a tab on it.

5.19 Maintenance

- 5.19.1 Partner shall setup “complaint” or “customer service” contact numbers for booking of complaints from customers. Partner shall be responsible to attend the fault within four hours of receiving a complaint during 9.30 AM to 6 PM office time on working day. Any fault booked by customer will be attended as per following time schedule-
 - i) Any fault/complaint not involving fiber cut = within 4 hours of complaint booking by customer.

ii) Any fault/complaint involving fiber cut = within 8 hours of complaint booking by customer.

5.19.2 By and large MTNL and the Partner will be responsible for their portion of work. However, the first responsibility lies with the partner to diagnose the fault and intimate MTNL, in case the MTNL portion is faulty. MTNL shall intimate the Partner about alarms/disruptions/failures.

5.19.3 Penalties for unsatisfactory services and/or delay in fault rectification due to partner shall be made as per TRAI prescribed guidelines. Such penalty amount will be deducted from partner share.

5.19.4 In other cases, penalty (if any) will be proportionately applicable in similar percentage of revenue share, irrespective of the fact, where the fault lies. For penalty calculations, any complaint booked by customer after 03:00PM of the day, fault time shall be counted from 08:00AM of next day.

5.19.5 If partner fails to rectify faults within prescribed time limit MTNL will have right to provide service to customer directly by any other means at its disposal and take away customer from portfolio of partner

5.19.6 However, if persistent penalty arises due to partner's reason, it can be treated as a breach of contract/agreement and accordingly action can be initiated as per the provisions of this policy.

6. Revenue Share : The following Revenue Share will be retained by the partner selected under this Policy:-

6.1 Revenue share for FTTx Services:

Partner type	Name of Service	Area of operation	No. of Billed Connections <i>in each City separately</i>	Gross Revenue share of the Partner	Gross Revenue Share of MTNL
VNO	MTNL FTTx services like Broadband, Voice Telephony, etc., where access network will be installed and maintained by partner.	PAN City	Upto 3000	25%	75%
			3001 - 6000	29%	71%
			6001- 12000	33%	67%
			12001-20000	36%	64%
			20001-30000	38%	62%
			30001-40000	40%	60%
			40001-50000	42%	58%
			50001-60000	44%	56%
			60001-70000	46%	54%
			70001-80000	48%	52%
>80000	50%	50%			

Note: In case of ONT/CPE charges are prescribed as a separate line item in a tariff scheme as monthly charges, even in such cases for the purpose of revenue share; these charges will be considered as part of total revenue only.

6.2 Revenue Share for VAS Services provided by Partner to MTNL under this Policy

Name of Services	Gross Revenue share to MTNL (in %)	Gross Revenue Share of MTNL
Partner VAS Services like IPTV, Home Surveillance etc. to MTNL customers acquired through Policy or MTNL's other customers	25%	75%

NOTE:

1. Partner is free to extend the connectivity from MTNL to their premises on any medium but all the requisite equipment / Government clearance shall be obtained by partner. CAPEX & OPEX of chosen medium & Government levies if any, will be borne by the partner.

2. Further license fee charges will be borne by respective parties as per applicable license conditions for AGR/GR under their agreements'

6.3 Revenue Share to Partner for Voices Services offered as a bundled product to FTTx Customers acquired by Partner under this Policy :-

Name of Services	Gross Revenue share offered to Partner (in %)	Gross Revenue Share of MTNL
Voice Services to FTTx Customers acquired by Partner under this Policy	25%	75%

7. Brand Name:

MTNL in consultation with partner may allow a distinct/multiple brand name(s) for the services offered under the agreement with partner and suitably represents MTNL & Partner. Brand name shall be co-owned by both the entities. In case of partnership terminated prematurely with mutual consent the brand name would cease to be in use for subsequent 5(five) years. In case of any partner invoking the termination, the other partner shall have right to acquire the brand name.

8. Tariffs:

Tariffs of Partner's Services shall be as per plans decided by a standing committee comprising of officers of MTNL and the partner. Any upfront charges collected from customer for Customer Premise Equipments e.g. ONT, Wi-Fi Router, Phone, SIP Phone etc. shall be paid to the party who provided CPEs after deducting the license fee and taxes.

9. PAYMENT TERMS:

9.1 The payment is on back to back basis after receipt of payments from customer.

9.2 The Customer payment is sufficient condition to release the payment, which is collected in the name of brand. . Payment will be released automatically through ECS / Net-banking within 30 (thirty) days in respect of all cases for which payments have been received against invoice of partner.

9.3 In case of any customer dispute for payment the adjustment shall be done in the subsequent bill and same may be adjusted in subsequent bills.

9.4 MTNL reserves the right to adjust any amount due to MTNL and payable by partner to MTNL from any payments due to MTNL and/or the Performance Bank guarantee furnished to MTNL by partner.

10. AWARD OF WORK AREA:

10.1 The eligible partner(s) can apply to Executive Director MTNL Delhi / Mumbai respectively in every calendar month. The applications received during the period will be evaluated in succeeding month and an exclusive agreement will be executed with short listed partner. MTNL reserves the right to engage more than one partners in an area based on requirement.

10.2 The partner(s) empanelled through this Policy shall be over and above the Partner (s) already empanelled.

11. Market Penetration Obligations, Penalty and Benchmark Bonus:

11.1 Partner(s), **shall** have obligations as under:

No penalty shall be levied in first 18 months. After 18 months, if partner does not meet the following obligations, revenue share will be decreased by 2% as per applicable slab e.g. 23% in place of 25%:

a. Partner to achieve 2000 billed connections at the end of first year.

b. At the end of year two, partner to achieve 4000 billed connections.

c. At the end of year three and onwards, partner to achieve 6000 billed connections.

d. For the starting market penetration phase which will be 18 months from the date of agreement; Partner shall also be eligible for arrears in the form of 'benchmark bonus'; on the basis of active subscriber count at the end of crossing from a specified benchmark/slab to the next higher specified benchmark/slab as illustrated in the table of Clause 6.1 herein. The revenue share as bonus amount would be the difference of actual revenue share paid under different slabs during this period and revenue share recalculated as per the last slab applicable at the end of 18 months of the agreement. For example, if partner crosses benchmark of 40,000 billed connections then arrears shall be paid as one-time revenue share as bonus for an amount equivalent to the consolidated residual amount as if revenue share would have been in that slab paid from Day one. However, no revenue share as bonus amount will be admissible, if the partner is not able to achieve minimum 20,000 billed connections at the end of 18 months. The billed connections shall be defined where at least one month revenue has been realised or bill for the current month realizes within next 45 days as per billing cycle duration.

11.2 CMD, MTNL reserves the right to condone the penalty of 2% decrease in revenue share based upon the market conditions and other factors.

11.3 Partner shall not resort to any false reporting in whatsoever manner including tariff, services, packages, and customers, VAS etc to undervalue the revenue or incorrect reporting of the revenue share amount in any manner. If partner is found guilty of underreporting of revenue or revenue share, MTNL shall impose penalty of 300% of underreported gross revenue or 10% of gross revenue of last 6 (Six) months, whichever is higher.

11.4 During the agreement period, partner shall ensure compliance to the regulatory requirements stipulated in VNO license and/or security guidelines issued time to time by Department of Telecommunication/Government of India. Due to breach of any such term or condition or any non-compliance partially or fully; penalty, if any levied by DoT and/or Gol on MTNL shall be borne by the partner.

11.5 MTNL will review the performance every six months and if the partner fails to perform according to the rollout obligation as above, MTNL may terminate the contract with the partner. There shall be no limit on the number of partners and the field units may take this decision on their discretion depending upon the business requirements keeping in view the interest of the MTNL. Decision of MTNL for number of partners will be final and the contract is exclusive basis for the partner but MTNL reserves the right to induct any number of partner based on its requirements and its decision in this regard will be final.

12. SUB-CONTRACT/SUB-AGREEMENTS:

The Partner cannot assign/ transfer and sub-contract/ agreement its interests/ obligations under the contract/agreement without the prior written permission of the MTNL.

13. PERFORMANCE GUARANTEE:

Partner shall have to submit PG in form of Bank Guarantee as required in agreement pro forma (Annexure-I) in the Performa specified for PBG (Annexure-II) as per details below. However, Partner will have option to submit PG in form of DD.

- i. PBG of Rs. 10,00,000/- (Rs. Ten Lakh for each city)

14. AGREEMENT:

- i). That the role & responsibility of Managed Service Partner with VNO license will be that of a VNO as per the VNO license agreement issued by DoT and all other terms and conditions stated in the revised policy. In case of any conflict, the agreement clause will prevail.*
- ii). That in all future agreements with other VNOs, 'MTNL' name may be made mandatory as part of the co-branding name, unless specifically waived off by MTNL.*

- iii). Performance of partner will be reviewed with respect to the Terms & Conditions of the contract every six month and incase it is found unsatisfactory; MTNL reserves the right to terminate the contract on breach of terms and conditions of the contract.

15. VALIDITY OF THE AGREEMENT:

- 15.1 Agreement shall remain in force initially for a period of Ten (10) years on exclusive basis to the partner from the date of award of work and can be extended further with mutual consent. This agreement shall be valid for its full term unless revoked as per the clauses and mechanism defined in this Agreement. However, MTNL reserves the right to enter in agreement with other partners also.
- 15.2 On the expiry of the term of the Agreement, unless renewed by mutual agreement, the treatment to and handling of partner content service provision operations and equipment under this Agreement shall be partner's prerogative and shall be treated and handled at partner's discretion. In the event partner decides to sell any of its equipment or operations, in full or in part, it will be done at a business valuation arrived upon by an independent valuation expert/entity. The valuation shall be based on standard industry valuation metrics and methodologies prevalent at that time.
- 15.3 MTNL shall have the right of first refusal and settle all financial obligations within 60 days of having communicated its willingness to exercise the option to buy any or all of the equipment and/or operations from partner.

16. PROGRESS REPORT:

The partner shall, at its own costs, compile, prepare and submit on time, periodical progress reports (weekly/monthly or as required by MTNL) on the progress of delivery, customer details, tariff and package details, VAS services provided with commercials, billing information, implementation of project, whichever is applicable, financial status as well as physical progress of project undertaken by Partner.

Area GM/ED will review the progress report as per the award of contract and submit their recommendations to respective controlling officers.

17. FORCE MAJEURE:

- 17.1 If at any time, during the continuance of this contract/agreement, the performance in whole or in part by either party of any obligations under this contract/agreement shall be prevented or delayed by reason of any war, or hostility, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restriction, strikes, lockouts or act of God (Hereinafter referred to as events) provided notice of happenings, of any such eventuality is given by either party to the other within 21 days from the date of occurrence thereof, neither party shall by reason of such event be entitled to terminate this and contract/agreement shall be resumed as soon as practicable after such event may come to an end or cease to exist, and the decision of the MTNL as to whether the deliveries have been so resumed or not shall be final and conclusive, provided further that if the performance in whole or part of any obligation under this contract/agreement is prevented or delayed by reason of any

such event for a period exceeding 60 days either party may, at its option terminate the contract/agreement.

17.2 Provided also that if the contract/agreement is terminated under this clause, then MTNL shall be at liberty to take over entire/part of equipment from the partner at a price to be fixed by the MTNL, which shall be final, all unused, undamaged and acceptable materials, bought out components and stores in course of manufacturer in possession of the partner at the time of such termination of such portions thereof as the MTNL may deem fit excepting such materials / bought out components and stores as mentioned in the contract/agreement or may with concurrence of the MTNL opt to retain.

18. TERMINATION FOR DEFAULT:

18.1 The MTNL may, without prejudice to any other remedy for breach of Contract/agreement, by written notice of default, sent to the Partner, terminate this contract/agreement in whole or in part.

- a) If the Partner fails to deliver any or all of the services within the time period(s) specified in the Contract/agreement, or any extension thereof granted by the MTNL.
- b) If the Partner fails to perform any obligation(s) under the Contract/agreement, VNO license conditions as per DoT directions, TRAI directions and performance parameters.
- c) If partner is found to resell or redistribute the Internet connection to any other parties illegally. A violation of this term will result in the immediate termination of agreement in addition to financial penalty as mention in para 11.3 above.
- d) If the Partner, in either of the above circumstances, does not remedy his failure within a period of 30 days (or such longer period as the MTNL may authorize in writing) after receipt of the default notice from the MTNL; and
- e) If a partner resorts to any false reporting regarding tariff, packages, services, customers, VAS etc to undervalue the revenue or manipulate the revenue share amount in any manner whatsoever.

18.2 In the event of termination of contract/agreement in whole or in part, pursuant to clause 17.1, the MTNL will have first right to serve the existing customers if any and it may procure all the access equipment / last mile infrastructure from the partner, upon such terms and in such manner as it deems appropriate but in no case higher than the depreciated value of equipment as defined in para 19.2.2.3. MTNL also reserve the right to engage another partner in place of the present partner to provide the services to the customers.

19. EXCLUSIVITY AND EXIT CLAUSE:

19.1 EXCLUSIVITY:

19.1.1 This is an arrangement with partner for Ten (10) years of operations on exclusive basis from the date of signing the Agreement, which can be further extended on mutual consent. Partner under this policy, shall not enter into agreement for provision of high-speed broadband services through any of its holding company/subsidiary/Joint venture / Associates Group Companies/ entities controlled by it directly or indirectly, related parties or through its promoters in the jurisdiction of the agreement in Delhi and Mumbai License Area.

19.1.2 **MTNL reserve the right to enter into agreement with other VNOs and/or partners for FTTx services.**

19.1.3 CPE / STB installed by partner, herein, are the property of the partner and are not to be shared by any other partner and/or party for any purpose whatsoever.

19.2 **EXIT:**

19.2.1 **PARTNER may exit from this business or prematurely revoke this agreement by giving ten months written notice to MTNL after one year lock in period.** Similarly MTNL can also exit prematurely from this agreement after giving 10 months written notice to Partner after one year lock in period.

19.2.2 In cases of partner exit prematurely i.e. before expiry of 10 years terms, following damages/compensation not as a penalty but a sum which is agreed by both the parties as a reasonable and genuine pre-estimate of damages which will be suffered by MTNL, shall be payable:

1. Exit by partner within year 1----- Rs.2500 per subscriber
2. Exit by partner within year 2----- Rs.2250 per subscriber
3. Exit by partner within year 3----- Rs.2000 per subscriber
4. Exit by partner within year 4----- Rs.1750 per subscriber
5. Exit by partner within year 5----- Rs.1500 per subscriber
6. Exit by partner within year 6----- Rs.1250 per subscriber
7. Exit by partner within year 7----- Rs.1000 per subscriber
8. Exit by partner within year 8----- Rs.550 per subscriber
9. Exit by partner within year 9----- Rs.500 per subscriber
10. Exit by partner within year 10----- Rs.250 per subscriber

Similarly, in case MTNL decides to exit the agreement and acquire assets, infrastructure and customer acquired/created by the partner as per clause 19.2.2.2, in such cases, the similar damage compensation will be payable by MTNL to partner.

19.2.2.1 The infrastructure created and owned by partner for delivery of service utilizing MTNL's Network can't be utilized by any other agency till MTNL exercises its right of refusal/acceptance. MTNL will have the first right of acceptance/refusal.

19.2.2.2 In such case MTNL may acquire the asset created by partner for delivery of FTTX service, on depreciated value as per the Income Tax Act or as per mutually agreed value whichever is lower.

19.2.2.3 The depreciated value of equipment – the net value of the equipment as determined by charging depreciation at rates claimed under Income Tax Act, 1961 as amended from time to time under the written down value method.

20. CONFIDENTIALLY AND NON-DISCLOSURE OF INFORMATION:

- 20.1 “Confidential Information” shall collectively mean any and all information (whether commercial, non-commercial, business, proprietary, personal or technical), studies, subscription lists, analysis, data, or other documents in written, graphic, oral, or other tangible or intangible forms developed, licensed to and/or owned by any of the parties to this agreement and / or disclosed by one party (owner) to another (recipient) that is prior to or at the time of disclosure, identified in writing as confidential, or such information that by its inherent nature or circumstances of disclosure is deemed to be confidential, or proprietary, or is orally delivered, summarized in writing by Owner and delivered to the Recipient within 15 days of such disclosure. Confidential information shall also be deemed to include any and all information that is obtained by the Recipient or the non-disclosing party in performance of the obligations provided in the agreement. All personally identifiable data including CDRs regarding customers of MTNL shall be deemed confidential information without the need to identify such items as confidential or proprietary. The confidential information shall always remain the property of the owner.
- 20.2 Recipient may use confidential Information of owner only for the purpose. Recipient may disclose confidential information received hereunder to its employees strictly on a need to know basis, for the purpose and who are bound to protect the received confidential information from unauthorized use and disclosure under the terms of a written agreement of similar nature. The recipient further agrees that it shall not use the confidential information of the owner for its own benefit, or the benefit of any third party, even in furtherance of the purpose without the prior written consent of the owner.
- 20.3 The recipient shall ensure that confidential information is not disseminated or accessible to or used by any person, whosoever, who strictly does not have the need to know such information and shall put in place at least such control as it employs with respect to its own proprietary or confidential information of like importance which it does not desire to have disseminated or published, but in any case using no less than a reasonable degree to care. Further, the Recipient shall not make or have made copies of the confidential information in any medium without the consent of the owner.
- 20.4 In the event Recipient is required by law, regulation or court order to disclose any of Owner’s confidential information, recipient will promptly notify owner in writing prior to making any such disclosure in order to facilitate owner seeking a protective order or other appropriate remedy from the proper authority. Recipient agrees to cooperate with owner in seeking such order or other remedy.
- 20.5 The obligation of confidentiality and use with respect to confidential information disclosed hereunder shall survive any termination of this agreement or expiration of the agreement for a period of 5 years unless extended by the owner in writing.
- 20.6 The recipient shall ensure that the physical security, data integrity, handling, storage etc. of all confidential information including handling of CDRs shall conform to the

standard security measures. Notwithstanding anything contained herein Recipient agrees that the data integrity and physical security of the confidential information shall not be compromised in any manner.

20.7 Except upon mutual written agreement, or as may be required by law, no party shall in any way or in any form disclose the existence, discussions or negotiation leading to or any matter covered by this agreement.

20.8 The Parties acknowledge that confidential information is unique and valuable, and that disclosure in breach of this agreement will result in irreparable injury to owner for which monetary damages alone would not be an adequate remedy. Therefore, the Parties agree that in the event of any breach or threatened breach of confidentiality, the owner shall be entitled to specific performance and injunctive or any other equitable relief as a remedy for any such breach or anticipated breach. Any such relief shall be in addition to and not in lieu of any appropriate relief or claim for monetary compensation or damages.

21. PROHIBITION OF CERTAIN ACTIVITIES BY PARTNER:

21.1 PARTNER shall not provide any content on the FTTX network of MTNL which is prohibited by Indian Laws. Violation of Indian Laws for showing or providing any content shall be sole responsibility of PARTNER.

21.2 PARTNER shall not engage, on the strength of this agreement, in the provision of any service other than the services agreed upon in this Agreement, without prior agreement in addendum to this Agreement regarding such service with MTNL.

21.3 To remove any doubt, it is hereby clarified that nothing contained in above para shall preclude PARTNER from engaging in advertising and promotional activities relating to content services.

21.4 Neither party shall be entitled to use the names, trademarks, service marks or logos of the other without the other's prior written approval.

22. TERMINATION FOR INSOLVENCY:

The MTNL may at any time terminate the contract/agreement by giving written notice to the Partner, without compensation to the Partner, if the Partner becomes unwilling, bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the MTNL.

23. ARBITRATION, APPLICABLE LAW AND JURISDICTION:

The parties shall endeavor to resolve any dispute under the Agreement through mutual discussions and negotiations:

However, If, after thirty (30) days from the commencement of such negotiations, the efforts to resolve all or any of the disputes through negotiations fails, then, such disputes or differences, whatsoever arising between the parties in respect of this Agreement shall be

referred to Arbitration, unless the matter is time barred as per the Limitation Act, in accordance with the following provisions:

- 23.1 Matters to be arbitrated upon shall be referred to the sole Arbitrator where the total value of claims does not exceed Rs.20 crores. Beyond the claim limit of Rs.20 crores, there shall be three Arbitrators.
- 23.2 For this purpose the MTNL shall publish a Panel of Arbitrator, meeting the requirements of the Arbitration' and Conciliation Act as amended from time to time, consisting of eminent persons having wide experience in Telecom, Telecom Finance, Civil and Electrical fields. This panel will be of serving or retired officers of Government Departments or of Public Sector Undertakings of the rank of Joint Secretary to Govt of India or above.
- 23.3 For the disputes to be decided by the sole Arbitrator, the party invoking the Arbitration Clause shall submit a list of three Arbitrators from the aforesaid Panel along-with the letter invoking the Arbitration. The other Party shall convey its consent for one of the said Arbitrators from the said list within 15 days of receipt of such request.
- 23.4 For the disputes to be decided by a Panel of three Arbitrators, the party invoking the Arbitration Clause shall submit a one name from the aforesaid Panel, as its Nominee, along-with the letter invoking the Arbitration. The other Party shall convey the name of its nominee from the aforesaid Panel to the Party invoking the Arbitration, within 15 days of receipt of such request. Both the nominated Arbitrators shall nominate a third Arbitrator from the aforesaid Panel, who' shall act as the presiding Arbitrator;
- 23.5 The Arbitration and Conciliation Act, 1996, as amended from time to time, and the rules made there under shall be applicable. The Arbitration proceedings shall be held in Delhi/Mumbai only.
- 23.6 In the event of such an Arbitrator(s) to whom the matter is originally referred, being vacating his office or neglecting his work or being unable to act for any reason whatsoever, the new Arbitrator(s) shall be appointed after following the procedure as enumerated hereinabove. The person(s) so appointed shall be entitled to proceed from the stage at which it was left out by his predecessors.
- 23.7 The Arbitration proceedings shall be in English language.
- 23.8 The law of land as promulgated/modified/amended or replaced from time to time shall govern this agreement. The agreement shall be subject to exclusive jurisdiction of courts at New Delhi/Mumbai.
- 23.9 No person other than the Empanelled Arbitrators of MTNL shall be appointed as an Arbitrator to adjudicate the dispute.

24. SET OFF:

- 24.1** Under no circumstances shall any or sum of money due and payable to PARTNER (including security deposit refundable to him) under this Agreement be appropriated by MTNL or any other person(s) contracting with MTNL and set off the same against any claim of MTNL or such other person or person(s) for payment of a sum of money arising out of this Agreement or under any other Agreement made partner with the MTNL or such other person(s) contract/agreementing under the MTNL Except when,
- 24.2** Such dues are required to fulfill, upto determined liability, any penalty or fine imposed on MTNL by appropriate authorities or government, wherein it is determined partner is partly or wholly liable; or
- 24.3** Such dues are payable to third party jointly by MTNL and partner under this Agreement, upto the amount partner may be partly liable.
- 24.4** For the purpose of this clause, all determination required prior to set-off shall be made as per dispute resolution mechanism under this Agreement, save and except where such determination is mutually agreed upon.

AGREEMENT PROFORMA

(To be furnished on Rs.100/- stamp paper)

To be executed on non-judicial stamp worth Rs.100/- and continuation sheets on ledger papers and two copies on ordinary paper to be submitted neatly type-written sheets on one side of the paper in single line spacing.

AGREEMENT

AGREEMENT with M/s (VNO License No._____) for providing FTTx Services on revenue share basis in MTNL area by extending last mile through fiber/ LAN / Wi-Fi or any other technology to customers under joint brand name..... for providing the High Speed Broadband Internet as well as several value added services including video (IPTV/OTT) And to provide managed VAS services such as IPTV, Gaming etc. to MTNL customers.” **as per scope defined in the POLICY document.**

This agreement is signed on the..... by and between **MAHANAGAR TELEPHONE NIGAM LIMITED (UL License No._____)**, a company registered under the Companies Act 1956 having its Registered office & Corporate office at MTNL MTNL Door Sanchar Sadan, CGO Lodhi Road, New Delhi- 110003 acting under the G.M. MTNL,

(hereinafter called **MTNL** which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) of the **FIRST PARTY**

AND#

M/s, a company registered under the Companies Act 1956 / 2013, VNO License No._____ having its registered office acting under Mr. / Ms., (Designation), the authorized signatory (hereinafter called as **Partner(s) or PARTNER(S)**), which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) of the **SECOND PARTY**.

= Add all Partners in case of Consortium.

WHEREAS

1. MTNL is a Government of India Enterprise, providing Telecom and IT services for Customers in MTNL area of Operation.
2. The MTNL is desirous of appointing Partner(s) for providing FTTx Services on revenue share basis in MTNL area for extending last mile on through fibre/ LAN / Wi-Fi or any other technology to customers for providing Broadband, VAS including video (IPTV/OTT) Services And for selecting partners to provide VAS services such as IPTV, Gaming etc. to customers.”. The PARTNER(S) has approached MTNL for authorizing it to act as its **Managed Service Partner with Virtual Network Operator (VNO) License for providing Solutions / Services as per scope defined in the document attached herewith.**

3. The FTTx Service Partner(s) has requested to sign an agreement for providing FTTx Services on revenue share basis in MTNL area for extending last mile through fibre/ LAN / Wi-Fi or any other technology to customers for providing Broadband / voice / VAS services And for selecting partners to provide VAS services such as IPTV, Gaming etc. to customers **"as per scope defined in the document** for MTNL customers whereupon and in pursuance to the said request, MTNL has agreed to sign this Agreement.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In consideration of the due observance & performance of all the terms and conditions mentioned in this agreement along with the / POLICY terms and condition issued vide number, which are part and parcel of this agreement, MTNL and the M/Sagree to sign agreement for providing FTTx Services on revenue share basis in MTNL area for extending last mile on through fibre/ LAN / Wi-Fi or any other technology to customers for providing Broadband, , VAS including video (IPTV/OTT)Services And for selecting partners to provide managed VAS services such as IPTV, Gaming etc. to MTNL customers." **as per scope defined in the document.**
2. This agreement shall be valid for a period of Ten (10) years ("Initial Term") from the date of signing the Agreement unless revoked earlier as per terms and conditions of this POLICY. After the Initial Term, the Agreement will be extended further on mutual agreement basis in terms of five years.
3. M/sand MTNL hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in agreement without any deviation or reservations of any kind, unless mutually agreed between the parties at any given time.
4. The laws of land as promulgated/modified/amended or replaced from time to time shall govern this Agreement. This agreement is on exclusive basis for both parties and MTNL reserves the right to appoint more than one Partner(s) in this category
5. This Agreement shall not be amended or modified or altered or changed in any way except in writing and duly executed by the authorized representative of each party.
6. The Agreement is a confidential document. M/s& M/sand MTNL shall not divulge any part of this Agreement either under oral or written communication or under any other mode to any third party unless and until required to do so for executing work as per scope defined in the POLICY document.
7. The Partner(s) has agreed to the Performance bank Guarantee (PBG) of Rs. _____ (in words)_____ as a security towards due observance and performance of terms & conditions of this Agreement for the term. This bank Guarantee shall be valid for the period of years from the date of signing of this Agreement. The PARTNER(S) agrees to renew the PBG from time to time till expiry of agreement or till MTNL is satisfied that the terms & conditions of said agreement have been fully and properly carried out by the PARTNER(S). Without prejudice to its rights of any other remedy, on failure of the PARTNER(S) to provide services

under this agreement or in case of any breach in terms and conditions of the Agreement, MTNL shall en-cash / forfeit the said Performance bank Guarantee.

8. MTNL reserves the right to provide such services on its own or to enter into Agreement with other parties / persons / service providers for providing similar services from time to time in future without any restriction on number of persons / parties / System Integrators as Channel Partner(s)s, the Partner(s) shall have no objection whatsoever. PARTNER(S) agrees to adherence to this provision and the same is a material obligation of this Agreement.
9. All terms and conditions as mentioned in Policy, enclosed with this agreement with subsequent modifications/clarification (if any) are valid and are to be complied.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed under their respective authorized representatives on theday of, 2017.

Signed for and on behalf of **MTNL** by

General Manager (.....), MTNL, New Delhi

Signed on behalf of **M/s**, by **Shri**, the authorized signatory .and holder of General Power of Attorney dated executed in accordance with the Resolution dated passed by the Board of Directors of the company.

In the presence of Witnesses:

Signature

Signature

Name

Name

Occupation

Occupation

Address

Address

Place

Place

DATE

DATE

PERFORMANCE SECURITY GUARANTEE BOND (Prescribed format subject to Bank agreement)

In consideration of the CMD, MTNL (hereinafter called 'MTNL') having agreed to exempt _____ (hereinafter called 'the said contractor(s)') from the demand under the terms and conditions of an agreement/Advance Purchase Order No _____ dated _____ made between _____ and _____ for the supply of _____ (hereinafter called "the said agreement"), of security deposit for the due fulfillment by the said contractor (s) of the terms and conditions contained in the said Agreement, on production of the bank guarantee for _____ we, (name of the bank) _____ (hereinafter refer to as "the bank") at the request of _____ (contractor(s)) do hereby undertake to pay to the MTNL an amount not exceeding _____ against any loss or damage caused to or suffered or would be caused to or suffered by MTNL by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We (name of the bank) _____ do hereby undertake to pay the amounts due and payable under this guarantee without any demure, merely on a demand from the MTNL by reason of breach by the said contractor(s)' of any of the terms or conditions contained in the said Agreement or by reason of the contractors(s)' failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee where the decision of MTNL in these counts shall be final and binding on the bank. However, our liability under this guarantee shall be restricted to an amount not exceeding _____.

3. We under take to pay to the MTNL any money so demanded notwithstanding any dispute or disputes raised by the contractor(s)/supplier(s) in any suit or proceeding pending before any court or tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the contractor(s)/supplier(s) shall have no claim against us for making such payment.

4. We(name of the bank)_____ further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the MTNL under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till

_____ (office/Department) MTNL certifies that the terms and conditions of the said Agreement have been fully or properly carried out by the said contractor(s) and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the expiry of TWO YEARS (as specified in P.O) from the date hereof, we shall be discharged from all liabilities under this guarantee thereafter.

5. We (name of the bank) _____ further agree with the MTNL that the MTNL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the MTNL against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the MTNL or any indulgence by the MTNL to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/supplier(s).

7. We (name of the bank) _____ lastly undertake not to revoke this guarantee during its currency except with the previous consent of the MTNL in writing.

Dated the _____ day of _____

for _____

(indicate the name of bank)