

No. 30-156-2/2015-USF
Government of India
Ministry of Communications
Department of Telecommunications
Office of the Administrator, USO Fund
Sanchar Bhawan, 20, Ashoka Road, New Delhi – 110 001.

Dated 15.12.2016

To

Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan
H.C. Mathur Lane
New Delhi - 110 001

{Kind Atten. : Shri H.C.Pant, CS & Sr. GM (Legal)}

Subject: Amendment of Agreement No. 30-156-8/2013-USF dated 30.09.2014 for subsidy support from USO Fund to provide mobile services in areas identified by Ministry of Home Affairs, Govt. of India under the Indian Telegraph (2nd Amendment of 2013) Rules, 2013.

WHEREAS the Government of India has approved to provide additional 156 Mobile Towers in LWE affected area with subsidy support of maximum of Rs. 275 crore from USOF under the captioned Agreement and communicated to BSNL vide letter no 30-156-2/2015-USF dated 22.06.2016.

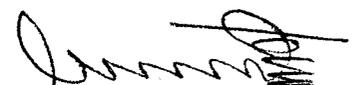
In pursuance of the Clause(s) 2.7 of Section-II (General Conditions) – Extension of Agreement and 2.8 of Section-II (General Conditions) – Modifications in Terms and Conditions of Agreement, the terms and conditions of the captioned Agreement are hereby amended, with the approval of the Administrator, with immediate effect to the extent as detailed below:

Sr. No.	Clause No.	Existing text	Amended text
1.	1.2 Section-I (Agreement)	This Agreement will remain valid for Six years from the Effective Date unless revoked earlier for any reason whatsoever.	This Agreement will remain valid up to 21.06.2022 unless revoked earlier for any reason whatsoever.

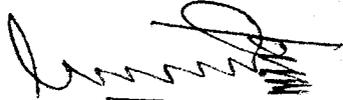

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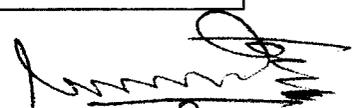
2.	2.3.5 Section-II (General Conditions)	New clause (to be added after clause 2.3.4 of Section-II (General Conditions))	In addition to provisions contained in clauses 2.3.1 & 2.3.2 above, USP shall also provide mobile services from additional mobile towers at 156 locations identified by the Ministry of Home Affairs. The list of 156 locations are enclosed at Annexure II-A.
3.	2.4.6 Section-II (General Conditions)	New clause (to be added after clause 2.4.5 of Section-II (General Conditions))	In addition to provisions contained in clause 2.4.1 above, USP shall install and commission mobile towers in the additional 156 mobile sites latest by 21.06.2017. USP shall operate and maintain the mobile service provision from these 156 sites also under this Agreement from the date of commissioning.
4.	2.6 Section-II (General Conditions)	2.6 Duration of the agreement : This Agreement will remain valid for Six years from the Effective Date unless revoked earlier for any reason whatsoever.	2.6 Duration of the agreement : Duration of the agreement shall be as per clause 1.2 (Section-I) of this agreement.
5.	3.3 Section-II (Technical Conditions)	Tower Locations BSNL shall coordinate with the Ministry of Home Affairs (MHA)/ State Governments to decide each Tower locations and for the arrangement of	Tower Locations The locations will be as decided by MHA and BSNL will ensure that there is no duplication and towers are not installed where connectivity exists. In order to ensure that new towers are not installed at the locations /sites where mobile coverage already


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		the land for installing mobile towers and other necessary equipment's and intimate the Administrator.	exists, BSNL shall carry out survey of the site area along with MHA / State Government. BSNL shall certify and submit the report to USOF on non-availability of mobile services by any service provider at the site/location, where the new tower is proposed to be installed under the LWE scheme. BSNL shall coordinate with the Ministry of Home Affairs (MHA)/ State Governments to decide each Tower locations and for the arrangement of the land for installing mobile towers and other necessary equipment and intimate the Administrator.
6	4.5.1 Section-IV (Operating Conditions)	4.5.1 BSNL shall set up infrastructure and commission the mobile network and services in the identified areas, within 27 months from effective date.	4.5.1 BSNL shall set up infrastructure and commission the mobile network and services in the 1836 identified areas, within 27 months from effective date. And BSNL shall install and commission mobile towers in the additional 156 mobile sites latest by 21.06.2017.
7.	5.2.1 Section-V (Commercial Conditions)	The Administrator or his representative or the agencies authorized (Hereinafter referred to as the Designated Monitoring Agency) shall have the right to inspect and test the equipment installed for provision of mobile	The Administrator or his representative(s) or the agencies authorized (Hereinafter referred to as the Designated Monitoring Agency) shall have the right to inspect and test the equipment installed for provision of mobile services as per prescribed test schedules for their conformity to the specifications. Where the Administrator decides to conduct such tests on the premises of USP, all reasonable facilities and assistance like testing instruments


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		<p>services as per prescribed test schedules for their conformity to the specifications. Where the Administrator decides to conduct such tests on the premises of USP, all reasonable facilities and assistance like testing instruments and other test gadgets including access to drawings and other details shall be furnished to the Designated Monitoring Agency at no cost to the Administrator.</p>	<p>and other test gadgets including access to drawings and other details shall be furnished to the Designated Monitoring Agency at no cost to the Administrator. After installation and commissioning of BTS/sites, coverage testing will be done by respective TERM Cells of DoT, which will submit its report, circle-wise, as & when carried out, to USOF and / or its Designated Monitoring Agency (DMA) for deciding further action to be taken, in terms of Subsidy deductions or financial penalties.</p>
8.	6.1 Section-VI (Financial Conditions)	<p>USOF would fund Capital Expenditure (CAPEX) of 1836 sites on successful installation and commission and Net Operating Expenditure (OPEX) for 2199 sites for a period of five years.</p>	<p>USOF would fund Capital Expenditure (CAPEX) of 1836 sites on successful installation and commission and Net Operating Expenditure (OPEX) for 2199 sites for a period of five years. In addition, USOF would also fund Capital Expenditure (CAPEX) of additional 156 sites on successful installation and commissioning and Net Operating Expenditure (OPEX) for these sites for a period of five years from the date of commissioning.</p>
9.	6.2 Section-VI (Financial	<p>The project implementation cost is Rs. 3567.58 crores (inclusive of</p>	<p>The project implementation cost is Rs. 3567.58 crores (inclusive of all taxes except octroi and local taxes) consisting of CAPEX and OPEX for</p>


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	Conditions)	all taxes except octroi and local taxes) consisting of CAPEX and OPEX for 5 years for 1836 sites, discovered by BSNL through tender process; and OPEX for existing 363 towers (extrapolated from tender rate for OPEX), for providing mobile services at locations identified by Ministry of Home Affairs in areas affected by Left Wing Extremism.	5 years for 1836 sites, discovered by BSNL through tender process; and OPEX for existing 363 towers (extrapolated from tender rate for OPEX), for providing mobile services at locations identified by Ministry of Home Affairs in areas affected by Left Wing Extremism. For additional 156 sites, additional project implementation cost not exceeding Rs 275 crore would be payable, which includes CAPEX and OPEX for 5 years.
10.	6.11.3.a to 6.11.3.e	New clauses (to be added after clause 6.11.3 of Section-VI (Financial conditions))	<p>6.11.3.a. The subsidy payment in respect of additional 156 BTS towers shall be made to BSNL within four weeks of submission of the claim, as per the break up given below:</p> <ul style="list-style-type: none"> (i) Payment of full Non-tendered CAPEX along with the centage thereon, towards the cost already incurred by BSNL (ii) Payment of 25% tendered CAPEX to BSNL as mobilization advance, to be adjusted against CAPEX payable. <p>6.11.3.b. The schedule for release of the subsidy payable amount for centage on tendered Capex & centage on tendered and non-tendered OpeX for 156</p>

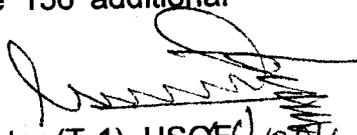
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			<p>additional sites is as stipulated in Clause 6.11.5.</p> <p>6.11.3.c. The schedule for release of the balance subsidy payable amount for tendered Capex for 156 additional sites is as stipulated in Clause 6.11.6</p> <p>6.11.3.d. The schedule for release of subsidy payable amount for tendered OPEX shall be in advance every quarter and shall be equal to BSNL's contractual obligations to its vendor(s) for 156 additional sites.</p> <p>6.11.3.e. The schedule for release of subsidy payable amount for non-tendered OPEX net of revenue shall be in arrears every quarter for 156 additional sites.</p>
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2. In case of this contract for additional 156 sites, the prices of Solar system complete with battery etc. (SOR no 2 (A) (i)) is reduced by Rs 15000 per set w.r.t. its prices for 1836 sites as stated in the agreement signed dated 30.09.2014. Hence the BSNL will submit the duly approved firm costs for the implementation along with its breakup into tendered & non-tendered Capex cost, tendered & non-tendered Opex cost (except VSAT & carriage charges), VSAT charges & Carriage charges. BSNL is also directed to furnish the list of 156 locations that would subsequently be appended to the Agreement as Annexure-II A.

3. All other terms and conditions of the said agreement shall remain unchanged and the relevant provisions of the agreement & of the instructions/guidelines/directions issued/to be issued thereunder would also be applicable for these 156 additional sites.

Please acknowledge receipt as a token of acceptance.


 Director (T-1), USOF/12/16

Copy to:

1. CMD, BSNL, New Delhi
2. JA(F), USOF, DoT, New Delhi.