

No.20-100/2007-AS-I
Government of India
Ministry of Communications & IT
Department of Telecommunications
(Access Services-I Division)
1203, Sanchar Bhavan, Ashok Road, New Delhi-110001

1st October, 2008

To

M/s. Bharat Sanchar Nigam Limited
M/s. Mahanagar Telephone Nigam Limited

Subject: Amendment of Basic Service Licence with respect to Licence Fee.

In exercise of the power vested in the Licensor under the Basic service licence issued, inter-alia, reserving the right to modify at any time the terms and conditions of the Licence, in public interest or proper conduct of the SERVICE, the LICENSOR hereby amend the Basic service licence in respect of the annual licence fee with immediate effect:-

“The annual revenue share licence fee shall be reduced to to the extent of reduction in contribution towards Universal Service Obligation Fund (USOF) levy if the licensee, in such service area(s), qualifies as per Table below and subject to note below the Table:

Percentage Coverage of total number of Development Blocks in a service area covered by the licensee	Applicable USOF levy (as % of AGR)	Applicable Annual Licence fee inclusive of USOF levy (as % of AGR) in respect of the eligible licensee		
		Category of Service Area (except in ‘Metro’ service areas)		
		‘A’	‘B’	‘C’
Up to 95%	5% (no change)	10	8	6
More than 95 %	3%	8	6	4

Note:

- (i) Verification of coverage of each Development Block shall be based on verification of installation of identifiable physical infrastructure of the licensee for providing telecom access services.
- (ii) The Development Blocks shall be taken based on Census of India, 2001.
- (iii) The reduction in USOF levy shall be effective from 01.04.2009 or from the first day of the quarter following the date of completion of coverage of more than 95% of the total number of development blocks in the licensed service area, whichever is later. Along with the payment of quarterly license fee, the licensee shall submit an affidavit and list of development blocks covered, establishing the coverage of more than 95% of the total number of development blocks in the licensed service area. The Licensor reserves its right to verify the claim of the license about the coverage of development blocks through the Authorised Wing of DoT and the Licensee shall be responsible for all arrangements for verification thereof.
- (iv) The above reduction in annual licence fee is not applicable for the access services licences for ‘Metro’ category service areas.”

2. All other terms and conditions of the licence agreement including amendments and instructions issued from time to time shall remain unchanged.
3. Please acknowledge receipt.

(R. K. Gupta)
Director (AS-I)
For and on behalf of the President of India
Ph.No.2303 6284

Copy To:

1. Administrator, USOF
2. Wireless Advisor/ Sr.DDG(VIG)/ Sr. DDG(TEC)
3. DDG(Security)/DDG(AS-II)/DDG(CS)/ DDG(DS)/DDG(LF)/DDG(WPF)
4. Secretary, TRAI – W.r.t Para 6.34 of the TRAI's Recommendations dated 28.08.2007.
5. Director (IT) may kindly arrange to upload this amendment on DoT's website.