

Government of India
Ministry of Communications
Department of Telecommunications
Sanchar Bhawan, 20, Ashoka Road, New Delhi - 110001
(Access Services Wing)

No.20-271/2010 AS-I (Vol.-IV)

Dated: 06.10.2021

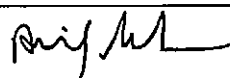
To

All Unified Licensees

Subject: Amendment in Unified License Agreement for rationalization of Bank Guarantees.

As per the Condition 5.1 of Chapter-I of Unified License (UL) Agreement, the Licensor reserves the right to modify at any time the terms and conditions of the License, if in the opinion of the Licensor it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the telegraphs. In pursuance of this condition, the Licensor hereby amends/appends the following in the UL Agreement:

S. No.	Existing Clause	Amended Clause
1.	<p>PART-I, CHAPTER-III, FINANCIAL CONDITIONS</p> <p>21. BANK GUARANTEES:</p> <p>21.1 Performance Bank Guarantee:</p> <p>Performance Bank Guarantee (PBG) in prescribed format at Annexure-III of this license agreement shall be submitted separately for each service and service area for the amount as per Annexure-II, subject to a maximum of Rs 220 Crore initially, before signing the License Agreement or subsequent authorization of service(s), as the case may be, valid for one year, from any scheduled bank or public financial institution duly authorized to issue such bank guarantee, to cover violation of license conditions and to ensure the performance under the license agreement including compliance of instructions issued by the Licensor from time to time. The PBGs shall be maintained and kept valid by the licensee during the entire currency of the license</p>	<p>PART-I, CHAPTER-III, FINANCIAL CONDITIONS</p> <p>21. BANK GUARANTEES:</p> <p>21.1 Performance Bank Guarantee:</p> <p>Performance Bank Guarantee (PBG) in prescribed format at Annexure-III of this license agreement shall be submitted separately for each service and service area for the amount as per <i>Annexure-II</i>, subject to a maximum of <u>Rs 44 Crore</u> initially, before signing the License Agreement or subsequent authorization of service(s), as the case may be, valid for one year, from any scheduled bank or public financial institution duly authorized to issue such bank guarantee, to cover violation of license conditions and to ensure the performance under the license agreement including compliance of instructions issued by the Licensor from time to time. The PBGs shall be maintained and kept valid by the licensee during the entire currency of the license</p>



<p>agreement. However, the Licensor may increase the value of PBGs whenever any demand is raised for non-compliance of terms and conditions of License/ authorization to the extent it remains un-securitized by the existing PBGs, which shall be maintained till clearance of such demand by the licensee.</p>	<p>agreement. However, the Licensor may increase the value of PBGs whenever any demand is raised for non-compliance of terms and conditions of License/ authorization to the extent it remains un-securitized by the existing PBGs, which shall be maintained till clearance of such demand by the licensee.</p>
<p>21.2 Financial Bank Guarantee:</p> <p>The Licensee shall submit Financial Bank Guarantee (FBG) separately for each service and service area for the amount as per Annexure-II, subject to a maximum of Rs 44 Crore initially before signing the License Agreement or subsequent authorization of service(s), as the case may be, valid for one year, from any Scheduled Bank or Public Financial Institution duly authorized to issue such Bank Guarantee, in the prescribed Proforma at Annexure IV of this license agreement. Subsequently, the amount of FBG shall be equivalent to the estimated sum payable equivalent to License fee for two quarters and other dues not otherwise securitized. The amount of FBG shall be subject to periodic review on six monthly basis by the Licensor and shall be renewed from time to time.</p>	<p>21.2 Financial Bank Guarantee:</p> <p>The Licensee shall submit Financial Bank Guarantee (FBG) separately for each service and service area for the amount as per Annexure-II, subject to a maximum of <u>Rs 8.8 Crore</u> initially before signing the License Agreement or subsequent authorization of service(s), as the case may be, valid for one year, from any Scheduled Bank or Public Financial Institution duly authorized to issue such Bank Guarantee, in the prescribed Proforma at Annexure IV of this license agreement. Subsequently, the amount of FBG shall be equivalent to <u>20%</u> of the estimated sum payable (of License fee for two quarters and other dues not otherwise securitized). The amount of FBG shall be subject to periodic review on six monthly basis by the Licensor and shall be renewed from time to time.</p>

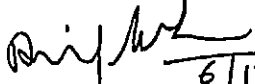
2. The PBGs and FBGs of existing Licensee shall be revised as per the above amended clause subject to the conditions in para 3 below.

3. The rationalization of Bank Guarantees shall not be applicable in following cases:

- a. Bank Guarantees furnished or required due to any Court order or Bank Guarantees which are subject matter of any Litigation, will continue. For example, Bank Guarantees for which the Licensor has been restrained to encash by a Court order, or Bank Guarantees related to One Time Spectrum Charges (OTSC) under litigation.
- b. Bank Guarantees of Licensees who are currently under Corporate Insolvency Resolution Process (CIRP) or related litigation, or those Licensees who have closed operations (undergoing liquidation/ liquidated).



- c. Bank Guarantees submitted in respect of past spectrum auctions for securitization of deferred spectrum instalments, including PBGs, will continue to be held by Licensor without any reduction.
4. In case of multiple Bank Guarantees for all the licenses/ authorizations held, the Licensee shall have an option to submit Bank Guarantee(s) centrally at one place instead of Licensed Service Areas (LSAs) wise.
5. This amendment comes into effect with **immediate** effect.
6. This amendment shall be part and parcel of the Unified License Agreement and other Terms & Conditions remain unchanged.


(Anil Kumar Gehlot) 6/10/21
Director (AS-I)

For and on behalf of the President of India
Ph. No. 23036864

Copy to:

1. Secretary (TRAI).
2. DGT, DoT (HQ)/ CGCA.
3. Advisor (Economics)/ Wireless Advisor/ Sr. DDG (TEC).
4. DDG (CS)/DDG (DS)/DDG (Satellite)/DDG (LFP)/ DDG (LFA)/ DDG (SPPI)/ DDG (SA)/ DDG (WPF)/ DDG (A/C).
5. All Directors of AS Wing.
6. Director (IT) may kindly arrange to upload this letter on the website of DoT.

Amendment to Annexure-II of Unified License Agreement

Details of Minimum Equity, Minimum Networth, Entry Fee, PBG, FBG and Application Processing Fee for various service authorizations

Sl No.	Service	Minimum Equity (Rs. Cr.)	Minimum Networth (Rs. Cr.)	Entry Fee (Rs. Cr.)	PBG (Rs. Cr.)	FBG (Rs. Cr.)	Application Processing Fee (Rs. Cr.)
1	UL(All services)	25.000	25.000	15.000	44.000	8.800	0.010
Service Authorization wise requirements							
1	Access Service (Telecom Circle / MetroArea)	2.500	2.500	1.000 (0.5 for NE & J&K)	2.000	0.400	0.005
2	NLD (National Area)	2.500	2.500	2.500	0.500	1.000	0.005
3	ILD (National Area)	2.500	2.500	2.500	0.500	1.000	0.005
4	VSAT (National Area)	Not Prescribed	Not Prescribed	0.300	0.100	0.060	0.005
5	PMRTS (Telecom circle/Metro)	Not Prescribed	Not Prescribed	0.005	0.002	0.002	0.0015
6	GMPCS (National Area)	2.500	2.500	1.000	0.500	0.200	0.005
7	INSAT MSS-R (National Area)	Not Prescribed	Not Prescribed	0.300	0.004	0.004	0.005
8	ISP "A" (National Area)	Not Prescribed	Not Prescribed	0.300	0.400	0.020	0.005
9	ISP "B" (Telecom circle/Metro Area)	Not Prescribed	Not Prescribed	0.020	0.020	0.002	0.0015
10	ISP "C" (SSA)	Not Prescribed	Not Prescribed	0.002	0.001	0.0002	0.001

Amish