

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS
LICENSING CELL (VALUE ADDED SERVICE GROUP)
SANCHAR BHAVAN, NEW DELHI-110001

NO: 840-7/2001-VAS

Dated November 1,2001

GUIDELINES FOR ISSUE OF LICENCE
FOR
GLOBAL MOBILE PERSONAL COMMUNICATION
BY
SATELLITE (GMPCS) SERVICE

The New Telecom Policy'99 envisages introduction of Global Mobile Personal Communication by Satellite (GMPCS) Service in India. With GMPCS Service a subscriber can communicate from any point on earth through hand-held terminal. The subscriber will have one telephone number irrespective of his location. The mobile satellite networks can operate with satellites either in Low Earth Orbit (LEO) upto 1000 KMs, Medium Earth Orbit (MEO) upto 10,000 KMs or Geo Stationery Earth Orbit (GEO) at 36,000 KMs. from the surface of the earth. Some of the Satellites planned for GMPCS are Global Star, Agrani, Garuda, ICO & Thuraya etc. These systems are designed to support variety of telecommunications services like voice, data, fax, messaging etc. having global reach with the help of a network of Gateway Earth Stations which provide connectivity towards satellite as well as PSTN. With GMPCS easy, flexible and convenient communication will be possible with more economical use of radio frequency spectrum.

Following are the broad guidelines for issue of Licence for provision of GMPCS Service in India. These guidelines are only for the purpose of general information and do not constitute any legally binding commitment.

1. The licence for operation of GMPCS Service in India shall be issued on non-exclusive basis subject to clearance of proposal from security angle.
2. The licence shall be issued on "first-cum-first-served" basis. The proposal for GMPCS licence is to be submitted in a prescribed Application form (available with VAS Cell of DOT,also on web site www.dotindia.com). The application form should be

accompanied with a demand draft of Rs. five lakhs towards processing fee (non-refundable), drawn on any scheduled bank and payable at New Delhi, in favour of Pay & Accounts Officer (Hqrs), Department of Telecom, New Delhi. The application without the processing fee shall not be entertained.

3. Letter of Intent (LOI) shall be extended to all eligible applicants on non-exclusive basis, if the proposal submitted is found acceptable and cleared from security angle. The LOI shall be valid for a period of twelve months from the date of issue and licence is to be signed any time before expiry of LOI validity. After the LOI is issued, the Applicant Company shall be required to take following steps before the licence is signed.

(i) The company obtains SIA clearance for the terms of foreign equity participation, which should not exceed 49%.

(ii) The company should issue equity shares to all its promoter(s)/partner(s) and should acquire good financial health before signing the licence, so that the net-worth of the company should be a minimum of Rs.100 crores.

(iii) The company obtains provisional licence from WPC for various required frequencies for operation of the service.

4 The licensee company will be required to pay one time Entry Fee of Rs. one crore prior to signing of the licence agreement, in consideration for the grant of licence.

5 In addition to the Entry fee described above, the Licensee shall also pay License fee annually @ 10% of "Adjusted Gross Revenue"(AGR) as Revenue Share generated from the Service in accordance with the procedure prescribed in the License Agreement document.

6 The above License Fee as Revenue share includes rent for the license and also

contribution towards (i) Universal Service Obligation (USO), (ii) Administration and Regulation.

7. The company shall also be required to submit a Financial Bank Guarantee (FBG) of Rs. one crore valid at-least for one year beyond the expected date of commissioning of the service, prior to the signing of the licence agreement, from any scheduled bank in India in the prescribed Performa given in the Licence Agreement. The FBG shall be renewed from time to time as may be directed by the Licensor.

8. The company have to disclose complete details on terms and conditions on the contracts/licences entered into with its associate company and/or space segment/satellite system owner/operator including those contained in contracts/licenses issued by the Government/Authorities of the country where the associate company is registered and/or carries on its business, prior to grant of licence and before security clearance for the service in India

9. The Applicant must be an Indian company, registered under the Indian Companies Act'1956.

10. The license for GMPCS will be issued for a period of 20 years, further extendable by 10 years at one time at the discretion of licensing Authority on mutually agreed terms and conditions.

11. The total foreign equity in the company must not exceed 49% at any time during the entire licence period. Investment in the equity of the company by an NRI / OCB / International funding agencies will be counted towards its foreign equity. In this regard the company shall submit a certificate from the competent authority to the effect that total foreign equity in the company does not exceed 49%.

12. Only one licence will be granted for operation of gateways and service pertaining to one network.

13. Gateways along with control and monitoring facility for all the licensed systems shall be in India.
14. Suitable monitoring equipment and security features as specified by security agencies, will be provided by GMPCS operators for lawful interception.
15. The network connectivity, access or interconnection with other networks and charges thereof shall be based on mutual agreements between the service providers subject to any regulations issued from time to time by TRAI under TRAI Act, 1997, as amended from time to time.
16. Licensee may use any type of network equipment, including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU)/ Telecommunication Engineering Centre (TEC) standards.
17. Administrative approval for the User Terminals (UT) which have been registered with ITU or certified by other International Scientific Test Laboratories shall be accorded by TEC for use in India, after satisfying themselves that the terminal meets the security requirement of Indian Government.
18. The operator will be free to fix their own tariff for mobile to mobile calls and mobile to PSTN calls. However, directions of TRAI in this regard from time to time shall be binding to all.
19. The GMPCS Service Provider will be bound to register the demand/request for user terminal from any person at any place without any discrimination.
20. Establishment, maintenance and operations of GMPCS Gateway(s) and Mobile Terminals shall be strictly subject to obtaining separate valid licence from WPC Wing of Ministry of Communications under Indian Telegraph Act, 1885. Decision to grant such

licence shall be governed by guidelines for such purpose which shall include, inter-alia, successful completion of national and international coordination, frequency availability, Standing Advisory Committee on Frequency Allocation (SACFA) site clearance, appropriate clearances from other Ministries, payment of licence fee and royalty for use of spectrum as decided from time to time. Necessary details on the subject may be obtained from the office of Wireless Advisor to the Government of India, WPC Wing, Ministry of Communications, Dak Bhawan, Parliament Street, New Delhi.

21. The GMPCS Service refers to transmission of voice or non-voice messages over LICENSEE's Network in real time only. SERVICE does not cover broadcasting of any messages voice or non-voice. The subscriber has to be registered and authenticated at the network point of registration and approved numbering plan shall be applicable.

22. Licensee shall make its own arrangements for all infrastructures involved in providing the service and shall be solely responsible for installation, networking and operation of necessary equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of revenue, attending to claims and damages arising out of his operations.

23. The GMPCS Service Licensee shall operate and maintain the licensed Network conforming to Quality of Service standards to be mutually agreed between the service providers in respect of Network-Network Interface, subject to such other directions as the competent authority may give from time to time.

24. The network resources including the cost of upgrading/ modifying interconnecting networks to meet the service requirements will be paid for by the interconnection seeker, subject to any directions from the competent authority from time to time.

25. Resale of business / assignability /transferability of licence by one network owner to another shall be permitted subject to prior written consent of the Licensor which shall be granted after ensuring the conditions in respect of net worth, paid up equity and in

accordance with other terms & conditions, procedures prescribed in Tripartite Agreement, if duly executed amongst Licensor, Licensee and Lenders.

26. The Licensee shall not normally employ bulk encryption equipment in its network. However, if any encryption equipment is used and connected to the Licensee's network, then it should have prior evaluation and written approval of the Government.

27. The LICENSEE shall provide necessary facilities depending upon the specific situation at the relevant time to the Government to counteract espionage, subversive act, sabotage or any other unlawful activity. The LICENSEE shall make available on demand to the agencies authorized by the LICENSOR, full access to the Gateway Earth Station, Intercept Control Centre, routers etc. for technical scrutiny and for inspection, which can be visual inspection or an operational inspection.

28 All foreign personnel likely to be deployed by the LICENSEE for installation, operation and maintenance of the LICENSEE's network shall be security cleared by the Government of India prior to their deployment. The security clearance will be obtained from the Ministry of Home Affairs, Government of India, who will follow standard drill in the matter. The LICENSEE shall ensure protection of privacy of communication and ensure that unauthorized interception of messages does not take place.

29. LICENSOR shall have the right to revoke/terminate/suspend the LICENCE either in part or in whole of the Service area in the interest of national security or in case of emergency or war or low intensity conflict or any other eventuality in public interest as declared by the Government of India. Provided any specific orders or direction from the Government issued under such conditions shall be applicable to the LICENSEE and shall be strictly complied with. Further the LICENSOR reserves the right to keep any area out of the operation zone of the service if implications of security so require.

30. LICENSOR reserves the right to modify these conditions or incorporate new conditions considered necessary in the interest of national security, public interest and

for proper conduct of telegraphs.

31. LICENSEE will ensure that the Telecommunication installation carried out by it should not become a safety hazard and is not in contravention of any statute, rule or regulation and public policy.

32. The LICENSEE shall take necessary measures to prevent objectionable, obscene, unauthorised or any other content, messages or communications infringing copyright, intellectual property etc., in any form, from being carried on his network, consistent with the established laws of the country. Once specific instances of such infringement are reported to the LICENSEE by the authorised agencies, the Licensee shall ensure that the carriage of such material on his network is prevented immediately. The LICENSEE is obliged to provide, without any delay, tracing facility to trace nuisance, obnoxious or malicious calls, messages or communications transported through his equipment and network. Any damages arising out of default on the part of LICENSEE in this regard shall be payable by the licensee.

33. In case any confidential information is divulged to the LICENSEE for proper implementation of the Agreement, it shall be binding on the Licensee and its employees and servants to maintain its secrecy and confidentiality.

34. The Interconnection Tests for each and every interface with any Service Provider may be carried out by mutual arrangement between the Licensee and the other party involved. The Interconnection tests schedule shall be mutually agreed. Adequate time, not less than 30 days, will be given by the Licensee for these tests. Service will be commissioned after obtaining clearance from licensor after successful completion of interconnection tests.

35. The LICENSOR or its authorised representative shall have right to inspect the sites used for extending the Service. The LICENSOR shall, in particular but not limited to, have the right to have access to leased lines, junctions, terminating interfaces,

hardware/software, memories of semiconductor, magnetic and optical varieties, wired or wireless options, distribution frames, and conduct the performance test including to enter into dialogue with the system through Input/output devices or terminals. The LICENSEE will provide the necessary facilities for continuous monitoring of the system, as required by the Licensor or its authorised representative(s). The LICENSOR will ordinarily carry out inspection after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

36. Licensee shall independently provide all emergency and public utility services to its subscribers, including directory information services with names and address of subscribers.

37. DOT reserves its right not to grant a licence without assigning any reason.

38. All matters relating to the application or licence, if granted, will be subject to jurisdiction of TDSAT.

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOM
(VAS CELL)

Sanchar Bhavan, 20 Ashoka Road, NEW DELHI-110 001

**APPLICATION FOR GRANT OF LICENCE FOR OPERATION OF
GLOBAL MOBILE PERSONAL COMMUNICATION BY SATELLITE
SERVICE ON NON-EXCLUSIVE BASIS.**

(GMPCS LICENCE)

(Please read the instructions at the end of this form, the Guidelines for GMPCS Service License and the GMPCS Service License Agreement Document carefully before filling up. The Application form should contain complete information on each and every point. Additional sheets may be added, if required. Incomplete application or application with conditional statements shall be summarily rejected).

1. Name of Applicant Company: _____

2. Complete postal address with Telephone/FAX Nos.

i). Corporate office: _____

ii). Registered office: _____

3. Address for correspondence _____

with Telephone/FAX Nos. _____

4. Name & designation of -----
Authorised contact person, -----
and Telephone/FAX Nos. -----

5. Certified copy of Certificate of Registration duly certified by the Registrar of Companies alongwith Memorandum and Articles of Association of the Company. (Please enclose as **Annexure-I**)

6. Promoters/Partners in the Company:
(details of equity holding)

<u>S.No.</u>	<u>Name of Promoter/Partner</u>	<u>Indian/ Foreign</u>	<u>Equity (%age)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Total foreign Equity participation(s), if any, upto the extent of 49%,including NRI equity, both repatriable and non-repatriable, is allowed. Complete break-up of the equity must be given.)

7. Certified copy of Agreement between the Indian Company and Foreign Partner(s), if any. The applicant should also furnish certified copies of original licence agreement issued by the regulatory and security agencies of the Govt. of the country (or countries) in which applicable system is registered.
(Please enclose as **Annexure-II**)

8. List of Telecom Service License(s) held in India by the (i) company, (ii) their individual partner(s) and promoter(s) in India and (iii) held by any other company promoted by any one or more of its partner(s)/Promoter(s), if any.
(License No./date, name of company and name of service should be given).
(Please enclose list as **Annexure- III**)

9. List of GMPCS Licences held in other countries by the (i) company, (ii) their individual partner(s) and promoter(s).
(Please enclose list as **Annexure IV**)

10. Resolution of Board of Directors/Power of Attorney/ that the person signing the application is authorised signatory.

(Please enclose as **Annexure-V**)

11. A separate sheet containing technical/Commercial details, Business Plan for the purpose of providing the proposed service.

(Please enclose as **Annexure VI**)

12. Networth and working capital of the Applicant Company as well as those of individual promoter(s)/partner(s).

(Please enclose details as **Annexure VII**)

13. The company and its Indian promoter companies shall furnish “Income Tax Clearance Certificate” from the Income Tax Authority valid on the date of submission of application. (Please enclose details as **Annexure VIII**)

14. Approximate projected cost of the project

(Please give breakup and enclose as **Annexure IX**)

15. Expected date of commissioning
of service in the country. _____

16. Any other relevant information considered useful.

(Please enclose as **Annexure X**)

17. Demand draft towards payment of Processing Fee :

(i) No. and date _____

(ii) Amount _____

Rs.5 lakhs

(iii) Name of Bank on which drawn _____

(payable at Delhi)

(Enclose in a separate cover and attach to the application).

Certificates:-

1. We hereby certify that we have carefully read the instructions at the end of this form, the Guidelines for GMPCS Service License and the GMPCS Service License Agreement. The information furnished herein is correct to the best of knowledge and belief.

2. We understand that this application if found incomplete in any respect and/or if found with conditional statement(s) or not accompanied with the processing fee shall be summarily rejected.
3. We understand that processing fee is non-refundable irrespective of whether or not the licence is granted to us.
4. We undertake to sign the License Agreement within the prescribed time as notified failing which our application shall be rejected.
5. We understand that all matters relating to the application and licence if granted to me will be subject to jurisdiction of Telecom Dispute Settlement and Appellate Tribunal (TDSAT).
6. We understand that such companies, who either itself and/or any of the Companies promoted by any one or more of their partner(s)/ promoter(s) have failed to carry out the contractual obligations including payment of licence fee with regard to other Telecom Service licences granted under Indian Telegraph Act, 1885, shall not be granted GMPCS licence.
7. We certify that none of the companies listed in Item 7 of the application form are in default of the conditions of licence granted under section 4 of Indian Telegraph Act, 1885.
8. We understand that if at any time any averments made or information furnished for obtaining the licence is found incorrect, our application shall be liable to be rejected and any licence granted on the basis of this application shall be liable for termination.

Date

Place

Signature and name of the
Authorised Signatory
(Company's Seal)

On Behalf of M/s.

By Shri

Holder of GPA dated

Executed in accordance with Resolution

No.

Dated..... Passed by Board of Directors

INSTRUCTIONS/GUIDELINES FOR FILLING-UP OF THE APPLICATION FORM FOR GRANT OF LICENCE FOR GMPCS SERVICE AND GENERAL INFORMATION

(This page is only for information and guidance of Applicants)

1. The application form should be accompanied with a demand draft of Rs. five lakhs towards processing fee (non-refundable) drawn on any scheduled bank and payable at New Delhi in favour of Pay & Accounts Officer (Hqrs.), Department of Telecom, New Delhi. Please note that the application form without the processing fee shall not be entertained.
2. Ten copies of the application should be submitted (One original & Nine copies), marked distinctly as "Original" and "Copy". The Original application including annexures must be signed on each page by the authorised signatory. The application should be submitted by registered post/ courier service or in person to "The Director (VAS-II), Department of Telecommunications, Room No 339, 3rd Floor, Dak Bhavan, Sansad Marg, New Delhi - 110 001".
3. Documents required, as Annexures should be enclosed with the original as well as with all the copies of the application form.
4. The Government reserves the right not to grant a License without assigning any reason.
5. Letter of Intent (LOI) shall be extended to all eligible applicants on Non-exclusive basis if the proposal submitted is found acceptable and cleared from security angle. The LOI shall be valid for a period of twelve months and licence shall be signed any time before expiry of LOI validity. After the LOI is issued, the applicant company shall be required to take following steps before the licence is signed :-
 - (i) The company obtains SIA clearance for the terms of foreign equity participation, which should not exceed 49%.
 - (ii) The company should issue equity shares to all its promoter(s)/partner(s) and should acquire good financial strength before signing the licence, so that the net-worth of the company should be a minimum of Rs. 100 Crores.
 - (iii) The company should obtain provisional licence from WPC for various required frequencies for operation of the service.
 - (iv) The company should furnish a Financial Bank Guarantee of Rs. one crore, valid for a period of atleast two years.
 - (v) In respect of all licences granted under Section IV of Indian Telegraph Act, 1885 (including Indian Wireless Telegraphy Act, 1933) to the company or any of their

promoters/partners/constituents, the company shall also be required to furnish the following before signing the licence agreement :

- (a) No Dues Certificate;
- (b) An unconditional and unequivocal undertaking in the form of an indemnity bond (in the prescribed format) to guarantee compliance for fulfilling the pending roll out obligations without any reservation or deviation, otherwise indemnify the Licensor of the costs involved.
- (c) An additional Performance Bank Guarantee, valid for two years (in the prescribed format), of a sum equivalent to total of various PBGs stipulated in different License Agreements having unfulfilled roll out obligations. However, in respect of each existing Basic Telephone Service License, if any, the figure of Rupees Fifty Crores shall be added for this purpose.

Provided that the additional PBG will be submitted only on the first occasion of grant of license irrespective of the number of licenses for different type of telecom services.

(In case the above-mentioned indemnity bond and additional Performance Bank Guarantee have already been submitted, the proof thereof may be provided.)

7. The company has to disclose complete details of terms and conditions of the contracts/licences entered into with its parent /associate company and /or space segment/satellite system owner/operator, including those contained in contracts /licenses issued by the Government /Authorities of the country where the associate company is registered and/or carries on its business prior to grant of licence and before security clearance for the service in India.

8. The licence fee payable against the licence for the service shall be as mentioned below: -

- (i) One time entry fee of Rs.one crore, prior to signing of the licence agreement.
- (ii) A revenue share @ 10% of “Adjusted Gross Revenue” (AGR) in accordance with the procedure prescribed in the Licence Agreement.