

Government of India
Ministry of Communications & IT
Department of Telecommunications
Sanchar Bhawan, 20-Ashoka Road, New Delhi – 110 001
(LR Cell)

No. 820-1/03-LR(Pt.-I)

Dated 19 .01.2004

To

All Licencees for provision of Internet Service

Subject: Amendment to Licence Agreement for provision of Internet Service.

The clause 13.6 of Schedule 'C' Part II of the Licence Agreement has been amended to read as follows:

13.6 Performance Bank Guarantee (PBG) :

A Performance Bank Guarantee of Rs.2 crores, 20 lakhs and 3 lakhs for category 'A' service area, 'B' service area and 'C' service area respectively valid for 2 years from a scheduled bank in the prescribed format (per Schedule 'D' of the License Agreement) shall be submitted for each service area along with application for license, whose validity shall be extended from year to year without any demand from the licensor two months before the date of expiry of bank guarantee. In the event of failure to extend the validity period of Performance Bank Guarantee, it shall be taken as material breach of the terms and conditions of the license agreement whereupon the Performance Bank Guarantee will be encashed without any further notice to licensee, without prejudice to any other remedy, and the amount so encashed shall be kept as security without accrual of any interest. Provided that the licensee who commissions the service shall furnish/extend the performance bank guarantee of the reduced amount of Rs.1 crore, 10 lakhs and 2 lakhs for each of the service area for category A, B and C respectively.

2. Acceptance of the above amendment may kindly be communicated.

(Ritu Pande)
Assistant Director General (LR-I)