

Government of India
Ministry of Communications
Department of Telecommunications
(Access Services Division)

Sanchar Bhawan, Ashok Road, New Delhi-110001

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

Dated: 06.10.2021

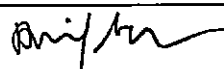
To

All UL (VNO) Licensees

Subject: Amendment in UL (VNO) License for rationalization of Bank Guarantees.


As per condition 5.1 of UL (VNO) License 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 the following clause in UL (VNO) agreement:

S No.	Existing clause	Amended clause
1	<p>PART-I, CHAPTER-III, Financial Conditions 21.2 Financial Bank Guarantee: The Licensee shall submit Financial Bank Guarantee (FBG) separately for each service and service area for the amount as per Annexure-II, 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-III 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, i.e. CCAs/ DoT and shall be renewed from time to time. Initially, the Bank Guarantee (FBG) shall be valid for a period of one year and shall be renewed from time to time. The Licensee, on its own, shall extend the</p>	<p>PART-I, CHAPTER-III, Financial Conditions 21.2 Financial Bank Guarantee: The Licensee shall submit Financial Bank Guarantee (FBG) separately for each service and service area as per Annexure-II, 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-III of this license agreement. Subsequently, the amount of FBG shall be equivalent to 20% 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, i.e. CCAs/ DoT and shall be renewed from time to time. Initially, the Bank Guarantee (FBG) shall be valid for a period of one year and shall be renewed from time to time. The Licensee, on its own, shall extend the validity period of the Bank Guarantees at</p>



<p>validity period of the Bank Guarantees at least one month prior to date of its expiry without any demand or notice from the Licensor on year to year basis. Any failure to do so, shall amount to violation of the terms of the License and entitle the Licensor to encash the Bank Guarantees and to convert into a cash security without any reference to the Licensee at his risk and cost. No interest or compensation whatsoever shall be paid/ payable by the Licensor on such encashment.</p>	<p>least one month prior to date of its expiry without any demand or notice from the Licensor on year to year basis. Any failure to do so, shall amount to violation of the terms of the License and entitle the Licensor to encash the Bank Guarantees and to convert into a cash security without any reference to the Licensee at his risk and cost. No interest or compensation whatsoever shall be paid/ payable by the Licensor on such encashment.</p>
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2. The FBGs of existing Licensee shall be revised as per the above amended clause subject to condition 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).
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 UL (VNO) 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 (TRAJ).
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 UL (VNO) License Agreement

Details of Minimum Equity, Minimum Net worth, Entry Fee, FBG and Application Processing Fee for various service authorizations

Sl No.	Service	Minimum Equity (Rs. Cr.)	Minimum Networth (Rs. Cr.)	Entry Fee (Rs. Cr.)	FBG (Rs. Cr.)	Application Processing Fee (Rs. Cr.)
1	UL(All services)	10.000	10.000	7.500	4.400	0.010
Service Authorization wise requirements						
1	Access Service (Telecom Circle / Metro Area)	1.000	1.000	0.500 (0.25 for NE & J&K)	0.200	0.005
2	NLD (National Area)	1.000	1.000	1.250	0.500	0.005
3	ILD (National Area)	1.000	1.000	1.250	0.500	0.005
4	VSAT (National Area)	Not Prescribed	Not Prescribed	0.150	0.030	0.005
5	PMRTS (Telecom circle/Metro)	Not Prescribed	Not Prescribed	0.0025	0.001	0.0015
6	GMPCS (National Area)	1.000	1.000	0.500	0.100	0.005
7	INSAT MSS-R (National Area)	Not Prescribed	Not Prescribed	0.150	0.002	0.005
8	ISP "A" (National Area)	Not Prescribed	Not Prescribed	0.150	0.010	0.005
9	ISP "B" (Telecom circle/Metro Area)	Not Prescribed	Not Prescribed	0.010	0.001	0.0015
10	ISP "C" (SSA)	Not Prescribed	Not Prescribed	0.001	0.0001	0.001
11	Resale of IPLC	1.250	1.250	0.500	0.100	0.005
12	Access Service Cat 'B'	Not Prescribed	0.050	0.0165	0.002	0.001

Amish