

**Policy for engaging Start-ups/ Self-Entrepreneurs/ Registered Societies / RWA /local Cable providers / Real Estate developers as last mile Infrastructure Providers to expand last mile reach of MTNL to houses / shops / offices etc for its various services**

No. MTNL/CO/Tech & Plg/FTTH Policy/2017-18

Dated: 08-06-2017

**1. Introduction:**

- 1.1 Mahanagar Telephone Nigam Limited (MTNL) is a major PSU (Public Sector Unit) providing telecommunication services in Delhi, Mumbai for basic services and in adjoining areas also for mobile services. It is offering full range of telecom services / solutions like Voice, Data, Internet, Broadband, VOIP, etc from its vast fixed & mobile networks in its license service areas of Delhi & Mumbai.
- 1.2 MTNL has huge optical fiber resources in its operating area. These optical Fibre cables are available on roads of majority of major / minor / colony areas. Further, MTNL has a number of VAS services of its own or under partnerships. MTNL wishes to provide these voice / data / VAS / leased line services to all its existing as well as new customers.
- 1.3 To expand the reach of MTNL last mile connectivity to houses / shops / offices etc, MTNL seeks offer from interested partners in extending these services with last mile on any media / technology to customers on revenue share basis. In addition, under this POLICY MTNL also wishes to identify partners who either alone or combined with last mile extension are willing to offer partners own VAS (Value Added Services) to MTNL Customers.

**2. OBJECTIVE OF THE POLICY:**

- 2.1 Under this POLICY, MTNL proposes to select partners, who will help MTNL to extend on revenue share basis the last mile reach of optical fiber through fiber/ LAN / Wi-Fi or any other technology, for providing MTNL customers High speed Broadband Internet / voice, Leased Lines as well as several VAS (value added services).
- 2.2 To engage small Start-ups/ Self-Entrepreneurs/ Registered Societies / RWA / local Cable providers/Real Estate developers(as Partners) etc. with MTNL to provide last mile Infrastructure on revenue share basis to extend the last mile reach of optical fiber through fiber/ LAN / Wi-Fi or any other technology to customer for providing MTNL services.
- 2.3 Partner selected under is permitted to provide VAS services (like IPTV, Home Surveillance, educational content, gaming etc.) to MTNL customers acquired through this policy or any other customers by themselves or they can have a tie up from third party to offer VAS services.

**3. Eligibility Conditions for Partners:**

- 3.1 The following criterion shall be met by the Partner / Company who intend to be engaged by MTNL as Passive/Active Infrastructure Provider for FTTX Services & VAS:-

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3.1.1 The Partner shall be a company / Self-entrepreneurs/ Partnership firm Registered Societies / RWA/ Builders / local Cable providers / Proprietorship firm registered / incorporated in India including a Consortium, involved in / aimed towards FTTX business segment. However, the promoter(s) of the Start-up company / Self-entrepreneurs/ Partnership firm / Proprietorship firm registered or incorporated in India including a Consortium shall preferably be a Graduate, Professional(s) such as Engineers, C.A, MBA, retired employees of MTNL, BSNL, Diploma in IT/Electronics etc.

3.1.2 The partner must have a minimum turnover as mentioned in table below in the last two financial year:

Type of Partner	Area of Operation	Turnover in INR
A	RSU / Exchange Level	NIL
	GM Level	1000000/-
	PAN Delhi / Mumbai	2000000/-
B	Gated Complex / Societies	NIL

3.2 The Partner shall submit necessary documentary proof showing that they meet the eligibility criteria. All documents submitted will also be self-attested by the director/Partner/ owner.

3.3 In addition to above, the partner shall furnish the documents comprising of following **(Wherever applicable):** -

- (i) Certificate of incorporation
- (ii) Article or Memorandum of Association or partnership deed or proprietorship deed as the case may be.
- (iii) Registration certificate from State Director of Industries or from Secretariat for Industrial Approval (SIA), Ministry of Industries, Government of India.
- (iv) Approval from Reserve Bank of India /SIA in case of foreign collaboration.
- (v) Latest and valid NSIC Certificate duly certified by NSIC
- (vi) Documentary Evidences established in accordance with the Clause 3.1.1 above for promoters as well as their company.

#### 4. Scope of Work:

##### 4.1 For Managed Services:

4.1.1 This POLICY is for Engaging firms "For providing managed Services on revenue share basis in MTNL area, upto as small as one RSU or gated complex, for extending last mile on fibre/ LAN / Wi-Fi or any other technology for providing MTNL Broadband / voice / VAS services.

4.1.2 MTNL intends to provide all gamut of converged telecom services to the customers with end link on Fiber or any other technology. MTNL has huge fibre / copper network across both the cities in Delhi and Mumbai usually on roadside near the cabinets / pillars / hand holes. Under this POLICY MTNL wishes to select partner (s)**for extending the fiber to the "x" (FTTX), Where the "X" could be Home, shop, offices etc. or any establishments of customer extending the connectivity through any technology to customers from**

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**MTNL exchange / RSU / designated point** . Over this extended end link to the customer various MTNL services like broadband, voice or any other MTNL's own or under other partners VAS can be provided.

4.1.2.1 MTNL will make available the Fiber / connectivity from its exchange at no extra cost to partner or at any existing point of presence where MTNL fiber / connectivity is already available and feasible too at no extra cost to MTNL.

4.1.2.2 The partner is supposed to extend the fiber / connectivity from MTNL Exchange/location up to customer premises and provide the necessary services as per SLA (Service Level Agreement) contract/agreement. Partner is supposed to extend the fiber / connectivity underground or overhead in open to sky space and under proper wiring inside building / complexes /in customer premises etc.

4.1.2.3 However, MTNL will extend the fiber upto the gated campuses/societies which are covered with revenue share arrangement as per 6.1(B) subject to the commercial and technical feasibility. .

4.1.2.4 There will be no charges for space inside the MTNL premises allotted to partner only for interconnection equipment as per bare minimum requirements for space but electricity & air conditioning will be chargeable at power rating of the equipment as given below:

Sl. No.	Power (Load)	Rate per month per site INR
1	Upto 125 Watt	1500

Beyond 125 watts, for each watt @ Rs.15 per month per watt. The rates are subject to change as per MTNL policy.

4.2 **For VAS Services: This Policy is primarily for managed services and no exclusive VAS service agreement will be executed under this policy. Further, VAS services which do not require any telecom licenses will be consider.**

4.2.1 Partners selected under this POLICY can also create /provide VAS services (like IPTV, Home Surveillance, educational content, gaming etc.) by themselves or they can have a tie up from third party to offer VAS services to customers under this arrangement as well as other MTNL customers on revenue share basis. . As far as MTNL is concerned, in third party VAS services also the partner will be fully responsible to MTNL.

4.2.2 PARTNER will connect its network with MTNL network for VAS services at multiple Point of Interconnects (POIs) by providing its fibre. At least two points have to be identified for redundancy / disaster recovery. If in future, any other point of interconnect will be required, PARTNER shall bring its fibre to MTNL's nearest point of interconnect.

4.2.3 The tariff for VAS services shall be decided by MTNL based on inputs of various partners time to time.

4.2.4 MTNL will act as a collection agent for the partners VAS and the revenue share after deducting in all the Levies and taxes will be passed on to the partner and MTNL portion will be retained by MTNL. Therefore, only MTNL portion will be considered as MTNL revenue for its infrastructure provisioning.

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- 4.2.5 The Partner has to arrange for and maintain the content to be provided as part of the VAS services along with the copyrights and intellectual property rights of the VAS services offered through MTNL to Customers. The partner will indemnify MTNL of all Liabilities arising out of third party arrangement.
- 4.2.6 The Partner has to operate and maintain the mutually agreed services by carrying out function of generating billing data, its reconciliation and customer care. The aforesaid clauses shall be governed by roles and responsibilities defined for each party as defined in this POLICY.

**5. ROLES AND RESPONSIBILITIES:** The roles and responsibilities of different partners will be as follows. In case any activity is not explicitly defined then the same will be settled on mutual agreement basis.

**5.1 Customer Location:**

- 5.1.1 MTNL customer premises could be of the following types which are illustrative in nature. Practically MTNL with the help of partner will try to reach every possible places / establishments where both MTNL and the party are willing to provide services.
- 5.1.2 Houses - Stand Alone / Bungalows / Row Houses / Multi Story (Single Unit) / Multi Story (Multiple Units like Gated Community etc.) etc.
- 5.1.3 Shops / Offices - Stand Alone / Row Shops / Market Complex / Multi Story (Single Unit) / Multi Story (Multiple Units like Market Complex, Multiplex Malls etc.) etc.

5.2 MTNL's responsibility will be to provide the optical fiber connectivity as per the details mentioned below:

**For Type – A Partner:** Fibre will be made available at nearest MTNL exchange or at any point on existing OFC route wherever feasible and picking up this fibre will be the responsibility of revenue share partner.

**For Type – B Partner:** Fiber will be made available at the gate of the society / building by MTNL on case to case basis, if business model is viable.

From this point onwards up to the customer premises, extension of connectivity will be responsibility of partner.

5.3 The operation and maintenance of connectivity beyond designated places as mentioned above will be the responsibility of partner.

5.4 Partner will supply Central equipment like OLTE and the Customer End Equipment like ONT, splitters etc. at Customer premises as per requirement. However, MTNL on its discretion and subject to spare capacity availability may allow sharing of spare port(s) in OLT to partner. In such case where MTNL allow OLT port capacity sharing, monthly charges at the rate of Rs. 30/- per month per subscriber shall be charged by MTNL from partner and the amount shall be deducted from revenue share of the partner (after excluding license fees & other



taxes and duties from the tariff etc.) as defined under clause 6. Any upfront cost charged from customer for providing customer end equipment like ONT, Wi-Fi CPE etc. shall be paid, after deduction of licence fee (@8% at present), to the MTNL or the partner supplying the equipment to the customer.

In case of ONT/CPE charges are prescribed as a separate line item in a tariff schemes, even in such cases for the purpose of revenue share; these charges will be considered as part of total revenue only.

- 5.5 The required infrastructure for interconnection to the concerned network elements for Partner equipment of FTTX services shall be provided by MTNL. Co-location facility in MTNL premises shall be extended to PARTNER subject to feasibility for the purpose of interconnection only and no infrastructure charges shall be levied by MTNL from PARTNER for such infrastructure provided in MTNL premises for interconnection only. MTNL may also allow installation of OLTE of the partner at MTNL exchange site (if Partner wishes so) at nominal rent covering cost of electricity & air-conditioning in terms of para 4.1.2.4 above. Necessary segregation in location of OLTE at MTNL site can be taken, if required, to avoid unhindered entry of partner staff to MTNL installation subject to feasibility.
- 5.6 Operation and maintenance of backhaul fiber & equipment supplied by MTNL will be responsibility of MTNL.
- 5.7 The Partner will supervise the service delivery and service assurance to the customer. However the back end responsibility will remain with the respective partner / MTNL depending upon, who provides it.
- 5.8 Commercial instructions, Advice notes and Bills for all services to be issued by MTNL (For post-paid services as well as pre-paid services too).
- 5.9 Installations and commissioning of Central equipment at MTNL exchange locations will be MTNL responsibility, if the equipment is to be supplied by MTNL. In cases where the equipment is supplied by the partner then the same will be installed and commissioned by the partner, however the infrastructure only for the purpose of Interconnection at exchange location will be provided free of cost by MTNL. The partner will try to configure / maintain the equipment from their central NOC as far as possible and practicable.
- 5.10 Suitable inventory like ONT, Splitters etc. if provided by MTNL to PARTNER for new installations and maintenance, if the same is in MTNL's purview based upon inventory position in terms of para 5.4 above, the responsibility to install it properly at customer premises and its recovery after the services are closed will be with the partner.
- 5.11 PARTNER will connect its network with MTNL network for VAS services at multiple Point of Interconnects (POIs) by providing its fibre. At least two points have to be identified for redundancy / disaster recovery. If in future, any other point of interconnect will be required, PARTNER shall bring its fibre to MTNL's nearest point of interconnect.
- 5.12 The connectivity/Bandwidth between PARTNER NOC and MTNL MPLS/other network will be on dark fiber as per need. And the customer profile for IPTV at the ONT will be 10 Mbps / or as per need

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- 5.13 MTNL will identify a SPOC (Single Point of Contact) at a senior level for fast resolution, of problems, if any.
- 5.14 Tariff of services to be decided by MTNL based on inputs of various partners time to time.
- 5.15 CAF (Customer Acquisition Form) to be got completed in duplicate and collected by the PARTNER, as per regulatory requirements. Partner may retain photocopy and submit original to MTNL's designated office.
- 5.16 Billing will be done by MTNL. Accordingly the revenue collection is to be done by MTNL and revenue share of PARTNER to be worked out after deduction of license fees, taxes and government levies etc. and then to be paid on regular basis.
- 5.17 The necessary prepaid billing infrastructure and servers etc. will be installed by the partner and the revenue sharing for pre-paid services provided by PARTNER will be done as per following procedure:
  - 5.17.1 The generation and printing of PINs with appropriate security and collection of revenue shall be vested with MTNL in case partner wanted to sell its service on prepaid basis. However, selling arrangement may be made through Sanchar Haats, Franchisee and M/s. PARTNER as per approval of MTNL.
  - 5.17.2 Monthly/ quarterly audit of the system by a team of MTNL Delhi/ Mumbai officers shall be carried out as per the need.
  - 5.17.3 Daily/ weekly/ fortnight/ monthly report from PARTNER to be submitted to MTNL containing the following information for VAS Service by Partner:
    - 5.17.3.1 Details of active subscribers
    - 5.17.3.2 Details of inactive/suspended subscribers
    - 5.17.3.3 Total number of PINs (Status & denomination wise) under his report.
    - 5.17.3.4 Details of activated and non-activated PINs
    - 5.17.3.5 Details of daily recharge details containing Recharge on account of Rental
    - 5.17.3.6 Recharge on account of VoD /Content
    - 5.17.3.7 Recharge on account of additional packages/Any other charges
  - 5.17.4 Credit to be given to subscribers only by MTNL for MTNL services.
  - 5.17.5 All tariffs for IPTV/Contents/VoD, etc. to be decided with approval of MTNL. In case of any directive by regulator / Government / statutory body, the same shall be implemented with intimation to MTNL.
  - 5.17.6 Queries about billing disputes should be available in Web Self Care (WSC).
  - 5.17.7 Subscribers' details should be linked to Set Top Box (STB) MAC ID.
  - 5.17.8 Low balance messaging on TV screen is required to be automated.
  - 5.17.9 Details PIN management security and Audit details should be available in the system.

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5.18 PARTNER will purchase the PINs / coupons from MTNL at the discounted rates i.e. after deducting the MTNL's revenue share plus applicable levies & taxes and sell at full cost to the subscriber and keep the proceeds.

**5.19 Access Equipment:**

5.19.1 Access technology (After Broadband Equipments, from Telephone Exchange to Customer Premises) keeps on changing. Normally, access network has Central Equipment, which can be installed in telephone exchanges (MTNL) or even at other central locations including customer buildings provided by either MTNL or the Partner, depending upon feasibility / mutual consent. Presently GPON access technology is in vogue, in which central equipment is called as OLT and the customer premise equipment is called as ONT.

Scenarios	Central / Exchange Equipment Installation and maintenance	Customer End provided by
Scenario 1	MTNL	MTNL
Scenario 2	MTNL	Partner
Scenario 3	Partner	Partner
Scenario 4	Partner	MTNL

5.19.2 In future, the partner can introduce new access technology for their portion after POC and mutual consent with MTNL.

5.19.3 MTNL is also pioneering in introducing the state of the art technology to its customers, in such cases also the partner will have to upgrade their skill / resources to match technology in a mutually agreed time frame.

5.19.4 OFC / connectivity at the designated place will be provided by MTNL. Beyond that up to customer's premises is partner's responsibility.

5.19.5 All the stores / equipment etc. will have to be provided by the Partner for its portion of work.

5.19.6 MTNL may provide (and replace / repair in case of faults) Customer End Equipment, if it is provided by MTNL initially in terms of para 5.4 above but all other activities will be done by the Partner for attending the faults of the customer beyond the fiber joint point with MTNL Cable.

**5.20 Partner's VAS (Value Added Services):**

5.20.1 The partner is permitted to provide VAS (Value Added Services) to MTNL customers acquired through this Fiber project or any other customers. However it should be understood by all the partners that their value added services must

be for FTTx customers. In addition it can be for other MTNL Broadband / Mobile customers.

5.20.2 The Partner can use the MTNL Data center for hosting and can utilize the MTNL Data Center Managed Services on mutually decided commercials or they can host the services at any other Tier 3 certified data center in India.

5.20.3 Further MTNL is having lots of real estate space at strategic locations. The Partner can hire MTNL space at a mutually negotiate rates for providing the services envisaged in this project.

5.20.4 In case, partner needs telecom connectivity for CDN (Content Delivery Network) between Delhi and Mumbai for providing services in this contract/agreement, then the required connectivity will be provided to the partner at 20% discount of MTNL prevailing rate or the preferred rate offered by MTNL to other customers.

5.20.5 For providing VAS the interconnectivity can be at more than two places (One Main and the other one disaster recovery) as per need to meet the SLA and provide high customer experience.

5.20.6 At customer premises, the CPE (Customer Premise Equipment), should work normally on the AC supply available at customer premises and no UPS is required. In case the same is required by the customer, the same has to be supplied by the partner against suitable tariff.

5.20.7 The different type of VAS services could be as follows. This is only an illustrative list.

5.20.7.1 IPTV (Internet Protocol TV) / Interactive TV / Time Shift TV

5.20.7.2 Video on Demand

5.20.7.3 Home Surveillance

5.20.7.4 Education

5.20.7.5 Gaming

5.20.7.6 Entertainment

5.20.7.7 Convenience – Like Cloud Storage etc.

5.20.7.8 Location Based Services

5.20.7.9 Internet of Things

5.20.7.10 ONT (or any other Customer Premise Equipment) on RF (Radio Frequency) for Digital Cable TV and other services

5.20.7.11 Any Other Services

## **5.21 Modus – Operandi for Providing VAS Services:**

5.21.1 Partner will intimate MTNL under email the concept note of VAS services.

5.21.2 Within seven working days MTNL Nodal Officer will intimate the MTNL stand on such VAS services.

5.21.3 If decided to go ahead then within seven working days of proposal consent by MTNL, POC will be demonstrated by the partner. The location / target customer / any other details from MTNL side if needed will be apprised by the nodal officer.





- 5.21.4 Three Week time for POC (Proof of Concept)
- 5.21.5 If POC is successful, then VAS will be launched from 6th week of proposal / specified mutually agreed date.
- 5.21.6 If POC is not success full then first the shortfall noticed will be attended then only further necessary action will be taken.
- 5.21.7 The Initial tariff per month on the recommendation of the partner will be fixed by the committee with members of MTNL & Partner. The Partner is supposed to do market study and propose a reasonable price per month. The Price so fixed will be reviewed at least once in Quarter/ six months and will be adjusted as per market conditions, if need arises.
- 5.21.8 The VAS services will keep on changing / evolving as per the customer taste over a period of time. The partner is supposed to keep a tab on it.

## 5.22 Maintenance

- 5.22.1 Partner shall setup “complaint” or “customer service” contact numbers for booking of complaints from customers / MTNL. Partner shall be responsible to attend the fault within four hours of receiving a complaint. Any fault booked by customer will be attended as per following time schedule-
- i) Any fault/complaint not involving fiber cut = within 4 hours of complaint booking by customer.
  - ii) Any fault/complaint involving fiber cut = within 8 hours of complaint booking by customer.
- 5.22.2 By and large MTNL and the Partner will be responsible for their portion of work. However, the first responsibility lies with the partner to diagnose the fault and intimate MTNL, in case the MTNL portion is faulty.
- 5.22.3 Penalties for unsatisfactory services and/or delay in fault rectification due to partner shall be made as per TRAI prescribed guidelines. Such penalty amount will be deducted from partner’s share.
- 5.22.4 In other cases, penalty (if any) will be proportionately applicable in similar percentage of revenue share, irrespective of the fact, where the fault lies. For penalty calculations, any complaint booked by customer after 03:00PM of the day, fault time shall be counted from 08:00AM of next day.
- 5.22.5 If partner fails to rectify faults within prescribed time limit MTNL will have right to provide service to customer directly by any other means at its disposal and take away customer from portfolio of partner
- 5.22.6 However, if persistent penalty arises due to partner’s reason, it can be treated as a breach of contract/agreement and accordingly action can be initiated as per the provisions of this POLICY.

## 6. Revenue Share : The following Revenue Share arrangement will be payable to the partner selected under this policy:-

- 6.1 Revenue share for Managed Services of MTNL:

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Partner Type	Name of Services	Area of operations	No. of Billed Connection	Revenue share offered to Partner
A	<p>MTNL FTTX services like Broadband, Voice Telephony, VAS etc., where access network will be installed and maintained by partner.</p> <p>Fibre will be made available at nearest MTNL exchange or at any point on existing OFC route wherever feasible and picking up this fibre will be the responsibility of revenue share partner.</p>	Exchange / RSU Level	Upto 200	25 %
			201-500	28 %
			501-1000	31 %
			1001 - 1500	34 %
			>1500	36%
		GM level	Upto 1000	25 %
			1001- 3000	29 %
			3001- 9000	33 %
			9001 -15000	36 %
			>15000	38 %
		PAN Delhi / Mumbai	Upto 3000	25 %
			3001 - 6000	29 %
			6001- 12000	33 %
			12001- 20000	36 %
			20001- 30000	38%
			>30000	40%

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B	<p>MTNL FTTX services like Broadband, Voice Telephony, VAS etc., where access network will be installed and maintained by partner.</p> <p>Fiber will be made available at the gate of the society / building by MTNL on case to case basis, if business model is viable.</p>	Gated Complex / Societies		<p>Flat 25 % with no revenue reduction.</p> <p>No roll out obligation or requirement of minimum no. of subscribers but subject to viability.</p>
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Note: In case of ONT/CPE charges are prescribed as a separate line item in a tariff schemes, even in such cases for the purpose of revenue share; these charges will be considered as part of total revenue only.

#### 6.2 Revenue Share for VAS Services provided by Partner under this policy

Name of Services	Revenue share offered to MTNL(in %)
Partner VAS Services like IPTV, Home Surveillance etc. To MTNL customers acquired through policy or any other customers	25%

**Note:**

- a. In Type A, partner is free to extend the connectivity from MTNL to their premises on any medium but all the requisite equipment / Government clearance shall be obtained by partner. CAPEX & OPEX of chosen medium & Government levies if any, will be borne by the partner.
- b. Ssubscriber's owned CPE's/Routers are also allowed.

6.3 All the existing FTTH revenue share partner of MTNL as on date of approval of this policy will have an option to migrate under this policy. Date of signing of agreement under this policy shall be treated as the date of migration.

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## **7. Tariffs:**

Tariffs of MTNL services shall be as per plans decided by MTNL from Time to time. Installation/Registration/Activation charges will be shared 75:25 (25% for MTNL) between Partner and MTNL after deduction of license fee, taxes or any other levies. Any upfront charges collected from customer for Customer Premise Equipments e.g. ONT, Wi-Fi router, Phone, SIP Phone etc. shall be paid to the party who provided CPEs after deduction of license fee.

## **8. PAYMENT TERMS:**

8.1 The payment is on back to back basis after receipt of payments from customer.

8.2 The Customer payment is sufficient condition to release the payment of the partner. Payment will be released automatically through ECS / Net-banking within 30 (thirty) days in respect of all cases for which payments have been received against invoice of partner. GM (TR) will be responsible for release of payments.

8.3 In case of any customer dispute for payment the adjustment shall be done in the subsequent bill and same may be adjusted with the partner.

8.4 MTNL reserves the right to adjust any amount due to MTNL and payable by partner to MTNL from any payments due to MTNL and/or the Performance Bank guarantee furnished to MTNL by partner.

## **9. AWARD OF WORK AREA:**

9.1 The eligible partner(s) can apply to Executive Director MTNL Delhi / Mumbai respectively in every calendar month. The applications received during the period will be evaluated in succeeding month and a non-exclusive agreement will be executed with short listed partner. MTNL reserves the right to engage more than one partners in a area based on requirement

9.2 If MTNL receives many applications for a Building / gated society / RWA along with application of Builder / RWA, then, agreement will be made directly with Builder / RWA.

9.3 The partner(s) empanelled through this policy shall be over and above the Partner (s) already empanelled. The work area allotted to partners shall be in the base unit of one Exchange or RSU area / one GM level / PAN city. Initially, there is no mandatory existing active subscriber base requirement for allotment of any exchange / RSU area, but partner select for Exchange / RSU level or GM level will qualify for empanelment under GM Level or PAN city category, once meet the rollout obligation in terms of para 10 below.

## **10. Rollout Obligations:**

Partner(s), **except for standalone gated societies / buildings wired by partners**, shall have rollout obligations as under:



Partner Type	Name of Services	Area of operations	Rollout Obligations
A	<p>MTNL FTTX services like Broadband, Voice Telephony, VAS etc., where access network will be installed and maintained by partner.</p>	Exchange / RSU Level	<p>No penalty in first year. After one year, if partner does not meet the following roll out obligations, revenue share will be decreased by 2% e.g. 23% in place of 25%:</p> <p>a) Partner to achieve 200 billed connections in first one.</p> <p>b) At the end of second year and onwards, partner will have to maintain at least 300 billed connections.</p>
	<p>Fibre will be made available at nearest MTNL exchange or at any point on existing OFC route wherever feasible and picking up this fibre will be the responsibility of revenue share partner.</p>	GM level	<p>No penalty in first year. After one year, if partner does not meet the following roll out obligations, revenue share will be decreased by 2% e.g. 23% in place of 25%:</p> <p>a) Partner to achieve 1000 billed connections at the end of first year.</p> <p>b) At the end of second year, partner to achieve 2000 billed connections.</p> <p>c) At the end of third year and onwards, partner will have to maintain atleast 3000 billed connections</p>

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		PAN Delhi / Mumbai	<p>No penalty in first year. After one year, if partner does not meet the following roll out obligations, revenue share will be decreased by 2% e.g. 23% in place of 25%:</p> <p>a) Partner to achieve 2000 billed connections at the end of first year.</p> <p>b) At the end of year two, partner to achieve 4000 billed connections.</p> <p>c) At the end of year three and onwards, partner to achieve 6000 billed connections</p>
B	<p>MTNL FTTX services like Broadband, Voice Telephony, VAS etc., where access network will be installed and maintained by partner.</p> <p>Fiber will be made available at the gate of the society / building by MTNL on case to case basis, if business model is viable.</p>	Gated Complex / Societies	No penalty & no roll out obligation.

CMD, MTNL shall reserve the right to condone the penalty of 2% decrease based upon the market conditions and other factors.

MTNL will review the performance every six months and if the partner fails to perform according to the rollout obligation as above, MTNL may terminate the contract with the partner. There shall be no limit on the number of partners and the field units may take this decision on their discretion depending upon the business requirements keeping in view the interest of the MTNL. Decision of MTNL for number of partners will be final and the contract is non-exclusive basis and MTNL reserves the right to induct any number of partner based on its requirements and its decision in this regard will be final.

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## **11. SUB-CONTRACT/SUB-AGREEMENTS:**

The Partner cannot assign/transfer and sub-contract/agreement its interests/obligations under the contract/agreement without the prior written permission of the MTNL.

## **12. PERFORMANCE GUARANTEE:**

Partner shall have to submit PG in form of Bank Guarantee as required in agreement pro forma (Annexure-I) in the Performa specified for PBG (Annexure-II) as per details below. However, Partner will have option to submit PG in form of DD.

- i. PBG of Rs 25,000/- (Rs.Twenty fifty Thousand only) for operating in one exchange area.
- ii. PBG of Rs 2,00,000/- (Rs Two lacs only) for operating in one GM Area
- iii. PBG of Rs 5,00,000/- (Rs Five lacs for operating in whole city)

## **13. AGREEMENT:**

Field units of MTNL shall enter into agreement(s) with partners selected under this policy as per Agreement Performa specified at Annexure I.

Performance of partner will be reviewed with respect to the Terms & Conditions of the contract every six month and incase it is found unsatisfactory, MTNL reserves the right to terminate the contract on breach of terms and conditions of the contract.

## **14. VALIDITY OF THE AGREEMENT:**

14.1 Agreement shall remain in force initially for a period of Ten (10) years on non-exclusive basis from the date of award of work and can be extended further with mutual consent. This agreement shall be valid for its full term unless revoked as per the clauses and mechanism defined in this Agreement. MTNL reserves the right to enter in agreement with other partners also except in respect of buildings which are already with the partner.

14.2 On the expiry of the term of the Agreement, unless renewed by mutual agreement, the treatment to and handling of PARTNER content service provision operations and equipment under this Agreement shall be PARTNER's prerogative and shall be treated and handled at PARTNER's discretion. In the event PARTNER decides to sell any of its equipment or operations, in full or in part, it will be done at a business valuation arrived upon by an independent valuation expert/entity. The valuation shall be based on standard industry valuation metrics and methodologies prevalent at that time.

14.3 MTNL shall have the right of first refusal and settle all financial obligations within 60 days of having communicated its willingness to exercise the option to buy any or all of the equipment and/or operations from PARTNER.

## **15. PROGRESS REPORT:**



The partner shall, at its own costs, compile, prepare and submit on time, periodical progress reports (monthly or as required by MTNL) on the progress of delivery, implementation of project or both, whichever is applicable, financial status as well as physical progress of project undertaken by Partner..

Area GM will review the progress report as per the award of contract and submit their recommendations to respective ED.

#### **16. FORCE MAJEURE:**

16.1 If at any time, during the continuance of this contract/agreement, the performance in whole or in part by either party of any obligations under this contract/agreement shall be prevented or delayed by reason of any war, or hostility, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restriction, strikes, lockouts or act of God (Hereinafter referred to as events) provided notice of happenings, of any such eventuality is given by either party to the other within 21 days from the date of occurrence thereof, neither party shall by reason of such event be entitled to terminate this and contract/agreement shall be resumed as soon as practicable after such event may come to an end or cease to exist, and the decision of the MTNL as to whether the deliveries have been so resumed or not shall be final and conclusive, provided further that if the performance in whole or part of any obligation under this contract/agreement is prevented or delayed by reason of any such event for a period exceeding 60 days either party may, at its option terminate the contract/agreement.

16.2 Provided also that if the contract/agreement is terminated under this clause, then MTNL shall be at liberty to take over entire/part of equipment from the partner at a price to be fixed by the MTNL, which shall be final, all unused, undamaged and acceptable materials, bought out components and stores in course of manufacturer in possession of the partner at the time of such termination of such portions thereof as the MTNL may deem fit excepting such materials / bought out components and stores as the contract/agreement or may with concurrence of the MTNL elect to retain.

#### **17. TERMINATION FOR DEFAULT:**

17.1 The MTNL may, without prejudice to any other remedy for breach of Contract/agreement, by written notice of default, sent to the Partner, terminate this contract/agreement in whole or in part.

- a) if the Partner fails to deliver any or all of the services within the time period(s) specified in the Contract/agreement, or any extension thereof granted by the MTNL.
- b) if the Partner fails to perform any obligation(s) under the Contract/agreement; and
- c) if the Partner, in either of the above circumstances, does not remedy his failure within a period of 30 days (or such longer period as the MTNL may authorize in writing) after receipt of the default notice from the MTNL.

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17.2 In the event of termination of contract/agreement in whole or in part, pursuant to clause 16.1, the MTNL will have first right to serve the existing customers if any and it may procure all the access equipment / last mile infrastructure from the partner, upon such terms and in such manner as it deems appropriate. MTNL also reserve the right to engage another partner in place of the present partner to provide the services to the customers.

## **18. EXCLUSIVITY AND EXIT CLAUSE:**

### **18.1 EXCLUSIVITY:**

18.1.1 This Agreement is an arrangement with PARTNER for Ten (10) years of operations on non-exclusive basis from the date of signing the Agreement, which can be further extended on mutual agreement basis.

18.1.2 CPE / STB installed by PARTNER, herein, is the property of the PARTNER and is not to be shared by any other PARTNER and/or PARTNER for any purpose whatsoever.

### **18.2 EXIT:**

18.2.1 **PARTNER may exit from this business or prematurely revoke this agreement by giving ten months written notice to MTNL after one year lock in period.** Similarly MTNL can also exit prematurely from this agreement after giving 10 months written notice to Partner after one year lock in period.

18.2.2 In cases of Partner exit,

18.2.2.1 The infrastructure created and owned by PARTNER for delivery of service utilizing MTNL's Network can't be utilized by any other agency till MTNL exercises its right of refusal/acceptance.

18.2.2.2 In such case MTNL may acquire the asset created by PARTNER for delivery of FTTX service, on mutually agreed depreciated value and MTNL will have the first right of acceptance/refusal.

18.2.2.3 The depreciated value of equipment – the net value of the equipment as determined by charging depreciation at rates specified under Schedule VI of the Companies Act of India, 1956 as amended from time to time under the Written Down Value method.

18.2.2.4 In case of no reply / response from MTNL during the notice period of ten months, the partner will be free to act as deemed fit.

18.2.3 **In cases where MTNL has exercised the exit option,** the assets created by the partner will be of partner and they will be free to use it in any fashion as deemed fit. However, the services to existing customers will be decided by MTNL.

## **19. CONFIDENTIALITY AND NON-DISCLOSURE OF INFORMATION:**

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- 19.1 "Confidential Information" shall collectively mean any and all information (whether commercial, non-commercial, business, proprietary, personal or technical), studies, subscription lists, analysis, data, or other documents in written, graphic, oral, or other tangible or intangible forms developed, licensed to and/or owned by any of the parties to this agreement and / or disclosed by one party (owner) to another (recipient) that is prior to or at the time of disclosure, identified in writing as confidential, or such information that by its inherent nature or circumstances of disclosure is deemed to be confidential, or proprietary, or is orally delivered, summarized in writing by Owner and delivered to the Recipient within 15 days of such disclosure. Confidential information shall also be deemed to include any and all information that is obtained by the Recipient or the non-disclosing party in performance of the obligations provided in the agreement. All personally identifiable data including CDRs regarding customers of MTNL shall be deemed confidential information without the need to identify such items as confidential or proprietary. The confidential information shall always remain the property of the owner.
- 19.2 Recipient may use confidential Information of owner only for the purpose. Recipient may disclose confidential information received hereunder to its employees strictly on a need to know basis, for the purpose and who are bound to protect the received confidential information from unauthorized use and disclosure under the terms of a written agreement of similar nature. The recipient further agrees that it shall not use the confidential information of the owner for its own benefit, or the benefit of any third party, even in furtherance of the purpose without the prior written consent of the owner.
- 19.3 The recipient shall ensure that confidential information is not disseminated or accessible to or used by any person, whosoever, who strictly does not have the need to know such information and shall put in place at least such control as it employs with respect to its own proprietary or confidential information of like importance which it does not desire to have disseminated or published, but in any case using no less than a reasonable degree of care. Further, the Recipient shall not make or have made copies of the confidential information in any medium without the consent of the owner.
- 19.4 In the event Recipient is required by law, regulation or court order to disclose any of Owner's confidential information, recipient will promptly notify owner in writing prior to making any such disclosure in order to facilitate owner seeking a protective order or other appropriate remedy from the proper authority. Recipient agrees to cooperate with owner in seeking such order or other remedy.
- 19.5 The obligation of confidentiality and use with respect to confidential information disclosed hereunder shall survive any termination of this agreement or expiration of the agreement for a period of 5 years unless extended by the owner in writing.
- 19.6 The recipient shall ensure that the physical security, data integrity, handling, storage etc. of all confidential information including handling of CDRs shall conform to the standard security measures. Notwithstanding anything contained herein PARTNER agrees that the data integrity and physical security of the confidential information shall not be compromised in any manner.

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19.7 Except upon mutual written agreement, or as may be required by law, no party shall in any way or in any form disclose the existence, discussions or negotiation leading to or any matter covered by this agreement.

19.8 The Parties acknowledge that confidential information is unique and valuable, and that disclosure in breach of this agreement will result in irreparable injury to owner for which monetary damages alone would not be an adequate remedy. Therefore, the Parties agree that in the event of any breach or threatened breach of confidentiality, the owner shall be entitled to specific performance and injunctive or any other equitable relief as a remedy for any such breach or anticipated breach. Any such relief shall be in addition to and not in lieu of any appropriate relief or claim for monetary compensation or damages.

## **20. PROHIBITION OF CERTAIN ACTIVITIES BY PARTNER:**

20.1 PARTNER shall not provide any content on the FTTX network of MTNL which is prohibited by Indian Laws. Violation of Indian Laws for showing or providing any content shall be sole responsibility of PARTNER.

20.2 PARTNER shall not engage, on the strength of this agreement, in the provision of any service other than the services agreed upon in this Agreement, without prior agreement in addendum to this Agreement regarding such service with MTNL.

20.3 To remove any doubt, it is hereby clarified that nothing contained in above para shall preclude PARTNER from engaging in advertising and promotional activities relating to content services.

20.4 Neither party shall be entitled to use the names, trademarks, service marks or logos of the other without the other's prior written approval.

## **21. TERMINATION FOR INSOLVENCY:**

The MTNL may at any time terminate the contract/agreement by giving written notice to the Partner, without compensation to the Partner, if the Partner becomes unwilling, bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the MTNL.

## **22. ARBITRATION, APPLICABLE LAW AND JURISDICTION:**

22.1 All the disputes, differences, controversies / differences of opinions, breaches and violation arising from the Agreement between parties shall be resolved by mutual discussions / reconciliations in good faith.

22.2 If the dispute, difference, controversies / differences of opinion, breaches and violation arising from or related to the Agreement, then such questions, disputes or differences (except as to the matters, the decision to which is specifically provided under this Agreement) shall be referred to the sole arbitration of any person appointed in terms of the provisions of Arbitration and Conciliation Act 1996 (As amended from time to time) by the **Chairman and Managing Director, MTNL/Executive Director/CGM WS(as the case may be)** or in case his

designation is changed or his office is abolished, then in such cases to the sole arbitration of any person appointed by such officer for the time being entrusted (whether in addition to his own duties or otherwise) with the functions of the **Chairman and Managing Director/Executive Director/CGM WS(as the case may be)**, MTNL or by whatever designation such an officer may be called (hereinafter referred to as the said officer)., In the event of such an Arbitrator to whom the matter is referred, being vacating his office or neglecting his work or being unable to act for any reason whatsoever, the **Chairman and Managing Director/Executive Director/CGM WS(as the case may be)**, MTNL or the said officer shall appoint another person to act as an Arbitrator and the person so appointed shall be entitled to proceed from the stage at which it was left out by his predecessors.

22.3 The Arbitration and Conciliation Act, 1996 as amended from time to time and the rules made thereunder shall be deemed to apply to the arbitration proceedings under this clause.

22.4 The venue of the Arbitration proceedings shall be Delhi/Mumbai, as the case maybe.

22.5 The commercial disputes between Central Public Sector Enterprises inter se and Central Public Sector Enterprise(s) and Central Government Departments shall be settled through PMA in the Department of Public Enterprises the guidelines for which have been circulated by DPE vide letter o. 4(1)/2011-DPE (PMA)-GL dated 12.06.2013.

22.6 In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, when so authorized by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator”.

### **23. SET OFF:**

23.1 Under no circumstances shall Any or some of money due and payable to PARTNER (including security deposit refundable to him) under this Agreement be appropriated by MTNL or any other person(s) contracting/agreementing under the MTNL and set off the same against any claim of MTNL or such other person or person(s) for payment of a sum of money arising out of this Agreement or under any other Agreement made PARTNER with the MTNL or such other person(s) contract/agreementing under the MTNL Except when,

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**23.2** Such dues are required to fulfill, upto determined liability, any penalty or fine imposed on MTNL by appropriate authorities or government, wherein it is determined PARTNER is partly or wholly liable; or

**23.3** Such dues are payable to third party jointly by MTNL and PARTNER under this Agreement, upto the amount PARTNER may be partly liable.

**23.4** For the purpose of this clause, all determination required prior to set-off shall be made as per dispute resolution mechanism under this Agreement, save and except where such determination is mutually agreed upon.

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**AGREEMENT PROFORMA**

(To be furnished on Rs.100/- stamp paper)

To be executed on non-judicial stamp worth Rs.100/- and continuation sheets on ledger papers and two copies on ordinary paper to be submitted neatly type-written sheets on one side of the paper in single line spacing.

**AGREEMENT**

AGREEMENT with M/s .....For providing managed Services on revenue share basis in MTNL area for extending last mile on through fibre/ LAN / Wi-Fi or any other technology to MTNL customers for providing MTNL Broadband / voice / VAS services And for selecting partners to provide managed VAS services such as IPTV, Gaming etc. to MTNL customers.” **as per scope defined in the POLICY document.**

This agreement is signed on the..... by and between **MAHANAGAR TELEPHONE NIGAM LIMITED** , a company registered under the Companies Act 1956 having its Registered office & Corporate office at MTNL MTNL Door Sanchar Sadan, CGO Lodhi Road, New Delhi- 110003 acting under the G.M. MTNL, (hereinafter called **MTNL** which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) of the **FIRST PARTY**

AND#

**M/s** ..... , a company registered under the Companies Act 1956 / 2013, having its registered office ..... acting under Mr. / Ms. ...., (Designation), the authorized signatory (hereinafter called as **Partner(s) or PARTNER(S)**), which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) of the **SECOND PARTY**.

# = Add all Partners in case of Consortium.

WHEREAS

1. MTNL is a Government of India Enterprise, providing Telecom and IT services for Customers in MTNL area of Operation.
2. The MTNL is desirous of appointing Partner(s) for providing managed Services on revenue share basis in MTNL area for extending last mile on through fibre/ LAN / Wi-Fi or any other technology to MTNL customers for providing MTNL Broadband / voice / VAS services And for selecting partners to provide managed VAS services such as IPTV, Gaming etc. to MTNL customers.”. The PARTNER(S) has approached MTNL for authorizing it to act as its Managed Service Partner(s) **for providing Solutions / Services as per scope defined in the document.**
3. The Managed Service Partner(s) has requested to sign an agreement for providing managed Services on revenue share basis in MTNL area for extending last mile on through fibre/ LAN / Wi-Fi or any other technology to MTNL customers for providing MTNL Broadband / voice / VAS services And for selecting partners to provide managed VAS services such as IPTV, Gaming etc. to MTNL customers **”as per scope defined in the document** for MTNL customers whereupon and in pursuance to the said request, MTNL has agreed to sign this Agreement.

#### **NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:**

1. In consideration of the due observance & performance of all the terms and conditions mentioned in this agreement along with the / POLICY terms and condition issued vide number ....., which are part and parcel of this agreement, MTNL and the M/S .....agree to sign agreement for providing managed Services on revenue share basis in MTNL area for extending last mile on through fibre/ LAN / Wi-Fi or any other technology to MTNL customers for providing MTNL Broadband / voice / VAS services And for selecting partners to provide managed VAS services such as IPTV, Gaming etc. to MTNL customers.” **as per scope defined in the document.**
2. This agreement shall be valid for a period of Ten (10) years (“Initial Term”) from the date of signing the Agreement unless revoked earlier as per terms and conditions of this POLICY. After the Initial Term, the Agreement will be extended further on mutual agreement basis in terms of five years.
3. M/s .....and MTNL hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in agreement without any deviation or reservations of any kind, unless mutually agreed between the parties at any given time.
4. The laws of land as promulgated/modified/amended or replaced from time to time shall govern this Agreement. This agreement is on non-exclusive basis for both parties and MTNL reserves the right to appoint more than one Managed Service Partner(s) in this category
5. This Agreement shall not be amended or modified or altered or changed in any way except in writing and duly executed by the authorized representative of each party.
6. The Agreement is a confidential document. M/s .....& M/s .....and MTNL shall not divulge any part of this Agreement either under oral or written

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communication or under any other mode to any third party unless and until required to do so for executing work as per scope defined in the POLICY document.

7. The Managed Service Partner(s) has agreed to the Performance bank Guarantee (PBG) of Rs. \_\_\_\_\_ (in words) \_\_\_\_\_ as a security towards due observance and performance of terms & conditions of this Agreement for the term. This bank Guarantee shall be valid for the period of ..... years from the date of signing of this Agreement. The MANAGED SERVICE PARTNER(S) agrees to renew the PBG from time to time till expiry of agreement or till MTNL is satisfied that the terms & conditions of said agreement have been fully and properly carried out by the PARTNER(S). Without prejudice to its rights of any other remedy, on failure of the PARTNER(S) to provide services under this agreement or in case of any breach in terms and conditions of the Agreement, MTNL shall en-cash / forfeit the said Performance bank Guarantee.
8. MTNL reserves the right to provide such services on its own or to enter into Agreement with other parties / persons / service providers for providing similar services from time to time in future without any restriction on number of persons / parties / System Integrators as Channel Partner(s)s, the Partner(s) shall have no objection whatsoever. PARTNER(S) agrees to adherence to this provision and the same is a material obligation of this Agreement.
9. All terms and conditions as mentioned in Policy, approved in the 268<sup>th</sup> meeting of the Executive Committee of MTNL on 8<sup>th</sup> June 2017 vide No. MTNL/CO/Tech & PIG/FTTH Policy/2017-18 and enclosed with this agreement with subsequent modifications/clarification (if any) are valid and are to be complied.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed under their respective authorized representatives on the .....day of ....., 2017.

Signed for and on behalf of **MTNL** by .....

General Manager (.....), MTNL ....., ....., New Delhi

Signed on behalf of **M/s** ....., by **Shri** ....., the authorized signatory and holder of General Power of Attorney dated ..... executed in accordance with the Resolution dated ..... passed by the Board of Directors of the company.

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In the presence of Witnesses:





Signature

Name

Occupation

Address

Place

DATE

Signature

Name

Occupation

Address

Place

DATE

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**PERFORMANCE SECURITY GUARANTEE BOND**

In consideration of the CMD, MTNL (hereinafter called 'MTNL') having agreed to exempt \_\_\_\_\_ (hereinafter called 'the said contractor(s)') from the demand under the terms and conditions of an agreement/Advance Purchase Order No \_\_\_\_\_ dated \_\_\_\_\_ made between \_\_\_\_\_ and \_\_\_\_\_ for the supply of \_\_\_\_\_ (hereinafter called "the said agreement"), of security deposit for the due fulfillment by the said contractor (s) of the terms and conditions contained in the said Agreement, on production of the bank guarantee for \_\_\_\_\_ we, (name of the bank) \_\_\_\_\_ ( hereinafter refer to as "the bank") at the request of \_\_\_\_\_ (contractor(s)) do hereby undertake to pay to the MTNL an amount not exceeding \_\_\_\_\_ against any loss or damage caused to or suffered or would be caused to or suffered by MTNL by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We (name of the bank) \_\_\_\_\_ do hereby undertake to pay the amounts due and payable under this guarantee without any demure, merely on a demand from the MTNL by reason of breach by the said contractor(s)' of any of the terms or conditions contained in the said Agreement or by reason of the contractors(s)' failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee where the decision of MTNL in these counts shall be final and binding on the bank. However, our liability under this guarantee shall be restricted to an amount not exceeding \_\_\_\_\_.

3. We under take to pay to the MTNL any money so demanded notwithstanding any dispute or disputes raised by the contractor(s)/supplier(s) in any suit or proceeding pending before any court or tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the contractor(s)/supplier(s) shall have no claim against us for making such payment.

4. We( name of the bank)\_\_\_\_\_ further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the MTNL under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till \_\_\_\_\_(office/Department) MTNL certifies that the terms and

conditions of the said Agreement have been fully or properly carried out by the said contractor(s) and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the expiry of TWO YEARS (as specified in P.O) from the date hereof, we shall be discharged from all liabilities under this guarantee thereafter.

5. We (name of the bank) \_\_\_\_\_ further agree with the MTNL that the MTNL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the MTNL against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the MTNL or any indulgence by the MTNL to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/supplier(s).

7. We (name of the bank) \_\_\_\_\_ lastly undertake not to revoke this guarantee during its currency except with the previous consent of the MTNL in writing.

Dated the \_\_\_\_\_ day of \_\_\_\_\_

for \_\_\_\_\_

(indicate the name of bank)