

GOVERNMENT OF INDIA  
DEPARTMENT OF TELECOMMUNICATIONS  
Sanchar Bhavan, 20-Ashoka Road  
New Delhi- 110 001

Date: 20.09.2000

To

Secretary General  
ABTO  
601, Gauri Sadan  
5, Hailey Road  
New Delhi.

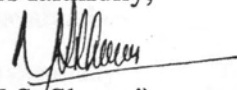
Subject:- Forwarding of letter no. 10-10/99-BS-I dated 19.09.2000.

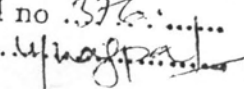
Sir,

I am directed to forward herewith letter of even number dated 19.09.2000 regarding change in the terms and conditions contained in the offered migration package vide no. 842-153/99-VAS(Vol V) (Pt.) dated 22.07.99. This letter has been sent to all the six Basic Service licensees.

*Encl. a.a.*

Yours faithfully,

  
(M.S. Shamsi)  
Section Officer(BS-I)

ABTO  
Recieved  
Date .....22/9.....  
Inward no .376.....  
Sign. ....

No: 10-10/99-BS-I

GOVERNMENT OF INDIA  
DEPARTMENT OF TELECOM  
(BASIC SERVICES GROUP)

Date 19.09.2000

To

(All six licensees of Basic Telephone Service)

✓ ABTO

601, Gauri Sadan

5, Hailey Road

New Delhi.

**Subject:** Amendment No ----Licence Agreement No -----dated -----for provision of Telephone Service in ----- Service Area.

In consideration of the acceptance, by the Licensee, of the terms and conditions contained in the offered migration package vide No. 842-153/99-VAS(Vol.V) (Pt.) dated 22.7.99 for migrating to the revenue-sharing regime under National Telecom Policy 1999, the following shall stand substituted and modified with effect from 1.8.1999, notwithstanding anything contained, in the licence agreement:

I The licensee shall forego the right of operating in duopoly licensing regime and shall operate after 1.8.1999 in a multipoly regime, that is to say that, the licensor can issue more or additional licences in the Service Area where licensee company is providing Basic Telephone Service.

II A percentage of annual gross revenue, as described hereinbelow, shall be payable by the licensee as a licence fee for the licensed service area. This rate has been fixed provisionally at 15% of the annual gross revenue. Such gross revenue for this purpose will be the total revenue of the licensee company excluding the PSTN related call charges paid to another operator / licensees and service tax collected from its subscribers.

Provided that a final decision shall be taken upon receipt of recommendations of the Telecom Regulatory Authority of India, on the definition of constituents of gross revenue including the

Contd.....

method of its calculation and the quantum of share of revenue, which shall be binding on the licensee company.

III The period of licence shall be 20 years starting from the Effective date of the licence.

IV The acceptance of the Migration Package is deemed as a full and final settlement of all existing disputes whatsoever, irrespective of whether they are related with the Migration Package or not. Further no dispute or difference shall be raised by the licensee with regard to the terms and conditions of the licence agreement upto and for the period ending on 31.7.99 at any future date.

V There shall be a lock-in of the present shareholding for a period of 5 years counted from the date of licence agreement i.e. effective date. During this period any transfer of share holding directly or indirectly through subsidiary or holding companies shall not be permitted. However, issue of additional equity share capital by the licensee company / its holding company by way of private placement/public issue shall be permitted. Further, the aforesaid lock-in provisions shall not be applicable in case the shares are transferred pursuant to enforcement of pledge by the lending financial institutions / banks due to events of defaults committed by the borrowers with the condition that such shares should have been pledged for the purposes of investment only in the concerned licensed project.

Provided always that with prior written approval of the Licensor :

- (i) An existing foreign partner can be substituted by another foreign partner of identical or similar standing and experience;
- (ii) Any existing Indian Partner(s) can acquire the foreign partner's shareholding;
- (iii) Transfer of equity inter-se amongst Indian promoters can be permitted subject to the condition that the majority holding Indian partner continues to hold the original shareholding for a period of five years from the effective date of licence agreement as per the migration package.
- (iv) Merger of Indian companies can be permitted as long as competition is not compromised.

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VI The aforesaid amendments shall be subject to the decision of the Public Interest Litigation in Civil Writ Petition No. 4510 of 1999 (Delhi Science Forum vs. Union of India & others) on the Migration Package presently pending before the High Court of Delhi.

VII Other terms and condition of the Licence Agreement shall remain unchanged.

- sd -

(P.K. Mittal)  
Deputy Director General(BS)

Subject - Forwarding of ... dated 19/11/...

As directed in the ... of ... dated ...  
regarding ... of the ...  
... dated 22/11/...

...

RECEIVED  
Date ...  
No. ...