



BHARAT SANCHAR NIGAM LIMITED
O/o General Manager Telecom District, BSNL,
Kadapa - 516001

Expression of Interest (EOI) for
Outsourcing the Operation and Maintenance of BSNL
Customer Service Centres (CSCs) in Kadapa SSA

EOI No: GMTD-CDP/2019-20/EOI/CSC/O&M/2 dated at Kadapa-1, the 30/03/2020

Signature of Bidder.....

Name of Bidder.....

Name of the CSCs for which EOI is being submitted : (1)

(2).....

(3).....

(4).....

(5).....

(6).....

BA of the CSCs for which EOI is being submitted: KADAPA SSA

Last date of submission / Date of opening of Bid: 1300 hrs 21.04.2020 /
: 1500 hrs 21.04.2020

Signature and Seal of issuing authority.....

Asst. General Manager (Sales & Mktg) % GMTD, BSNL, Kadapa - 516001		भारत संचार निगम लिमिटेड BHARAT SANCHAR NIGAM LIMITED भारत सरकार का उद्यम (A Govt. of India Enterprise) आंध्र प्रदेश परिमंडल Andhra Pradesh Telecom Circle
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T.E.No: GMTD-CDP/2019-20/EOI/CSC/O&M/2 dated at kadapa-1., the 30/03/2020

From
AGM (Sales&Mktg))
1st Floor, % GMTD,
Beside Head Post Office,
Kadapa -516002.

To

Sub: - EOI for Outsourcing the Operation and Mainatenance of BSNL CSCs in Kadapa
SSA of AP Telecom Circle -reg

Please find enclosed the EOI document in respect of above mentioned tender which contains the following.

SI No	Item	Page No.
1	Section-A	5-7
2	Section-B	8-14
3	Financial Quote (Annexure- I)	15
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11	Annexure - A	31-33
12	Annexure - B (S&D Policy as per 2 (v) of section-B)	59 pages

Asst. General Manager (Sales&Mktg)
% GMTD, BSNL, Kadapa
Tel : 08562-249901
E-Mail: agmadmin_cdp@bsnl.co.in

This document contains 29 pages and additional Annexure-A 2 pages and Annexure - B 59 pages. Please check that all the pages are intact in the document.

CHECK LIST FOR BIDDERS / APPLICANTS.

1. The Bidder should ensure that all documents and papers submitted in this EOI are fully authenticated by the authorized signatory under his signature with official seal wherever applicable.
2. The following documents form part of the EOI and should be submitted with EOI:

S. No.	Documents to be submitted	Documents submitted	
		Y / N	Page No. at which Document Attached
1	All pages of this EOI document, duly signed by the authorized signatory in a token of acceptance of all terms and conditions by the bidder. Any other document submitted by the bidder should also be signed by the authorized signatory.		
2.	Duly filled application form for individuals/companies/firms		
3	If EOI document is downloaded from Internet, a DD of Rs 1000/- as cost of the bid document from a Nationalized / Scheduled Bank should be attached.		
4.	General Power of attorney in favour of the signatory signing the EOI documents		
5.	Attested copy of Article or Memorandum of Association or partnership deed or proprietorship registration as the case may be.		
6.	Attested copy of GST Registration number.		
7.	Attested copy of PAN Number.		
8.	Attested copy of current & valid clearance from State authorities if applicable.		
9.	Bank guarantee towards EMD / Bid security issued from a nationalized / Schedule bank on non-judicial stamp paper of Rs.100/- (Format enclosed Annexure V) and valid for 180 days from the date of opening of EOI.		
10	Attested copy from CA of turn over details		
11	Certificates for experience		
12	Latest Income Tax clearance certificate		
13.	Any other supporting documents as asked for or called for.		

3. Every additional document submitted and every page of the EOI document shall be duly signed by the authorized signatory as a token of compliance and acceptance to all terms and conditions.



Bharat Sanchar Nigam Limited
O/o General Manager Telecom District,
BSNL, Kadapa -516001

Details of the CSC for which the EOI is applied

(To be filled by the applicant)

(Pl see Annexure-II for CSCs list)

Name of the BA/SSA	Name of the CSC	Category of CSC
KADAPA		
KADAPA		
KADAPA		
KADAPA		
KADAPA		
KADAPA		

Name and address of the firm

.....
.....
.....
.....

Phone No. (s) :

Office :

Residence :

Mobile :

Details of the EOI Document Cost and Ernest Money Deposit:

Particulars		Issuing Bank with branch name	Issuing date	Validity	Amount (Rs.)
EOI Document cost	DD No.....			N/A	Rs.1180/- (including GST 18%)
EMD (in the form of BG)	BG No.			Valid upto

Seal & Signature of Bidder



O/o General Manager Telecom District, BSNL, Kadapa -516001

SECTION 'A'

NOTICE INVITING EOI (Expression of Interest) for Outsourcing the Operation and Maintenance of BSNL CSCs in Kadapa SSA.

EOI No. GMTD-CDP/2019-20/EOI/CSC/O&M/2 dated at Kadapa-1, the 30-03-2020

1. Sealed EOI (location wise) are invited on behalf of CMD BSNL by GMTD Kadapa for **the Operation and Maintenance of BSNL CSCs in Kadapa SSA** and provision of services to BSNL, from eligible and willing bidders as mentioned in Table-II below.

Table –I (category-1 CSC)

EMD	Cost of Eoi Document	Last Date & Time for Bid submission	Date & Time of Bid opening	Name of BA	Name of CSC	Code No. CSC
Rs.1,00,000/-	Rs.1180/- (inclusive of GST)	21-04-2020 before 1300 hours	21-04-2020 at 1500 hours	Enclosed as Annexure-II		

Table –II (category-2 CSC)

EMD	Cost of Eoi Document	Last Date & Time for Bid submission	Date & Time of Bid opening	Name of BA	Name of CSC	Code No. CSC
Rs.75,000/-	Rs.1180/- (inclusive of GST)	21-04-2020 before 1300 hours	21-04-2020 at 1500 hours	Enclosed as Annexure-II		

Table –III (category-3 CSC)

EMD	Cost of Eoi Document	Last Date & Time for Bid submission	Date & Time of Bid opening	Name of BA	Name of CSC	Code No. CSC
Rs. 5000	Rs.1180/- (inclusive of GST)	21-04-2020 before 1300 hours	2-04-2020 at 1500 hours	Enclosed as Annexure-II		

Note- The sale of EOI document will be from 1000 Hrs to 1700Hrs on all working days w.e.f 31.03.2020 to 20.04.2020

2. Eligibility Criteria.

Taking into consideration the importance of CSCs for BSNL as well as for customers, it is very essential that the bidder firms have sufficient experience in setting up of and running such CSCs in India/worldwide. The following criterion shall be met by the bidder company and/or legally bound consortium who intend to participate in this EOI and only those bidders who qualify the following conditions, need put in the proposal:

2.1 Bidder shall be registered & incorporated in India under the Company Act, 1956 or 2013 as the case maybe or Partnership Firm / Proprietorship Firm.

2.2 The bidder shall have a minimum Cumulative turnover of INR 1 Crore for category – I CSC / INR 75 Lakhs for category – II CSC / INR 50 Lakhs for category – III CSC during last 3 years (i.e. financial year 2016-17, FY 2017-18, FY 2018-19). Audited Balance Sheets for the last three years shall be submitted as a supporting document.

OR

Bidder shall have a Net worth of INR 2 Crores on 31st March'19. In case of consortium, turnover/ Net worth of only lead bidder shall be counted. Lead bidder is being referred as bidder in the EOI document.

2.3. Bidder shall have relevant experience of setting up and running successfully at least 1000 (cumulative) square feet of raised floor commercial Customer Care Centre (excluding utilities) from a maximum of 2 commercial customer care centres locations in India, for at least 12 months on the date of EOI bid submission.

OR

If the bidder is not meeting the experience as in this Para 2.3 above, then Bid can be submitted through a legally bound consortium (format as at Section-VI) with a company who is having experience as in this Para 2.3 above. However in such case, the lead bidder company must have Customer Care Centre experience in last two financial years (i.e. 2017-18, 2018-19).

OR

Call Centre Operators of BSNL (existing & Old), who have worked for BSNL for at least 1 year & with at least 50 operator positions per month are eligible to apply for this EOI directly without fulfilling other eligibility conditions.

2.4. All existing BSNL franchisees / RD (CM, CFA, Integrated) having 50 Lakhs Cumulative turnover from BSNL business during last Three years (i.e. financial year 2016-17, FY 2017-18, FY 2018-19) are eligible and do not need any more eligibility Criteria as mentioned in 2.2 or 2.3 above

2.5 Bidders are required to submit certificates/documentary proof for item (2.1) to (2.3). The verifiable reference along with the contact details shall also be cited in the bid document for item at 2.3.

2.6 The Bidder should not be a Licensed Telecom Service Provider (TSP) to provide Basic Services/ Cellular Telephony Services/ Internet Services/ UASL/ NLD/ ILD Services anywhere in India or owned or controlled by a TSP in India

2.7 The Bidder should not have controlling equity stake (26% or more), or vice versa, in and of any Basic Services/ Cellular Telephony Services/ UASL/ NLD/ ILD Services operating companies in India or their promoters.

2.8 Bid Security in the form of Bank Guarantee will be as follows:

A. For Category-1 CSCs	Rs.1,00,000
B. For Category-2 CSCs	Rs. 75,000
C. For Category-3 CSCs	Rs. 5000

2.9 Mutual Non-Disclosure Agreement (on Rs. 100/- Non-Judicial Stamp paper) attached as Annexure-III is mandatory for obtaining EOI document.

2.10 Intending bidder may obtain copy of EOI document from **SDE (Marketing), O/o GMTD Kadapa** on payment of Rs. 1180/- (Rs 1000 + 180 GST)only (Non-Refundable) on all working days. The payment shall be accepted in the form of A/c Payee Demand Draft, drawn in any Scheduled Bank in India in favour of "Accounts Officer (Cash), O/o GMTD , BSNL , Kadapa." payable at Kadapa.

Note:

- i. Bidder at the time of purchase of EOI document shall give the Name and complete contact details (including Mobile no., E-mail address etc.) of the person(s) authorized by the bidder firm to visit various CSC locations as specified in the EOI document.
 - ii. Queries from only those perspective bidders shall be entertained and considered for issuance of clarifications, who have purchased the EOI document. Proof of payment of requisite charges for the same, shall be submitted along with the queries.
 - iii. EOI document shall be provided after signing a mutual Non-Disclosure Agreement (NDA) with BSNL (on non-judicial stamp paper of requisite value) as per Annexure-III
3. Bid Security may be submitted in the form of Bank Guarantee as per clause 2.8, The proforma of EMD BG is available as Annexure-V (or) in the form of A/c Payee Demand Draft, drawn in any Scheduled Bank in India in favour of "Accounts Officer(Cash), O/o GMTD, BSNL, Kadapa-516001." payable at Kadapa.
 4. EOI document may also be downloaded from BSNL site www.ap.bsnl.co.in and cost of document in the form of DD be deposited along with the bid.
 5. **Submission of EOI:** – EOI should be submitted and EOI should be super scribed with "EOI for the Operation and Maintenance of BSNL CSCs ,in Kadapa SSA and it should be dropped in drop box kept in the office of **AGM(Sales&Mktg), 1st floor, %GMTD BSNL, Kadapa-516001** on or before 1300 hours of 21-04-2020
 6. **Opening of EOI:** – EOI shall be opened at 1500 hours of 21-04-2020, in the office of the GMTD , Kadapa in the presence of bidders/ authorized representatives of the bidders who wish to be present.
 7. Fee for EOI Document is neither transferable nor refundable.
 - 8 . Payable in favour of : AO (Cash) , O/o.GMTD , BSNL , Kadapa-516001.

SECTION-B

1. Scope of work for “Operation & Maintenance of BSNL CSCs”.

1.1. The broad scope of the CSC operations is as follows:-

- (a) Sale of new SIMs. Normal and Bulk Booking/Vanity and fancy number booking/Post paid to pre-paid and vice versa conversions.**
- (b) Plan change/ISD /International roaming.**
- (c) VAS services.**
- (d) Replacement of SIMs**
- (e) Sale of post paid mobile connections**
- (f) Sale of Top-ups/STVs /PVs**
- (g) Sales Complaint redressal.**
- (h) Processing of MNP requests**
- (i) Bill collection of Landline/Broadband/FTTH/Post paid Mobile**
- (j) New Phone bookings and feasibility of and line/Broadband/FTTH/Wings / ASEEM, Vanity booking/ISDN/PRI/BRI.**
- (k) DND Activation/deactivation.**
- (l) Handling of bill related queries and complaints.**
- (m) Receiving and co-ordinating request for shift, name transfer and closure of connections.**
- (n) All commercial services which are presently being offered in CSCs (Including services being provided free of charge) and all commercial and CSC services which may emerge in future.**

All the above activities are to be done for retail as well as bulk/enterprises customers

1.2. Terms and conditions of infrastructure and related facilities :

- (1) BSNL shall provide covered space without any charges. Existing infrastructure of CSC shall be handed over on as-is where-is basis.**
- (2) Since the CSC premises will be utilized exclusively by the bidder, hence electricity bill for CSC shall have to be paid by bidder as per actual consumption. Sub-meter will be installed by BSNL Electrical wing and manual bill also to be produced.**
- (3) Bidder shall be responsible for keeping the area neat and clean and do all marketing activities like updating of poster/banners/new Tariff chart (provided by BSNL)etc.**
- (4) Bidder may be permitted to put additional canopies/other product marketing tools, in the premises for promotion of BSNL products.**
- (5) Bidder may be permitted to utilize existing electric equipments light, fans, air-conditioners etc if available otherwise they shall bring their own.**

(6) Bidder should be responsible for maintaining infrastructure, electric equipment, furniture, computers and replace the same if required, for proper upkeep of the CSC.

(7) One high speed BB/FTTH connection may be provided at CSC and connectivity to BSNL IT systems shall also provided by BSNL on rent free basis.

2. Other Terms and conditions

(i) The CSCs are to be manned minimum from 8:00 am to 8:00 pm for all Category – I and from 9:00 am to 6:30 pm for all Category – II & III on all days except National holidays.

(ii) Proper training and dress code for staff manning the counters should be ensured by the bidder.

(iii) Sale of products and services should be restricted only within CSCs.

(iv). The bidder will not be allowed to sell any non BSNL products from the CSC.

(v) Bidder will be paid for all sales as per franchisee S&D Policy 2018, and related circulars on bill payments or as modified from time to time. The details of S&D Policy 2018 are enclosed as ANNEXURE-B

(vi) Bidder shall be paid Rs 20 per Aadhaar demographic / Biometric or both updation and Rs 50 per for new Aadhaar generation (Successful) or mandatory bio metric update. For Aadhaar related activity operator should be through approved / empanelled agency by UIDAI. Penalty imposed by UIDAI for wrong Aadhaar Generation / wrong Demographic / Biometric updation will be passed on the bidder.

(vii) Bidder will get commission/ facilitation charges as per franchisee policies of different products/ services. All cash transactions in the CSC shall be done through the CBP/CTOPUP wallet, and no cash transactions shall be done between BSNL and CSC partner for Collections done in CSC.

(viii) The bidder shall be paid Rs.2/- per transaction for items not defined in Franchisee S&D policy 2018. There will be a capping of 150% for all non commercial transactions e.g. issue of duplicate bills , DND activation / de activation etc. based on average monthly volume of last six months but it will be further restricted to ensure that it is not more than 10% of total charges / commission earned in a month.

(ix) For CM related sales , no FOS will be paid on SIM sale or Re charge sale which is otherwise paid as per franchisee S&D policy 2018.

(x) All changes in Franchisee S&D policy will be implemented with reference to the Commission structure as and when BSNL does so.

(xi) The vendor shall take RS 50/-(RS Fifty) as cash payment for each Adhaar modification transaction from customers and deposit RS 30/-(RS Thirty)per transaction to BSNL.BSNL CSC nodal incharge shall verify all these transactions with Adhaar login portal.However the payment procedure through CBP wallet is being made by ITPC and will be intimated shortly.

(xii) BSNL shall take security deposits of various services, as issued time to time and configured in billing systems, for postpaid customers and accordingly shall be charged in 1st bill of the customer.

(xiii) Charges for itemized bill/detailed bill will be charged in the forthcoming bill.However details may be given to the customer on registered mail id against the number.in case registered email id is not there same shall be updated first.

(xiv) The commission for franchisee as defined in franchisee policy 2016 vide letter No:65-02/2015-Mktg CFA dated 12-2-2016 and further revision on dated 19-09-2018 or amended time to time shall be applicable to CSC franchisee for CFA products.

(xv) Any Loss / Damage caused to BSNL due to wrongful act / negligence on the part of the contractor will be recovered from the contractor from the PBG / the bills payable to the contractor

3. DOCUMENTS ESTABLISHING FIRM'S ELIGIBILITY AND QUALIFICATION

3.1 The Company/ Firm is required to furnish the following documents in the technical Proposal :

(i) Certificate of Incorporation/Registration.

(ii) Copy of Articles and Memorandum of Association or Partnership deed or proprietorship deed as the case maybe.

(iii) Details of the firm along with List of Directors on the Board of the Company / the partners details along with their address, contact telephone numbers etc.

(iv) Board's resolution in favour of authorized signatory.

(v) Attestation of the signature of the authorized signatory by the bidder's bankers.

(vi) Certificates regarding eligibility conditions as per EOI.

(vii) Audited results of last three financial years (FY 2016-17 ,FY 2017-18 and FY 2018-19)

(viii) A no relative certificate in the format as at **Annexure-IV**.

(ix) Bid security, as per the details given in the Notice Details.

(x) Any other certificate(s) as per the EOI requirements.

3.2. **In case of consortium bids, only lead bidder will interact with BSNL for all obligations/payment; however all consortium members will be responsible for the execution of the project.**

3.3 A consortium member may participate in more than one consortium. However the bidder is not permitted to be a consortium member under another bidder for this project.

3.4 No change in consortium members i.e. addition or dropping of a member shall be permitted after the submission of the bid.

4 Duration of the contract period.

Duration of contract will be 1 year. After 1 year, contract may be extended further for 1 year on same terms and conditions based on performance

5. Financial Proposal and Evaluation

The bidder should quote a fixed amount to be paid to BSNL for each Category-I / category – II / Category – III CSCs as per the Financial quote enclosed in Annexure – I. The BSNL has fixed an amount (as mentioned in Annexure-I) as the minimum rate/bench mark per month for each CSC and the Bidder has to quote an amount higher to this minimum rate only. The Highest Bid among the eligible

bidders for each CSC shall be awarded the work for that CSC. Bidder may choose to bid any number of CSCs offered in the EOJ duly submitting the required EMD as per Table-I, Table-II & Table-III and Clause 2.8 in section A . However evaluation shall be done for each CSC separately.

6. Performance Bank Guarantee (PBG)

(a) The successful bidder shall have to pay Performance Bank Guarantee (PBG) as per Annexure-VI as detailed below.

PBG (Performance Bank Guarantee) of:

- Rs.3.5 Lakhs for Category – I per CSC
- Rs.2.5 Lakhs for Category – II per CSC
- Rs.1 Lakh for Category – III per CSC

The PBG has to be submitted before signing of agreement within 15 days of LOI.

(b)The PBG shall be initially valid for Eighteen months . For extension of Contract further for Second year , PBG shall have to be renewed accordingly.

(c)The bidder shall ensure that the Performance Bank Guarantee (PBG) is sent to BSNL directly by the issuing Bank under Registered post (A.D) . In exceptional circumstances where PBG is submitted by the bidder to BSNL , the bidder should ensure that an unstamped duplicate copy of the PBG is sent immediately by the bank directly to the purchaser by Registered post (A.D)

(d) Forfeiture: PBG amount is liable to be forfeited if the successful tenderer fails or neglects to perform any of his obligations under the terms and conditions of the EoI/Contract. PBG amount is also liable to be forfeited if the bidder is found Submitted fake / forged documents towards meeting eligibility criteria such as experience capability, supply proof, registration with GST, Income Tax departments etc and as supporting documents towards other terms & conditions with the bid to meet terms & condition of tender.

(e) Any Loss / Damage caused to BSNL due to wrongful act / negligence on the part of the contractor will be recovered from the contractor from the PBG

7. Forfeiture of Bid Security :

The bid security may be forfeited

i) If the bidder withdraws or amends its bid or impairs or derogates from the bid in any respect during the period of bid validity as in the bid document or

ii) In the case of successful bidder , if the bidder fails

a) to sign the contract on allocation of work or

b) to furnish the PBG as required

Note : The bidder shall mean individual company / firm or the front bidder and its technology / consortium partner , as applicable.

8. Termination of Contract due to non performance (default) (Exit Clause invoked by BSNL)

a) Each CSC will be assigned Quarterly targets targets for sale of SIM recharge and new

- connection based on the average volume of last quarter with an incremental increase up to 10% .
- b) Failure to meet the targets for two successive quarter shall lead to first notice for termination of contract.
 - c) On second failure to meet the target for One more quarter , the actual termination of contract done.

9. Dispute Resolution/Arbitration

Any question, dispute or differences arising out of or in connection with this agreement or breach, termination or validity hereof, shall be first endeavored to be settled through bipartite discussion or negotiations between the parties. If the dispute cannot be amicably settled either party, as soon as practicable, but not earlier than three months after a request to settle the dispute amicably has been made to the other party, give to the other party note in writing or existence of such question, dispute or difference, specifying the nature and the point at issue, and the same shall be finally settled by Arbitration conducted in %GMTD Kadapa in accordance with The Arbitration and Conciliation Act 1996 any modifications or reenactments thereto and relevant laws and regulations in force at that time in India. All such disputes and differences which may arise between the parties hereto as to the meaning, construction or effect of any of the terms and provisions of this agreement or as to the right or claim of either party under this agreement shall be referred to the sole arbitration of the General Manager Telecom District, Kadapa or his nominee including any officer of Bharat Sanchar Nigam Limited (BSNL) nominated by him and the Franchisee shall not raise any objection to such arbitration on the ground that the arbitrator is an officer of Bharat Sanchar Nigam Limited (BSNL) and as such is an interested party or that the Arbitrator so appointed has earlier dealt with the subject matter of this agreement. Any order / Directions / Awards of the Arbitrator shall be final and binding on both the parties. The arbitration proceedings shall take place in %GMTD Kadapa and will be governed by the provisions of The Arbitration and Conciliation Act 1996 or of any statutory amendment thereto or any reenactment thereof for the time being in force. The Arbitrator so appointed shall pass a speaking award. In case of any dispute, the District Court, Kadapa alone shall have the territorial jurisdiction to adjudicate upon the matter.

10. Clarification for Queries raised regarding Policy Guidelines for outsourcing the Operation and Maintenance of BSNL CSCs is enclosed as ANNEXURE-A

ANNEXURE – I
FINANCIAL QUOTE

1.The bidder should quote a fixed amount to be paid to BSNL for each Category-I / category – II / Category – III CSCs as detailed below. The Highest Bid among the eligible bidders for each CSC shall be awarded the work for that CSC. Bidder may choose to bid any number of CSCs offered in the EOI. However evaluation shall be done for each CSC separately.

Sl. No.	Name of BA	Name of CSC	Category Type	* Minimum rate per month / Bench mark fixed by BSNL in Rs	Monthly Amount to be paid to BSNL (in Rs.)**	In Words
1	Kadapa	Rajampeta	II	750		
2	Kadapa	Rayachoty	II	500		
3	Kadapa	Pulivendla	II	750		
4	Kadapa	Badvel	II	500		
5	Kadapa	Kodur	II	750		
6	Kadapa	Yerraguntla	II	500		

* BSNL has fixed above amount as the minimum rate / bench mark per month for each CSC and the Bidder has to quote an amount higher to this minimum rate only. The Highest Bid among the eligible bidders for each CSC shall be awarded the work for that CSC

** TAXES shall be extra as applicable.

2. BIDDER WILL PRESENT MONTHLY CLAIMS WITH SUPPORTING DOCUMENTS.

3 FOR CLAIM OF COMMISSION ON POST PAID NEW SERVICES, PERFORMA INVOICE SHALL BE GENERATED BY THE BSNL IT SYSTEM BASED ON THE BUSINESS CONDUCTED, AND SUCCESSFUL PAYMENT OF SAME BY BSNL CUSTOMER. FOR NEW CUSTOMER OR ADD ON / UPGRADE OF SERVICE, THE SALES COMMISSION SHALL BE PAID AS PER S&D POLICY 2018.

4. BILL COLLECTION FOR POST PAID SERVICES SHALL BE THROUGH THE CBP WALLET AND FOR PRE-PAID SERVICES IT SHALL BE THROUGH THE CTOUP WALLET. COMMISSION SHALL GET PAID AS PER BSNL S&D POLICY 2018 (SUBJECT TO FUTURE CHANGES)

Signature of the Bidder/ Authorised signatory with Seal

ANNEXURE - II

Table –I (category-1 CSC)

-- NIL ---

Table –II (category-2 CSC)

S. No	Name of the CSC	Category
1	RAJAMPETA	II
2	RAYACHOTY	II
3	PULIVENDLA	II
4	BADVEL	II
5	KODUR	II
6	YERRAGUNTLA	II

Table –III (category-3 CSC)

-- NIL ---

ANNEXURE-III

MUTUAL NO N-DISCLOSURE AGREEMENT

(On Rs. 100/- Non-Judicial Stamp paper)

This Agreement is made as of the ___ day of _____ between BHARAT SANCHAR NIGAM LIMITED (BSNL), a Government of India Enterprise, having its registered office at Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi (hereinafter called BSNL) which expression shall unless repugnant to the subject or the context mean and included its successors, nominees or assigns and M/s _____ Incorporated _____ having its office located _____ hereinafter referred as " _____ " which expression shall unless repugnant to the subject or the context mean and include its successors, nominees or assigns.

Whereas in order to pursue the mutual business purpose of this particular project as specified in Bid document for running customer service centre of BSNL (the "Business Purpose"), BSNL and _____ recognize that there is a need to disclose to one another certain information as also defined in Para-1 below and/or customer information, customer volume, pricing, technical information relating to service, provisioning, inter-connection and other potential business and or technical information as necessary to evaluate potential arrangement involving their sale of international telecommunications service of each party to be used only for the business purpose and to protect such confidential information from unauthorized use and disclosure.

In consideration of the other party's disclosure of such information, each party agrees as follows:

1. This Agreement will apply to all confidential and proprietary information disclosed by one party to the other party, including the discussion conducted by the parties under this Agreement in relation to feasibility and possibility of business collaborations between the parties within various areas including without limitation (i) _____ (ii) _____ (iii) _____ and information listed in Bid document for Customer Service Centre attached hereto and stated herein above or all information of disclosing party as in its possession under obligations of confidentiality in whatever form transmitted relating to business plan, operations and/or the proposed sale, purchase & use of telecommunications services which is disclosed by the disclosing party or its affiliates/ related Company to receiving party and other information which the disclosing party identifies in writing or otherwise as confidential before or within thirty days after disclosure to the receiving party. Confidential Information means Information consists of certain specifications, designs, plans, systems, technology, manufacturing process, drawings, software, prototypes and/or technical information and all information & knowledge regardless of form of storage relating to or developed in connection with Business purpose and for any businesses, prices, products, markets, promotions, strategies, plans, customers, suppliers or employees of disclosing party or related Company or intellectual property owned or used by disclosing party or a related Company or licensed to the disclosing party or related Company and all copies and derivatives containing such information, that may be disclosed to other another for and during the business purpose, which a party considers confidential information.

Confidential information may be in any form or medium, tangible or intangible, and may be communicated / disclosed in writing, orally, or through visual observation or learnt or accessed by

or by any other means to receiving party by the disclosing party. Information shall be subject to this Agreement, if it is in tangible form, only if clearly marked as proprietary as confidential, when disclosed to the receiving party or, if not in tangible form, its proprietary nature must first be announced, and it must be reduced to writing and furnished to the receiving party within thirty (30) days of the initial disclosure. The term 'affiliate' shall mean any person or entity controlled by or under common control with a party. The related company in relation to a party means :that party's subsidiaries, holding companies and any other subsidiaries of that party's holding companies:

- (a) a company or joint venture in which a party has an equity interest, and which is or may be involved in providing a telecommunications or Internet access service; and
- (b) In case of M/s _____ and BSNL hereby agree that at during the confidentiality period:

2.

a. The receiving party shall use information only for the business purpose and for the purpose of evaluating and negotiating such potential arrangements shall hold information in confidence using the same degree of care as it normally exercises to protect its own proprietary information, but not less than reasonable care, taking into account the nature of the information, and shall grant access to information only to its employees who have a need to know, but only to the extent necessary to carry out the business purpose of this project as defined in Customer Service Centre Bid document, shall cause its employees to comply with the provisions of this Agreement applicable to the receiving party, shall reproduce information only to the extent essential to fulfilling the purpose, and shall prevent disclosure of information to third parties, take all action reasonably necessary to maintain the confidentiality of the other party confidentiality in branch, secure the other party's confidentiality in practice against theft, loss or unauthorized disclosure. The receiving party may, however, disclose the information to its consultants and contractors, related company with a need to know; provided that by doing so, the receiving party agrees to bind those consultants and contractors/ related company to terms at least as restrictive as those stated herein, advise them of their obligations, and indemnify the disclosing party for any breach of those obligations.

b. Upon the disclosing party's request, and or at the time documents and other materials are no longer required in connection with business purpose, the receiving party' shall either return to the disclosing party all information or shall certify to the disclosing party that all media containing information have been destroyed. Provided, however, that an archival copy of the information may be retained in the files of the receiving party's counsel, solely for the purpose of proving the contents of the information.

c. That the receiving party take reasonable steps to enforce the confidentiality obligations imposed or required to be imposed by this agreement, including diligent by prosecuting at its own cost, any breach or threatened breach of such confidentiality obligations by a person to whom it has disclosed confidential information of the other party.

d. Neither party shall make any public announcement or press release the fact that the discussion is taking place between the parties or existence or content of this Agreement

3. The foregoing restrictions on each party's use or disclosure of information shall not apply to information that the receiving party can demonstrate:

- a. was independently developed by or for the receiving party/ or its affiliated or related company without reference to the information or was received without restrictions: or
- b. has become generally available to the public without breach of confidentiality obligations of the receiving party: or
- c. was in the receiving party's possession without restriction or was known by the receiving party without restriction at the time of disclosure: or
- d. is the subject of a subpoena or other legal or administrative/ demand or Rules or Regulations of Regulator or appropriate authority, provided however that the receiving party has given the disclosing party prompt notice of such demand for disclosure and the receiving party reasonably cooperates with the disclosing party's efforts to secure an appropriate protective order: or
- e. is disclosed with the prior consent of the disclosing party: or
- f. was in its possession or known to it by being in its use or being recorded in its files or computers or other recording media prior to receipt from the disclosing party and was not previously acquired by the receiving party from the disclosing party under an obligation of confidence or
- g. The receiving party obtains or was available from a source other than the disclosing party without breach by the receiving party or such source of any obligation of confidentiality or non-use towards the disclosing party.

The party seeking the benefit of above exceptions shall bear the burden of proving its existence.

4. Each party agrees not to remove any of the other party's confidential information from the premises of the disclosing party without the disclosing party's prior written approval. Each party agrees to exercise extreme care in protecting the confidentiality of any confidential information which is removed, only with the disclosing party's prior written approval, from the disclosing party's premises. Each party agrees to comply with all terms & conditions the disclosing party may impose upon any such approved removal, such as conditions that the removed confidential information and all copies must be returned by a certain date, and that no copies are to be made off of the premises.

5. Each party, as a receiving party acknowledges that neither the disclosing party nor any of its representatives has made nor makes any representations or warranty, express, or implied as accuracy or completeness of the confidential information of the disclosing party and arises that it must make its own assessment of the confidential information.

6. Upon the disclosing party's request, the receiving party will promptly return to the disclosing party all tangible items containing or consisting of the disclosing party's confidential Information all copies thereof.

7. Each party recognizes and agrees that all of the disclosing party's confidential information is owned solely by the disclosing party (or its licensors) affiliated/ related company and that the unauthorized disclosure or use of such confidential information would cause irreparable harm and significant injury, the degree of which may be difficult to ascertain. Accordingly, each party agrees that the disclosing party will have the right to obtain or seek specific performance or an immediate injunction enjoining any breach or threatened breach of this Agreement, as well as the right to pursue any and all other rights and remedies available at law or in equity for such a breach.

8. Access to information here under shall not preclude an individual who has seen such information for the purposes of this Agreement from working on future projects for the receiving party /affiliated /related company which relate to similar subject matters, provided that such individual does not make reference to the information and does not copy the substance of the information during the confidentiality period. Furthermore, nothing contained herein shall be construed as imposing any restriction on the receiving party's /its affiliated / related company's disclosure or use of any general learning, skills or know-how developed by the receiving party's personnel under this Agreement, if such disclosure and use would be regarded by a person of ordinary skill in the relevant area as not constituting a disclosure or use of the information.

9. As between the parties, all information shall remain the property of the disclosing party. By disclosing information or executing this agreement, the disclosing party does not grant any license, explicitly or implicitly, under any trademark, patent, copyright, mask work protection right, trade secret or any other intellectual property right. THE DISCLOSING PARTY DISCLAIMS ALL WARRANTIES REGARDING THE INFORMATION, INCLUDING ALL WARRANTIES WITH RESPECT TO INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS AND ALL WARRANTIES AS TO THE ACCURACY OR UTILITY OF SUCH INFORMATION. Execution of this Agreement and the disclosure of information pursuant to this agreement does not constitute or imply any commitment, promise, or inducement by either party or its affiliated/ related companies to make any purchase or sale, or to enter into any additional agreement of any kind.

10. Either party's failure to enforce any provision, right or remedy under this agreement shall not constitute a waiver of such provision, right or remedy.

11. Each party shall pay and bear all costs and expenses incurred by it in connection with the preparation for, the performance of, and participation into the Discussion providing in format under this Agreement.

Nothing contained in this Agreement may construe as restricting either party to enter into any further negotiation or agreement with third party regarding the same subject matter as the business purpose.

12. (a) The Disclosing Party warrants that it has all necessary rights to disclose Lawfully the Confidential Information and the Confidential Information has not been provided in breach of any other agreement or arrangement with third parties. The Disclosing Party indemnifies the Recipient against liability for third party claims on that basis.

(b) Each party warrants that it is a corporation with full corporate power and authority to enter into and do all things necessary for the performance of this agreement. Each signatory to this agreement warrants that he or she is authorized to sign on behalf of the corporation for whom he or she acts.

(c) Each party agrees to comply with all applicable Laws and Regulations including but not limited to laws and regulations relating to export and re-export of technical data documentation and / or providing insofar as they relate to the information disclosed under this Agreement

13. Except for the covenants herein, nothing under this Agreement or in the act of disclosing Confidential Information will constitute or imply a binding obligation between the

Parties if in the future, the Parties elect to enter into a business relationship, both Parties will execute a separate written Agreement.

14. Severance : If any of the provisions contained in this Agreement shall be declared invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

15. Notice: Any notice required or permitted to be given under this Agreement shall be given in writing by personal delivery, certified or registered mail, or facsimile and shall be addressed to the nominated addresses set forth below or such other address as either Party has notified the other Party in accordance with this Article.

(i) If to BSNL:

Attention: Mr/Ms _____

Address: _____

(ii) If to M/s: _____

Attention: Mr/Ms. _____ Address: _____

Fax: _____

16. This Agreement and customer service centre Bid document attached hereto constitutes the entire agreement of the parties with respect to the parties' respective obligations in connection with information disclosed here under and supersedes all prior oral and written agreements and discussions with respect thereto. The parties can amend or modify this Agreement only by a writing duly executed by their respective authorized representatives. Neither party shall assign this Agreement without first securing the other party's written consent.

17. The obligations of confidentiality imposed by this agreement survive the expiration or termination of this agreement for a period of two years from (i) the last date of confidential Information was disclosed to the receiving party or (ii) the completion of business purpose whichever is later.

18. The Receiving Party takes all reasonable steps to notify the Disclosing Party immediately if Confidential Information is disclosed in violation of the provisions of this Agreement or is otherwise lost or unaccounted for. Furthermore, the Receiving Party will take all reasonable steps to notify the Disclosing Party promptly of any actual or attempted use or possession of any Confidential Information by any unauthorized person or entity which may become known to it and extend reasonable cooperation to the Disclosing Party in any investigation or action against any such persons or entities.

19. Notwithstanding anything to the contrary in this Non-Disclosure and Confidentiality Agreement, if the Receiving Party learns that it is or may be required by applicable court order, law or regulation to disclose any Confidential Information, then the Receiving Party will (i) attempt to obtain a protective order or other appropriate relief in lieu of Disclosing such Confidential Information, (ii) as promptly as possible after learning of a possible disclosure requirement, and in any case prior to making disclosure take reasonable steps to notify the Disclosing Party of the disclosure requirement so that the Disclosing Party may seek a protective order or other appropriate relief, (iii) provide such cooperation and assistance as the Disclosing Party may reasonably request in any effort by the Disclosing Party to obtain such relief, and (iv) take reasonable steps to limit the amount of Confidential Information so disclosed and to protect its confidentiality.

20. This Agreement will be construed in interpreted and applied and governed in accordance with the laws of India and jurisdiction of Court at Kadapa, India.

21. All the disputes, differences, controversies / differences of opinions, breaches and violation arising from or related to the agreement arises out of this Agreement between parties then same shall be resolved by mutual discussions / reconciliations in good faith.

If the dispute, difference, controversies /differences of opinion, breaches and violation arising from or related to the agreement cannot be resolved within 60(sixty) days of commencement of reconciliations / discussions, then such question, dispute or difference (except as to the matters, the decision to which is specifically provided under this agreement) shall be referred to the sole arbitration of the GMTD, BSNL Kadapa or in case his designation is changed or his office is abolished, then in such cases to the sole arbitration of the officer for the time being entrusted (whether in addition to his own duties or otherwise) with the functions of the GMTD Kadapa or BSNL or by whatever designation such an officer may be called (hereinafter referred to as the said officer), and `if the GMTD or the said officer is unable or unwilling to act as such, then to the sole arbitration of some other person appointed by the GMTD Kadapa or the said officer. There will be no objection to any such appointment on the ground that the arbitrator is a BSNL employee or Government Servant or that he has to deal with the matter to which the agreement relates or that in the course of his duties as a Government Servant or BSNL employee, he has expressed his views on all or any of the matters in dispute. In the event of such an arbitrator to whom the matter is referred, being transferred or vacating his office or neglecting his work or being unable to act for any reason whatsoever, the GMTD Kadapa/BSNL or the said officer shall appoint another person to act as an arbitrator in accordance with terms of the agreement and the person so appointed shall be entitled to proceed from the stage at which it was left out by his predecessors.

The Arbitration and Conciliation Act, 1996 and the rules made there under or any statutory modification or re-enactment there of or any rules made thereof shall be deemed to apply to the arbitration proceeding under this clause.

The Arbitration proceeding shall be in English language. The Venue of the arbitration proceeding shall be the office of the GMTD, BSNL, Kadapa India or such other places as the arbitrator may decide.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers or representatives.

FOR AND ON BEHALF OF

**FOR AND ON BEHALF OF BHARAT
SANCHAR NIGAM LIMITED**

NAME:

NAME:

DESIGNATION:

DESIGNATION:

DATE:

DATE:

WITNESS

WITNESS

1.

1.

2.

2.

ANNEXURE – IV

Format of Certificate about close relatives working in BSNL
(To be submitted by all the Owner/ Partners/Directors of the Company)

“I s/o r/o.....here by certify that none of my relative(s) as defined in the EOI document is/are employed in BSNL unit as per details given in tender document. In case at any stage, it found that the information given by me is false / incorrect, BSNL shall have the absolute right to take any action as deemed fit / without any prior intimation to me.”

The near relatives for this purpose are defined as:-

- a) Members of a Hindu undivided family.**
- b) They are husband and wife.**
- c) The one is related to the other in the manner as father, mother, son(s) & son's wife (daughter in law), Daughter(s) and daughter's husband (son in law), brother(s) and brother's wife, sister(s) and sister's husband (brother in law).**

Dated this Day of..... 2020.

Seal and Signature:

ANNEXURE -V

**PROFORMA For the BIDSECURITY/ EMD Guarantee
(To be typed on Rs.100/- non-judicial stamp paper)**

Sub: Bid Security/EMD guarantee.)

Whereas M/s R/o..... (Hereafter referred to as Bidder) has approached us for giving Bank Guarantee of Rs. /- (hereafter known as the "B. G. Amount") valid up to/...../ 20..... (hereafter known as the "Validity date") in favour of GMTD, BSNL , Kadapa (Hereafter referred to as BSNL) for participation in the tender for..... vide tender no.

Now at the request of the Bidder, We Bank.....Branch having(Address) and Regd. office address as (Hereinafter called "the Bank") agrees to give this guarantee as hereinafter contained:

2. We the Bank do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the BSNL stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the BSNL by reason of breach by the said bidder(s) of any of terms or conditions contained in the said Agreement or by reason of the bidder (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 the BSNL 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 the "B. G. Amount".

3. We undertake to pay to the BSNL any money so demanded notwithstanding any dispute or disputes raised by the bidder(s) in any suit or proceeding 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 bidder(s) shall have no claim against us for making such payment.

4. We 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 BSNL under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till BSNL Certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said bidder(s) and accordingly discharge this guarantee. Unless a demand or claim under this guarantee is made on us in writing or before the expiry of Validity date from the date hereof, we shall be discharged from all liability under this guarantee thereafter.

5. We the Bank further agree with the BSNL that the BSNL shall have the fullest liberty without our consent and without affecting in any manner our obligations here under to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said bidder(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the BSNL against the said

bidder(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 Bidder(s) or for any forbearance, act or omission on the part of the BSNL or any indulgence by the BSNL to the said bidder(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. Notwithstanding anything herein contained ;

(a) The liability of the Bank under this guarantee is restricted to the "B. G. Amount" and it will remain in force up to its Validity date specified above.

(b) The guarantee shall stand completely discharged and all rights of the BSNL under this Guarantee shall be extinguished if no claim or demand is made on us in writing on or before its validity date.

7. In case BSNL demands for any money under this bank guarantee, the same shall be paid through banker's Cheque in favour of "AO (Cash), BSNL,% GMTD Kadapa-516001" payable at Kadapa.

8. The Bank guarantees that the below mentioned officer who have signed it on behalf of the Bank have authority to give this guarantee under its delegated power.

Place:

Date:

(Signature of the Bank Officer)

Rubberstamp of the bank

Authorized Power of Attorney Number:

Name of the Bank officer:

Designation:

Complete Postal address of Bank:

.....

Telephone Numbers

Fax numbers

ANNEXURE –VI

Performa For the Performance Bank Guarantee
(To be typed on Rs.100/- non-judicial stamp paper)

Dated:.....

Whereas GMTD , BSNL , Kadapa R/o
(hereafter referred to as BSNL) has issued an APO no.....
..... Dated/...../20.....the supply of
..... for M/s..... R/o
..... (hereafter referred to as “Bidder”)
and BSNL has asked him to submit a performance guarantee in favour of GMTD ,
BSNL , Kadapa of Rs.- (hereafter referred to as “P.G. Amount”) valid
up to/...../20... (hereafter referred to as “Validity Date”)

Now at the request of the Bidder, We Bank..... Branch
having
(Address) and Regd.office address as.....
.....
..... (Hereinafter called ‘the Bank”) agreed to give this guarantee as hereinafter
contained:

2. We, “ Name of the Bank” do hereby undertake and assure to the BSNL that if in the opinion of the BSNL, the Bidder has in any way failed to observe or perform the terms and conditions of the said agreement or has committed any breach of its obligations there-under, the Bank shall on demand and without any objection or demur pay to the BSNL the said sum limited to P.G. Amount or such lesser amount as BSNL may demand without requiring BSNL to have recourse to any legal remedy that may be available to it to compel the Bank to pay the same.

3. Any such demand from the BSNL shall be conclusive as regards the liability of Bidder to pay to BSNL or as regards the amount payable by the Bank under this guarantee. The Bank shall not be entitled to withhold payment on the ground that the Bidder had disputed its liability to pay or has disputed the quantum of the amount or that any arbitration proceeding or legal proceeding is pending between Bidder and BSNL regarding the claim.

4. We, the Bank further agree that the guarantee shall come into force from the date of its issue and shall remain in full force and effect up to its Validity date.

5. The Bank further agrees that the BSNL shall have the fullest liberty without the consent of the Bank and without affecting in any way the obligations here under to vary any of the terms and conditions of the said agreement or to extend the time for performance of the said agreement from any of the powers exercisable by BSNL against the Bidder and to forbear to enforce any of the terms and conditions relating to the said agreement and the Bank shall not be relieved from its liability by reason of such failure or extension being granted to Bidder or through any forbearance, act or omission on the part of BSNL or any indulgence by BSNL to Bidder or any other

matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of relieving or discharging the guarantor.

6. Notwithstanding anything herein contained ;

(a) The liability of the Bank under this guarantee is restricted to the P.G. Amount and it will remain in force up to its Validity date.

(b) The guarantee shall stand completely discharged and all rights of the BSNL under this Guarantee shall be extinguished if no claim or demand is made on us in writing on or before its validity date.

7. In case BSNL demands for any money under this bank guarantee, the same shall be paid through banker's Cheque in favour of "AO (Cash) , %GMTD, BSNL , Kadapa-516001" payable at Kadapa.

8. The Bank guarantees that the below mentioned officer who have signed it on behalf of the Bank have authority to give this guarantee under its delegated power.

Place:

Date:

(Signature of the Bank Officer)

Rubber stamp of the bank

Authorized Power of Attorney Number:

Name of the Bank officer:

Designation:

Complete Postal address of Bank:

.....

Telephone Numbers

Fax numbers

ANNEXURE –VII

Details about the firm (Bidder)

S.No	Details Required	Response from the bidder
1	Full Name of the Firm (in capital letters)	
2	Address of the Firm	
3	Contact Number. Of the Firm	
4	Details of the authorized signatory	Name
		Designation
		Phone
		Mobile
		Email
		Address:
5	Type of Firm (proprietary /Partnership/Ltd/Pvt. Ltd)	
6	Income Tax Account No. / Pan No.(Latest Income Tax clearance certificate to be attached with proposal)	
7	Board of directors	1
		2
		3
		4
		5

I hereby certify that the above mentioned particulars are true and correct.

Signature of Bidder & Seal of Firm
Name & Full Address of the Firm

ANNEXURE-VIII

LETTER OF AUTHORISATION FOR ATTENDING BID OPENING

(To reach before date of bid opening)

To

Subject: Authorization for attending bid opening on _____ (date) in
the EOI of _____ Reg.

Following persons are hereby authorized to attend the bid opening for the tender
mentioned above on behalf of _____ .

<u>Order of preference</u>	<u>Name</u>	<u>Specimen Signature</u>
----------------------------	-------------	---------------------------

i.

li)

Alternate representative :

Signature of Bidder (Or)

Officer authorized to sign the bid Documents
on behalf of the bidder

Note: 1. Maximum of two representatives will be permitted to attend bid opening. In cases where it is restricted to one, first preference will be allowed. Alternate representative will be permitted when regular representatives are not able to attend .

1. Permission for entry to the hall where Bids are opened may be refused in case authorization as prescribed above is not recovered.

ANNEXURE-A

Clarification for Queries raised regarding Policy Guidelines for outsourcing the Operation and Maintenance of BSNL CSCs

Q.No.1: Evaluation criteria may be clarified for bidder who quotes the same bid amount in EOI.

Ans: Through reverse auction as per procurement manual.

Q.No.2: Retail chain i.e. Franchisee of the other Telecom Service Provider shall be restricted to participate in the bid/EOI.

Ans: Yes, only BSNL franchisees are entitled as per clause 2.4 in eligibility criteria.

Q.No.3: Bidder shall be restricted to use CSC and shall not extend services using CSCs.

Ans: All activities to be done through CSC are already defined. Only BSNL products and services are to be sold from CSC.

Q.No.4: Along with the BSNL Franchisees/RD, TIPs/channel partners with at least 1 year of experience may also be allowed to participate in the EOI /Bid for CSCs as they are FTTH (CFA) business.

Ans: Not agreed, however they can participate if they are eligible otherwise, there is no bar.

Q.No.5: BA/SSA-wise EOI may be considered for different type of CSCs namely Category-I, Category-II & Category-III instead of Circle-wise EOI.

Ans: The evaluation is to be done for each CSC as H1 bidder and not package so circle may decide the method of floating EOI but it is preferred that one EOI is floated and bidder is free to bid for one or any number of CSC in the EOI.

Q.No. 6: Whether separate user credentials will be created for bidder or the existing CSC user credentials are to be used for system like SancharSoft, Kenan FX, Minsat etc.

Ans: Suitable login arrangements will be available for bidder as user

Q.No.7: Non commercial transactions made by bidder should include change of billing address, change of mobile No., GSTIN update, change of plan, 5% rebate to Govt. employees etc.

Ans: All transactions available through system are part of Rs.2/- per transaction payments.

Q.No.8: Specification of high speed BB/FTTH plan that is to be provided at CSC.

Ans: Suitable plan will be intimated.

Q.No.9: Penalty imposed by UIDAI for wrong Aadhaar Generation / wrong Demographic / Biometric updation is to be passed on the bidder

Ans: Yes, it should be incorporated in the EOI.

Q.No.10: Uniform dress code for bidder staff working at CSC on PAN India basis for proper market image of BSNL.

Ans: Not mandatory.

Q.No.11: Turnover for Franchisees/RD (CM-CFA integrated) can be reduced to 30 Lakhs instead of 50 Lakhs from BSNL business during last 3 years for their eligibility and better competition during bidding.

Ans: Not agreed.

Q.No.12: Initial duration of contract can be for 2 year which can be further extended for 1 year based on bidder performance under same terms and conditions.

Ans: Not agreed.

Q.No.13: Issue of address/Advice Note of PR I/BRI in accordance with the approval of competent authorities.

Ans: All circuits booking shall be done in BSNL owned CSCs.

Q.No.14: Please allow sale of product like ONU, ONT, Adapter, Other product as approved by SSA time to time.

Ans: Not agreed, other methods will suitably be intimated in due course.

Q.No.15: For Bill Collection /Recharge Emitra kiosks model shall also be accepted

Ans: In no CSC, the hybrid arrangement shall be implemented having both BSNL staff and outsourced arrangement of manning in any BA/SSA.

Q.No.16: On UIDAI Rate GST will be extra

Ans: As per UIDAI rate guideline

Q.No.17: BSNL TIP shall also be treated as BSNL Franchisee for eligibility

Ans: Not agreed.

Q.No.18: PBG shall return to the vendor once he do Capex investment at CSC for improvement of CSC of similar or higher amount.

Ans: Not agreed.

Q.No.19: Termination of contract should be linked with non-performance like not attending the customers as SIM sale and Recharge may depend upon market conditions

Ans: As per policy guidelines.

A. Eligibility Criteria

Q.No.20: a. Clause 2.4 - may be modified as

a.1. For cat-3 CSCs- All existing Franchisees /Rd/DSA/BSNL Exclusive LCO are eligible and do not need any more eligibility criteria as mentioned in 2.1, 2.2 or 2.3

Ans: Not agreed.

B. Selection Criteria

Q.No.21: Following may be added

a. Priority will be given to Franchise of the respective territory. Next preference to DSA/RD, BSNL exclusive LCO, in the order of preference as per the average revenue generated during the last 6 months.

- b. In the absence of EOI from Franchisee, the best performing (based on revenue performance for the last six months) DSA/RD will be selected.
- c. Further, if DSA/RD also is absent, best performing (based on revenue performance for the last six months) BSNL exclusive LCO will be selected.

Ans: Not agreed.

C. Clause 6 — May be modified

Q.No.22: 6.1. The bidder shall have to pay bid security of Rs. 1 Lakh for Cat-I & Cat-2 CSCs and Rs.5000/- for Cat-3 CSCs per CSC.

Ans: Amendment for bid security is being issued.

Q.No.23: 6.2. The successful bidder shall have to pay PBG of Rs.10000 for Cat-3 CSC and all other conditions remain the same.

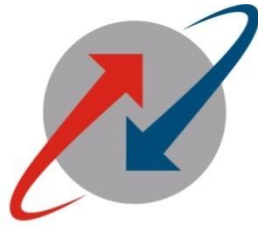
Ans: Existing Franchisee exempted from additional PBG (over & above bid security which will be converted to PBG), provided the existing PBG taken under S&D policy is higher than the required PBG as per CSC policy and C-top up balance is not issued against cheques (against PBG of S&D policy).

Q.No.24: Sale of Telecom products (ONT/CPE/EPBT/Wi-Fi Router/ADSL Modem/Data Dongle/set top box/Laptops/Mobile handsets) for the convenience of BSNL customers shall be allowed

Ans: Not agreed.

Q. No.25: Also, for handing over of AEKs to the bidder, necessary guidelines may be issued on security of AEKs, restricted data access by third party, penalty to the bidder in case of malpractice may be communicated immediately. The bidder shall be made sole responsible for Aadhaar related activities and he/she will indemnify BSNL, in all legal/violation of Govt. of India guidelines on the subject.

Ans: Please see clause 1.4 (vi). AEKs shall be operated by operators hired on contract by the bidder through a manpower hiring agency approved /empanelled by UIDAI. Any penalty by UIDAI will be passed on to the bidder.



BSNL

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Faster*

Bharat Sanchar Nigam Limited

CM Sales and Distribution Policy - 2018

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Definitions

- 1.0 BSNL Products: It includes both primary products and secondary products of BSNL. Primary Products for the channel partners include GSM 3G / 2G, Wi-Max, Data Cards, EVDO, NIC, Blackberry, CDMA, WLL, FWT, IFWT, Value added services etc. and any other future product/ service that may be launched by BSNL from time to time. Other products such as Landline, broadband, ITC, etc. shall be Secondary Products for the channel partners, which may also be allowed by BSNL.
- 1.1 Mobile Handsets: Mobile Handsets are telephone instruments for mobile services made by independent third parties for making and receiving calls and other data & VAS services.
- 1.2 SIM Cards: SIM (Subscriber Identity Module) Card is provided to each BSNL Subscriber, who applies for GSM connection. It contains a microcomputer Chip with memory. The SIM card has to be plugged into the GSM Handset to activate the phone.
- 1.3 SIM / USIM / RUIM: A SIM card is used in 2G services; USIM is used in 3G services while RUIM is used in CDMA handsets.
- 1.4 Booking a Connection: A subscriber can book a 3G / 2G post-paid mobile connection by paying a refundable Security Deposit and an activation fee. 3G / 2G Pre-paid mobile connection can be booked by paying the fixed (non-refundable) charges.
- 1.5 Services Bill: It will include 'monthly rental', 'Airtime charges' and 'BSNL/Fixed Line charges' incurred by all calls made by the subscriber. Airtime charges are calculated at a pre-determined rate per unit time (as per tariff structure declared from time to time), or any other charges. BSNL /Mobile/ Fixed Line Charges : Whenever a call is made from a Cellular phone to an BSNL or any other company's phone or when long distance network is used, certain amount levied by BSNL/MTNL/ other operator which is normally called the BSNL /Fixed Line charges. This includes the Local, STD and ISD charges.
- 1.6 Sales Executive / Sales Force/ FoS: In the interest of increasing the customer base, the Franchisee can appoint sales force except Rural Distributor for booking new connection and selling of prepaid cards. FoS are appointed for servicing the retailers. However retailers in area of Rural Distributors shall be appointed by respective RDs.
- 1.7 Activation Fee: Onetime non-refundable charges levied for energizing a cellular phone connection.
- 1.8 Security Deposit: A refundable deposit taken from subscriber as security at the time of enrolment or/and additional services availed like value-added services, ISD etc. subsequently.
- 1.9 Commencement Date means the date on which the Agreement comes into effect in accordance with the provisions of Clause hereof.
- 1.10 Products, Services and Territory shall mean all those products, services and territory as described in EoI / CM-S&D Policy-2018 and as amended in writing by the agreement of both the parties from time to time.
- 1.11 The Franchisee shall include its employees, agents and authorized representatives who shall be responsible for the scope of work as described in this policy.

CM Sales and Distribution Policy - 2018

Provisions of the previous franchisee S&D Policy -2012 have been amended and integrated "CM Sales and Distribution Policy -2018" to be effective from **01.01.2018**.

This Policy is divided in four parts:

1. Franchisee Sales & Distribution Policy:

Franchisee will be responsible for selling of all BSNL to BSNL subscribers. Products, directly or through Rural Distributors (RDs) / retailers within a defined territory. To facilitate retailers, provision of three tier structure has been made by including Rural Distributor between franchisee and retailers only in rural territories to serve the area within the rural BTS.

2. e-Distributor Policy:

e-Distributor will be responsible for selling of BSNL Products to customers through web-portal/ Kiosk/ ATMs/ POS (Retailers) and other electronic mode on Zonal/ PAN India basis.

3. DSA Policy:

Direct Selling Agents ('DSAs') are individuals having direct agreement with BSNL. DSAs are responsible for selling of all BSNL Products, as assigned to them, to the customers at their door steps.

4. Rural Distributor Policy:

Rural Distributors are individuals having agreement directly with BSNL or through franchisee. Rural Distributors will be responsible for selling of all BSNL Products in Rural BTS areas through retailers. Rural Distributor will be preferably served by concerned franchisee or by BSNL directly.

BSNL reserves the right to add/delete/modify any channel as and when deemed suitable based on market dynamics. Decision of BSNL in this regard shall be final and binding on all channel partners.

Franchisee Sales and Distribution Policy 2018

Section 1: Roles and Responsibilities

A. Geographic area

- a. Definition of Geographical areas: All Franchisees territories have well defined geographical area (as notified in the franchisee Agreement by SSA). This will be their primary area and the franchisee must fulfill all the requirements as per the policy in this primary area only. Sales by franchisees should be restricted in the primary area specified by BSNL and C-top-up SIM should be BTS bound
- b. Franchisee is not allowed to sell outside the Primary Area in any case. Any violation is to be viewed seriously and it will attract penalty as per Sec 5(P)(B) and the agreement with such franchisee be discontinued and the franchisee may even be barred for further dealing with BSNL for a period of 2 years in case the violation so warrants.
- c. The Franchisee and BSNL shall act on a principal to principal basis and at no time, the franchisee shall act in the capacity of an agent of BSNL. The Franchisee shall not have any right or authority to negotiate, conclude or execute any contract or legal document with any third person in the name of BSNL; to assume, create, or incur any liability of any kind, express or implied, against or in the name of BSNL; or to otherwise act as the representative of BSNL, unless expressly authorized in writing by BSNL.

B. Responsibilities of Franchisee

- a. Selling of all BSNL Products purchased by Franchisee directly or through Rural Distributors (RDs) or retailers.
- b. Two tier structure for urban and three tier structure for rural areas by incorporating intermediate channel of RDs.
- c. Franchisee to make best efforts to actively market and promote the BSNL Products as permitted by BSNL.
- d. Appointment of Retailers
Franchisee must appoint sufficient numbers of retailers in the territory such that:
 - i. Each Urban BTS areas & Rural BTS areas should have at least 8 retailers and 4 Retailers respectively.
 - ii. One retailer in urban commercial area at every 200 meter
 - iii. One retailer in urban residential area at every 500 meter
 - iv. At least one retailer in every Village
- e. Retailers in the rural areas will be appointed and served by RDs.
- f. Meeting all sales targets set by SSA/Circle for the franchisee territory. Franchisee is responsible for meeting these targets through all channel entities working under him.
- g. CAF collection, documentation (physical documentation as well as electronic documentation) and timely submission of documents to BSNL as per regulatory guidelines and BSNL instructions. Once the CAF has been deposited by the Franchisee under receipt to BSNL, the responsibility of documents submitted in support of customer identity & address will be on Franchisee for a period of 90 days from the date of deposit of CAF. BSNL official will check the documents within 90 days and if anything is found wrong with respect to DOT/TERM guidelines then the form should be rejected/corrected and a token penalty of Rs 200/- shall be imposed per wrong CAF on franchisee.
- h. Verification of credentials of customers – Verification of POI/POA (photo, identity and address) of customer at the POS (Point of Sale) has to be done

CM Sales and Distribution Policy - 2018

as per the various guidelines issued by DoT and BSNL from time to time. Franchisees will be responsible for the verifications done by all the channels i.e. Rural Distributors and retailers working within their network.

- i. BSNL reserves the right for CAF entry/CAF collection/CAF submission through any third party on outsourced model. However verification of credentials as mentioned in para (h) above shall be the responsibility of franchisee.
- j. Operation of IT tools and systems provided by BSNL as specified from time to time, including hiring data entry operator if required.
- k. Appointing required number of FoS (Feet-on-Street) exclusively for BSNL Products to serve retailers as per guidelines in force.
- l. Assist and cooperate and with the Franchisee Manager or any other BSNL employee appointed by BSNL in respect of sale of BSNL products, and provide him/her with the required details as specified by BSNL.
- m. Providing List/Details of FOS and retailers to BSNL.
- n. All details and information (including but not limited to FoS details, secondary sales, etc.) as specified by BSNL from time to time in BSNL specified system e.g. Sancharsoft.
- o. After sales services to end-customers in its own capacity and at its own cost, which shall include receiving, attending & rectifying complaints.
- p. All forms of complaint handling on phone and walk-in-complaints (hardware related, billing, service, performance related etc.) will be handled directly by Franchisee. Franchisee shall redress all possible complaints on the spot. If required, help from BSNL call centers may be taken. Remaining complaints can be forwarded to designated CSC/BSNL official for further disposal.
- q. Serving retailers and Rural Distributors at their doorsteps. Franchisee must ensure that BSNL products are available with rural distributors as well as retail networks in sufficient quantity on demand. Franchisee must ensure that no black-marketing or mal-treatment to customer is done through its network.
- r. The margin/ discount/ incentives / commissions extended by BSNL to franchisee and eligible retailers in their chain/ network, which shall be deemed to be extended to the franchisee, with whom BSNL has entered into an agreement pursuant to this policy and statutory requirements shall be complied with, by the franchisee.
- s. Receiving advertisement/ marketing material from BSNL, and displaying it at POS and distribution to Rural Distributors.
- t. Promotion of BSNL Products at Franchisee's own cost.
- u. Arranging special promotional events, as per BSNL requirements, at Franchisee's own cost, which shall include events and camps/canopy in unreached and potential areas.
- v. Timely submission of bills and claims to the nodal officer
- w. Storage of SIM's, data cards and other telecom products purchased by the Franchisee from BSNL in a proper manner.
- x. Provide all necessary information to BSNL including but not limited to its books of accounts, or any other information for the purpose of submitting the same in any proceedings before any Government Authority or against any third parties.
- y. Issue receipts: At the time of booking of any new connection, franchisee shall issue its formal receipt / invoice to the Rural Distributors (RDs) / retailers.
- z. Franchisee will be responsible for all the work done through its distribution network.
- aa. The franchisees will be responsible for intimating their GSTN No. to BSNL for billing purposes

C. Responsibilities of BSNL

- a. Appoint sufficient number of Retailer Managers, Retailer Manager Coordinator (RMC), and Franchisee Managers for providing time-to-time guidance, and addressing issues/ concerns raised by franchisees. BSNL shall also appoint other members of the Sales & Marketing team at Circle and SSA level.
- b. BSNL shall communicate to the Franchisee the minimum sales required to be made by them on quarterly/ monthly basis, in order to remain eligible for the Franchiseeship Agreement. These quarterly/monthly sales target will be communicated by BSNL in last week of previous quarter/month or in the first week of the quarter/month. The target will be given on each parameter defined in 'Performance Management System'. Any exceptions to this have to be approved directly by GM (Consumer Mobility)/ designated GM by HOC. Failure to achieve the minimum sales requirement may lead to review / termination of the contract.
- c. Resolution of issues (including supply of SIMs, payments, servicing of retailers, cross-selling, etc.) raised by franchisees, rural distributors, franchisee managers, RMC, retailer managers, retailers and any other member of the Sales & Marketing team. SSA Sales Head must maintain a log of all complaints received and provide regular update to SSA Head on action taken to resolve outstanding issues.
- d. It will be the responsibility of the Account Officer to remit the collection from the franchisee to credit to Company's account on as and when purchases of BSNL Products (except post-paid products) are made by the Franchisee and ensure realization of the cheque.
- e. The cheque deposited by the Franchisees should be deposited with bank for realization in a manner that it is realized latest by 3rd day (Date of purchase + 2 working days). The Account Officer shall be responsible for ensuring collection, deposit with the bank and realization of the cheque(s).The Account Officer shall maintain an account of inventory sold to the Franchisee and the defective goods received back from the Franchisee, and share the same periodically with BSNL's accounts wing along with payment balance statement.
- f. Franchisee manager / SSA Sales Head (Mobility) to ensure that all sales made by BSNL to franchisee and is recorded in BSNL specified IT system. Further, the sales register/ books of accounts maintained by the Franchisee may be called for as and when required by BSNL, for examination and cross-verification of sales made by franchisees in respect of BSNL's products.
- g. The Sancharsoft & stock register giving details of material sold to the Franchisee should be properly maintained and monitored on regular basis by SSA Sales Head (Mobility).

Head of Circle / SSA will ensure that BSNL Product stocks are available in sufficient quantity with BSNL in required denominations well in advance. The SSA should maintain sufficient stock of inventory so that they can fulfill the demand for provisioning of the stock as required by the franchisees, Rural Distributors and other point of sales.

No refund requests of any defective or unused stock shall be entertained by BSNL. Defective stock (due to the default of BSNL) with the channel partners shall be replaced at the sole discretion of BSNL after due verification.

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- h. In order to manage returns of defective products, BSNL may, with prior approval of the Franchisee, inspect the stock at Franchisee's location to evaluate whether or not the products are maintained in proper condition.
- i. MRP of the products should be displayed. The stocks and distribution of publicity materials like brochures etc., preferably in local languages also should be available in sufficient quantity.
- j. In order to promptly receive CAFs, there should be at least one desk or counter, totally dedicated to accept CAFs from Franchisees/DSAs at a prominent location in every city and should be manned on all days, including holidays. Details of in-charge and location of such CAF Desk should be intimated to all Franchisees/ DSAs.
- k. Ensure timely payments to all channel partners preferably online.
- l. It will be mandatory on monthly basis to reconcile the account of prepaid product along with IN report.
- m. The following items shall be given free of cost to franchisees for performing their responsibilities, including for demo purpose, and are not linked with the sales targets to be made by the franchisees:
 - i. One rent free landline connections with unlimited on net local calls (LL + Mobile) within circle.
 - ii. One rent free landline connection for incoming calls with Broadband plan – BBG Combo ULD 850 (350 monthly free call with unlimited download/Upload).
 - iii. One rent free VPN over Broadband **(512 kbps VPNoBB plan)**
 - iv. One rent free GSM post-paid Plan – 525, calls beyond freebies shall be payable.
 - v. Ensure alternate/standby media connectivity to Sanchar-Soft terminals working with franchisees.

Note: - Above facility shall be up-to the validity of agreement.

n. **Trade discounts:-**

Attractive trade discounts / schemes shall be offered by BSNL to the franchisee time to time as per prevalent market dynamics.

Section 2: Eligibility criteria

D. Dimensioning of Franchisee Territories:

- a. Number of Circle-wise territories is mentioned in **Annexure-B**.
- b. If there is need to increase or decrease the number of territories in a Circle, proposal with justification will have to be sent to the corporate office and the required change will be effected only after approval from corporate office by Director- CM.
- c. Number of territories permissible to a franchisee in a circle is restricted to normally three through EoI / Migration.
- d. However one more of franchisee territory may be allowed in the second round of EOI at circle level.
- e. Maximum 33% of SSA territories shall be allotted within the SSA to a franchisee. However, CGMs of the circle are empowered to increase this maximum limit by up-to 50% of SSA territories within the SSA. In case of migration 50% of SSA territories are allowed.
- f. Balance franchisee territories i.e. (4 terr. – 33% of SSA) shall be adjoining to his existing territories in adjacent SSA.
- g. In case of migration, non-adjacent territories are allowed and additional new territories shall be adjoining to SSA in which he has more number of territories.
- h. Category of franchisee territories shall be reclassified based on C-top-up revenue. Reclassification of franchisee territories shall be carried out as one time activity before EOI/ entering into fresh agreement as per criteria given below:-

Monthly C-TOPUP average Sale in the last FY (in Lakhs)	Category of territory
Up to 30	C
>30 up-to 50	B
>50	A

- i. For territories where average monthly sale in the last FY was less than Rs.10 Lacs, decision of CGM will be final w.r.t. filling of the territory or redefining the territory.

E. Eligibility Requirements for BSNL Franchisee-ship for each franchisee territory

All proprietorship firm, partnership firms and company of Indian origin fulfilling following criteria are eligible to apply.

- a. **Turn over:** Turnover is defined as sales proceeds as per audited P&L account of the firm, submitted for last financial year. A copy of income tax return should also be submitted along with.
 - i. Rs.50 Lakhs for A class territory
 - ii. Rs.30 Lakhs for B class territory
 - iii. Rs.6 Lakhs for C class territory
- b. **Experience:** Interested firms must be distributor/dealer of Telecom / FMCG / Electronics / Electrical / any other products with established retail chain for :
 - i. 3 years for class A territory out of last 5 years
 - ii. 2 years for class B territory out of last 4 years
 - iii. 1 year for class C territory out of last 3 years

A detailed product list for FMCG industry is provided in Annexure-C. A copy of certificate from Telecom/FMCG/Electronics/Electrical/any other products should be attached. In case there is ambiguity in the interpretation of Annexure-C, the decision of Circle Head will be considered final.

Note: DSAs and RDs of BSNL are also allowed to participate in the EOI subject to fulfillment of eligibility conditions.

- c. **Space:** Interested party must ensure office/ showroom space (carpet area) of minimum size of 200 sqft for BSNL franchisee ship within operational area of the territory. CGMs are authorized to relax the space upto minimum size of 120 sqft as per local need. However it should be clearly mentioned in Eoi document. Space is to be ensured within 15 days of LOI for award of Franchisee ship.
- d. Interested party should have a valid PAN. And TAN.
- e. Interested party should have a valid Goods and Services Tax (GST) registration Certificate No. for respective state
- f. Interested party should provide a self-declaration along with the evidence that the bidder is not black listed by the GST authorities
- g. In case the interested party gets black-listed during the tenure of BSNL contract, then BSNL will not be responsible for any loss of input tax credit (ITC) to the franchisees. Further, the franchisee will be responsible to indemnify to BSNL any loss incurred by it.
- h. In case of multiple Goods and Services Tax Identification Number (GSTIN), all the numbers can be provided as Annexure

Section 3: Selection process and criteria

F. Expression of Interest Route:

- a. In order to induct franchisees, BSNL shall invite Expression of Interest (EOI) from the willing parties. BSNL reserves the right to initiate the process for appointing franchisee even if there is a franchisee currently serving the territory or a part of the territory. Hereafter, any territory, for which EOI is invited, is referred to as 'eligible territory'. Eligible territories could include:
 - **Vacant territories:** Territories likely to be vacated in next three months or already vacated due to termination of franchisee, tenure completion of franchisee, or non-appointment of franchisee in the past. If a notice of termination (with a 30-day deadline for termination of franchisee) has been served to the franchisee, the territory can be considered as vacant territory.
 - **Redefined territory:** BSNL reserves the right to redefine territories for realignment/ balancing of franchisee territories. If there is need proposal with justification will have to be sent to the corporate office and the required change will be effected only after approval from corporate office by Director- CM.
- b. EOIs are to be floated and finalized at circle level. The approving authority will be the Head of circle.
- c. Circle must invite EOI from willing parties for eligible territories.
- d. To evaluate the short-listed bidders, a Selection committee at circle comprising of three members will be formed for each SSA with the approval of circle head.
 - Two members from circle office who will be common for all selection committee-GM(Sales & Mktg.)-CM and DGM(Fin)
 - Third Member- concerned SSA head.

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- e. After evaluation by the selection committee, the recommendation of the selection committee shall be approved by circle Head. LoI to successful bidder shall be issued by the EOI issuing authority with the instruction to submit the requisite PBG at the concerned SSA within 15 days time frame for signing the agreement. The contract shall be awarded for a period of three years to the successful bidder(s) as per the terms and conditions stipulated in the EOI and in the sales & distribution policy document.
- f. **Selection by committee:**

If no qualified application is received against any franchisee territory in EOI, measures stated in **para H of section-3 below** may also be taken.
- g. BSNL reserves the right to revise some sections of Sales & Distribution policy according to change in business environment. SSA shall notify all such changes to franchisees. Franchisee will be assumed to be in agreement with revised norms unless notified to BSNL in three week's time. Any party who wishes to discontinue the agreement can do the same by providing a 60 days notice.
- h. Interested party must deposit EMD of Rs. 2 lakh for class A territories, Rs. 1 lakh for class B territories and Rs. 25,000/- for class C territories along with EOI. The EMD will be in the form of Bank Guarantee in favour of BSNL and valid for a period of 180 days from the date of EOI opening.
- i. BSNL reserves the right to reject any application of franchisee for any reason, without liability, the information provided by the franchisee/ gathered by BSNL shall become BSNL's property even if application is rejected and can be used by BSNL in any manner it deems fit.
- j. The decision of BSNL will be final and binding.

G. Terms & Conditions with EOI

- a. Each franchisee will sign Franchisee Agreements at concerned SSA in the Circle. Franchisee must not work with any other telecom operator in the capacity of any role related to sales & distribution anywhere in India.
- b. All Franchisees should have well defined geographical area (to be defined and notified by SSA/Circle). This will be their primary area and the franchisee must fulfill all the requirements as per the policy in this primary area.
- c. The demarcated area for which they are appointed should be the primary area for the franchisee's operation, and all contractual obligations and responsibilities as per franchisee policy should remain for this primary area only.
- d. Periodic performance review must be done and in case of a franchisee not-meeting the BSNL standards, action should be taken in accordance with 'Performance Management System' section of this policy.
- e. Franchisee is not allowed to sell BSNL products outside its primary area (except in cases where the franchisee has been allowed to sell in a territory for a limited period through a look-after arrangement). Any violation will be viewed seriously and action shall be initiated as per Penalty Clause of this document.

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- f. BSNL is free to appoint sufficient number of Rural Distributors in franchisee territory in rural areas. Rural Distributors will be either served by franchisee or BSNL and may not be exclusive to BSNL. Rural Distributor's network will not only act as retail network but also help franchisee in serving rural retailers.
- g. Franchisee can appoint any numbers of retailers within his jurisdiction for sale of BSNL products permitted to them. Franchisee should serve retailers as well as rural distributors at their premises.
- h. Franchisee must ensure availability of BSNL products at more than 90% of retail points (multi-brand outlets) which sell telecom products within their primary area.
- i. Existing customer service centers and all other channels including e-distributors, Rural Distributors, DSAs will also work as sales outlet for all type of services offered by BSNL. BSNL can directly appoint any other channel(s) to distribute and sale various telecom services and products within franchisee's primary area.
- j. Franchisee should ensure manning of office at least 12 hours per day (9:00 AM to 9:00 PM).
- k. BSNL reserves the rights to seek/verify financial information from franchisee's Bankers/credit providers and any another sources as to carry out other verifications.

H. Easy entry at SSA level.

- a. If any franchisee territory remains unfilled even after floating of two rounds of EOI at circle level,

An empowered committee shall be constituted by SSA head comprising of three officers headed by a JAG/STS (as per the level of SSA) level officer of SSA with one finance member. The committee will collect proposals from the prospective franchisees by visiting their premises on the basis of eligibility criteria mentioned below at para-b and will recommend the name of suitable firm/candidate. The recommended case may be considered for approval by Head of SSA".

Where SSAs have no JAG/STS level officers to head such committee, the SSA head may relax the conditions mentioned under para 2 (H) (a) of Sales & Distribution Policy-2018 and an officer of STS/SDE level of the SSA may be nominated to head the committee.

Note: Empowered committee will also approach prospective bidders through letters/ mails and display on the notice board.

- b. Empowered committee will recommend the name of eligible and suitable firm/candidate based on following selection criteria for approval by SSA head:-

- i. Territory category wise turnover.

Category of terr.	Minimum Turnover required (In lacs) = X (Say)	Marks		
		Up-to 2X	> 2X to 3X	> 3X
A	25	3	6	10
B	15	3	6	10
C	3	3	6	10

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- ii. Experience of distribution of services/products. In most of the cases, experience certificate is not available with the applicants. In such cases the committee may satisfy itself that the person has requisite experience of distribution of services/products. Minimum experience criteria shall be same as mentioned in para-E (b) above.

	Distribution Experience	Telecom	FMCG Distribution	Electronic /Electrical	Other/ RD-DSA
a.	Fulfillment of Minimum Criteria and up to 1 year in excess	7	6	4	2
b.	Greater than 1 years in excess but less than 2 years in excess	8	7	5	3
c.	Greater than 2 years in excess	10	8	6	4

- iii. Weightage of educational qualification. (Total marks- 5)

Qualification	Weight-age
12 th Pass	2
Graduate	3
PG	5

- iv. Weight age of Location /place:- (Total Marks-10)

Bidder belongs to	weightage
Same SDCA	10
Adjacent terr. Of same SSA	7
Adjacent terr. Of adjacent SSA of same circle/any other terr. Of same SSA	5
Adjacent SSA of same circle	3
Any other	0

- v. Weightage for showroom:- (Total Marks-10)

Showroom	Max. weightage
Locality	3
Size	3
Accessibility (Road, visibility, Floor, etc.)	4

- vi. Interview:- Total marks= 5

c. Selection Tie-Breaker: The franchisee with the highest marks out of 50 should be selected. In case of a tie, preference should be given in the order of higher score for 'Showroom', 'Place', 'Experience', 'Turnover' and lastly 'Qualification'.

Note: - However in case of further tie after executing the criteria at para-c above, location of showroom, place, quantum of experience, quantum of turnover, and qualification shall be considered for selection of franchisee. However, BSNL reserves the right to select any of the franchisee based on the committee report after the approval of BSNL CO.

I. Easy exit of franchisee at SSA level.

There shall be quarterly performance evaluation at SSA level. Non-performing franchisees of SSA shall be treated as mentioned below:-

- i. SSA head may recommend the name of the franchisee with lowest sales in the SSA (based on quarterly evaluation done in respect of Type-A parameters) to circle head for termination of contract .with such franchisee
- ii. The SSA head may issue order for terminating the sale to such non-performing franchisee, and look-after may be given to the adjacent franchisee of the SSA ensuring 50% of total franchisee terr. Of SSA should remain filled at all time. Simultaneously EOI should be floated to fill-up vacant territory.
- iii. Base monetary Penalty up-to 2.5% of PBG (refer section-5 para-P) based on weight-age defined for Type-A parameters of targets for evaluating performance may be levied upon to those franchisees who could not be removed due to restriction in para-ii above.
- iv. In exceptional cases more than one franchisee may also be removed in one quarter.

J. Look-after arrangement:

- a. Vacant territories can be given to existing franchisee as “Look after territory” for a period of six months by SSA head for completing Eoi / Selection Process. If further extension is required beyond six months circle head is empowered to grant look after to eligible franchise in steps of three months to complete selection process at SSA level.

K. Migration policy for existing franchisees:

Existing franchises are eligible for migration in CM – Sales & Distribution Policy 2018. Migration process as given below will be done at SSA level.

- a. Those who meet the benchmark and cut-off as per section 4.2 of CM-S&D Policy-2012 shall be eligible for migration for three years.
- b. Those who do not meet the benchmark and cut-off, migration will be done on the basis of SIM sale for the last financial year.
 - i. All the franchisees of SSA shall be ranked on the basis of % achievement of SIM sale target during FY-2016-17
 - ii. Top 80% franchisees of SSA will be migrated for three years and
 - iii. Remaining 20% of franchisees of SSA shall be dropped.
- c. Names of franchisees & territories found eligible / non-eligible may be sent to circle for final approval and further action.

L. Extension of agreement

The extension for next two years (on year to year basis) with the approval of circle head can be granted subject to compliance of para-(D) of section-2.

M. Requirements after EOI Approval

- a. As mentioned above, selection of the franchisee will be done by a selection committee formed at circle level for which the franchisee is being selected. The EOI/agreement will be framed/ customized by concerned Circle/SSA based on provisions in this franchisee policy.

- b. PBG (Performance Bank Guarantee) of:
- Rs.3 Lakhs for class A territory,
 - Rs.2 Lakhs for class B territory and
 - Rs.1 Lakhs for class C territory
- to be submitted before signing of agreement within 15 days of LOI.
- c. Franchisee shall deposit the aforesaid PBG of said amount as determined by BSNL from time to time. BSNL reserves the right to forfeit/adjust/apply the said EMD/PBG amount in full or part of any sums due from the franchisee to BSNL at any time. Franchisee shall continue to be liable for balance, if any, no interest will be paid on the deposit. BSNL reserves the right to increase the amount of PBG at any time in its sole discretion with respect to any/some/all franchisee.
- d. After approval of EOI by circle, the Agreement shall be signed by the SSA, PBG (Performance Bank Guarantee) shall also remain in concerned SSAs, Franchisees will be monitored and supported by SSA. Payments will be done from SSA (except in case of special schemes where Circle can also make the payment).
- e. PBG will be treated as security deposit and no supply of BSNL products will be allowed against PBG.
- f. BSNL products can be issued to franchisees against RTGS or Cheque on realization of Money in BSNL account or against DD/Bankers cheque. The preferred mode for fund transfer for the franchisees to get material is RTGS.
- g. To provide Cheque facility to franchisees for issue of stock on credit' The field units shall follow below mentioned procedure in implementation of this facility' SSAs will take a separate BG for each franchisee territory for this purpose and issue inventory to franchisees against cheque of value not exceeding the amount of BG.
- i. To purchase material against cheque, franchisee will have to provide a separate bank guarantee with validity of 180 days more than the period of agreement. Franchisee can then purchase material of value up-to bank guarantee. This bank guarantee is separate from PBG. Circles will have to decide upper cap on this bank guarantee which may be equivalent to 7 days inventory requirement in the multiple of R.s. 50,000/-
- ii. The cheque will be presented to the bank in a manner that it is realized latest by 3rd day (Date of purchase+ 2 working days) and if it is dishonored, the steps for forfeiture of BG will be initiated immediately & the franchisee will be debarred from availing credit facility for the rest of his agreement period.
- iii. The officer(s) concerned who will accept payment by cheque will be responsible for monitoring of cheque clearance as per time frame given in para 'ii' above and they will also ensure that the value of cheques outstanding does not exceed the value of Bank Guarantee at any time.
- iv. However in case of cheque bounces due to some genuine reasons e.g. signature mismatch, date not mentioned etc. despite of balance in account then in such cases decision of initiation of forfeiture of BG/ ban on purchase of material against cheque may be taken by CGM concerned.
- v. CTS-2010 standard / MICR cheque with all India clearing facility at par will only be accepted.

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vi. Inter-alia, guidelines issued vide letter no. 1-4IBBF/e-payment\TMI2\OT-O8 dated 17.10.2012 (Copy enclosed) by BFCI section of BSNL CO regarding safe banking may also be followed.

vii. CGMs shall submit quarterly report on dishonored cheques.

- h. Franchisee may open an account with RTGS/online transfer facilities in the bank in which BSNL's account is in concerned SSA. Franchisee shall make payment to BSNL for material supply preferably by online transfer/RTGS mode. Any charges for online transfer or RTGS will be borne by franchisee.
- i. Roll out Plan: 50% of the retailers as mentioned in para B of Section 1 should be active within 3 months from the date of signing of agreement and 100% retailers should be active within 6 months of signing of agreement.

N. Selection criteria for franchisee-ship

- a. The maximum marks for eligible bidders in selection criteria for selection of franchisees will be as follows:

i	Experience of firm	10 marks
ii	Turnover	10 marks
iii	Place	10 marks
iv	Showroom	10 marks
v	Qualification	5 marks
vi	Interview / Presentation	5 marks

- b. Short listing will be done on the basis of point number (i) to (v) and top three should be called for interview. Final selection will be done based on combined marks.
- c. All parameters are as defined under the 'Eligibility Requirements' section. Place is ascertained as the place where firm/company is registered (GST registration) or where it has operations (existing shop/office) for atleast last two years or more.

O. Scoring Guidelines for Selection Criteria:

a. Experience of firm (Total Marks: 10)

	Distribution Experience	Telecom	FMCG Distribution	Electronic /Electrical	Other/ RD-DSA
a.	Fulfillment of Minimum Criteria and up to 1 year in excess	7	6	4	2
b.	Greater than 1 years in excess but less than 2 years in excess	8	7	5	3
c.	Greater than 2 years in excess	10	8	6	4

For telecom experience, in case of proprietor firm, the firm/proprietor should have experience of distribution of telecom services directly with any telecom operator. Retailers of Distributor/Dealer/Franchisee will not get any credit as telecom experience. The experience of DSA/ Rural Distributor of BSNL will be counted as telecom experience. In case of partnership firm, the Telecom/FMCG distribution/ other experience of firm (not of individual partner) as described above may only be considered in an appropriate manner by the Selection Committee.

b. Turnover (Total Marks = 10)

a.	Fulfillment of Minimum Criteria up to 25 percent in excess	3
b.	Greater than 25 percent in excess but less than 50 percent in	6
c.	Greater than 50 percent in excess	10

c. Weight-age of educational qualification. (Total marks-5)

Qualification	Weight-age
12 th Pass	2
Graduate	3
PG	5

d. Weight age of Location /place:- (Total marks-10)

Bidder belongs to	weightage
Same SDCA	10
Adjacent terr. Of same SSA	7
Adjacent terr. Of adjacent SSA of same circle/any other terr. Of same SSA	5
Adjacent SSA of same circle	3
Any other	0

e. Weightage for showroom:- (Total marks-10)

Showroom	Max. weightage
Locality	3
Size	3
Accessibility (road, visibility, floor, etc.)	4

Bidder should have registration of GST/Trade license/Shop establishment license or operational area within same SDCA/ SSA/ Circle as the case may be.

f. Interview / presentation before the selection committee (Total Marks – 5)

g. Selection Tie-Breaker: The franchisee with the highest marks out of 50 should be selected. In case of a tie, preference should be given in the order of higher score for 'Showroom', 'Place', 'Experience', 'Turnover' and lastly 'Qualification'.

Note: - However in case of further tie after executing the criteria at para-g above, location of showroom, place, quantum of experience, quantum of turnover, and qualification shall be considered for selection of franchisee. However, BSNL reserves the right to select any of the franchisee based on the committee report after the approval of BSNL CO.

Section 4: Target Setting and Performance Management

4.1 Target Setting:

Targets will be assigned by Circle to SSAs and thereafter SSA will assign franchisee- territory wise quarterly/Monthly target. Quarterly/monthly target will be communicated in last week of previous quarter/month or in the first week of the quarter/month.

4.1.1 Parameters for Setting of SSA Target.

A	FRC / Plan Voucher	Gross connections (SIM activations) SSA wise and Franchisee wise
B	RC	Recharge sales – SSA wise and Franchisee wise
C	POS	Active Retailer : Loading FRC / PLAN VOUCHER Active Retailer : Loading RC

Targets will be assigned by Circle to SSAs and thereafter SSA will assign franchisee-territory-wise target for above areas/ fields.

Circles will assign targets to SSAs on monthly basis for the following based on:

(a) **For GSM connections:**

The target among SSAs may be apportioned on the basis of – Type of territory, total number of BTS (2G + 3G) in SSA in previous month, market potential, competition, desire growth etc.

(b) **For recharge:**

Recharge targets must be apportioned among SSAs as per total no. of active prepaid connection, ARPU in the previous month plus other important parameters like potential of the area, urban-rural mix industry growth rate etc.

(c) **For POS :**

Based on number of BTS

4.1.2 Parameters for Setting of Franchisee Target.

SSA Head will allocate connections at least on the last year percentage share by franchisees in SSA & recharge target among franchisees on monthly basis based on number of BTS and class of territories. Remaining target will be allocated to other channels/sales partners.

a) For connections:-

50% of target as per class of territory

50% of target as per total number of BTS in territory

As an illustrative example,

SSA target = 15000

Let 80% of monthly target of SSA = 12000

Let there be 1 territory each of class A, B and C

Target to be allocated as per territory class = 50% of 12000=6000

Average per territory = 2000

The weight age for A, B and C type territory would be 1.3, 1 and 0.7 respectively.

Distributed target would be for Type A → 2600

For type B → 2000 and for Type C → 1400

Remaining 6000 connections target may be allocated in proportion to number of BTS in the territory.

- b) For recharge:-
SSAs may further apportion the recharge target as per number of BTS and class of territory.
- c) For POS:
SSA should ensure that the targets set by BSNL corporate office for active retailers loading RC and active retailers loading FRC / Plan Voucher is met progressively. SSA will assign target for active retailers loading RC and active retailers loading FRC / Plan Voucher to franchisee based number of BTS/ potential as given below:
 - i. Number of retailers loading RC atleast 8 per BTS
 - ii. Number of retailers loading FRC / Plan Voucher atleast 3 per BTS
- d) Apart from these targets for any other products from other business units shall be set by concerned business units however franchisee's performance review may not consider achievement against those targets.

4.2 Performance Management: Each SSA must conduct a review meeting in first week of every calendar month where each franchisee's performance in previous month must be evaluated. Each Circle must conduct a review meeting every quarter to review the same. This meeting must be conducted within fifteen days of quarter ending.

Appointment of Review committees:

- i. Each SSA must appoint a performance review committee of at least three executives which must consist of SSA Head and SSA Sales Head (Mobility) and Retailer Manager Coordinator (RMC). Franchisee manager of particular franchisee should also be part of review discussion for that franchisee.
- ii. For Circle level reviews, Circle should appoint a review committee for each SSA under chairmanship of GM(Consumer Mobility). Each committee will have three executives including chairman from Circle (common for each SSA) and SSA Head of concerned SSA.

Weightage for targets for evaluating performance

Parameters	Weightage
Type A Parameters	
FRC / Plan Voucher	60%
RC	20%
POS	20%
Total	100%
Bench Mark Score	50%

Note: FRC / Plan Voucher include new connections of GSM.

Regular performance measurement and evaluation of franchisee performance needs to be done as follows:

The performance for each franchisee should be evaluated monthly by SSA review committee on the basis of above guidelines. It should be noted that all existing territories of the franchisee should be monitored individually. Performance of each franchisee shall be done franchisee territory-wise. In case the franchisee has territories across multiple SSAs, each SSA must provide the performance inputs to the Circle which should compile the territory-wise franchisee performance score. SSA must communicate the monthly performance inputs to franchisee so that he can improve.

- iii. **Review Process at SSA:** For the purpose of monthly reviews various parameters, their scoring and cut-offs are given in table below

	Parameter (measured on monthly basis)	Scoring	Cut-Off Score
1	Gross Connections GSM.	% of target achieved in each product	>50%
2	Revenue/ Recharge sales GSM in month	% of target achieved in each product	>50%
3	No. of retailers billed in month through BSNL specified system	% of target achieved	>50%

Maximum score on any parameter will be limited to 100%.

Cut-off scores can be upwardly revised by Circle review committee with at least 60 days notification to franchisees. Apart from the parameters listed above, review committee should discuss about any other complaints received about the franchisee and warnings / monetary fines could be issued / imposed. SSA committee must prepare a scorecard for each franchisee before monthly review meeting. The scorecards for three months should be sent for Circle level review each quarter.

- iv. **Review Process at Circle/SSA:** Review committee at SSA should conduct a review of each franchisee territory every quarter. SSA head will recommend the name of franchisee with lowest sales in the SSA (based on quarterly performance evaluation done in respect of Type-A parameters) to circle head for removal from franchisee-ship.
- v. **Certificate of Appreciation:** Every quarter, SSA may issue certificate of appreciation to the top franchisees in the SSA. Type 'A' parameters shall be considered for it.
- vi. **Performance based termination:** Any franchisee inducted in past six months will not be considered for this exercise. All such franchisees will be given 30 days notice to wind up operations. However monthly review for the franchisees who have been served a Notice of Termination will happen for next month as per the process outlined above and any monetary penalties will still be applicable on non-performance. Circles must complete the process of appointing new franchisee and hand-over arrangements within 90 days. Franchisees who are terminated will not be eligible to bid for franchisee EOI for that territory for the next two years. Circle/SSA may use look-after arrangement in these vacant territories.
- vii. **Re-demarcation of territory:** BSNL reserves the right to redefine territories in cases where franchisee has not met the performance criteria (defined above in this policy) for a period of more than three months.
- viii. **Confidentiality:** All data collected or generated during the review process at SSA or Circle level should be treated as confidential. It can be discussed with franchisees however no data related to other franchisees should be given to any franchisee. Access to this data should also be restricted to only competent authorities as decided by Circle Head or SSA Head.

Section 5: Sale price of BSNL products

- i. The price at which BSNL products shall be offered to franchisee channel (Franchisee, Rural Distributors and Retailers) will be announced by BSNL on introduction of new product and may be revised or discontinued by BSNL as per the changes in business environment.
- ii. Such price shall be announced as and when new products are being launched by any unit of Consumer Mobility or as may be published from time to time.
- iii. For Consumer fixed Access products, the existing pricing shall be applicable and for consumer mobility, latest circulars of Product & Pricing cell of CM cell may be referred.
- iv. BSNL and Franchisees shall observe the following procedure in connection with purchase and sale of BSNL Products:
 - a. The Franchisee shall place an order for purchase of products from BSNL.
 - b. Upon dispatch of ordered products, BSNL shall raise an invoice on the Franchisee, net of applicable discount to be provided to the franchisees. . BSNL's designated nodal officer to verify and sign the invoice and forward it to the Accounts Department.
 - c. BSNL will charge GST on the price at the transaction value i.e. the price at which BSNL sells its products to the franchisee. BSNL would raise sale invoice for sale of BSNL products to the franchisees. BSNL would raise invoice on GST registered premise only
 - d. For the purpose of this agreement, place of supply under GST Act shall be the place of supply as determined under purchase order raised by BSNL. It shall be the responsibility of franchisee to intimate BSNL well in advance in case of deviation / disagreement with the place of supply as determined in PO
 - e. BSNL shall, on a conservative basis, withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on all discounts/ margin provided to the franchisees for sale of BSNL Products and the same will be treated as a sale consideration
 - f. Payment will be received by BSNL from the Franchisee preferably through ECS / Direct credit to account or cheque. SSA will give a detailed report regarding payments received from franchisees on monthly basis to Circle office.
 - g. GST paid by franchisees to BSNL shall be available to the franchisee as ITC, which can be set off against the GST charged by franchisee to the retailer
 - h. Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to franchisees shall be given online in the form of c-top-up value through any platform like Sanchar-soft/Pyro/ERP after levy of applicable taxes i.e. TDS /GST etc., wherever applicable.
 - i. For the subsequent incentives provided by BSNL (refer point h above), Franchisees will raise invoice (along with applicable GST) on BSNL. Since incentive shall be paid to the franchisees in the form of c-top up, BSNL will also raise an invoice (along with applicable GST) on the franchisees for allocation of such c-top up value
 - j. Where the franchisee is not registered under GST Act, it shall be the responsibility of BSNL to discharge liability under reverse charge mechanism. It is further agreed that franchisee shall not charge tax on invoice

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- k. BSNL shall, withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on the secondary/ subsequent incentives provided to the franchisees (refer point h above)
 - l. GST paid by franchisees to BSNL and by BSNL to franchisees (as the case maybe w.r.t. secondary/ subsequent incentive granted by BSNL) shall be available to franchisees and BSNL, respectively, as input tax credit which can be set off against the GST charged by franchisee or BSNL
 - m. The rate of discount/ margin/ incentive needs to be reviewed with every change in the rate of GST in order to keep it at par with or lower than the current rate of 5.5% of Face Value.
 - n. Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL Products, discount on FRC/RC, any scheme based incentive, FOS incentive etc. to franchisees may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.
 - o. The invoices raised by the franchisee and BSNL should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2017
 - p. In case of any deficient supply or incomplete supply both at the time of sale of BSNL products or at the time of subsequent incentives provided to the franchisee, it shall be the responsibility of franchisee to issue GST compliance credit note within the reasonable time and take tax adjustment. In case the franchisee fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by the franchisee.
 - q. Franchisee to comply with all the compliances as may be prescribed to ensure that compliance rating is not reduced below the prescribed limit as laid down under GST Act and GST regulations. Franchisee shall be required to submit a self-declaration from time to time, that they are not black-listed on the GST portal. Notwithstanding anything contained in agreement, in the event of black listing of supplier i.e. compliance rating reduced below the prescribed limit, the amount related to tax shall be paid to franchisee only on receipt of input tax credit to BSNL
 - r. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.
- v. In case of secondary/ subsequent incentives provided to the franchisee, it shall be the responsibility of the franchisee to raise appropriate tax invoice as per the provisions of GST Act. BSNL reserves the right to be indemnified for the credit loss in case BSNL is unable to claim the ITC for any non-compliance / default in raising appropriate invoice by franchisees. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.

Further the Supplier is required to comply following requirements w.r.t. issuance of invoice:

- a. All the details of franchisees (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
- b. Invoice/DN/CN need to be issued timely within the time prescribed under GST law;
- c. In case of any deficient supply, BSNL shall convey the same in a reasonable time to enable the franchisee to issue credit note and take tax adjustment;

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d. It would be the responsibility of the franchisee to declare correct information on invoice and GST portal viz. the amount, the place of supply, rate of tax etc. In case, the eligibility of input tax credit is questioned or denied to BSNL on account of default by the franchisee, the same would be recovered by BSNL from the franchisee;

e. Registered location of the both the parties i.e. BSNL and franchisee should be mentioned in the agreement with GSTIN No. Further, franchisee should raise invoices at the registered premise of BSNL for availment of credit and ensure that the place of supply as per GST law is same as registered premise;

f. It shall be the responsibility of franchisee to raise invoice within the prescribed timelines.

vi. Franchisee to share the monthly information (w.r.t. incentive) with BSNL which would be uploaded by the franchisee in its GSTR -1 along with the information of input credit to be claimed by BSNL in such month. It shall be the responsibility of the franchisee to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents as prescribed, within 30th September following the end of relevant financial year

P. Penalty (along with GST, if applicable):

A. Consequences for Poor Performance: Any franchisee who does not meet the cut-off score on any parameters, becomes liable for penalty (along with GST, if applicable) as per the table given below:

Penalty Structure for Franchisees							
Class of Territory	Month	1 st	2 nd	3 rd	4 th	5 th	6 th and onwards**
	Issuer	SSA	SSA	Circle*	SSA	SSA	SSA
	PBG in Rs.	Warning	Strong Warning	Base monetary penalty (BMP)	Monetary penalty of 110% of BMP	Monetary penalty of 125% of BMP	Monetary penalty of flat 150% of BMP each time in the event of poor performance
A	300000						
B	200000						
C	100000						

* **Base monetary Penalty** up-to 2.5% of PBG based on weight-age defined for various parameters of targets for evaluating performance may be decided by Circle Head.

** Monetary penalty of flat 150% of base monetary penalty shall be imposed by SSA each time in the event of poor performance in any Type-A parameter during sixth months and onwards till the validity of agreement.

For example if any franchisee improves his performance in the seventh month in all Type-A parameters and perform poorly on any parameter in the 8th month, then 150% of base monetary penalty should be imposed on franchisee by SSA in the 8th month and no penalty shall be imposed in the seventh month.

Example: - CGM may fix penalty up-to 2.5% of PBG as a Base monetary penalty i.e. it could be 1% or 2% or 1.5% etc.

For class-C franchisee territory, defined PBG is 1 lakh.

Let CGM fixes 2% of PBG as Base monetary penalty, i.e. Rs 2000/- and suppose franchisee default in all three Type-A parameters. Then weight-age-wise distribution of penalty on franchisee will be as given below:-

FRC/Plan voucher: - 60% of Rs. 2000/- = 1200/-

RC:- 10% of Rs. 2000/- = 200/-

POS: - 30% of Rs. 2000/- = 600/-

B. Action against Cross-selling:

a) If franchisee is found selling outside his territory:

- (i) 1st offence explanation of the franchisee to be called giving ten days time to submit response. C-TOPUP number of all such retailer to be disconnected under intimation to franchisee, if either no reply is received or the explanation of franchisee is not satisfactory.
- (ii) 2nd offence: - Explanation of the franchisee to be called giving ten days time to submit response. C-TOPUP numbers of all such retailers to be disconnected under intimation to franchisee, if either no reply is received or the explanation of franchisee is not satisfactory and also their balance is to be forfeited.
- (iii) 3rd offence and beyond:-C-TOPUP numbers of all such retailers to be disconnected under intimation to franchisee, and their balance will be forfeited + Rs.3000/- penalty per retailer (along with GST, if applicable).

b) If franchisee is found selling through Multi SIM device:

- (i) A penalty @ 5% of total discount/ margin offered to the franchisee at the time of sale of BSNL products as well as incentives provided to the franchisee subsequently on meeting the targets etc. in the last three month will be imposed on the franchisee along with a warning letter.
- (ii) The C-TOPUP SIM of the retailers indulging in this system will be blocked with available balance.
- (iii) The action will be taken after investigation by BSNL. In case the same franchisee is found involved in using Multi SIM Mobile Automatic Recharge System repeatedly, his franchisee ship may be terminated

Q. General Terms & Conditions

- a. Whenever any new products are launched, a separate communication will follow on the applicable discount / margin rate. Additionally, secondary/ subsequent incentive to be granted by BSNL shall also be communicated by BSNL separately.
- b. Franchisees may be given right to view Franchisee portion of Sancharsoft, which they are supposed to view periodically and take necessary actions.
- c. BSNL reserves the right to change the terms of trade from time to time with notice period of 30 days.
- d. BSNL reserves the right to suspend/ decline any sale of BSNL products to Franchisees in case of any pending disputes in matters relating to activations or cancellations.

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- e. In case of dispute arising between the Franchisee and BSNL, the same shall be adjudicated by the Circle Head or any official appointed by the Circle Head.
- f. The company's decision will be final on all matters relating to the business and will be binding on the Franchisee.
- g. The payment by the Franchisees will be made through a cheque / ECS.
- h. All Franchisees will report to SSA Head through the nodal officer appointed by him.
- i. All taxes, present & future, that may be levied by the govt./ local authorities etc. will be applicable to the franchisee a/c.
- j. The Franchisee shall comply with all applicable laws, bye Laws rules, regulations, orders, directions, notifications, etc. of the Govt./ Court/Tribunals and shall also comply with all directions issued by BSNL and provide BSNL with all information and cooperation that BSNL may reasonably require from time to time.
- k. The franchisee has to fully cooperate with BSNL to investigate any complaint from the public, retailers or BSNL's sales teams.
- l. Franchisee shall be liable for all payments of wages, Salary etc to its employees & shall comply with all statutory laws, rules, relating to employment, wages, PF, ID, act etc.
- m. The Franchisee shall fully indemnify, defend & hold BSNL harmless from and against all claims, Liability, Losses or damages recoveries, proceedings, actions, Judgments costs, charges & expenses which may be made or brought or commences against BSNL or which BSNL may or may have to bear, pay or suffer directly or indirectly in connection with any breach Franchisee's agreement by franchisee or its agents, employees, offices.
- n. In case any GST and/ or cess liability, interest, penalties or any other tax/ duty/ amount/ charge/ liability / professional costs related to litigation becomes payable by BSNL or ITC is denied to BSNL due to failure of the franchisees to comply with the relevant laws/ regulations applicable in India or overseas, franchisees undertakes to indemnify BSNL for an amount equal to amount payable by BSNL and the same shall be recovered by BSNL
- o. GST (if applicable) on account of liquidated damages due to delay in supply would be borne by franchisee
- p. BSNL shall not be liable for any act of commission or omission of any third party.
- q. During the currency of agreement, franchisee will not be permitted to provide services to any other telecom service provider.
- r. That franchisee shall display prominently the information prescribed by BSNL from time to time & will display a signboard, of size decided by BSNL, indicating the name & logo/Brand name of BSNL as may be prescribed by BSNL.
- s. That franchisee shall pay all dues & outstanding to BSNL during the currency of assessment or on termination of the agreement as the case may, even if any dispute is pending between the franchisee & BSNL. The same shall be adjustable by the Circle Head or official appointed by Circle Head.
- t. The franchisee will have to abide by the policy rules, regulations & instructions of BSNL as revised/modified from time to time, without any prior notice to the franchisee in respect of all matters including security deposit / PBG, incentive payable to the franchisee etc.
- u. In case of any deviation, default or negligence on the part of franchisee due to which it is liable to pay penalty to BSNL, the same shall be recovered by BSNL from franchisee along with applicable GST tax (as may be applicable)
- v. Franchisee must enter list of material received, sold and available with him and all his retailers on a daily basis through BSNL –specified IT system.

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- w. BSNL shall deduct tax at source if required under GST Act and GST regulations, any law or any regulation.
- x. Franchisee who have not migrated or surrender franchisee-ship, the cost of the products available with him and losses to BSNL shall be recovered from PBG.
- y. Those who were terminated / not migrated may be barred to participate in EOI for that territory only for next two years.
- z. In case of successful completion of franchisee-ship-agreement agreement period, PBG shall be returned after ensuring that penalty/damage/dues/claims if any are cleared.
 - aa. PBG shall be forfeited, in case franchisee does not start business within stipulated time frame as mentioned under agreement.
 - bb. PBG shall be refunded in the cases where franchisee surrenders his territory/circle/zone with mutual consent of BSNL and after prior notice to BSNL for surrendering after ensuring that penalty/damage/dues/claims if any are cleared.
 - cc. PBG shall be forfeited if franchisee-ship is terminated on performance based evaluation mentioned under agreement.
 - dd. If franchisee does not serve prior notice and requests for surrendering his/her franchisee-ship with immediate effect in normal course and he/she is performing well in his territories/circle/zone as per parameters/targets mentioned under agreement, franchisee may be requested to continue with agreement. If franchisee still insists for surrendering of franchisee-ship, he/she may be advised to serve 90 days prior notice, and then PBG shall be returned after ensuring that penalty/damage/dues/claims, if any are cleared. If franchisee/e-distributor stops working with immediate effect, PBG shall be forfeited.
 - ee. If franchisee, does not serve prior notice and requests for surrendering his/her franchisee-ship with immediate effect in normal course and he/she is not performing well in his territories/circle/zone as per parameters/targets mentioned under agreement, franchisee may be requested to improve his performance as per penalty clause under agreement and continue with agreement . If franchisee still insists for surrendering franchisee-ship he/she may be advised to serve 30 days prior notice, then PBG shall be returned after ensuring that penalty/damage/dues/claims if any, are cleared. If franchisee stops working with immediate effect, PBG shall be forfeited.

e-Distributor Policy 2018

BSNL is serving customers through Franchisees/ Rural Distributors/ DSAs/ Retailers in the defined geographical area. To serve the customers through web-portal/Kiosk/ATMs/POS (Retailers) and other electronic mode. There is a need to appoint Zonal level franchisees and will be known as e-Distributors.

1. SCOPE OF WORK:

1.1 To serve BSNL customers through web portal / Kiosk /ATMs /POS (Retailers) and other electronic mode, there is a need to appoint Zonal Level franchisees to be known as **e-Distributors**. There will be three types of e-Distributors:

- I. Cat -1 : who is applying for single zone
- II. Cat -2 : who is applying for two zones.
- III. Cat-3 : who is applying for all four zones i.e. on PAN India basis

1.2 e-Distributors have to sell e-recharge/ top-up to prepaid connections and / or post-paid bill payment and / or other BSNL products purchased by them from BSNL, from time to time through web based platform / Kiosk /ATMs/ POS (Retailers) using Internet /API / mobile apps/ data access or other electronic modes. They may use their retail network or may use established retail network(s) of Banks, Govt./ PSUs, utility bill payment centres, Retail stores like Big Bazaar, More, Croma etc. By having agreement with them without disturbing /using the existing distribution network of primary franchisees of BSNL.

1.3 e-Distributor and BSNL shall act on a principal to principal basis and at no time, the distributor shall act in the capacity of an agent of BSNL. Further, e-Distributor shall not have any right or authority to negotiate, conclude or execute any contract or legal document with any third person in the name of BSNL; to assume, create, or incur any liability of any kind, express or implied, against or in the name of BSNL; or to otherwise act as the representative of BSNL, unless expressly authorized in writing by BSNL.

1.4 The e-Distributor shall be responsible for investment in setting up requisite infrastructure viz. Outlets, portals, servers, leased connectivity etc. For sale of the services. E-Distributor shall maintain a suitable organization for the marketing & distribution of products & services in the allocated zone(s). The e-Distributor shall make its best efforts to actively provide effective services to the walk-in subscribers of the BSNL and always act in the interest of both the BSNL and its subscribers.

1.5 e-Distributor shall integrate its system with BSNL's zonal C-top up systems and will ensure security of data link by way of Firewall/ IDS etc. C-top up vendor will share APIs for the integration purpose.

1.6 The reports needed by BSNL for reconciliation and monitoring purpose will have to be developed by both parties and will be validated by BSNL team appointed by the GM (CMTS), Nodal Center before start of actual application.

1.7 The EFTPOS terminals at POS shall connect to the central server through the PSTN or IP connectivity / Data connectivity / GPRS / CDMA. A phone number on request (Toll free/UAN) shall be allotted to the e-Distributor for this purpose at e-Distributor's cost.

1.8 A secured password based account shall be created for BSNL to facilitate remote login to the server by designated BSNL staff. BSNL shall be permitted to view all reports and track sale and distribution to the EFTPOS terminals/NET/SMS.

1.9 Messaging facility shall be provided between the central server and the EFTPOS terminals wherein BSNL shall be able to pass on marketing related information, special promotional schemes etc to the EFTPOS terminals. The EFTPOS terminals/NET/SMS should be possible to be created in sub-groups area-wise so that it is possible to send messages to a specific sub- group only.

1.10 The e-Distributor shall store all records of sale at the Central server for a period of at least one year to enable tracking of Sale etc by Law enforcement agencies in India.

1.11 BSNL may from time to time provide information, training and assistance relating to the services. The training will be free of cost at a venue/training centre chosen by the BSNL at its discretion. The e-Distributor shall bear all costs relating to including travel, accommodation and subsistence costs of such representatives.

1.12. BSNL may provide the marketing material to the e-Distributor. It will not be obligatory and binding on the BSNL to provide all the above material, and will be provided as per availability only.

1.13 BSNL/ its representatives will have unlimited access to the business premises of the e-Distributor to check, from time to time, e-Distributor operations, including:

- i. The process of selling and customer problem resolution,
- ii. To identify problems and suggest solutions for e-Distributor to implement remedial measures,
- iii. Inspect and audit any or all statutory and other books of records and accounts

1.14. BSNL shall not be liable for any loss, pilferage or damage to the goods stored and sold at the premises and the merchandise shall be the entire responsibility of the e-Distributor.

2.0 SELECTION PROCESS: e-Distributors will be selected on non-exclusive basis.

2.1 The proposals from companies/ firms shall be scrutinized by Sales & Marketing–CM Cell of the BSNL corporate office, New Delhi. Successful firms shall be declared as empanelled in BSNL as e-Distributor and the concerned zone(s) will be intimated accordingly.

2.2 The empanelled company/firm shall approach BSNL Corporate Office, New Delhi for signing of agreement.

2.3 e-Distributor will have to sign agreement within 30 days from the date of empanelment on non-judicial stamp paper of Rs.100/- to be arranged by e-Distributor

2.4 BSNL reserves the right to accept or reject any or all the e-Distributorship request in part or in full, without assigning any reason whatsoever.

2.5 The empanelment of the e-Distributorship for BSNL services shall be without prejudice to the right of BSNL to market these services from its existing or outlets including customer service centres. Nothing shall prevent BSNL to work out and introduce in future.

3.0 ELIGIBILITY REQUIREMENTS:

3.1 It should be an Indian registered proprietorship firm, partnership firms or company.

3.2 The company should not have substantial equity stake (10 % or more) in & of any Basic services/Cellular services/Internet services/Unified Access services/National Long Distance services operating company / companies in India.

3.3 The company should not be a Licensed Service Provider to provide Basic services/Cellular Services/ Internet services/ Unified access services/NLD services anywhere in India

3.4 It should have a turnover of Rs. 10 crores for Cat-1 e-Distributor and Rs. 15 crores for Cat -2 & Rs. 20 Crores for Cat-3 e-Distributor during the last 12 months.

3.5 It should have a minimum of one year experience of e-Distributor during last three years with system / process in place for providing any of the following services :-

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i. The bidder must have experience in distribution of mobile recharge through retail network using electronic system with own deployed server.

OR

ii. Distributing services electronically with own deployed server for banks or any government organization/ PSU/ large retail chains.

OR

iii. Bidder must have experience of business of e-commerce or m-commerce with own deployed server.

OR

iv. Existing BSNL franchisee can also apply subject to surrendering of its primary franchisee ship from all the locations before signing of agreement.

OR

v. BSNL VAS provider having running agreement with BSNL and own established server.

OR

vi. BSNL bundled application provider having running agreement with BSNL and own established server.

Note: - M-wallet operators (open wallet & semi-closed wallet), C-top-up service provider and easy credit operators having direct integration with IN may be allowed with proper reconciliation by Nodal centers for e-distributorship of BSNL.

3.6 The Company should have a valid PAN and TAN

3.7 The Company should have a valid Goods and Services Tax (GST) registration Certificate No. For respective state

3.8 The Company should provide a self-declaration along with the evidence that the bidder is not black listed by the GST authorities

3.9 In case the Company gets black-listed during the tenure of BSNL contract, then adequate indemnity clause should be inserted to ensure that no loss of credit is borne by BSNL due to a default of e-distributor

3.10 In case of multiple Goods and Services Tax Identification Number (GSTIN), all the numbers can be provided as Annexure

5. Processing Fee (Non-refundable): A Demand Draft (DD) in lieu of processing fee @Rs.5000/- per zone from a Nationalized / Scheduled Bank.

5. PERFORMANCE BANK GUARANTEE (PBG)

5.1 The Bank Guarantee @ Rs. 3 Lac per single zone, RS 6 lacs for two zones and Rs. 10 Lacs for all four zones i.e. on PAN India , is to be provided within 15 days of signing of the agreement. The Bank Guarantee should be valid for 33 months. No interest is payable on performance bank guarantee. In the event of extension of agreement, BG shall be revalidated for a period commensurate with the extension period.

5.2 Without prejudice to its right of any other remedies BSNL shall, on failure of the e-Distributor to provide services under the agreement or in case of breach of any terms & conditions of the agreement by e-Distributor or on failure of e-Distributor to start the business within 6 months of signing of agreement or failure of e-Distributor to achieve minimum committed annual sale of RC, encash/ forfeit the said PBG in part or full.

5.3 BSNL reserves the right to deduct any amount of whatsoever due to BSNL against agreement from said PBG. The said PBG shall be discharged by BSNL after successful completion of obligations under agreement.

6 **Area of operation:** e-Distributors should be one of the below:

- I. Cat -1 : who is applying for single zone
- II. Cat -2 : who is applying for two zones.
- III. Cat-3 : who is applying for all four zones i.e. on PAN India basis

7. DISCOUNT and billing procedure: Discount shall be 75% of the discount offered to the primary franchisee as per Annexure D.

Note: - The discount amount can be reviewed by BSNL at any time and decision of BSNL in this regard will be final.

8. BSNL will charge GST on the price at the transaction value i.e. the price at which BSNL sells its products to e-distributors. BSNL would raise sale invoice for sale of BSNL products to e-distributors. BSNL would raise invoice on GST registered premise only.

9. GST paid by e-distributors to BSNL shall be available to the e-distributors as input tax credit which can be set off against the GST charged by e-distributors

10. Methodology for discount/ Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO from time to time, which shall be applicable to circle/SSA.

11. Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. To e-distributor shall be given online in the form of c-top-up value through any platform like Sanchar-soft/Pyro/ERP after levy of applicable taxes i.e. TDS /GST etc, wherever applicable.

12. For the subsequent incentives provided by BSNL (refer point 12 above), e-distributor will raise an invoice (along with applicable GST) on BSNL. Since incentive is paid to e-distributor in the form of c-topup, BSNL will also raise an invoice (along with applicable GST) on the franchisees for allocation of such c-topup value

Where e-distributor is not registered under GST Act, it shall be the responsibility of BSNL to discharge liability under reverse charge mechanism. It is further agreed that e-distributor shall not charge tax on invoice

13. BSNL shall, withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on the secondary/ subsequent incentives provided to e-distributor for sale of BSNL Products **(refer point 12 above)**

14. GST paid by e-distributor to BSNL and by BSNL to franchisees (as the case maybe w.r.t. secondary / subsequent incentives granted by BSNL) shall be available to e-distributor and BSNL, respectively, as input tax credit which can be set off against the GST charged by e-distributor or BSNL

15. The invoices raised by e-distributor and BSNL should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2017

16. The rate of discount/ margin/ incentive needs to be reviewed with every change in the rate of GST in order to keep it at par with or lower than the current rate applicable on face value.

17. In case of secondary/ subsequent incentives provided to the e-distributor, it shall be the responsibility of e-distributor to raise appropriate tax invoice as per the provisions of GST Act. BSNL reserves the right to be indemnified for the credit loss in case BSNL is unable to claim the ITC for any non-compliance/ default in raising appropriate invoice by e-distributor. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.

Further e-distributor is required to comply following requirements w.r.t. issuance of invoice:

- i. All the details of e-distributor (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
- ii. Invoice/DN/CN need to be issued timely within the time prescribed under GST law;
- iii. In case of any deficient supply, BSNL shall convey the same in a reasonable time to enable the e-distributor to issue credit note and take tax adjustment;

iv. It would be the responsibility of e-distributor to declare correct information on invoice and GST portal viz. the amount, the place of supply, rate of tax etc. In case, the eligibility of input tax credit is questioned or denied to BSNL on account of default by e-distributor, the same would be recovered by BSNL from e-distributor;

v. Registered location of the both the parties i.e. BSNL and franchisee should be mentioned in the agreement with GSTIN No. Further, e-distributor should raise invoices at the registered premise of BSNL for availment of credit and ensure that the place of supply as per GST law is same as registered premise;

vi. It shall be the responsibility of e-distributor to raise invoice within the prescribed timelines.

18. In case of any deficient supply or incomplete supply both at the time of sale of BSNL products or at the time of subsequent incentives provided to the e-distributor, it shall be the responsibility of e-distributor to issue GST compliance credit note within the reasonable time and take tax adjustment. In case e-distributor fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by e-distributor.

19. E-distributor to comply with all the compliances as may be prescribed to ensure that compliance rating is not reduced below the prescribed limit as laid down under GST Act and GST regulations. E-distributor to submit a self-declaration from time to time, that they are not black-listed on the GST portal. Notwithstanding anything contained in agreement, in the event of black listing of supplier i.e. compliance rating reduced below the prescribed limit, the amount related to tax shall be paid to supplier only on receipt of input tax credit to BSNL

20. GST (if applicable) on account of liquidated damages due to delay in supply would be borne by e-distributor.

21. The place of supply under GST Act shall be the place of supply as determined under purchase order raised by BSNL. It shall be the responsibility of e-distributor to intimate BSNL well in advance in case of deviation / disagreement with the place of supply as determined in PO

22. E-distributor agrees to share the monthly information with BSNL which would be uploaded by e-distributor in its GSTR -1 along with the information of input credit to be claimed by BSNL in such month. It shall be the responsibility of e-distributor to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents as prescribed, within 30th September following the end of relevant financial year.

23. DURATION OF AGREEMENT: The e-Distributorship shall initially be for a period of **Twenty seven (27) months (which includes three months for the preparations for roll out)** from the date of agreement and will be subjected to review of performance as prescribed by BSNL. The e-Distributor will have to achieve minimum 50% of the recharge / topup sale on year to year basis to have continuity for the agreement period of two years.

24. ANNUAL SALES TARGET:

- i. Cat -1 e-Distributor Rs. 6 Cr.
- ii. Cat -2 e-Distributor Rs. 9 Cr
- iii. Cat-3 e-Distributor Rs. 12 Cr.

25. ROLL OUT PLAN: e-Distributor will install its system, will ensure integration with BSNL network elements like C-Topup system etc., and arrange for successful verification of provisioning, delivery and charging/reconciliation of recharge/topup transactions within a **period of three months** from the date of signing of agreement. The monitoring of annual performance against the sales target will commence from such date of launch of service.

26. Penalty (along with GST, if applicable):

- I. On non-compliance to the targets as specified at clause 10 above, a penalty will be imposed on the e-Distributor. The details and methodology of imposing the penalty is defined below:
 - a. The imposition of penalty will come into force after expiry of roll-out period.
 - b. The penalty will be calculated as a percentage of the short fall in the achievement of annual target and will be charged @ of 0.25% on short achievement of annual target.

Note: GM(S&M)-CM at BSNL CO may relax the above penalty for exclusive channels of e-Distributors in case of single tie-up. E.g. bank/ Organized Retail Chain/ Service Centre Agents (SCAs) etc.

- II. **CROSS SELLING:** If e-Distributor is found involved in cross selling i.e., selling recharge/ topup in area beyond the authorized area of operation, BSNL may decide to Black-list such e-Distributor.
- III. In case any GST and/ or cess liability, interest, penalties or any other tax/ duty/ amount/ charge/ liability / professional costs related to litigation becomes payable by BSNL or ITC is denied to BSNL due to failure of the e-distributor to comply with the relevant laws/ regulations applicable in India or overseas, e-distributor undertakes to indemnify BSNL for an amount equal to amount payable by BSNL and the same shall be recovered by BSNL
- IV. In case of any deviation, default or negligence on the part of e-distributor due to which it is liable to pay penalty to BSNL, the same shall be recovered by BSNL from e-distributor along with applicable GST tax (as may be applicable)

27. TERMINATION: Agreement with e-Distributors may be terminated under following conditions:

27.1 BSNL shall reserve the right to terminate the agreement if e-Distributor is found not working for six consecutive months at any time by giving 30 days notice in writing for performance in obligation under the agreement, failing which the agreement shall stand terminated upon expiry of the 30th day of said notice. The PBG shall be forfeited.

27.2 BSNL shall reserve the right to terminate agreement in case it comes to conclusion that the e-Distributor has violated any of the clauses of the agreement which would result in loss to BSNL or damage to services being provided by BSNL. The decision of the BSNL will be final in this regard. The PBG shall be forfeited.

27.3 If either party suffers distress or execution or commits an act of bankruptcy or insolvency or put into liquidation (otherwise than solely for amalgamation or restriction) or if a receiver is appointed over any part of the party's business then the other party shall have a right to terminate agreement by written notice of 60 days. The PBG shall be forfeited.

27.4 BSNL shall also reserve the right to suspend the operations of e-Distributor, at any time, due to change in its own license conditions or upon directions from the competent government authorities. In such a situation, BSNL shall not be responsible for any damage or loss caused or arisen out of aforesaid action. Further, the suspension of the agreement will not be a cause or ground for extension of the period of the agreement and suspension period will be taken as period spent. During this period, no charges for use of the facility of the e-Distributor shall be payable by BSNL.

27.5 In case the e-Distributor parts with its business including its assets in favour of any 3rd party directly or indirectly, BSNL shall have the right to terminate the agreement. The exercising of the right of cancellation / termination shall not have the effect of waiving any damages to which the cancelling / terminating party might otherwise be entitled to.

27.6 Unless otherwise agreed in writing by BSNL, any sums payable and which are unpaid on the date of termination shall become due and payable by the e-Distributor (along with GST). Otherwise e-Distributor shall be liable to pay interest @ 18% p.a. till the said amount is paid to BSNL.

27.7 BSNL shall deduct tax at source if required under GST Act and GST regulations, any law or any regulation.

27.8 Provisions of the agreement shall, to the extent stated or necessarily implied, survive the termination thereof.

27.9 Cancellation or termination or expiry of agreement shall not relieve or release either party from making payments which may be owing to the other party under the terms of the Agreement. However the e-Distributor shall not be entitled to refund from BSNL for the unutilized/unsold PINs/ Recharge / topup value in any circumstances what so ever.

27.10 e-Distributor shall at its own expense return to BSNL promptly all information, documentation and materials relating to BSNL services and / or software or any other documents entrusted to the e-Distributor by BSNL

27.11 On the termination of the agreement for any cause whatsoever, all rights and privileges granted to the e-Distributor shall immediately stand terminated. E-Distributor shall immediately cease and desist from using the trade name BSNL and any other sign, slogan, symbol or other distinguishing characteristic owned by or associated with BSNL's services.

27.12 BSNL shall be entitled to injunctive and equitable relief for any violation of the terms and conditions. E-Distributor shall pay all costs and expenses including reasonable advocate fee borne by the BSNL for enforcing any provision of the agreement. The provisions of this clause shall survive the termination of the agreement.

27.13 In the event of termination of agreement consequent upon breach of any of the terms of the agreement or surrender of e-Distributorship at its own will:

i. damages to the extent of loss determined by BSNL shall be recovered from the e-Distributor in addition to the encashment of Performance Bank Guarantee without prejudice to any other remedies and rights.

ii. e-Distributor may be debarred for future dealings with BSNL for e-Distributorship.

28. EXTENSION: e-Distributor shall request to BSNL for extension of its agreement well in advance from the end date of its agreement. The agreement shall be extended for willing e-Distributors on year-to-year basis for a period of two years subject to condition that

a. 100 % Achievement of the sales targets during previous years or

b. e-Distributor has paid applicable penalty in full for short achievements of annual target.

29. EXIT CLAUSE: Either party may, by giving 60 days notice in advance to the other party, exit from the agreement and the agreement shall stand terminated on expiry of 60th day from receipt of such notice. In such cases, the PBG shall be returned after deducting any amount whatsoever due to BSNL against the agreement.

30. Migration:

Existing willing e-PIN franchisees i.e Circle level e-distributor/Internet option/Cat-1/Cat-2/Cat-3 with 100 % Achievement of the sales targets during previous years or e-Distributor who have paid applicable penalty in full for short achievements of annual target are allowed to migrate for Cat-1/Cat-2/Cat-3 e-distributorship under new e-distributor policy-2018.

- PBG may be updated accordingly and new agreement will be signed.

31. MINIMUM PURCHASE: In order to avoid frequent and small quantity purchase requisitions from e-Distributors, a minimum order quantity of Rs. 1 Lac will have to be purchased by all Category of e-Distributor. Material can be issued to e-Distributor against RTGS / Cheque on realization of Money in BSNL account or against Cash / Draft. The preferred mode for fund transfer for the e-Distributor to get material is RTGS.

32. ROLE OF NODAL CENTRE: Technical integration and role out of services in coordination with e-Distributor will be carried out by nodal centre.

- i. Hyderabad (Andhra Pradesh Telecom Circle) South Zone
- ii. Chandigarh (Punjab Telecom Circle) North Zone
- iii. Pune (Maharashtra Telecom Circle) West Zone
- iv. Kolkata (West Bengal Telecom Circle) East Zone

DSA Policy 2018

1. Scope of the Work

The Direct Selling Agent shall market and sell all BSNL Products to customers at their door steps.

2. Selection of DSAs

1. Selection of DSAs will be done by SSA Head
2. The initial period of agreement shall be for 3 years.
3. Eligibility Criteria: Any person willing to serve customers/ prospects at their premises and fulfilling following criteria are eligible to apply.
 - A. Turn over : No minimum turnover is required
 - B. Age : 18 Yrs
 - C. Local Resident : Residing in Area for more than 1 year.
4. Valid PAN No.
5. Valid Goods and Services Tax (GST) registration Certificate No. for respective state (if applicable)
6. Self-declaration along with the evidence that the bidder is not black listed by the GST authorities
7. In case the DSA gets black-listed during the tenure of BSNL contract, then adequate indemnity clause should be inserted to ensure that no loss of credit is borne by BSNL due to a default of e-distributor
8. Security Deposit: Refundable Security Deposit of Rs.500/- (Rupees five Hundred only) (No security deposit from retired BSNL/DOT employee/ co-operative societies and spouse of BSNL/ DoT employee)
9. Area of Operation: within SSA.
10. DSAs will be given free C-TOPUP SIM with applicable concessional tariff and freebies.
11. Activation SIM: BSNL may give activation SIM to willing DSAs after taking additional security deposit of Rs.3000/- per SIM.
12. Verification of credentials of new customers.
 - a. Verification of credentials of new customers – Verification of PIA (photo, identity and address) of new customer to be done as per the various guidelines issued by DoT and BSNL from time to time. DSA will be responsible for the verifications done by him.
 - b. The DSA shall obtain from customers/subscribers such documents as prescribed from time to time by BSNL.
13. Discount: Franchisee discount / margin will be shared among DSAs as per Table III of Annexure-E.
14. Minimum amount of sales to be made by DSAs shall be communicated by SSA on monthly basis.
15. Termination: If not found active for six consecutive months, the DSA may be terminated after issue notice and seeking explanation.
16. Extension/Migration: SSA Head may extend / migrate agreement on year-to-year basis for a period of two years with the DSA on mutually agreed terms for the active DSAs. The decision of BSNL shall be final in regard to the grant of extension.

17. BSNL and DSA shall observe the following procedure in connection with purchase and sale of BSNL Products:
- i. The DSA shall place an order for purchase of products from BSNL.
 - ii. Upon dispatch of ordered products, BSNL shall raise an invoice on the DSA, net of applicable discount to be provided to DSA
 - iii. BSNL will charge GST on the price at the transaction value i.e. the price at which BSNL sells its products to DSA. BSNL would raise sale invoice for sale of BSNL products to DSA.
 - iv. GST paid by DSA to BSNL shall be available to DSA as input tax credit which can be set off against the GST charged by DSA to the retailer
 - v. Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to DSA shall be given online in the form of c-top-up value through any platform like Sancharsoft/Pyro/ERP after levy of applicable taxes i.e. TDS /GST etc, wherever applicable.
 - vi. For the subsequent incentives provided by BSNL (refer point 18 above), DSA will raise an invoice (along with applicable GST) on BSNL. Since incentive is paid to DSA in the form of c-topup, BSNL will also raise an invoice (along with applicable GST) on DSA for allocation of such c-topup value
 - vii. Where DSA is not registered under GST Act, it shall be the responsibility of BSNL to discharge liability under reverse charge mechanism. It is further agreed that DSA shall not charge tax on invoice
 - viii. BSNL shall, withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on the secondary/ subsequent incentive provided by BSNL to the DSA for sale of BSNL Products
 - ix. GST paid by DSA to BSNL and by BSNL to franchisees (as the case maybe w.r.t. secondary / subsequent incentive provided by BSNL) shall be available to DSA and BSNL, respectively, as input tax credit which can be set off against the GST charged by DSA or BSNL
 - x. Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL Products, discount on FRC/RC, any scheme based incentive, FOS incentive etc. to DSA may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.
 - xi. The invoices raised by DSA and BSNL should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2017
 - xii. Where DSA is not registered under GST Act, it shall be the responsibility of BSNL to discharge liability under reverse charge mechanism. It is further agreed that Rural distributor shall not charge tax on invoice
 - xiii. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.

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18. In case of secondary/ subsequent incentives granted to the DSA it shall be the responsibility of DSA to raise appropriate tax invoice as per the provisions of GST Act. BSNL reserves the right to be indemnified for the credit loss in case BSNL is unable to claim the ITC for any non-compliance / default in raising appropriate invoice by DSA. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.

Further DSA is required to comply following requirements w.r.t. issuance of invoice:

- i. All the details of DSA (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
 - ii. Invoice/DN/CN need to be issued timely within the time prescribed under GST law;
 - iii. In case of any deficient supply, BSNL shall convey the same in a reasonable time to enable DSA to issue credit note and take tax adjustment;
 - iv. It would be the responsibility of DSA to declare correct information on invoice and GST portal viz. the amount, the place of supply, rate of tax etc. In case, the eligibility of input tax credit is questioned or denied to BSNL on account of default by DSA, the same would be recovered by BSNL from DSA;
 - v. Registered location of the both the parties i.e. BSNL and DSA should be mentioned in the agreement with GSTIN No. Further, DSA should raise invoices at the registered premise of BSNL for availment of credit and ensure that the place of supply as per GST law is same as registered premise;
 - vi. It shall be the responsibility of franchisee to raise invoice within the prescribed timelines.
19. Rate of discount/ margin/ incentive needs to be reviewed with every change in the rate of GST in order to keep it at par with or lower than the current rate applicable on face value.
20. Methodology of calculation of discount/ margin, Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO will be issued time to time, which shall be applicable to circle/SSA.
21. In case any GST and/ or cess liability, interest, penalties or any other tax/ duty/ amount/ charge/ liability / professional costs related to litigation becomes payable by BSNL or ITC is denied to BSNL due to failure of DSA to comply with the relevant laws/ regulations applicable in India or overseas, DSA undertakes to indemnify BSNL for an amount equal to amount payable by BSNL and the same shall be recovered by BSNL
22. In case of any deviation, default or negligence on the part of DSA due to which it is liable to pay penalty to BSNL, the same shall be recovered by BSNL from DSA along with applicable GST tax (as may be applicable)
23. BSNL shall deduct tax at source if required under GST Act and GST regulations, any law or any regulation.

24. In case of any deficient supply or incomplete supply, it shall be the responsibility of DSA to issue GST compliance credit note (both at the time of sale of BSNL products or at the time of subsequent incentives provided to the DSA) within the reasonable time and take tax adjustment. In case DSA fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by DSA.
25. DSA to comply with all the compliances as may be prescribed to ensure that compliance rating is not reduced below the prescribed limit as laid down under GST Act and GST regulations. DSA to submit a self-declaration from time to time, that they are not black-listed on the GST portal. Notwithstanding anything contained in agreement, in the event of black listing of supplier i.e. compliance rating reduced below the prescribed limit, the amount related to tax shall be paid to supplier only on receipt of input tax credit to BSNL
26. GST (if applicable) on account of liquidated damages due to delay in supply would be borne by DSA.
27. The place of supply under GST Act shall be the place of supply as determined under purchase order raised by BSNL. It shall be the responsibility of DSA to intimate BSNL well in advance in case of deviation / disagreement with the place of supply as determined in PO
28. DSA agrees to share the monthly information with BSNL which would be uploaded by DSA in its GSTR -1 along with the information of input credit to be claimed by BSNL in such month. It shall be the responsibility of DSA to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents as prescribed, within 30th September following the end of relevant financial year

Rural Distributor Policy 2018

Policy framework of Rural Distributors (RDs)

Rural distributors will cater to rural area covered by approximately 5 BTSs. Engagement of these distributors will be through a committee constituted by the SSA Head. The committee will recommend suitable persons/agency from amongst working FMCG distributors/retail shop OR any other suitable person of the area. Based on recommendation of committee, RDs will be selected by the SSA Head.

Concept of Rural distributors:

- Rural distributors may work on non-exclusive basis i.e., they may also sell products of other operators.
- Rural distributors will be assigned an exclusive area of 4-5 BTS sites within one franchisee territory such that they handle total turnover of approximately Rs.5 Lakhs/Month.
- The territory of Rural Distributor should be designed in such a manner that maximum distance to be served by Rural Distributor is less than 15 km.
- Rural distributors must be residents of one of the villages of the area which they are serving so that they have good knowledge of local conditions and local market. They are able to push the product deep into the market due to their personal relations with local people.
- Rural distributors directly serve the retailers and they do not have any employee(s). They will primarily be served by existing franchisee of that area. In case, the franchisee fails to serve, the RD will be served by BSNL directly.
- Retailer/POS in the area of RD will be managed by Rural Distributors and franchisee will have no direct role to play in that area.

Sharing of incentives: Franchisee incentive will be shared among RDs/ Retailers as per **Table –I of Annexure-E**, however

RDs will get additional graded incentive on activation per month

- | | | |
|------------------------------------|---|-----------------------|
| • Minimum 100 | → | Rs.1000/- |
| • 101 to 500 | → | Rs.3/- per Activation |
| • 501 to 1000 | → | Rs.4/- per Activation |
| • Maximum Payable graded incentive | → | Rs.2500/- |

Note:

1. The incentive will be payable after the end of the month & deposition of the CAF.
2. Retailer retention incentive per month subject to minimum 5 numbers of FRC / Plan Voucher and recharge sale of Rs.5,000/- by retailer in the month (as per Sancharsoft data only) will be as follow:
 - Franchisee - Rs.10/-
 - Rural Distributor - Rs.15/-

Service to Rural Distributor (RDs)

- RDs will be served by the Territory Franchisee at his doorstep.
- If Territory Franchisee does not serve the RDs properly then RDs will be served by BSNL directly. SSA Head will make suitable arrangement for material delivery to RDs in such case at his doorstep.
- Territory Franchisee will collect all CAFs from RDs and will provide them SIM as well as Recharge Coupon/C-TOPUP.

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- RDs will make payment at the time of delivery of stock. However, they should make the requisition to the territory franchisee in advance. Representative of Territory Franchisee will deliver the stock at their doorstep.
- Suitable unlimited Broadband plan will be given to willing RD free of cost.

Eligibility

- Educational qualification: 8th passed
- Rural shop/distributor of any product preferably of FMCG products / electronic / mobile products etc.
- Resident of the same territory with proof of residence.
- PAN Number.
- Valid Goods and Services Tax (GST) registration Certificate No. For each state
- Interested party should provide a self-declaration along with the evidence that the bidder is not black listed by the GST authorities
- In case the interested party gets black-listed during the tenure of BSNL contract, then BSNL will not be responsible for any loss of ITC to the franchisees. Further, the franchisee will be responsible to indemnify to BSNL any loss incurred by it.

Selection

- Interested parties may be invited through newspaper advertisement and display on notice boards. All the interested parties may be asked to submit their application with eligibility documents on a particular day. Simultaneously, SDO/JTO of the territory may be asked to identify suitable candidates by the specified date. All these parties may be short-listed and the list submitted to a committee constituted by the SSA Head.
- Selection by a committee comprising of DE, AO and SDE level officers of SSA.
- Committee will take interview of all the short-listed candidates. Committee will judge level of involvement of the candidate, understanding of distribution and telecom market in the area.
- Selection to be approved by the SSA Head.
- Selection criteria:
 - Experience – 50 marks
 - Presentation/ Interview – 50 marks
- The selected RD will sign an agreement with BSNL and will also submit Security Deposit of Rs.10,000/- in the form of BG/TDR/DD/Cheque (50% PBG from retired BSNL/DoT/MTNL employees and spouse/son/daughter of working employees).
- The initial period of agreement shall be for 3 years.

Performance Monitoring:

Weightage for evaluating performance against target achievement

Parameters	Weightage
Type A Parameters	
FRC / Plan Voucher	60%
RC	20%
POS	20%
Total	100%
Bench Mark Score	50%

Extension: Based on performance, the SSA Head may extend agreement on year-to-year basis for a period of two years. The decision of BSNL shall be final in regard to the grant of extension.

Migration: Head of Circle may decide performance based migration criteria for RDs. The decision of BSNL shall be final in this regard.

General Instructions:

1. Requirements for Rural Distributor :-

- 1.1 RD has to sell BSNL Products as specified by BSNL.
- 1.2 BSNL reserves the rights to seek/verify financial information from Rural Distributor Bankers/credit providers & ensure other sources to carry out other verifications.
- 1.3 Security Deposit of Rs.10,000/- in the form of BG/TDR/DD/Cheque shall be deposited, which shall be refundable after successful operation (50% PBG from retired BSNL/DoT/MTNL employees and spouse/son/daughter of working employees)
- 1.4 Rural Distributor shall deposit the aforesaid security deposit amount. BSNL reserves the right to forfeit/adjust/apply the said security in full or part thereof after deduction of any sums due from the Rural Distributor to BSNL at any time. Rural Distributor shall continue to be liable for balance, if any. No interest will be paid on the security deposit till it is refunded. BSNL reserves the right to increase the amount of security at any time in its sole discretion with respect to any/some/all Rural Distributors.

2. Responsibilities of Rural distributor: It is the responsibility of RDs to generate demand for providing services permitted by BSNL. Selling of all BSNL Products assigned to them, directly or through retailers. Not only the targets set are to be achieved but also efforts are to be made to surpass it.

- 2.1 Timely submission of bills and claims to the nodal officer/ franchisee.
- 2.2 MIS as per BSNL format to BSNL officials/ Franchisee as per frequency specified.
- 2.3 Rural Distributor must ensure that BSNL products are available in retail networks in sufficient quantity on demand. Rural Distributor must ensure that no black-Marketing or maltreatment to customer is done through its rural network.
- 2.4 Verification of credentials of customers –
 - 2.4.1 Verification of PIA (photo, identity and address) of customer at the POS (Point of Sale) has to be done as per the various guidelines issued by DoT and BSNL from time to time. RDs will be responsible for the verifications done by all the channels i.e. retailers.
 - 2.4.2 The RDs shall obtain from customers/subscribers such documents as prescribed from time to time by BSNL.
- 2.5 Rural distributors will be responsible for all the work done through retailers.
- 2.6 Rural distributors are required to attend meetings in SSA/ Franchisee as and when needed. Rural Distributor must ensure availability of BSNL products.

3. Discount/ margin / rewards / marketing claim:

- 3.1 Rural Distributor will get discount on purchase of stock wherever specified. Rural Distributor will retain his share and pass on remaining to retailer.
- 3.2 Designated BSNL officer/ Franchisee to verify and sign the claim and forward it to the respective unit.
- 3.3 BSNL/Franchisee shall have free access to the Rural Distributor premises & to inspect all records, receipts, vouchers, sale books, demand registers etc.
- 3.4 BSNL reserves the right to change the discount/ margin structure from time to time based on market/commercial needs without giving any notice.
- 3.5 BSNL and Rural distributor shall observe the following procedure in connection with purchase and sale of BSNL Products:
 - i. The Rural distributor shall place an order for purchase of products from BSNL.

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- ii. Upon dispatch of ordered products, BSNL shall raise an invoice on the DSA, net of applicable discount to be provided to Rural distributor
 - iii. BSNL will charge GST on the price at the transaction value i.e. the price at which BSNL sells its products to Rural distributor. BSNL would raise sale invoice for sale of BSNL products to Rural distributor. BSNL would raise invoice on GST registered premise only
 - iv. BSNL shall, on a conservative basis to withhold tax at source under Chapter XVIIB of the IT Act, 1961 on all discounts/ margin provided to Rural distributor for sale of BSNL Products and the same will be treated as a sale consideration
 - v. GST paid by Rural distributor to BSNL shall be available to Rural distributor as input tax credit which can be set off against the GST charged by Rural distributor to the retailer
 - vi. Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to Rural distributor shall be given online in the form of c-top-up value through any platform like Sanchar-soft/Pyro/ERP after levy of applicable taxes i.e. TDS /GST etc, wherever applicable.
 - vii. For the subsequent incentives provided by BSNL (refer point 37 above) Rural distributor will raise an invoice (along with applicable GST) on BSNL. Since incentive is paid Rural distributor in the form of c-topup, BSNL will also raise an invoice (along with applicable GST) on Rural distributor for allocation of such c-topup value
 - viii. Where Rural distributor is not registered under GST Act, it shall be the responsibility of BSNL to discharge liability under reverse charge mechanism. It is further agreed that Rural distributor shall not charge tax on invoice
 - ix. BSNL shall, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on the secondary/ subsequent incentive provided by BSNL to the Rural distributor for sale of BSNL Products (Refer point 37 above)
 - x. GST paid by Rural distributor to BSNL and by BSNL to franchisees (as the case maybe w.r.t. secondary/ subsequent incentive provided by BSNL) shall be available to Rural distributor and BSNL, respectively, as input tax credit which can be set off against the GST charged by Rural distributor or BSNL
 - xi. Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL Products, subsequent incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to Rural distributor may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.
 - xii. The invoices raised by Rural distributor and BSNL should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2017
 - xiii. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.
- 3.6 In case of secondary/ subsequent incentives granted to the rural distributor, it shall be the responsibility of Rural distributor to raise appropriate tax invoice as per the provisions of GST Act. BSNL reserves the right to be indemnified for the credit loss in case BSNL is unable to claim the ITC for any non-compliance / default in raising appropriate invoice by Rural distributor. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.

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Further Rural distributor is required to comply following requirements w.r.t. issuance of invoice:

- i. All the details of Rural distributor (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
- ii. Invoice/DN/CN need to be issued timely within the time prescribed under GST law;
- iii. In case of any deficient supply, BSNL shall convey the same in a reasonable time to enable Rural distributor to issue credit note and take tax adjustment;
- iv. It would be the responsibility of Rural distributor to declare correct information on invoice and GST portal viz. the amount, the place of supply, rate of tax etc. In case, the eligibility of input tax credit is questioned or denied to BSNL on account of default by Rural distributor, the same would be recovered by BSNL from Rural distributor;
- v. Registered location of the both the parties i.e. BSNL and Rural distributor should be mentioned in the agreement with GSTIN No. Further, Rural distributor should raise invoices at the registered premise of BSNL for availment of credit and ensure that the place of supply as per GST law is same as registered premise;
- vi. It shall be the responsibility of franchisee to raise invoice within the prescribed timelines.

3.7 The amount of discount / margin provided by BSNL shall be reviewed with every change in the rate of GST in order to keep it at par with or lower than the current rate applicable on face value.

3.8 TDS will be deducted as applicable and GST will be levied as per rule and issued from concerned cell of BSNL CO time to time.

3.9 Methodology of computation of discount/ margin, Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.

3.10. In case of any deficient supply or incomplete supply, it shall be the responsibility of Rural distributor to issue GST compliance credit note (both at the time of sale of BSNL products or at the time of subsequent incentives provided by BSNL) within the reasonable time and take tax adjustment. In case Rural distributor fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by Rural distributor.

3.11. Rural distributor to comply with all the compliances as may be prescribed to ensure that compliance rating is not reduced below the prescribed limit as laid down under GST Act and GST regulations. Rural distributor to submit a self-declaration from time to time, that they are not black-listed on the GST portal. Notwithstanding anything contained in agreement, in the event of black listing of supplier i.e. compliance rating reduced below the prescribed limit, the amount related to tax shall be paid to supplier only on receipt of input tax credit to BSNL

3.12. GST (if applicable) on account of liquidated damages due to delay in supply would be borne by Rural distributor.

3.13. The place of supply under GST Act shall be the place of supply as determined under purchase order raised by BSNL. It shall be the responsibility of Rural distributor to intimate BSNL well in advance in case of deviation / disagreement with the place of supply as determined in PO

3.14 Rural distributor agrees to share the monthly information with BSNL which would be uploaded by Rural distributor in its GSTR -1 along with the information of input credit to be claimed by BSNL in such month. It shall be the responsibility of Rural distributor to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents as prescribed, within 30th September following the end of relevant financial year

4. BSNL reserves the right to change the terms of trade from time to time without any prior notice.

- 4.1 The company reserves the right to not provide discounts/ margin on certain stock for the Rural Distributors (RDs) in case of any pending disputes in matters relating to activations or cancellations.
- 4.2 In case of dispute arising between the RDs/ Franchisees and BSNL, the same shall be adjudicated by the SSA Head or any official appointed by the SSA Head.
- 4.3 The decision of BSNL will be final on all matters relating to the business rules and will be binding on the Rural Distributors.
- 4.4 The Rural Distributor has to fully cooperate with Franchisee / BSNL to investigate any complaint.
- 4.5 BSNL shall not be liable for any act of commission or omission of any third party.
- 4.6 The Rural Distributor will have to abide by the policy rules, regulations & instructions of BSNL as revised/modified from time to time, without any prior notice to the Rural Distributor in respect of all matters including security deposit, incentives payable to the Rural Distributor etc.
- 4.7 SSA Head reserves the right to accept or reject any or all the Rural Distributor request in part or full, without assigning any reason whatsoever.
- 4.8 SSA Head reserves the right to terminate the contract at any time without assigning any reason.
- 4.9 In case of violation of terms and conditions of the contract or unsatisfactory services, SSA Head reserves the right to terminate the contract at any time and forfeit the security deposit in part or full.

5. Appointment of the Rural Distributor

- 5.1 BSNL will grant to the Rural Distributor, right for the Sales & Distribution of products & services in the territory. The Rural Distributor must fulfill all the requirements of mentioned territory assigned to him. The operations of Rural Distributors will not be allowed to operate in any territory other than the prescribed territory. However BSNL shall have a right to appoint any additional Rural Distributor(s) / Rural Distributor in the territory / area of operation of BSNL and the Rural Distributor shall have no objection what so ever.
- 5.2 BSNL Franchisee of the area or directly BSNL will supply to the Rural Distributor all the relevant data, guidelines and other information to effectuate the purpose of the Agreement. On termination of the Agreement, howsoever occasioned / caused, no further compensation shall become due to the Rural Distributor unless the same shall have accrued prior to the date of such termination and the Rural Distributor expressly has to agree that he will not be entitled to any compensation and/or indemnification whatsoever, from BSNL in that regard.

6. General Obligations of the Rural Distributor

- 6.1 The Rural Distributor shall maintain a suitable strategy for the sales & distribution of products & services in the allocated BTSs area through his retailers. The Rural Distributor shall use its best efforts to actively provide effective services to the subscribers of BSNL and always act in the interest of BSNL to delight its subscribers.
- 6.2 The Rural Distributor is on non-exclusive basis and agrees not to involve him in any manner either directly or indirectly in any business or activity, which is competitive with the business or activities of BSNL in his area of operation.
- 6.3 The Rural Distributor shall treat as confidential and secret all verbal and written communication, lists and circulars which in the opinion of BSNL are regarded as confidential information and/or trade secrets. The Rural Distributor shall adopt and implement security procedures acceptable to BSNL for determining the persons to whom such information is authorized to be disclosed based upon such person's need to know the same for the purpose of fulfilling his responsibilities in relation to the Agreement. Confidential and trade secret information shall remain the property of BSNL and shall be returned to BSNL upon termination of this Agreement in the manner prescribed by BSNL. The Rural Distributor hereby undertakes and agrees not to retain and make any copies of the entrusted confidential information.
- 6.4 RDS will not sublet his distributorship. If at any time it is established that RDS has sublet his work then BSNL reserves the right to terminate the distributorship.
- 6.5 In no case Rural Distributor is allowed to sell outside his territory. At any time if it is established that distributor sold product outside his given territory then it shall be treated as violation of agreement. Where such circumstances agreement with such Rural Distributor shall be discontinued and the Rural Distributor shall be barred for further dealing with BSNL for a period of 2 years.
- 6.6 The security deposit of Rural Distributor shall be forfeited in case of violation of agreement and non fulfillment of statutory obligations.
- 6.7 Rural Distributor must ensure that BSNL products are available with retailer's network in sufficient quantity on demand. Rural Distributor must ensure that no black marketing or mal treatment to customer is done through its network.
- 6.8 Rural Distributor is supposed to serve retailers at their premises. Rural Distributor must ensure availability of BSNL products in the villages falling in his territory and which are inhabited.
- 6.9 Rural Distributor is responsible for Distribution network. RDS should pass discount/ margin/ incentives received by them to retailers as per Annexure-E or as specified by BSNL from time to time.
- 6.10 The merchandise will be sold at the premises by the Rural Distributor and it is clarified:
 - (i) That BSNL shall be liable for the quality and genuineness of the goods sold by the Rural distributor,
 - (ii) That BSNL shall not be liable for any loss, pilferage or damage to the goods stored and sold at the premises safety and security of premises and the merchandise shall be the entire responsibility of the Rural Distributor.

- 6.11 In case any GST and/ or cess liability, interest, penalties or any other tax/ duty/ amount/ charge/ liability / professional costs related to litigation becomes payable by BSNL or ITC is denied to BSNL due to failure of the Rural distributor to comply with the relevant laws/ regulations applicable in India or overseas, Rural distributor undertakes to indemnify BSNL for an amount equal to amount payable by BSNL and the same shall be recovered by BSNL
- 6.12 In case of any deviation, default or negligence on the part of Rural distributor due to which it is liable to pay penalty to BSNL, the same shall be recovered by BSNL from Rural distributor along with applicable GST tax (as may be applicable)
- 6.13 BSNL shall deduct tax at source if required under GST Act and GST regulations, any law or any regulation.

7. Verification of identity of subscribers: The Rural Distributor has to ensure verification of credentials of new subscribers – both as per documents submitted as well as per physical verifications. Rural distributors will be responsible for the verifications done by his retailers working under them RDS has to ensure that:

- 7.1 No pre activated card is issued to the applicant.
- 7.2 Verification of document against original has been done at the point of sale (POS).
- 7.3 Subscriber enrollment form has been duly filled by applicant.
- 7.4 The photograph submitted has been matched with the applicant.
- 7.5 The form has been personally signed by the applicant in presence of retailer at POS.
- 7.6 The original proof of identity /address has been matched & verified with the self attested photocopies submitted by the applicant.
- 7.7 Application form plus supporting documents has been checked & certified that:
 - a. Documents are in order.
 - b. Signature on the self attested photograph matches the signature on the CAF.
 - c. Photograph on the form matches with the one on the photo ID document.

8. General Obligations of BSNL

- 8.1 BSNL shall from time to time or in response to specific request by the Rural Distributor provide information, training and assistance relating to the services and arrange for qualified personnel / representatives of BSNL to render such training and assistance. –
- 8.2 BSNL may provide the marketing material to the Rural distributor. This may include but not limited to, information brochures, posters, inserts, special giveaways, mailers (target-segment-specific), folders, subscription forms, receipt books, stickers etc. It will not be obligatory and binding on BSNL to provide all the above material, and will be provided as per availability only.
- 8.3 In order to manage returns of defective products, BSNL may, with prior approval of the Rural Distributor, inspect the stock at Rural Distributor's location to evaluate whether or not the products are maintained in proper condition.
- 8.4 BSNL / its representative will ensure no black marketing happens & also have periodic inspection / surprise check to ensure all channels are working properly.

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- 8.5 The discounts offered by BSNL are subject to variation during the term of this Agreement at the sole discretion of BSNL.
- 8.6 The Rural Distributor can supply the printed / display material etc. at his own cost without any liability on BSNL. He will keep BSNL indemnity from the content of the publicity/ display material so supplied.
9. **Brand name, Logos and Trademarks:** The Rural Distributor shall not contest, at any time, the right of BSNL or its affiliated companies to any brand names or Logo used or claimed by BSNL or such companies.

BSNL reserves the right to modify sections / Annexure of this “CM Sales and Distribution Policy – 2018” and discount/ margin structure at any point of time with the approval of Director (Consumer Mobility).

ROLE OF SALES TEAM MEMBERS

Roles of different members of the mobility sales team are mentioned below:

Roles of Circle Sales Team:

Circle sales team will consist of GM (Sales), DGM (Sales), AGMs (Sales), SDEs (Sales) and other supporting staff. Their roles and responsibilities will be as follows:-

- Monitoring of SSA / Franchisee wise sales and performance w.r.t. target.
- Appointment of franchisees.
- Ensuring the growth of sales channel network.
- Ensuring appointment of sales team in SSA.
- Monitoring the performance of FM/ RMC/ RM.
- Ensuring the action to be taken by the SSAs.
- Ensuring the smooth functioning of sales tools such as Sancharsoft, C-TOPUP, B&CCS terminals etc.
- Redressal of issues / queries reported by the SSAs/ Franchisees.
- Redressal of cross selling.
- Escalating the unresolved problems and suggestion to improve the sale to BSNL.

Roles of SSA Sales Team:

SSA sales team will consist of DGM (Sales), DE (sales), SDE (Sales) and other supporting staff.

- Fixing of target for franchisees.
- Monitoring the sales and performance of sales partner w.r.t. the target on daily / weekly basis.
- Growth of sales channel network.
- Appointment of required sales team of FM/ RMC/ RM.
- Monitoring the performance and visit of FM/ RMC/ RM.
- Set-up and smooth functioning of sales tools such as Sancharsoft, C-TOPUP, B&CCS terminals etc.
- Area demarcation and allotment of retailers.
- Consolidation of priority list of retailers.
- Support in ordering and delivering of material to sales channel.
- Ensuring the availability of BSNL product, tariff details, advertising material to all POS.
- Redressal of cross selling.
- Payment of allowances / KPA.
- Redressal of issues / queries reported by Sales partner/ sales channel team.
- Escalating the unresolved issues and suggestions to improve the sale to Circle office.

Roles of SSA Franchisee Manager:

- Communicating target before beginning of month i.e. by 25th of previous month.
- Support in ordering and delivery of material to Franchisee doorstep.
- Communication /action raised by the RMCs / RMs.
- Collection of data from franchisee.
- Review of franchisee data with SSA sales team.
- Supply of POS material to franchisee.
- Ensure proper uses of Sancharsoft and data entry by Franchisee.
- Redressal of issues / queries of Franchisee.

Roles of SSA Retail Manager Coordinator (RMC):

- Plan RM visit to existing retailers and to potential area for appointment of new retailer.
- Daily review of RM performance.
- Appointment of new retailers in potential area.
- Verification of cross selling cases.
- Compilation of daily report submitted by the RM.
- Submission of retailer wise data regarding material availability, issues etc to FM with a copy to SSA Sales Head for action.
- Providing the information regarding BSNL product / schemes / trade schemes/ VAS etc to retailer manager for further publicity.
- Conduct validation visits with RMs and FMs.
- Entry of new C-TOPUP retailers' information in Sancharsoft.
- Organization of joint visit of RM and FOS to some distressed retailers.

Roles of SSA Retail Manager (RM):

- Auditing the no. of visits by the FOS to retailers.
- Auditing the incentives paid to retailers by the Franchisee.
- Providing the information regarding BSNL product / schemes / trade schemes/ VAS etc to retailer for further publicity.
- Feedback about replacement of damaged material by the franchisee.
- Feedback on supply of POS material such as Glow sign board etc.
- Assessment of potential area for appointment of new retailers.
- Combined visit with FOS and on spot issuing of C-TOPUP.

NUMBER OF FRANCHISEE TERRITORIES IN CIRCLE

S. No.	Telecom Circle / District	Number of Franchisee Territories
1	Andaman & Nicobar	5
2	Andhra Pradesh	182
3	Assam	58
4	Bihar	115
5	Chennai	24
6	Chhattisgarh	31
7	Gujarat	111
8	Haryana	59
9	Himachal Pradesh	33
10	Jammu & Kashmir	22
11	Jharkhand	39
12	Karnataka	134
13	Kerala	80
14	Kolkata	22
15	Madhya Pradesh	134
16	Maharashtra	173
17	NE-1	18
18	NE-2	25
19	Orissa	124
20	Punjab	74
21	Rajasthan	181
22	Tamil Nadu	96
23	UP (East)	210
24	UP (West)	93
25	Uttaranchal	29
26	West Bengal	62

Product List for FMCG Industry

Following product categories will be eligible for FMCG industry experience

- a. Personal Care, Oral Care, Hair Care, Skin Care, Personal Wash (soaps).
- b. Cosmetics and toiletries, deodorants, perfumes, feminine hygiene, paper products.
- c. Household care fabric wash including laundry soaps and synthetic detergents; household cleaners, such as dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellents, metal polish and furniture polish.
- d. Food and health beverages, branded flour, branded dairy products, branded sugarcane, bakery products such as bread, biscuits, etc., beverages such as milk, tea, coffee, juices, carbonated drinks, bottled water etc, snack food, chocolates, tobacco products Ayurvedic preparations, over the counter (OTC) sold allopathic preparations etc.

Compensation Structure of Consumer Mobility Product and Services

Compensation Structure of Consumer Mobility Product and Services for Franchisee / e-Distributor / Rural distributor / Retailers / Post Offices / Large Retail Chain/ PCO Operators / DSAs (in Rs.)				
Sr. No.	Name of Product	Particulars	Initial discount/ margin to Franchisee	Secondary/ Subsequent incentive to franchisee
Post-Paid Products				
1	Post-Paid Voice & Data Plan	SIM & Activation (Note)	NIL	At present CAF commission for both physical and e-KYC CAF activation is Rs. 10/- per activation and is applicable after submission of CAF and activation of SIM. (Note)
		Any Monthly Plan	Rs.80/- on deposit of security amount at the time of activation	Balance incentive if any will be paid @14% of Fixed monthly Charges (FMC) at the end each month for six months subject to maximum of 90% of lowest FMC or Rs 500/- (Including initial payment of Rs. 80/-) whichever is less and payment of monthly bills by the customer.
Pre-Paid Products				
Sr. No.	Name of Product	Particulars	Discount, margin and incentive to Franchisee	
2	Pre-Paid Voice & Data	SIM & Activation	At present CAF commission for both physical and e-KYC CAF activation is Rs. 10/- per activation and is applicable after submission of CAF and activation of SIM. (Note)	
		Plan voucher	90% of Plan voucher or Rs.100/- whichever is less. For special plans where discount is specified, the same is applicable.	
Hardware Products				
3	Data Card	On purchase of each data card	Discount @ 7.12% on Sale Price (See Note)	

Ad-On Products			
Sr. No.	Name of Product	Particulars	Discount to Franchisee
4	Pre-paid to Post paid plan conversion	Pre-Paid to Post-Paid GSM/CDMA/ etc.	50% of FMC subject to max. of Rs. 150/- after payment of 1 st bill.
5	VAS retailing	Retailing of Value added services through channel partners	Discount on EUP (End User Price) same as in case of Top-up/recharge (See Note)

RCVs & TOP-Ups Products			
Sr. No.	Name of Product / Service	Particulars	Discount to Franchisee
6	All Top-up Vouchers / Flexi Top-up / STV (Special Tariff Vouchers)/ RCV (Recharge Vouchers) / C-TOPUP		Discount @ 4.66% on MRP (See Note).

Post-Paid Bill payment through CBP system				
Sr. No.	Name of Service	Particulars	Initial discount/ margin to Franchisee	Subsequent incentive to franchisee
7	Mobile Post-paid bill payment	Mobile Post-paid bill payment through CBP-system	Upfront discount/ margin of flat 2% for mobile Post-paid bill payment through C-Top-up at the time of purchase of stock for post-paid wallet in the c-top-up system.(Applicable up-to 31.12.2017 as per order no. 27-8/2015-S&M-CM/19:dated 21.09.2017.	Nil

Note:-
1. At present CAF commission for both physical and e-KYC CAF activation is Rs. 10/- per activation issued vide this office letter no. 27-18/2017/S&M-CM/7 dated 07.11.2017 and subject to revision from time to time.
2. Rate of discount on all Top-up Vouchers / Flexi Top-up / STV (Special Tariff Vouchers)/ RCV (Recharge Vouchers) / C-TOPUP shall be calculated on MRP and subject to revision from time to time.
3. Discount on C-TOPUP/ recharge to PCO Operators / DSAs/Retailer/ shall be 65% of discount/ margin offered to Franchisees
4. Discount on C-TOPUP/ recharge to Rural Distributor shall be 82.5% of discount offered to Franchisee.
5. For e-Distributor discount is 75% of discount offered to Primary Franchisees, subject to maximum 3.5%
6. Discount applicable to Post Office/Large Retail Chain shall be at par with discount offered to Franchisee
7. BSNL will charge GST on the price at the transaction value i.e. the price at which BSNL sells c-topup/ voucher to the franchisee as against the discount calculated on the MRP. Quantum of discount shall be communicated time to time and subject to revision as per market dynamics. The amount of discount (when applied on the gross amount tendered by the franchisee) will be reviewed & recount from time to time based on the applicable rate of GST. This may be included in commercial agreement with franchisee at the time of migration/EOI.
8. EUP = End User Price is amount in Rs. for which VAS services sold to customer. Same Pre-paid wallet is being used by retailers for VAS retailing.

Sharing of Discount / margin and incentives

Table- I A (Two Tier) Franchisee – Retailer

Sharing of franchisee Discount / margin and incentives among Franchisee → Retailers

Product	Franchisee	Retailers
New Connection (Prepaid/ Postpaid)	30%	70%
CAF incentive	70%	30%
Recharge / C-TOPUP	35%	65%

Table- I B (Three Tier) Franchisee – RDs – Retailers

Sharing of franchisee Discount / margin and incentives among Franchisee/ RDs/ Retailers

Product	Franchisee	RDs	Retailers
New Connection (Prepaid/ Postpaid)	15%	15%	70%
CAF incentive	50%	20%	30%
Recharge / C-TOPUP	17.5%	17.5%	65%

Table- II (Two Tier) RDs – Retailers

Sharing of franchisee Discount / margin and incentives among RDs/ Retailers

Product	RDs	Retailers
New Connection (Prepaid/ Postpaid)	15%	70%
CAF incentive	50%	30%
Recharge / C-TOPUP	17.5%	65%

Table- III DSA

Sharing of franchisee Discount / margin and incentives for DSA

Product	DSA
New Connection (Prepaid/ Postpaid)	70%
CAF incentive	50%
Recharge / C-TOPUP	65%

Note: The above is subject to revision from time to time.

ABBREVIATIONS

BTS	Base Transceiver Station
CAF	Customer Acquisition Form
CDMA	Code division multiple access
CM	Consumer Mobility
CM-S&D Policy 2012	Consumer Mobility Sales & Distribution Policy 2012
CSC	Customer Service Center
C-TOPUP	Channel TOP UP
DoT	Department of Telecom
DSAs	Direct Selling Agent
e-Distributor	Electronic Distributor
EMD	Earnest Money Deposit
EOI	Expression of Interest
FM	Franchisee Manager
FMCG	Fast Moving Consumer Goods
FoS	Feet-on-Street
FRC	First Recharge Coupons/ Plan Voucher
GSM	Global System for Mobile Communications
HOC	Head of Circle
LOI	Letter of Intent
OTC	Over the Counter
PBG	Performance Bank Guarantee
POS	Point of Sale
RCV	Recharge Vouchers
RD	Rural Distributors
RM	Retail Manager
RMC	Retailer Manager Coordinator
SIM	Subscriber Identity Module
SMS	Short Message Service
SSA	Secondary Switching Area
VAS	Value Added Services
Wi-Max	Worldwide Interoperability for Microwave Access