



BHARAT SANCHAR NIGAM LIMITED
O/o Chief General Manager
Andhra Pradesh Telecom Circle, Vijayawada - 520004

EXPRESSION OF INTEREST FOR FRANCHISEE-SHIP OF SALE OF BSNL PRODUCTS AND
PROVISION OF SERVICES TO BSNL IN ANDHRA PRADESH TELECOM CIRCLE FOR FOUR
TERRITORIES IN THREE BUSINESS AREAS AS PER CM-S&D POLICY-2018

EOI File No: APCO-15/13(11)/1/2024-SM CM Dated at VJ the -10-2024

Signature of Bidder.....

Name of Bidder.....

Name of the franchisee area for which EOI is being submitted

Code of the franchisee area for which EOI is being submitted

Last date & time of submission : 14:00 Hrs of 14-11-2024

Date & time of opening of bid : 15:00 Hrs of 16-11-2024

Signature and Seal of issuing authority.....

This document contains 108 pages including the cover page. 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	
		YES / NO	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 (Section-C, Annexure-G, H & I).		
3	If EOI document is downloaded from Internet, a DD of Rs.1000/- (including GST of Rs.153/-) as cost of the bid document from a Nationalized / Scheduled Bank should be attached.		
4.	General Power of attorney in favor of the signatory signing the EOI documents. It is not required in case of proprietary/partnership firm if the proprietor/partnership himself signs the 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 LST/GST Registration number, if applicable.		
7.	Attested copy of PAN/GIR 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 B) and valid for 180 days from the date of opening of EOI.		
10(a)	Attested copy from CA of turn over details for the last financial year (P&L Account) Turnover certificate item wise.		
11(a)	Certificates for experience in dealing with telecom or FMCG or Electronic/Electrical goods for last 2 years (minimum) for Class-B territories and 1 year (minimum) for Class-C territories as on the date of opening of EOI with duly attested supporting documents.		
11(b)	List of retailers for verifying established retail chain.		
12.	Proof of ownership/rent-deed/supportive documents (acceptance from the owner), showing the clear title to the office space. The office space is to be ensured within 15 days of LOI (Letter of Intent) for Franchisee ship.		
13.	Latest Income Tax clearance certificate		
14.	Any other supporting documents as asked for or called for.		
15.	Duly attested copy of Qualification of proprietor/ partner/ individuals		

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.
4. Separate EOI form for each area should be submitted, if bidder wants to apply for more than one Franchisee Area if eligible.
5. EOI without document cost and EMD/bid security in the form of BG will be rejected without evaluation of the bid and without assigning any reason.



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Details of the Franchisee area for which the franchisee ship is applied

(To be filled by the applicant)

Name of the BA	Name of the franchisee area	Code of franchisee area

Name and address of the firm

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

Phone No(s) :
Office :
Residence :
Mobile :

Details of the EOI Document Cost and Earnest Money Deposit:

Particulars		Issuing Bank with branch name	Issuing date	Validity	Amount (Rs.)
EOI Document cost	DD No.....			N/A	Rs.1000/- (inclusive of GST of Rs.153)
EMD (in the form of BG)	BG No.			Valid for 180 days from the date of opening of the Bids	Class 'A' territory= Rs. 2 lakhs Class 'B' territory= Rs. 1 lakh Class 'C' territory= Rs.25,000/-

Seal & Signature of Bidder

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SECTION 'A'

NOTICE INVITING EOI (Expression of Interest) for BSNL Franchisee-ship

EOI File No: APCO-15/13(15)/1/2024-SM CM

Dated at VJ the xx-10-2024

Sealed EOI (location wise) are invited on behalf of CMD BSNL by CGM, Andhra Pradesh Telecom Circle for selection of Franchisees for sale of BSNL products (as defined in BSNL's CM Sales and Distribution Policy - 2018) and provision of services to BSNL at various locations in following BAs/OAs, from eligible and willing parties for various franchisee areas in different SDCAs of BAs/OAs as mentioned in Table-I below.

Table –I

EMD	Cost of EOI Document	Last Date & Time for Bid submission	Date & Time of Bid opening	Name of BA/OA	Name of Franchisee Territory Area	Classification of territory	Territory Code
<u>TERRITORY & EMD REQUIRED:</u> Class 'A' = Rs.2 lakhs Class 'B' = Rs.1 lakh Class 'C' = Rs.25,000/-	Rs.1000/- (inclusive of GST of Rs.153/-)	14:00 hrs of 14-11-2024	15:00 hrs of 16-11-2024	East Godavari	KAKINADA-I	C	AP0506
				NELLORE	KOVUR	C	AP1505
				Cuddapah	Badvel	C	AP0306
				Prakasham	Ongole-2	C	AP1701
				Krishna	Nuzividu	C	AP1108

Note:- The sale of EOI document will be available from 10.00 Hrs of 25-10-2024 to 13:00 Hrs of 14-11-2024 on all working days at the GMTD offices of respective BAs/OAs (Addresses available at page no.45) and in website www.ap.bsnl.co.in

Eligibility Requirements for BSNL Franchisee ship for each franchisee territory

1. 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 proceed 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 :

Signature of Franchisee / RD

- 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 size 200 sqft for BSNL franchisee ship within operational area of the territory. CGMs are authorized to relax the space up-to size 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.
2. Bid document will be available from 10.00 Hrs of 25-10-2024 to 13:00 Hrs of 14-11-2024 on all working days, on payment of Rs.1000/- (non-refundable) in the form of cash/crossed bank draft in favor of Accounts Officer (Cash), BSNL O/o GMTD..... In case of cash payment the original cash receipt obtained should be enclosed with application.
3. **EOI document may also be downloaded from BSNL site www.ap.bsnl.co.in and cost of document in the form of DD should be deposited along with the bid.**
4. **Submission of EOI:** – Separate EOI should be submitted for each vacant location and each EOI should be superscripted with “**CM - Franchisee-ship for territory BA**” and it should be dropped in drop box kept in the office of.....
5. **Opening of EOI:** – EOI shall be opened area wise as per schedule attached, in the office of the GMTD of concerned Territory in the presence of bidders/ authorized representatives of the bidders who wish to be present.
6. Fee for EOI Document is neither transferable nor refundable.
7. EOI without document cost and EMD/bid security in the form of BG will be rejected without evaluation of the bid and without assigning any reason.
8. EOI document will neither be sent nor be accepted by Post / Courier.

SECTION-B**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 BA). 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, franchisee shall act in the capacity of an agent of BSNL. 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 BSNL products and provision of services to BSNL assigned to them, 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. Franchisees to make best efforts to actively market and promote the BSNL Products and provision of services 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 10 retailers and 5 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. Atleast 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 BA/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 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 and provision of services to serve retailers as per guidelines in force.
- l. Assist and cooperate with the Franchisee Manager or any other employee appointed by BSNL in respect of sale of BSNL Products and provision of services 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 and provision of services at Franchisee's 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, thereby minimizing requests for sales returns to BSNL.
- 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**

Section 2: Franchisee Territories**A. Dimensioning of Franchisee Territories:**

- a. Number of territories permissible to a franchisee in a circle is restricted to normally three through EOI / Migration.
- b. **However one more of franchisee territory may be allowed in the second round of EOI at circle level.**
- c. Maximum 33% of OA territories shall be allotted within the OA to a franchisee. However, CGMs of the circle are empowered to increase this maximum limit by up-to 50% of OA territories within the OA. In case of migration 50% of OA territories are allowed.
- d. Balance franchisee territories i.e. (4 terr. - 33% of OA) shall be adjoining to his existing territories in adjacent OA.
- e. In case of migration, non-adjacent territories are allowed and additional new territories shall be adjoining to OA in which he has more number of territories.
- f. 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 4 quarters (in Lakhs)	Category of territory
Upto 20	C
>20 up-to 40	B
>40	A

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

- a. All proprietorship firm, partnership firms and company of Indian origin fulfilling following criteria are eligible to apply.
- b. Interested party should have a valid PAN and TAN.
- c. Interested party should have a valid Goods and Services Tax (GST) registration Certificate No. for each state
- d. Interested party should provide a self-declaration along with the evidence that the bidder is not black listed by the GST authorities
- e. 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.
- f. 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

A. 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 BA 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 BA head.
- 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 BA 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-C 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. BA 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. (i) 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.
 (ii) **Forfeiture of EMD:** EMD of a tenderer will be forfeited, if the tenderer withdraws or amends its tender or derogates from the tender in any respect with the period of validity of its tender. Further, if the successful tenderer fails to furnish the required performance security within the specified period, its EMD will be forfeited.
- 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.

B. Terms & Conditions with EOI

- a. Each franchisee will sign Franchisee Agreements at concerned BA 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 BA/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 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 and provision of services to BSNL 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.
- 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 and provision of services to BSNL as permitted by BSNL. 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 Products offered by BSNL. BSNL can directly appoint any other channel(s) to distribute and sale various BSNL 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.

C. Easy entry at BA/OA 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 OA head comprising of three officers headed by a JAG/STS (as per the level of OA) level officer of OA 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 the Head of OA".

Where OAs have no JAG/STS level officers to head such committee, the OA 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 OA may be nominated to head the committee.

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

i) Empowered committee will recommend the name of eligible and suitable firm/candidate based on following selection criteria for approval by BA/OA 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

ii. Experience of distribution of products and provision of services similar to those intended to be provided to BSNL. 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. Minimum experience criteria shall be same as mentioned in para-E (b) above.

	Distribution Experience	Telecom	FMCG Distribution	Electronic /Electrical	Other
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. Weightage of Location /place:- (Total Marks-10)

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

V. Weight-age 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.

D. Easy exit of franchisee at BA/OA level.

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

- i. BA head may recommend the name of the franchisee with lowest sales in the BA/OA (based on quarterly evaluation done in respect of Type-A parameters) to circle head for terminating the contract with such franchisee.
- ii. The BA head may issue order for terminating contract with such franchisee, and look-after may be given to the adjacent franchisee of the OA ensuring 50% of total franchisee terr. of OA should remain filled at all time. Simultaneously EOI should be floated to fill-up vacant territories.
- iii. Base monetary Penalty up-to 2.5% of PBG (**section-5 para-A**) 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.

E. Look-after arrangement:

- a. Vacant territories can be given to existing franchisee as "Look after territory" for a period of six months by BA 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 BA level.

F. 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 BA/OA 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 OA shall be ranked on the basis of % achievement of SIM sale target during FY-2016-17
 - ii. Top 80% franchisees of OA will be migrated for three years and
 - iii. Remaining 20% of franchisees of OA shall be dropped.
- c. Names of franchisees & territories found eligible / non-eligible may be sent to circle for final approval and further action.

G. 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-(A) of section-2.

H. 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/ BA based on provisions in this franchisee policy.

- b. PBG (Performance Bank Guarantee) of:
 - Rs.3 Lakhs + GST for class A territory,
 - Rs.2 Lakhs + GST for class B territory and
 - Rs.1 Lakh + GST 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 BA, PBG (Performance Bank Guarantee) shall also remain in concerned BAs, Franchisees will be monitored and supported by BA. Payments will be done from BA (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 and provision of services to BSNL will be allowed against PBG.
- f. Material 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' BAs 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 Rs. 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 'b' 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.
 - 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.

- h. Franchisee may open an account with RTGS/online transfer facilities in the bank in which BSNL's account is in concerned BA. 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.

I. 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.

J. Scoring Guidelines for Selection Criteria:

a) Experience of firm (Total Marks: 10)

	Distribution Experience	Telecom	FMCG Distribution	Electronic /Electrical	Other
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 products directly with any telecom operator. 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 BA	7
Adjacent terr. of adjacent BA of same circle/any other terr. of same BA	5
Adjacent BA 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 under Goods and services Tax (GST)/Trade license/Shop establishment license or operational area within same SDCA/ BA/ 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**A. Target Setting:**

Targets will be assigned by Circle to BAs and thereafter BA 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.

1. Parameters for Setting of BA Target.

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

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

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

(a) For GSM connections:

The target among BAs may be apportioned on the basis of - Type of territory, total number of BTS (2G+3G+4G) in BA in previous month, market potential, competition, desire growth etc.

(b) For recharge:

Recharge targets must be apportioned among BAs 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

2. Parameters for Setting of Franchisee Target.

BA Head will allocate connections at least on the last year percentage share by franchisees in OA & 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,

BA target = 15000

Let 80% of monthly target of BA = 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:-
BAs may further apportion the recharge target as per number of BTS and class of territory.
- c) For POS:
BA 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. BA will assign target for active retailers loading RC and active retailers loading FRC / SIM/ Plan Voucher to franchisee based number of BTS/ potential as given below:
- i. Number of retailers loading RC atleast 10 per urban BTS site and 5 per rural BTS.
 - ii. Number of retailers loading FRC/SIM/Plan Voucher atleast 2 per urban BTS and 1 per rural BTS site.
- 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.

B. Performance Management: Each BA 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 BA must appoint a performance review committee of at least three executives which must consist of BA Head and BA 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 BA under chairmanship of GM (Consumer Mobility). Each committee will have three executives including chairman from Circle (common for each BA) and BA Head of concerned BA.

Weightage for targets for evaluating performance

Type- A Parameters	
Parameters	Weightage
FRC / Plan Voucher	45%
RC	30%
POS	25%
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 BA 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 BAs, each BA must provide the performance inputs to the Circle which should compile the territory-wise franchisee performance score. BA must communicate the monthly performance inputs to franchisee so that he can improve.

- iii. **Review Process at BA:** 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. BA 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/BA:** Review committee at BA should conduct a review of each franchisee territory every quarter. BA head will recommend the name of the franchisee which lowest sales in the BA (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, BA may issue certificate of appreciation to the top franchisees in the BA. 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/BA 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 BA 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 BA 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 Product and pricing 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. BA 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

- 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/BA.
- 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:

1. 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;
2. Invoice/DN/CN need to be issued timely within the time prescribed under GST law;
3. 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;
4. 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;
5. 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;
6. 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.

- a. GST (if applicable) on account of liquidated damages due to delay in supply of BSNL Products and provision of services to BSNL would be borne by the franchisees

BSNL reserves the right to amend and the franchisee agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL's policy

A. Penalty (along with applicable GST, if any):

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	1st	2nd	3 rd	4th	5th	6th and onwards**	
	Issuer	BA	BA	Circle*	BA	BA	BA	
	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 BA 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 BA 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/-

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 applicable GST, if any).

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.
The C-TOPUP SIM of the retailers indulging in this system will be blocked with available balance.
- (ii)** 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.

B. 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.
- 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. It will be the Company's endeavor to make the payment to the Franchisees as per the schedule, however this may stretch beyond the scheduled time only in case of delays in getting claims from the Franchisees or in case of incorrect claims.
- h. The payment by the Franchisees will be made through a cheque / ECS after deducting applicable taxes.
- i. All Franchisees will report to BA Head through the nodal officer appointed by him.
- j. BSNL shall, on a conservative basis to withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on all discounts/ margins etc. provided to the Franchisees for sale of BSNL Products.
- k. All taxes, present & future that may be levied by the govt. / Local authorities etc. will be applicable to the franchisee a/c.
- l. 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.
- m. The franchisee has to fully cooperate with BSNL to investigate any complaint from the public, retailers or BSNL's sales teams.
- n. 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.
- o. 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.
- p. 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
- q. GST (if applicable) on account of liquidated damages due to delay in supply would be borne by franchisee
- r. BSNL Shall not be liable for any act of commission or omission of any third party.
- s. During the currency of agreement, franchisee will not be permitted to provide services to any other telecom service provider.
- t. 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.
- u. 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.

- v. 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.
- w. 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 (as may be applicable)
- x. 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.
- y. BSNL shall deduct tax at source if required under GST Act and GST regulations, any law or any regulation.
- z. Franchisee who have not migrated or surrender franchisee-ship, any loss to BSNL on account of such default shall be recovered from PBG.
- aa. Those who were terminated / not migrated may be barred to participate in EOI for that territory only for next two years.
- bb. In case of successful completion of franchisee-ship-agreement period, PBG shall be returned after ensuring that penalty/damage/dues/claims if any are cleared.
- cc. PBG shall be forfeited, in case franchisee does not start business within stipulated time frame as mentioned under agreement.
- dd. 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.
- ee. PBG shall be forfeited if franchisee-ship is terminated on performance based evaluation mentioned under agreement.
- ff. 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.
- gg. 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.

Section C: Detailed Terms & Conditions of the EOI

- I. In case the successful franchisee fails to submit the required documents at the time of agreement or does not turn up for agreement within stipulated time or any information supplied by bidder found fake at any point of time, the EMD of the franchisee shall be forfeited and the consideration for franchisee ship shall be treated as cancelled.
- II. The experience certificate should be issued by at least an officer of Gr.'A' or equivalent rank in case of government or PSUs. In case of private operators the experience certificate should be issued by marketing head of the company.
- III. The successful franchisee has to submit the performance bank guarantee (PBG) for a period of 3 & 1/2 years from the date of agreement papers submission. No interest is payable on performance bank guarantee.
- IV. The successful franchisee will have to sign contract agreement within 15 days of the acceptance of the franchisee acceptance document
- V. The PBG is liable to be forfeited in case the franchisee fails or violate the terms and conditions in any manner.
- VI. In the event of any breach of any terms and conditions or delay or default, the contract will be terminated and the security deposited will be forfeited by the BSNL
- VII. Conditional acceptance or any modification to the terms and conditions given in the document are liable to be rejected and EMD will be forfeited.
- VIII. Contract
 - a. **Validity of the contract shall be up to three years from the date of agreement.**
 - b. Numbers of franchisee can be increased or decreased as per BSNL requirement.
- IX. Right of the CGMT, AP, Telecom circle:
 - a. CGMT, AP Telecom circle, reserves the right to accept or reject any or all the franchisee ship request in part or full, without assigning any reason whatsoever.
 - b. CGMT, AP Telecom circle, reserves the right to terminate the contract at any time by giving one month's notice in writing without assigning any reason.
 - c. In case of violation of terms and conditions of the contract or unsatisfactory services, CGMT, AP Telecom circle, reserves the right to terminate the contract at any time and forfeit the PBG.
- X. In case of selection. The BSNL franchisee will sign an agreement with BSNL on non judicial stamp paper of Rs.100/- to be arranged by franchisee.
- XI. Other conditions:
 - a. The franchisee ship shall initially be for a period of three years from the date of execution of agreement and is subjected to review of performance as prescribed by BSNL.
 - b. Franchisee should provide his present permanent address and bank account number at the time taking franchiseeship.
- XII. All franchisee for sales of BSNL products and provision of services to BSNL shall operate on valid and authenticated documents including identity status with photograph.
- XIII. The identification/ verification of BSNL customers brought by the franchisee for sale of BSNL products and provision of services to BSNL shall be carried out by the franchisee as per prescribed format including fresh guidelines/ orders by BSNL issued by Govt. of India.
- XIV. The empanelment of the franchisee for BSNL products and provision of services to BSNL shall be without prejudice to the right of BSNL to market these products from its existing or outlets including customer service centres. Nothing shall prevent BSNL to work out and introduce in future.
- XV. BSNL shall reserve the right to cancel the franchisee ship for BSNL products and provision of service to BSNL at any time without assigning any reason.
- XVI. All disputes arising out of franchisee for sales of BSNL products (or provision of services to BSNL) and the BSNL on the other part shall be decided by arbitration through an arbitrator to be appointed by the BSNL board as per existing orders on the subject.

- XVII. The policy of incentives and discounts/ margins can be reviewed by BSNL at any time and decision of BSNL in this regard will be final.

XVIII. 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 O/o Chief General Manager, Andhra Pradesh telecom Circle, Vijayawada 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 Chief General Manager, Andhra Pradesh telecom Circle/ District 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 O/o Chief General Manager, Andhra Pradesh telecom Circle, Vijayawada 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 High court of Andhra Pradesh alone shall have the territorial jurisdiction to adjudicate upon the matter.

ANNEXURE – B**FORMAT OF BANK GUARANTEE FOR EARNEST MONEY DEPOSIT (EMD)**

(To be typed on Rs.100/- non-judicial stamp paper)

WHEREAS _____ (Name of Bidder) (hereinafter called "the Bidder" intend to submit its Bid no. _____ (Date) _____ (hereinafter called "the Bid") in accordance EXPRESSION OF INTEREST (EOI) No _____ DATED _____ INVITED BY M/s. BHARAT SANCHAR NIGAM LTD. having their Registered Office at BHARAT SANCHAR BHAWAN JANPATH NEW DELHI AND CIRCLE OFFICE AT _____ (hereinafter called the BSNL) for _____.

As an irrevocable Bank Guarantee against Earnest Money Deposit for an amount of _____ is required to be submitted by the bidder as a condition precedent for participation in the said EOI, which amount is liable to be forfeited on the happening of any contingencies mentioned herein and or terms and conditions as specified in said EOI.

We, the _____ Bank at _____ having our Head Office _____ (address) hereinafter called "BANK") guarantee and undertake to pay immediately on demand by BSNL the amount _____ without any reservation, protest, demur and recourse. Any such demand made by BSNL shall be conclusive and binding on us irrespective of any dispute or difference raised by the BIDDER. The Bank binds itself, its successors and assigns by these presents;

THE CONDITIONS of the obligation are:

1. If the bidder withdraws or amends his bid during the period of validity specified by the bidder or
2. fails or refuses to accept the letter of intent or conditional acceptance of letter of intent or
3. any information / documents furnished by the bidder found to be fake or
4. if the bidder, having been notified of acceptance of his bid by the BSNL during the period of bid validity
 - (a) fails or refuses to execute the contract / AGREEMENT, if required, within stipulated time or
 - (b) fails to submit, within stipulated time, the required documents for signing of contract or
 - (c) fails or refuses to furnish the performance Bank Guarantee, in accordance with clause ---- of said EOI.

Bank undertake to pay to the BSNL up to the above amount upon receipt of his first written demand, without the BSNL having to substantiate his demand, provided that in his demand BSNL will note that the amount claimed by him is due to him owing to the occurrence the above conditions and breach of terms and conditions of said EOI.

Notwithstanding anything contained herein

- i) Our liability under this Bank Guarantee shall not exceed Rs. _____ (Rupees _____ only)
- ii) This Bank Guarantee shall irrevocable and shall remain valid up to ---- days from issue of bank guarantee. If any further extension is required the same shall be extended to such required period on receiving request in this regard from bidder.

Dated _____ day of _____ 20____

SIGNATURE OF THE BANK

Signature of Franchisee / RD

ANNEXURE – C

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) allopathic preparations etc.

ANNEXURE-D
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 / Service	Particulars	Initial discount/margin to Franchisee	Secondary/Subsequent incentives to franchisee
Post-Paid Products				
1	Post-Paid Voice & Data Plan	SIM & Activation (Note)	NIL	As per New SIM Sale commission structure.
		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	As per New SIM Sale commission structure.	
		Plan voucher	90% of Plan voucher or Rs.100/- whichever is less. For special plans where discount specified, the same is applicable.	

Hardware Products			
Sr. No.	Name of Product	Particulars	Discount to Franchisee
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 Postpaid plan conversion	Pre-Paid to Post-Paid GSM/CDMA/ etc.	50% of FMC subject to max. of Rs. 150/- after payment of 1st 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	OTF equivalent to 2% commission to channel partners for mobile Post-paid bill payment through CBP-CT (extension order no. BSNLCO-SMCM/23(11)/19/2020-SM-CM dated 30.06.2023)	Nil

Note:-

- Introduction of New SIM sale commission (superseding all earlier commissions i.e., Trade Scheme, Bonus Scheme, CAF commission and OTF) issued vide this office letter no. Lr No. APCO-15/13/4/2021-SM CM/I/485797/2023 Dtd at VJ the 11-07-2023 and CO ND ltrs i) BSNLCO-SMCM/23(11)/19/2020-SM-CM dated 30.06.2023 ii) BSNLCO-SMCM/23(11)/19/2020-SM-CM dated 03.07.2023 and subject to revision from time to time.
- 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.
- Discount on C-TOPUP/ recharge to PCO Operators / DSAs shall be 60% of discount/ margin offered to Franchisees
- Discount on C-TOPUP/ recharge to Rural Distributor shall be 85% of discount offered to Franchisee.
- For e-Distributor discount is 66% of discount offered to Primary Franchisees, subject to maximum 3%.
- Discount applicable to Post Office/Large Retail Chain shall be at par with discount offered to Franchisee
- 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.
- 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.

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

ANNEXURE – E**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	50%	50%
Recharge / C-TOPUP	30%	70%

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	25%	25%	50%
Recharge / C-TOPUP	15%	15%	70%

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	25%	50%
Recharge / C-TOPUP	15%	70%

Note:- (i) The above is subject to revision from time to time.
(ii)CAF incentive withdrawn.

ANNEXURE – F**FORMAT OF THE PERFORMANCE BANK GUARANTEE**

(To be typed on Rs.100/- non-judicial stamp paper)

Bank Guarantee in respect of Agreement dated between Bharat Sanchar Nigam Limited and M/s, a company registered under The Companies Act, 1956 and having its Registered Office at (hereinafter called "Franchisee") has entered into an agreement dated (hereinafter referred to as "the said agreement") with M/s Bharat Sanchar Nigam Limited (BSNL in short) (A Government of India Enterprise) (hereinafter referred to as "BSNL") with Corporate office at Regd. & Corporate Office Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi – 110001, through /Circle whereby BSNL has agreed to appoint Franchisees for providing BSNL service on the terms and conditions exclusively mentioned therein for the area (Name of the area for Franchisee / Area code for Franchisee).

It has been agreed between the parties that a Bank Guarantee for Rs. (Rupees lakh only) shall be given by the Franchisee in favour of the BSNL for due and faithful performance of the terms and conditions of the said agreement.

..... Bank having its office at has at the request of the Franchisee (M/s), agreed to give the guarantee as hereinafter contained:

1. We, (hereinafter called "the Bank") do hereby undertake and assure to the BSNL that if in the opinion of the BSNL, the Franchisee 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 of Rs./- (Rupees lakh only) or such lesser amount as BSNL may demand without requiring BSNL to have recourse to any legal remedy that may be available to it compel the Bank to pay the same.
2. Any such demand from the BSNL shall be conclusive as regards the liability of Franchisee 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 Franchisee 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 Franchisee and BSNL regarding the claim.
3. We, the Bank further agree that the guarantee shall come into force from the date hereof and shall remain in full force and effect for the period of 3½ years from the date of commencement of the agreement or the term of this guarantee whichever is later. But if the period of the said agreement is extended either pursuant to the provisions in the said Agreement or by mutual agreement between the Franchisee and the BSNL, the Bank shall automatically renew the period of the Guarantee for such period which expires 6 (six) months after the renewed period of the said agreement failing which it shall pay to the BSNL the said sum of Rs./- (Rupees lakh only) without BSNL demanding the payment of the above sum.
4. 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 hereunder 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 Franchisee and to forebear 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 Franchisee or through any forbearance, act or omission on the part of BSNL or any indulgence by BSNL to Franchisee

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.

5. The Bank further agrees that in case this Guarantee is required for a larger period and it is not extended by the Bank beyond the period specified above in Clause 3, the Bank shall pay to BSNL without BSNL having to demand the payment of the said sum of Rs...../- (Rupees lakh only) on the last day on which the Bank Guarantee is due to expire.
6. Notwithstanding anything herein contained;
 - (a) The liability of the Bank under this guarantee is restricted to Rs..... /- (Rupees lakh only) and it will remain in force for a period of 3½ years i.e. upto (6 month after the expiry of the agreement)
 - (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.....
7. The Bank guarantees under its constitutional power to give this guarantee and..... and who have signed it on behalf of the Bank have authority to do so.

(Authorized Signature of the Bank Official)
Power of Attorney General:

Dated:
At

ANNEXURE – G**List of authorized representatives of franchisee**

S.No.	Name of Authorized representative	Address	Mobile No.	Email id.
1				
2				
3				

Note: The franchisee shall be responsible for the act / work done by the above authorized representative.

ANNEXURE - H

To
Asst General Manager (S&M)-I CM
O/o Chief General Manager
..... Telecom Circle

Sub: Submission of EOI for Franchisee ship (Name of the area/ district.....)

Dear Sir,

With reference to your advertisement inviting expressions of interest on the above subject, I / we hereby submit my / our expression of interest duly completed all the details called for.

Thanking you,

Yours sincerely,

Signature
(Name of the authorized signatory)
For & on behalf of
Seal of the Firm/Company/Organization

Encl.:

- (I) All Annexure duly filled up & signed with supporting documents
- (ii) DD for fee of EOI document Rs 1000/-(inclusive of GST) in case EOI document downloaded from site.
- (iii) EMD of Rs. in the form of Bank Guarantee.

ANNEXURE – I
Particulars of the Applicant seeking Franchisee-ship

1. Name of the applicant / Organization: M/s.....

2. Registered Address / Office Address
- Telephone No. (s) :
 Mobile No (s) :
 Fax :
 E-mail :
3. Status of the applicant / organization (with supporting documents) Tick the relevant one
 - a) Proprietorship :
 - b) Partnership :
 - c) Private Limited :
 - d) Public Limited :
 - e) Others :
4. Name of the area (for Franchisee) / Area Code for (Franchisee)
5. Date of inception of the firm / organization
6. GST registered number (GSTIN):
7. PAN No / GIR No.
8. Turnover of the firm / organization over the last two years (with supporting documents)
9. Names of the Directors along with %age share
10. Name of the Executive Director / Proprietor:
 (Who will manage the Franchiseeship)
11. Residential Address of the Executive Director / Proprietor
12. Mobile No. and Email id of the Executive Director / Proprietor
 - (i) Private and public limited company or PSU any one of the directors should be graduate and association with the firm should be of more than two years.
13. Name of the Banker with address and contact number(s)
14. Present activity with details, and the names of the organizations for which the applicant is acting as Franchisee / wholesaler/Franchisee etc.
15. Number of Franchisees / retailers for the activity indicated in 13 above
16. Total manpower on roll employed / engaged by the firm / organization
17. Work experience of minimum..... with full details thereof. (supporting documents to be submitted)
 Are you existing franchisee of BSNL , if yes, please give details.
18. Have you applied for more than one Franchisee ship. If Yes, give details
19. Details of the required office space-
 - (a). Ownership Category

Owned	<input type="checkbox"/>	Rented	<input type="checkbox"/>
-------	--------------------------	--------	--------------------------
 - (b). Possession

Already in possession	<input type="checkbox"/>
Possession can be taken within..... days	<input type="checkbox"/>
 - (c) Address of the office

ANNEXURE – J

DECLARATION

I,, on behalf of
..... having gone through the terms & conditions
of the EOI and agree to abide by the same in case the Franchisee-ship is awarded to me / our firm
/ company.

Name of the Signatory

For and on behalf of

ANNEXURE - K**Location for Franchisee ship applied for**

(As per details given in ANNEXURE - H)

S.No.	Location/Code number of area	Name of the BA/OA
1.		

Other area if applied for / Working

S. No.	Location/ Code number of area	Name of BA, OA and Circle	Applied / Working
1.			
2.			
3.			

Declaration

I further declare that the information given above is true. The declaration if found wrong, I may be disqualified from all the franchisee-ship areas.

Dated this Day of 2024

Seal and Signature:

ANNEXURE - L

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 2024

Seal and Signature:

DETAILS OF VACANT TERRITORIES

S.No	Name of the BA/OA	Name of the Territory	Classification of territory	Territory Code
1	East Godavari	KAKINADA-I	C	AP0506
2	NELLORE	KOVUR	C	AP1505
3	Cuddapah	Badvel	C	AP0306
4	Prakasham	Ongole-2	C	AP1701
5	Krishna	Nuzividu	C	AP1108

DETAILS OF TERRITORIAL AREAS/MANDALS

S.No	NAME OF THE BA/OA	NAME OF THE TERRITORY	CLASSIFICATION	TERRITORY_CODE	SDCAs/Areas/Exchanges Covered	MANDAL_AREAS
1	East Godavari	Kakinada-I	C	AP0506	A Mallavaram, Chebrolu, Gollaprolu, Mallavaram, Kakinada-VN, Thimmapuram, Kakinada-RP, Nagulapalli, Uppada, Kakinada Main	Gollaprolu, Kakinada, Kakinada-RP, U-Kothapally
2	Nellore	Kovur	C	AP1505	Kovur	Alluru, Kodavaluru, Kovur, Vidavaluru
3	Cuddapah	Badvel	C	AP0306	Badvel SDCA, Siddavattam SDCA	Atlur B Kodur, B Mattam, Badvel, Gopavaram, Kalasapadu, Porumamilla, Siddavattam & Vontimitta
4	Prakasam	Ongole - 2	C	AP1701	Chilakapadu, Devarampadu, Gullapalli, Karavadi, Rudravaram, Maddiralapadu, Ammanabrolu, naguluppalapadu, Chandrapadu, Nippatlapadu, Pulikonda, Chimakurthy, Maddipadu, Manduvaripalem, Pernamitta., Santhanuthalpadu, uppgunduru	Naguluppalapadu, Maddipadu, Chimakurthy, Santhanuthalpadu, Part of Ongole
5	Krishna	Nuzividu	C	AP1108	Nuziveedu & Tiruvur SDCA	Nuziveedu, Musunuru, Chatrai, Bapulapadu, Agripalli, Reddygudem, Vissannapet, Tiruvuru, Gampalagudem, A Koduru.

GMTD Office addresses for submission of bids in connection to EOI-20

S.NO	NAME OF THE BA/OA	PGM/GMTD OFFICE ADDRESS FOR SUBMITTING THE BID	CONTACT PHONE NOS.
1	East Godavari	% GMTD, BSNL, FORT GATE, RAJAMAHENDRAVARAM-533101	0883-2427200 0883-2473800 9490177477
2	NELLORE	% GMTD, BSNL OFFICE, OPP LEELA MAHAL, VRC CENTER, NELLORE-524 001.	0861-2306488 0861-2306588 9440279922
3	Guntur	GENERAL MANAGER, BSNL, TELECOM DISTRICT, 1 ST LINE, CHANDRAMOULI NAGAR, GUNTUR-522007	0863-2248500 0863-2248123 0863-2248933 94901 75901
4	Anantapur	% PGM TD, BSNL, Sri Krishna Devaraya Sanchar Bhavan, Near Head post office compound, Anantapur-515001	08554-241400 08554-241300 9490131146 9491710687

**FORMAT OF FRANCHISEESHIP AGREEMENT (for provision of Services to BSNL)
(The Agreement should be typed on non-judicial stamp paper of Rs. 100/-)**

This agreement is made at _____ day of _____ 20____, between _____ Telecom Circle / District, of Bharat Sanchar Nigam Limited (BSNL), a Company incorporated under the Companies Act, 1956 having its Registered Office & Corporate Office at Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001 Circle office at _____ and SSA at _____ (hereinafter referred to as "BSNL" which expression shall be deemed to include its successors and assigns wherever the context so admits or requires) through its duly authorized representative Mr. _____ of _____ SSA, ON THE ONE PART.

AND

M/s _____ (hereinafter referred to as the "Franchisee-CM" (or franchisee in short, both terms have been used in this document interchangeably) which expression shall include his servants, heirs, executors and administrators wherever the context so admits or requires) through its authorized representative,

Mr. _____ ON THE OTHER PART.

Signature of Franchisee / RD

I/763554/2024

I/763554/2024
WHEREAS

- (a) BSNL is desirous of appointing authorized Franchisees with a view to receive certain Services (as defined below) from the franchisee.

Whereas BSNL invited bid / Expression of Interest (Eoi) _____ dated _____ for _____ (Name of the territory and SSA) based upon evaluation of bids received under said Eoi M/s _____ has been shortlisted /emerged as successful bidder for providing services on the terms and conditions as agreed herein between parties of this agreement.

OR

The existing franchisee (under CM- Sales & Distribution Policy-2012) has approached BSNL and requested to consider himself for migration to "CM Sales and Distribution Policy – 2018" ('CM-S&D Policy-2018'), based upon eligibility criteria for migration as described in "CM-S&D Policy-2018" and other related letters/ amendments/ clarifications issued time to time by BSNL. Based in the representation made, M/s _____ has successfully migrated. The Franchisee has requested to sign agreement for provision of services to BSNL in _____ (Name of the territory and SSA), in pursuance of the said request and based upon such assurance, BSNL has agreed to sign the agreement with the franchisee for _____ months / years for provision of services as given in this agreement.

(Only applicable part is to be retained)

- (b) The Franchisee M/s _____ has been appointed and it agrees to operate as an authorized Franchisee for provision of Services subject to the terms and conditions hereinafter appearing.
- (c) The Franchisee has given an unconditional Bank Guarantee of Nationalized Bank of Rs. _____ valid for _____ years, _____ months and shall be refunded after due fulfilment of the said agreement.

Now it is hereby agreed by and between the parties hereto as follows:

In consideration of due observance & performance of all the terms and conditions mentioned in this agreement and its Parts and Annexure, Eoi no. _____ dated _____, CM-S&D Policy-2018/2018 attached here to and forming part and parcel of this agreement, BSNL and Franchisee agree to sign this agreement on exclusive basis to provide services as per conditions contained in various parts, annexure, Eoi of CM-S&D Policy-2018 attached hereto.

2. Definitions

3. Services: Services shall include:

- FRC, OTF on select STVs, MNP, trade scheme, CAF, FoS, re-verification for KYC, etc.;
- Marketing and promotion of BSNL products, and assisting BSNL in maintaining and increasing its market share.

Further, Services shall include other future service that may be required by BSNL.

- BSNL products:** The phrase 'BSNL products' refers to such primary and secondary products of BSNL, as may be defined as such by BSNL from time-to-time through its CM S&D Policy – 2018.
- 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.
- 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.
- SIM / USIM / RUIM:** A SIM card is used in 2G services; USIM is used in 3G services while RUIM is used in CDMA handsets.
- 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.
- 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 BSNL /Fixed Line charges. This includes the Local, STD and ISD charges.
- 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

Signature of Franchisee / RD

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cards. FoS are appointed for servicing the retailers. However retailers in area of Rural Distributors shall be appointed by respective RDs.

11. **Activation Fee:** Onetime non-refundable charges levied for energizing a cellular phone connection.
12. **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.
13. **Commencement Date** means the date on which the Agreement comes into effect in accordance with the provisions of Clause hereof.
14. **Services and Territory** shall mean all those 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.
15. The Franchisee shall include its employees, agents and authorized representatives who shall be responsible for the scope of work as described in Clause 5 herein below.

2.0 Exclusivity: The Franchisee understands and agrees that this Franchiseeship agreement is on "Exclusive Basis".

3.0 Content: The CM-S&D Policy-2018 and its future revisions, the annexure attached hereto & the EoI document annexed hereto, Lol and subsequent instructions to Franchisee shall form integral part of this agreement and incorporated herein by this reference.

4.0 Proposed Channel of Distribution: The Franchisee has gone through and understood the proposed channel of Sales and Distribution of BSNL Products. However, BSNL reserves the right to make changes in the scheme of Sales & Distribution at any time in future in the larger interest of its Consumer Mobility business.

5.0 Scope of Sales & Distribution: The Franchisee shall provide information about BSNL Products and Services to walk-in customers. It shall also establish, through its sales-force, direct contact with prospective customers and register as many new BSNL customers as possible subject to a minimum number fixed by BSNL. Franchisee shall also distribute information relating to all consumer mobility telecom services for Sales and Distribution to its retailers & Rural Distributors selected by BSNL.

6.0 Specifications of work, conduct, requirements, standards and operating procedures: As described in the EoI and in CM-S&D Policy-2018.

6.1 Franchisee hereby agrees and unequivocally undertakes to fully comply with all the terms and conditions stipulated in agreement along with its parts CM S&D Policy 2018, EoI, Lol attached hereto without any deviation and reservation of any kind, unless mutually agreed between the parties at any given time.

6.2 The franchisee has submitted a bank guarantee of Rs. _____ as a security towards due observance and performance of terms and conditions of this agreement and Agreement with BSNL RD. The PBG shall be valid for _____ years _____ months. The franchisee agrees to increase the amount or/and to renew / extend the PBG from time to time till the expiry of this agreement as against Annex-VI or till dues of BSNL by virtue of this agreement have been fully paid and its claims satisfied or discharged or till BSNL is satisfied that terms and conditions of this agreement from (Annex-VI) without prejudice to its risks & remedies, BSNL shall encash/ forfeit the said PBG on breach of any of terms & conditions of the agreement or the agreement with RD, if RD service through Franchisee or failure of Franchisee to meet the targets, to provide service as stipulated in the Agreement or have fully and properly carried out by the franchisee.

7.0 Commencement of the Agreement

7.1 The Agreement shall come into effect on the date mentioned in the heading of the Agreement. The Agreement shall be valid for a period of _____ years _____ months from the date of its commencement and may be extended for such period and on such terms and conditions as are conveyed by BSNL to the Franchisees 2 (two) months prior to the expiry of the Agreement. If at any stage during the tenure of this agreement it comes to the notice of BSNL, directly or otherwise that franchisee had misrepresented the facts or submitted any false information, which could have affected the signing of this agreement with franchisee, this agreement shall stand terminated immediately under intimation to the franchisee.

(The above clause 7.1 is to be modified by respective Telecom Circles/ Districts upto the extent of provision contained in the CM S&D Policy 2018 and all its amendments, all other applicable terms and conditions as given in EoI are accepted by franchisees, who have opted for migration in writing before they are allowed to migrate to this CM S&D Policy 2018.)

- 7.2 In case, any future statutory provision warrants variation in the Agreement/Policy, in any material way, both parties will in good faith use their best endeavour to agree to such terms and conditions as may be necessary. However, in case no such agreement can be reached, either party shall have the right to withdraw from this Agreement.
- 7.3 The effect of withdrawal from the Agreement under Clause 7.2 would be that the Agreement shall stand terminated with immediate effect.

8.0 Appointment of the Franchisee

- 8.1 BSNL shall appoint Franchisee for provision of Services in the territory from the Franchisee /Franchisee outlet(s) for which BSNL will compensate the Franchisee as described in EoI / “CM-S&D Policy-2018”. The compensation can be modified by BSNL as per procedure described in EoI. However, BSNL shall have a right to appoint any additional Franchisee(s) / Franchisee in the territory / area of operation of BSNL and the Franchisee shall have no objection what so ever.
- 8.2 BSNL will supply to the Franchisee all the relevant data, guidelines and other information to effectuate the purpose of the Agreement.
- 8.3 On termination of the Agreement, howsoever occasioned/caused, no compensation etc. shall become due to the Franchisee unless the same shall have accrued prior to the date of such termination and the Franchisee expressly has to agree that he will not be entitled to any compensation etc. and/or indemnification whatsoever, from BSNL in that regard.
- 8.4 Franchisee and BSNL shall act on a principal to principal basis and at no time, franchisee shall act in the capacity of an agent of BSNL. 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

9.0 General Obligations of the Franchisee

- 9.1 The franchisee shall be responsible for provision of Services and other responsibilities as described in **Annexure II**.
- 9.2 The Franchisee shall maintain a suitable organization for the provision of Services in the allocated territory from his outlet(s). The Franchisee shall use its best efforts to actively provide effective services to the subscribers of BSNL and always act in the interest of both BSNL and its subscribers.
- 9.3 BSNL may from time to time require the Franchisee to carry out customer satisfaction surveys for all its channel working under him as decided by BSNL, the cost thereof, if any, will be borne by the Franchisee.
- 9.4 **The Franchisee /Franchisee(s) shall not during the continuance of this Agreement or for a period of _____ after its termination (whether alone or directly or indirectly) be interested or concerned in any business or activity which is in competition with the business or activities of BSNL. The Franchisee acknowledges that the adherence to this provision is a material obligation of this Agreement.**
- 9.5 The franchisee shall undertake operations in additional territory/ territories according to provision of this CM-S&D Policy-2018 as approved by BSNL on look-after basis for specific period of time with his consent.
- 9.6 Wherever RDs are available, provision of Services should be only through retailers of RDs.
- 9.7 The Franchisee shall devise an efficient administrative process for the mandatory delivery of filled up Customer Application Forms (CAF) for all its channel working under him (including RDs and its retailers) to the BSNL
- 9.8 The Franchisee 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 Franchisee 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 Franchisee hereby undertakes and agrees not to retain and make any copies of the entrusted confidential information.

- 9.9 The Franchisee shall, if so desired by BSNL, make alterations, modifications and install such furniture, fixture and air-conditioning equipment, introduce customer care hardware including computer with UPS, Modem etc. as required and mutually agreed upon, the cost of such alterations, renovation shall be borne exclusively by the Franchisee.
- 9.10 Unless otherwise agreed in writing, the Franchisee is solely responsible for all costs and expenses for maintaining its office and all related operating expenses incurred.
- 9.11 BSNL reserves the right to suspend the operation of this agreement, 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 franchisee shall be payable by BSNL.

10.0 General Obligations of BSNL:

- a. Appoint sufficient number of Retailer Managers, Retailer Manager Coordinator (RMC), Franchisee Managers. Appoint other members of the Sales team at Circle and SSA level.
- b. BSNL shall communicate to the Franchisee the minimum targets required to be received by them on quarterly/ monthly basis (in respect of services other than secondary commission), in order to remain eligible for the Franchisee-ship Agreement. These quarterly/monthly targets 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 target requirement may lead to review / termination of the contract.
- c. Resolution of issues 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. Franchisee manager / SSA Sales Head (Mobility) to ensure that all services provided by franchisee further to retailers or rural distributors is recorded in BSNL specified IT system. Further, the books of accounts maintained by the Franchisee may be called for as and when required by BSNL, for examination and cross-verification of Services offered by Franchisee.
- e. 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 Holiday. Details of in-charge and location of such CAF Desk should be intimated to all Franchisees/ DSAs.
- f. Ensure timely payments to all channel partners preferably online.
- g. It will be mandatory on monthly basis to reconcile the account of Services along with IN report.
- h. Franchisee will be responsible for intimating their state-wise GSTIN No.(s) to BSNL for billing purpose (in case franchisees are registered in multiple states)

11.0 Targets: The Franchisee agrees that he/ she/ they shall adhere to targets and its terms as described in **Annexure III**

12.0 Service Orders

- 12.1 All services to be effected in pursuance hereof shall be governed by the terms and conditions of the Agreement notwithstanding any terms and conditions as set out in the letters or communications addressed by BSNL to the Franchisee and the Franchisee/ Franchisee's representative acknowledgment thereof.
- 12.2 The Franchisee shall devise an efficient administrative process for the mandatory delivery of filled up Customer Application Forms (CAF) for all its channel working under him (including RDs and its retailers) to BSNL.

13.0 Payment to Franchisee: The payment to franchisee channel (Franchisee, Rural Distributors and Retailers) will be announced by BSNL from time to time and shall be revised or discontinued by BSNL as per the changes in business environment. The payment shall be subject to the terms & condition as described in Annexure-IV.

14.0 Tax Liability: Franchisees have to comply with all applicable taxes as per Central / States/ Local Laws.

- a. BSNL services i.e. 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.
- b. Franchisees will raise commission invoice (along with applicable GST) on BSNL. Since commission is paid to the franchisees 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
- c. BSNL shall, on a conservative basis, withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on all payments to the franchisee against provision of Services.
- d. BSNL shall also withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on the secondary/ subsequent incentives provided to the franchisees (refer point f above)
- e. BSNL shall be responsible for discharging GST liability in cases where the franchisee is not registered under GST. It is further agreed that franchisee shall not charge tax on invoice
- f. 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 ITC which can be set off against the GST charged by franchisee or BSNL
- g. The rate of 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 ___% of Face Value.
- h. Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL services, 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.
- i. 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, 2018
- j. In case of any deficient supply or incomplete supply, 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.
- k. 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 may 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
- l. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.
- m. 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/Debit Note/Credit Note need to be issued timely within the time prescribed under GST law;
 - c) 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;
 - d) Registered location of BSNL shall be mentioned in the agreement with GSTIN No. Franchisee shall 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;
 - e) It shall be the responsibility of franchisee to raise invoice within the prescribed timelines.
 - f) 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 on or before _____
- n. GST (if applicable) on account of liquidated damages due to delay in supply of BSNL services would be borne by the franchisee.

BSNL reserves the right to amend and the franchisee agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL's policy

15.0 Brand name, Logos and Trademarks

- 15.1 The Franchisee accepts for all purposes that any brand names, logos, trademarks or identifying slogans affixed by BSNL or any of the Franchisee/ Franchisee's affiliated companies to the services, whether registered or not, constitute the exclusive property of BSNL or their affiliated companies and cannot be used except in connection with the Services. The Franchisee 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.
- 15.2 During the term of this Agreement, the Franchisee is authorized to use BSNL's brand name(s), logos and trademarks only in connection with the Franchisee/Franchisee's representative commitments as set out in this Agreement. The Franchisee/Franchisee's representative use of such logos and trade names shall be in accordance with the guidelines issued by BSNL. In the event of termination of this Agreement, howsoever caused, the Franchisee/Franchisee's representative right to use such trademarks, logos shall cease with immediate effect. The Franchisee agrees not to attach any additional trademarks, logos or trade designations to any services of BSNL thereafter.
- 15.3 As long as this Agreement remains in force but not thereafter, subject to **Clause 15.2** above, the Franchisee may identify itself as an Authorized Franchisee of BSNL, but shall not use the brand names, logos and trademarks of BSNL as part of its corporate or partnership name or otherwise indicate to the public that it is an affiliate or agent of BSNL.
- 15.4 The Franchisee will not publish, nor cause to be published, any advertising, or make any representations oral or written, which might confuse, mislead or deceive the public or which are detrimental to the name, trademarks, goodwill or reputation of BSNL. It is advisable that such advertising may be got approved by BSNL prior to publication.
- 15.5 BSNL shall allow the Franchisee to use its logo/ trademark to be displayed on the signboard to be placed at the Franchisee/Franchisee's retailer's outlet(s). However, the intellectual property rights associated with such brand names, logos and trademarks are and shall remain the sole property of BSNL.
- 15.6 The Franchisee shall not use any name, emblem, logo or trademarks of its own.

16.0 Warranty

- 16.1 The Franchisee hereby expressly warrants that Services and territory as specified herein shall be efficiently serviced by the Franchisee network with high quality standards as specified by BSNL from time to time. The standards and specifications as set by BSNL shall be strictly adhered to by the Franchisee without any qualifications.
- 16.2 The Franchisee shall not make any representation to customers or give any warranties other than those contained in any standard terms and conditions set out in the customer Application Forms (CAF).

17.0 Service Availability

- 17.1 BSNL reserves the right to delete from this Agreement, Services and territories in which the Franchisee is not able to perform, and in such an event BSNL shall give to the Franchisee as much notice of such deletion as is practicable in the circumstances.
- 17.2 BSNL shall be vested with the sole discretion to amend, review, suspend, cancel, change or extend the scope and ambit of the services and territory as specified in EoI / CM-S&D Policy-2018

18.0 Software: In relation to any software supplied by BSNL to the Franchisee (if any) solely for performance under this agreement, the Franchisee acknowledges that all intellectual property rights in such software are and shall remain the property of BSNL or a third party licensor as the case may be. Furthermore, the Franchisee agrees that he will take steps necessary to protect these intellectual property rights and to comply with such requirements in this regard as BSNL may impose from time to time.

19. 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.

20. Termination for Cause: This Agreement can be terminated on any of the grounds and in the following manner:

20.1 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.

20.2 Without prejudice to any other provision for termination in this agreement, BSNL shall be entitled to forthwith terminate this agreement, without any liability to BSNL, by providing notice in writing to the franchisee of this agreement upon the occurrence of any of the following events:-

- (a) If the franchisee commits any breach, of any of the terms and conditions of this agreement and in case such breach is capable of being remedied, the franchisee fails to remedy the same within thirty(30) days after receipt of a notice in writing from BSNL giving full particulars of the breach and requiring it to be remedied, or
- (b) If the franchisee commits any breach, of any of the terms and conditions of this agreement and if such breach is not capable of being remedied, or
- (c) If the franchisee is found involved in fraud or other illegal or unethical activities in relation to any subject matter associated with this agreement.

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- 20.3 BSNL may also terminate this agreement for any other reason at any time during the term of this agreement by delivering not less than 30 days' prior written notice of such termination to the Franchisee.
- 20.4 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 this agreement by written notice forthwith.
- 20.5 In case the Franchisee parts with its business including its assets in favour of any 3rd party directly or indirectly, BSNL will have a right to terminate this agreement forthwith. The exercising of the right of cancellation / termination shall not have the effect of waiving any damages to which BSNL might otherwise be entitled to.

21.0 Consequences of Termination: In the event that Agreement is terminated, the following shall be the consequences.

- 21.1 All the Franchisee's rights under this Agreement shall cease and no payment whatsoever shall be due to the Franchisee for loss of goodwill, anticipated profits and any other claims or losses on account of such termination. The Franchisee hereby waives any claim to receive any compensation as a result of the termination of this Agreement.
- 21.2 On termination or surrender or expiry of this agreement, any sums payable under this Agreement and which are unpaid on the date of termination shall forthwith become due and payable by the Franchisee. In case failure of franchisee to pay the amounts due to BSNL, the franchisee shall be liable to pay interest @12% per annum along with applicable GST if any, on this realization of the said outstanding amount. The outstanding amount shall be realized from the pending dues of bills due to franchisee or from the encashment of BG without prejudice to any other risks & remedies available to BSNL.
- 21.3 The provisions of this Agreement shall, to the extent stated or necessarily implied, survive the termination thereof.
- 21.4 Subject to the provisions of this agreement, cancellation or termination or expiry of this Agreement shall not relieve or release either party from making payments which may be owing to the other party under the terms of this Agreement.
- 21.5 The Franchisee shall at its own expense return to BSNL promptly all information, documentation and materials to BSNL which relate to the services and / or software and future marketing plans or future models of BSNL together with any copies thereof or any other documents entrusted to the Franchisee by BSNL. Franchisee shall not represent BSNL in any of its dealing and use BSNL's name trademark logo etc.
- 21.6 On termination of this Agreement howsoever occasioned, the Franchisee shall deliver to BSNL all the merchandise SIM card Data Cards etc., all papers including the unused registration forms, partially used and unused books, marketing / publicity and display material given free of cost and documents etc. which may have come to his possession or custody before the termination.
- 21.7 On the termination of the agreement for any cause whatsoever, all rights and privileges granted to the Franchisee shall immediately terminate. The Franchisee and all persons claiming under it shall immediately cease and desist from the use of the trade name BSNL and any other sign, slogan, symbol or other distinguishing characteristic owned by or associated with BSNL's services. The Franchisee shall immediately cease carrying on any business permitted under the agreement.
- 21.8 BSNL shall be entitled to injunctive and equitable relief for any violation of the terms and conditions. Franchisee shall pay all costs and expenses including reasonable advocate fee borne by BSNL for enforcing any provision of the agreement including the provisions of **Clause 21**. The provisions of this clause shall survive the termination of this agreement.

22.0

- (i) **Liquidated Damages along with applicable GST (if any):** If the franchisee fail to deliver the services as per agreement schedules, parts, Annexure and CM-S&D Policy-2018 or adhere to the targets as prescribed and agreed herein, or breach of any of terms and conditions of this agreement or surrender of franchisee-ship at its own will, without prejudice to other remedies available to BSNL, BSNL shall be entitled to recover, as pre estimated agreed liquidated damages for breach of contract, a sum equivalent to PBG or as decided by Telecom Circle / District for failure to provide services or breach of terms and conditions of the agreement as well as the

agreement among BSNL, RD and Franchisee. If RDs is served through Franchisee and same be set-off/adjust from the PBG or forfeit the PBG. .

- (ii) **Legal action:** BSNL may initiate legal action against Franchisee in case of Para 22(i) above.
- (iii) **BSNL** may debar the Franchisee for future dealings with BSNL for any contract / Franchisee ship/dealership etc.

23.0 Insurance: The liability to insure Franchisee's stocks in the outlet(s) and in the possession of the Franchisee will be of the Franchisee and the liability for any loss or damage due to any fire, burglary, theft, etc. will be that of the Franchisee.

24.0 Indemnification

24.1 The Franchisee hereby agrees to well and sufficiently protect and keep harmless and indemnify BSNL, against all type of embezzlement, misappropriation or misapplication of money. Or fraud if any committed by prospective subscriber(s).

24.2 The Franchisee agrees to fully indemnify and keep indemnified BSNL against all losses or any claims for damages or any other claims of whatsoever nature, which are brought against BSNL by any third party owing to deeds or misdeeds attributable to the Franchisee, or any claim of breach of any statutory regulation, orders from any govt. bodies requires or breach of any clause or term and conditions of this agreement BSNL shall be vested with the sole discretion to determine such damages/ claims and have the right to adjust the same from any dues payable to the Franchisee.

24.3 BSNL shall not be liable to the Franchisee or any other party consequent upon termination of the Agreement or termination of Agreement with RD, if RD is served through franchisee for any reason whatsoever for any claim for loss or profits or for any anticipated booking for BSNL or on account of any expenditure, investments, leases or any other commitments made by the Franchisee in connection with the Agreement made in reliance upon or by virtue of the Franchisee appointment under the Agreement.

24.4 BSNL's acceptance of any booking from the Franchisee after the termination / expiry of this Agreement shall not be construed as a renewal or extension of the Agreement nor as a waiver of termination.

25.0 Franchisee as independent entity.

25.1 The Franchisee, its employees, agents and representatives shall provide Services as an independent "entity" on an exclusive basis and nothing contained herein shall be deemed to create any partnership, joint venture, employment or relationship of principal and agent between the parties hereto, or between BSNL and the Franchisee representatives and employees or to provide Services with any right, power or authority, or to provide the Franchisee with any right, power or authority, whether express or implied to create any such duty or obligation.

25.2 The Franchisee's personnel, employees, agents or representatives have no authority and/or right to bind BSNL in any manner. It is clarified that the personnel employed by the Franchisee shall be the sole employees of the Franchisee and BSNL shall have no financial or statutory responsibility towards them.

26.0 The Franchisee represents and warrants that no officer, director, employee of BSNL or immediate family member thereof ("collectively, BSNL, personnel") has received or will receive anything of value of any kind from the Franchisee or its officers, directors, employees or agents in connection with this Agreement and that no BSNL personnel have a business relationship of any kind with the Franchisee or its officers.

27.0 Miscellaneous

27.1 In the event of the death or retirement of any director or change of shareholders of the Franchisee the appointment of a replacement or the transfer to another shareholder shall be subject to the prior approval of BSNL which shall not be unreasonably withheld and such replacement or transferee shall

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enter into each agreement to abide by the terms and conditions of this agreement as may be required by BSNL. However the decision of BSNL shall be final in this regard.

- 27.2 The Franchisee shall not shift the operations to any other premises without written permission from BSNL.
- 27.3 The Franchisee may publish advertisement in newspapers at his own cost with the prior approval from BSNL for text matter and design.
- 27.4 The Franchisee will not be allowed to make any alteration/ correction in the text matter of registration forms or any printed materials supplied by BSNL.
- 27.5 The terms and conditions may be amended as and when any changes, addition or deletion is required with the consent of both the parties except what is stated herein above.
- 27.6 In case of loss of the certificate(s) or any documents issued by BSNL, the Franchisee shall immediately report the same to BSNL with the copy of F.I.R.
- 27.7 BSNL will issue a certificate to the effect that M/s _____ is the authorized Franchisee for providing Services. This certificate shall have to be displayed by the Franchisee. The photo I-card would be issued to the executive director/ proprietor or other authorized person/executive(s) by the Franchisee.
- 27.8 BSNL reserves the right to increase the number of the Franchisees in the territory allotted to the Franchisee, withdraw the work of Franchisee ship of any or all s for any reason at the discretion of BSNL or take such steps etc. in the interest of service.
- 27.9 BSNL may call, as and when felt necessary, the Franchisee/ Franchisee's representative for educating him in respect of latest schemes, services, rules, orders or regulations.
- 27.10 The Franchisee shall not secure subscribers from outside the allocated area & confined its operation within the allotted territories.
- 27.11 The Franchisee will distribute / render the services at a rate fixed by BSNL to all its associated retailers.
- 27.12 BSNL shall have the right to refuse, subscribe or accept application for subscription forwarded by the Franchisee and the Franchisee shall not be entitled to any compensation in respect of such refused application or part thereof.
- 27.13 In the event, BSNL desires any other / further information including a recent photograph of the prospective subscriber, the Franchisee shall procure such information /photographs also and duly provide to BSNL. The verification of subscriber's identity as per the govt. procedure shall be the responsibility of franchisee.
- 27.14 The Franchisee shall make all endeavours to ensure that no fraud of any kind, contractual, criminal or otherwise is committed by any prospective subscribers of all its channel partners in the matter of taking/providing BSNL connection and matters connected therewith. Franchisee shall be responsible for the costs and consequences thereof inter-alia outstanding dues, litigation, losses, damages or loss suffered/ to be suffered by BSNL etc.
- 27.15 The Franchisee shall carry out its obligation hereunder at its own cost and expenses including but not limited to usage of his own space and personnel and no reimbursement whatsoever shall be made by BSNL on any account whatsoever.
Without prejudice to its right of any other remedy, BSNL shall encash the PBG in case of any breach of any terms and condition of the agreement or provide services as per agreed schedule and parameters, targets etc. on the part of franchisee.
- 27.16 The Franchisee is not authorized to assign or otherwise transfer the benefits of this agreement or part thereof to a third party.
- 27.17 The Franchisee shall provide his permanent address and bank account number/PAN at the time of signing the agreement.
- 27.18 The Franchisee will be given a code number as his identification. A 'SEAL' indicating the code number along with the name & address of the Franchisee shall be imprinted by the Franchisee on the subscriber agreement forms and prepaid application forms before forwarding them to BSNL.
- 27.19 The Franchisee shall be fully responsible for the employment or payment of wages to its employees and shall fully comply with all laws, rules, regulations, notifications, directions orders etc. of the Govt. whether Central, State, Local or Municipal relating to such employment, payment of wages etc. and all others matter connected therewith and hereby indemnifies and agrees to continue indemnifying BSNL in this regard.
- 27.20 The Franchisee shall perform their duty in strict compliance with all applicable laws in India along with rules and regulation of duly constituted govt. authorities in India and shall obtain all licenses, restrictions or other approval, if any required by laws in India.

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27.20 In connection with the services to be rendered hereby the franchisee undertakes, affirms and agrees that franchisee has fully authorized to enter into this agreement and subject to obtaining the necessary approval under applicable law, if any, required to perform this obligation here under according to the terms hereo

28.0 General Terms & Conditions

- 28.1 Franchisees may be given right to view Franchisee portion of Sancharsoft, which they are supposed to view periodically and take necessary actions.
- 28.2 BSNL reserves the right to change the terms of trade from time to time with notice period of 30 days.
- 28.3 BSNL reserves the right to withhold or delay the incentives for Franchisees in case of any pending disputes in matters relating to activations or cancellations.
- 28.4 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.
- 28.5 The company's decision will be final on all matters relating to the business and will be binding on the Franchisee.
- 28.6 It will be the Company's endeavor to make the payment to the Franchisees as per the schedule, however this may stretch beyond the scheduled time only in case of delays in getting claims from the Franchisees or in case of incorrect claims.
- 28.7 The payment to the Franchisees will be made through a cheque / ECS after deducting applicable taxes.
- 28.8 All Franchisees will report to SSA Head through the nodal officer appointed by him.
- 28.9 All taxes present & future, that may be levied by the govt./ local authorities etc. will be applicable to the franchisee a/c.
- 28.10 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.
- 28.11 The franchisee has to fully cooperate with BSNL to investigate any complaint from the public, retailers or BSNL's sales teams.
- 28.12 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.
- 28.13 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.
- 28.14 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
- 28.15 GST (if applicable) on account of liquidated damages due to delay in supply would be borne by franchisee
- 28.16 BSNL Shall not be liable for any act of commission or omission of any third party.
- 28.17 During the currency of agreement, franchisee will not be permitted to provide services to any other telecom service provider.
- 28.18 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.
- 28.19 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.
- 28.20 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.
- 28.21 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 (as may be applicable)

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- 28.22 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.
- 28.23 BSNL shall deduct tax at source, if required, under GST Act and GST regulations, any law or any regulation.
- 28.24 Franchisee who have not migrated or surrender franchisee-ship, any loss to BSNL on account of such default shall be recovered from PBG.
- 28.25 Those who were terminated / not migrated may be barred to participate in EOI for that territory only for next two years.
- 28.26 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.
- 28.27 PBG shall be forfeited, in case franchisee does not start business within stipulated time frame as mentioned under agreement.
- 28.28 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.
- 28.29 PBG shall be forfeited if franchisee-ship is terminated on performance based evaluation mentioned under agreement.
- 28.30 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.
- 28.31 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.

29.0 General Provisions

- 29.1 **Governing Language and Law:** The language to be used in connection with the Agreement shall in all cases be the English Language. This Agreement shall be governed by and construed in accordance with the laws of India.
- 29.2 **No authority to Commit:** The Franchisee, its agents and employees will not be the legal representatives, employees or agents of BSNL for any purpose and have no right or authority to incur any expenses on behalf of BSNL or to create, in writing or otherwise, obligations of any kind, express or implied, in the name of or on behalf of BSNL excluding the rights and duties under this Agreement. The Franchisee shall make no representations inconsistent with the foregoing, but so long as this Agreement remains in force, the Franchisee shall be entitled to describe itself as the “Authorized Franchisee” of BSNL for the services in the territory.
- 29.3 **Assignment:** Neither party may assign its rights and remedies nor transfer its obligations under this Agreement without prior written consent of the other party, except that BSNL may so assign to any of its affiliated or subsidiary companies without such consent. In any event, any assignment or transfer shall not operate to relieve the assigning party of any of its obligations hereunder, nor will any such assignment impose any obligation on the assignee except in the case of an express written assumption by the assignee.
- 29.4 **Notices:** Any notice or communication pursuant to this Agreement shall be deemed duly given or made when they shall have been delivered by hand, first class registered mail or, to the party at the address set forth at the beginning of this Agreement, or to such other address as shall have been given in writing to the other party.
- 29.5 **Failure to enforce:** The failure of either party to enforce at any time the provisions hereof shall not be construed to be a waiver of such provisions nor a waiver of the right of such party thereafter to enforce each and every such provision.

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29.6 Remedies for enforcement

- i. Nothing shall be construed to restrict the right of BSNL to institute appropriate proceedings at law and equity to obtain injunction or other relief on account of any default hereunder whether or not BSNL has exercised its right to terminate the agreement.
- ii. The remedies granted to BSNL will be cumulative and are not intended to be exclusive if any, other remedies to which it may be lawfully entitled in case of any breach or threatened breach of the terms and provisions. Failure of BSNL to insist on strict performance of any of terms and provisions of the agreement or to exercise any right or remedy shall not be construed as a waiver of any such rights.

29.7 Joint and Several: All agreements on the part of either of the parties which comprise more than one person or entity shall be joint and several and singular gender throughout this agreement shall include all genders and the plural and the successors in title to the parties.

29.8 Severability: If any terms or provisions of the agreement are or shall be illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of the deed shall remain legal, valid and enforceable in such jurisdiction and the parties shall endeavor to substitute forthwith such other legal, valid and enforceable provisions as will most closely correspond to the legal and economic intent of such illegal, invalid or unenforceable term or provision.

29.9 Publicity: This Agreement shall be treated by the Franchisee and franchiser, as each treats its own confidential information. Additionally, no press release or other publicity of any nature regarding this Agreement shall be made without the other party's prior written approval, which approval shall not be unreasonably withheld. Franchisee should take all necessary steps to safeguards the privacy and confidentialities of any information about BSNL and its subscribers from whom it has acquired such information by virtue of the service provided and shall not divulge or uses any such information except as may be necessary in case of providing services under this agreement. Franchisee shall, prior to commencement of service, confirm in writing to BSNL that franchisee has taken all necessary steps to ensure that it and its employees shall observe confidentiality of customer information. However, approval of such disclosure shall be deemed to be given to the extent that such disclosure is required to comply with government rules, regulations or other governmental requirements. The publishing party shall give the other party a reasonable opportunity to review the text of such disclosure prior to the disclosure.

30.0 Title: Titles to the paragraphs / clauses are given for convenience only and do not have any legal complications.

31.0 Force Majeure: Without in any way limiting the general limitations of liability contained in this entire agreement neither party shall be responsible for failure or delay in performance of services hereunder due to any occurrence commonly known as force majeure including without limitation acts of God, any government body (de jure or de facto) or public enemy, acts of war, riots, earthquake, embargoes, strikes or other concerted acts of workmen (whether of the parties or others) casualties, or accidents, and shortage of power, labour or materials, or any other causes, circumstances, or contingencies, whether of a similar or dissimilar nature to the foregoing, beyond the parties' control and which cannot be reasonably forecast or prevented thereby hindering the performance by the parties of any of its obligations hereunder.

The parties shall forthwith give each other notice in the event of any one or more of the foregoing occurrences. Upon such notice the parties may cancel or delay performance hereunder for so long as such performance is prevented or delayed by such occurrence and in such an event neither party shall have any liability to the other.

32.0. Dispute Resolution/ Arbitration:

Except as otherwise provided elsewhere in the contract, in the event of any disputes, controversy , or differences arising out of or relating to this agreement, or the breach, termination or invalidity thereof between the parties, such party or parties shall make a request to the other party or parties to amicably settle such differences or disputes and parties shall thereupon make every effort to settle the same amicably within a period of 60 (sixty) days from the date of making of such request.

Where parties are unable to settle the disputes through conciliation, the same shall be referred to CGM, Telecom Circle/District of BSNL for referral of such disputes to a sole arbitrator (Chosen from the name(s) provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration and conciliation Act, 1996, any amendment thereof , and any notification issued or rules made thereunder from time to time.

The venue of the arbitration proceeding shall beSSA.

33.0 Set Off: Any sum of money due and payable to the franchisee under this agreement or otherwise shall be appropriated by BSNL and the same shall be set off against any claim of BSNL for payment of sum of money arising out of this agreement or other agreement(s) made by franchisee with BSNL.

The agreement including the Annexure / CM-S&D Policy-2018, and Eol no. ____ dated ____ constitute the entire Agreement of the parties with respect to the matters herein contained and all its terms and conditions are binding between the parties and supersedes all prior agreements and understandings between the parties whether written or oral. The Agreement shall be signed by the authorized representatives of both parties. In witness whereof, the parties have causes this agreement to be executed and delivered by the duly authorized officers:

For and on behalf of the Franchisee
Signature _____
Name _____
(In capital letters)
Executive Director / Prop. _____
Designation _____
Name & Address _____

Dated at _____ on _____

For and on behalf of BSNL
Signature _____
Name _____
(In capital letters)
Name & Address _____

List of authorized representatives:

(a) As designated in writing by BSNL:

- Name
- Designation
- Address
- Mobile Number
- E-mail ID

(b) As designated in writing by the Franchisee:

- Name
- Designation
- Address
- PAN Number
- Qualification
- Mobile Number
- e-Mail id

Responsibilities of Franchisee

- a. Providing Services agreed under this Agreement, 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. Generation of demand for BSNL Products.
- 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. Atleast one retailer in every Village
- e. Retailers in the rural areas will be appointed and served by RDs.
- f. Meeting all 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 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 to serve retailers as per guidelines in force.
- l. Assisting, cooperating and following instructions issued by the Franchisee Manager or any other BSNL employee appointed by BSNL and provide him/her required details as specified by BSNL.
- m. Providing List/Details of FOS and retailers to BSNL.
- n. All details and information as specified by BSNL from time to time in BSNL specified system e.g. Sancharsoft.
- o. All forms of complaint handling on phone and walk-in-complaints (hardware related, billing, performance related, etc.) will be handled directly by Franchisee. Franchisee shall redress all possible complaints on the spot. If required, help from BSNL call centres may be taken. Remaining complaints can be forwarded to designated CSC/BSNL official for further disposal.
- p. Serving retailers and Rural Distributors at their doorsteps. Franchisee must ensure that no black-marketing or mal-treatment to customer is done through its network.
- q. 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.
- r. Receiving advertisement/ marketing material from BSNL and displaying it at POS, and distribution to Rural Distributors.
- s. Promotion of BSNL brand(s) at Franchisee's cost.
- t. Arranging special promotional events as per BSNL guidelines at Franchisee's cost, including events, camps/canopy in unreached and potential areas.

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- u. Timely submission of bills and claims to the nodal officer
- v. Issue receipts: At the time of booking of any new connection franchisee shall issue a formal receipt to the customer.
- w. Franchisee will be responsible for all the work done through its distribution network.
- x. Franchisees will be responsible for intimating their state-wise GSTIN No. (s) to BSNL for billing purposes.

Target Setting:

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

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

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.

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

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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.

- a) For recharge:-
SSAs may further apportion the recharge target as per number of BTS and class of territory.
- b) 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:
- ii. Number of retailers loading RC atleast 8 per BTS
 - iii. Number of retailers loading FRC / Plan Voucher atleast 3 per BTS
- c) Apart from these targets for any other BSNL service from other business units shall be set by concerned business units however franchisee's performance review may not consider achievement against those targets.

Consideration and Pricing

- i. The consideration payable to franchisee channel (Franchisee, Rural Distributors and Retailers) for Services will be announced and set out in BSNL S&D Policy 2018, and may be revised or discontinued by BSNL as per the changes in business environment.
- ii. All other claims may be submitted on monthly basis. BSNL's designated nodal officer to verify and sign the claim and forward it to the Accounts Department. Payment should be made within 2 weeks of the receipt of claim.
- iii. Payment will be from SSA Head Quarter preferably through ECS / Direct credit to account or cheque. SSA will give a detailed report regarding payment of all claims to franchisee on monthly basis to Circle office.

A. Penalty (along with applicable GST, if any):

Consequences for Poor Performance: Any franchisee who does not meet the cut-off score on any parameters, becomes liable for penalty as per the table given below:

Penalty Structure for Franchisees								
Class of Territory	Month	1st	2nd	3rd	4th	5th	6th 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
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.

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

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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 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

Discount/ Margin offered**Table- I A (Two Tier) Franchisee – Retailer**

Sharing of franchisee discount/ margin among Franchisee → Retailers

Service	Franchisee	Retailers
New Connection (Prepaid/ Postpaid)	30%	70%
CAF	70%	30%
Recharge / C-TOPUP	30%	70%

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

Sharing of franchisee discount/ margin among Franchisee/ RDs/ Retailers

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

Table- II (Two Tier) RDs – Retailers

Sharing of franchisee discount/ margin among RDs/ Retailers

Service	RDs	Retailers
New Connection (Prepaid/ Postpaid)	15%	70%
CAF	50%	30%
Recharge / C-TOPUP	15%	70%

Tax Liability:

Online SIM selling distributors have to comply with all applicable taxes as per Central / States/ Local Laws

- i. BSNL services i.e. Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to Online SIM selling distributors 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.
- ii. Online SIM selling distributors will raise commission invoice (along with applicable GST) on BSNL. Since commission is paid to the Online SIM selling distributors in the form of c-topup, BSNL will also raise an invoice (along with applicable GST) on the Online SIM selling distributors for allocation of such c-topup value
- iii. BSNL shall, on a conservative basis, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on all margins provided to the Online SIM selling distributors for sale of BSNL services.
- iv. BSNL shall, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on the secondary/ subsequent incentives provided to the Online SIM selling distributors (refer point f above)
- v. BSNL shall be responsible for discharging GST liability in cases where the Online SIM selling distributors is not registered under GST. It is further agreed that Online SIM selling distributors shall not charge tax on invoice
- vi. GST paid by Online SIM selling distributors to BSNL and by BSNL to Online SIM selling distributors (as the case maybe w.r.t. secondary/ subsequent incentive granted by BSNL) shall be available to Online SIM selling distributors and BSNL, respectively, as ITC which can be set off against the GST charged by Online SIM selling distributors or BSNL
- vii. The rate of 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 ___% of Face Value.
- viii. Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL services, discount on FRC/RC, any scheme based incentive, FOS incentive etc. to Online SIM selling distributors may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.
- ix. The invoices raised by the Online SIM selling distributors and BSNL should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2018
- x. In case of any deficient supply or incomplete supply, it shall be the responsibility of Online SIM selling distributors to issue GST compliance credit note within the reasonable time and take tax adjustment. In case the Online SIM selling distributors 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 Online SIM selling distributors.
- xi. Online SIM selling distributors 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. Online SIM selling distributors may 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 Online SIM selling distributors only on receipt of input tax credit to BSNL
- xii. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.
- xiii. In case of secondary/ subsequent incentives provided to the Online SIM selling distributors, it shall be the responsibility of the Online SIM selling distributors 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 Online SIM selling distributors. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.
- xiv. Further the Supplier is required to comply following requirements w.r.t. issuance of invoice:
 - a) All the details of Online SIM selling distributors (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
 - b) Invoice/Debit Note/Credit Note need to be issued timely within the time prescribed under GST law;
 - c) It would be the responsibility of the Online SIM selling distributors 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 Online SIM selling distributors, the same would be recovered by BSNL from the Online SIM selling distributors;

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- d) Registered location of BSNL shall be mentioned in the agreement with GSTIN No. Online SIM selling distributors shall 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;
 - e) It shall be the responsibility of Online SIM selling distributors to raise invoice within the prescribed timelines.
- xv. Online SIM selling distributors to share the monthly information (w.r.t. incentive) with BSNL which would be uploaded by the Online SIM selling distributors 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 Online SIM selling distributors to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents on or before _____
2018
- xvi. GST (if applicable) on account of liquidated damages due to delay in supply of BSNL services would be borne by online SIM selling agent.

BSNL reserves the right to amend and the Online SIM selling distributor agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL's policy

Wherever retailers are being served through "RURAL DISTRIBUTOR", franchisee has to pass on at least 82.5% of the discount/ margin given to franchisee to rural distributor out of which 65% will be passed by RDs to retailers on Recharge / C-TOPUP.

Annexure VI

Format of Tri Party Rural Distributorship Agreement (for provision of Services to BSNL)
(The Agreement should be typed on non-judicial stamp paper of Rs. 100/-)

This agreement is made at _____ day of _____ 20____, between _____ Telecom Circle / District, of Bharat Sanchar Nigam Limited (BSNL), a Company incorporated under the Companies Act, 1956 having its Registered Office & Corporate Office at Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001 Circle office at _____ and SSA at _____ (hereinafter referred to as "BSNL" which expression shall be deemed to include its successors and assigns wherever the context so admits or requires) through its duly authorized representative Mr. _____ of _____ SSA, ON THE ONE PART.
 AND

M/s _____ (hereinafter referred to as the "Franchisee-CM" (or franchisee in short, both terms have been used in this document interchangeably) which expression shall include his servants, heirs, executors and administrators wherever the context so admits or requires) through its authorized representative, Mr. _____ ON THE SECOND PART.

AND

Sh. _____ (hereinafter referred to as the "**Rural Distributor**" (or RD in short, both terms have been used in this document interchangeably) which expression shall include his servants, heirs, executors and administrators wherever the context so admits or requires) through its authorized representative, Mr. _____ ON THE THIRD PART.

BSNL, Franchisee-CM, RD, will individually be referred as "party" & collectively called as "parties"

WHEREAS

- (a) BSNL is desirous of appointing authorized **Rural Distributor** with a view to promote BSNL Products and provide Services to BSNL, with a view to cater rural areas covered by approx. 5 BTS under its brand names for which BSNL has been licensed to provide Telecom services.
 Whereas BSNL selected RD through open interest dated _____ for _____ (Name of the territory and SSA) from rural areas who will be served by the said territories of Franchisee-CM as mentioned in the second part of this agreement, for providing Services on the terms and conditions as agreed herein among parties of this agreement.
- (b) The Rural Distributor has given an unconditional Bank Guarantee of Nationalized Bank of Rs. _____ valid for _____ years, _____ months and shall be refunded after due fulfilment of the said agreement.
- (c) The RD has been selected for three years and its term may be extended for two years on year to year basis, based on performance. This agreement shall be valid till the validity of franchisee agreement or for period of three year whichever is earlier.
- (d) Whereas Franchisee-CM shall use RD and its retailers for provision of Services to BSNL through the RDs in a rural area on the terms & conditions as agreeable among the parties under this agreement.

Now it is hereby agreed by and among the parties hereto as follows:

In consideration of due observance & performance of all the terms & conditions mentioned in this Agreement (Annex-VI) & Parts of Annexure of Agreement between BSNL & Franchisees and are also party of Agreement (Annex-VI) attached here to & forms part & parcel of this Agreement. BSNL, Franchisee, RD are to sign this agreement providing services in the rural areas as per terms & conditions of various parts of Annex of EOI and RD parties attached herewith.

- i. Rural Distributors (RDs) shall be selected by BSNL and may work on non-exclusive basis under the CM-franchisee agreement as executed between BSNL & franchisee.
- ii. BSNL shall issue a certificate to the effect that Sh. _____ is authorised RD selected by BSNL and authorised to serve under M/s _____ franchisee of territory _____
- iii. Rural Distributors will be assigned an exclusive area of 4-5 BTS sites within one CM-franchisee territory.
- iv. Rural Distributors shall 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.

v. Retailer / POS in the area of RD will be managed by Rural Distributors at its own risk and cost and franchisee will have no direct role to play in that area.

2. The RD has submitted a bank guarantee of Rs. _____ as a security towards due observance and performance of terms and conditions of this agreement. The PBG shall be valid for _____ years _____ months. The Rural Distributor agrees to increase the amount or/and to renew / extend the PBG from time to time till the expiry of this agreement or till dues of BSNL by virtue of this agreement have been fully paid and its claims satisfied or discharged or till BSNL is satisfied that terms and conditions of the said agreement have fully and properly carried out by the franchisee. Without prejudice to its risks & remedies BSNL shall encash/forfeit the said PBG on breach of terms & conditions of this agreement by RD or failure to provide services under this agreement by RD or failure of the RD to meet the targets assigned by BSNL.

2.1 The Franchisee-CM has submitted the PBG of Rs. towards observation of performance of terms of this agreement and its own agreement dated.....

3. Incentive:

a) Sharing of incentive among Franchisee, RD & Retailer will be as per the Annexure-V and will be payable as per the procedure specified by BSNL. The Franchisee shall make payment of incentives to RDs as per Annex-V.

RDs will also get 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 Sanchar-soft data only) will be as follow:

- Franchisee - Rs.10/-
- Rural Distributor - Rs.15/-

b) RDs should pass incentive received by them to retailers as per said Annexure-V or as specified by BSNL from time to time.

c) Mode of payment between RDs and Franchisee shall be electronically based on Sanchar-Soft. BSNL shall devise the system for manual payment, till the provision of 3-tier structure (Franchisee/ RDs/ Retailer) in Sanchar-Soft. It is the responsibility of Franchisee, the payment received from RD should be deposited on the same day in BSNL account.

4. Verification of identity of subscribers

Franchisee shall be responsible for the subscriber's verification done by the Rural Distributor & retailers of Rural Distributor. The original proof of identity /address be matched & verified with the self attested photocopies submitted by the applicant.

5. Responsibilities and Obligation of Rural Distributor

- 5.1 Rural Distributor must ensure that BSNL products are available in retail networks in sufficient quantity on demand.
- 5.2 Rural Distributors and for its channel retailer shall submit CAF completed in all respect to concern franchisee.
- 5.3 Rural Distributors are required to attend meetings in SSA/ Franchisee as and when needed.
- 5.4 Rural Distributor is supposed to serve retailers at their premises.
- 5.5 BSNL reserves the right to change the terms of trade from time to time without any prior notice.
- 5.6 The Rural Distributor shall fully co-operate Franchisee / BSNL.

- 5.7 The Sales Target shall be communicated by BSNL from time to time which shall be part & parcel of this Agreement.
- 5.8 Timely submission of bills and claims to the nodal officer/ franchisee.
- 5.9 MIS as per BSNL format to BSNL officials/ Franchisee as per frequency specified.
- 5.10 Rural distributors are required to attend meetings in SSA/ Franchisee as and when needed. Rural Distributor must ensure availability of BSNL Products.
- 5.11 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.
- 5.12 In no case Rural Distributor is allowed to sell BSNL Products 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.
- 5.13 The security deposit of Rural Distributor shall be forfeited in case of violation of agreement and non-fulfilment of statutory obligations.
- 5.14 Rural Distributor must ensure that BSNL products are available with its retailers in sufficient quantity on demand. Rural Distributor must ensure that no black marketing or mal treatment to customer is done through its network.
- 5.15 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.
- 5.16 If any proof is found, suggesting illegal involvement of Rural Distributor/ retailer or any other distribution channels, SSA head will decide and propose cancellation of Rural Distributor license.
- 5.17 SSA head reserves the right to terminate Rural Distributorship at any time based on performance.
- 5.18 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.
- 5.19 In case of termination of agreement with franchisee, RD will be served by the look-after franchisee of the respective territories or by BSNL/ any other channel.
- 5.20 RD has to sell BSNL Products as specified by BSNL.
- 5.21 In case of dispute arising between the Rural Distributor/ Franchisee and BSNL, the same shall be adjudicated by means arbitration clause.
- 5.22 The decision of BSNL will be final on all matters relating to the business and will be binding on the Rural Distributor.
- 5.23 If any proof is found, suggesting illegal involvement of Rural Distributor/ retailer or any other distribution channels, SSA head may decide and cancel contract of Rural Distributor.
- 5.24 SSA head reserves the right to terminate Rural Distributorship at any time without assigning any reason.
- 5.25 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.
- 5.26 RD has to provide Services as specified by BSNL in this Agreement.
- 5.27 BSNL reserves the rights to seek/verify financial information from Rural Distributor Bankers/credit providers & ensure other sources to carry out other verifications
- 5.28 The RD agree not to involve himself in any manner either directly or indirectly in a business or activity which is in connection with business or activities of BSNL. The RD acknowledges that the adherence of this provision is a material obligation of this agreement.
- 5.29 The RD 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 Franchisee 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 Franchisee hereby undertakes and agrees not to retain and make any copies of the entrusted confidential information.

- 5.30 The RD shall use BSNL Logo, Brand name during the term of this agreement.
- 5.31 The RDs have to bear all applicable taxes as per central/state/local laws, GST tax on discount/ incentive etc. BSNL shall not be responsible for any circumstances whatsoever.
- 5.32 The RD shall be sincere to insure their stocks and liability for any loss or damage due to any fire, burglary, theft whichever is that of RD.
- 5.33 The RD shall not secure subscribers from outside the allocated area and confined the operation within the allocated area.
- 5.34 RD shall neither assign its rights and remedies nor transfer its obligations under this Agreement without prior written consent BSNL
- 5.35 Other Obligations:
 - a. The RD shall not shift the operations to any other premises without written permission from BSNL.
 - b. The RD will not be allowed to make any alteration/ correction in the text matter of registration forms or any printed materials supplied by BSNL.
 - c. In case of loss of the certificate(s) or any documents issued by BSNL, the RD shall immediately report the same to BSNL with the copy of F.I.R.
 - d. BSNL will issue a certificate to the effect that M/s _____ is the authorized RD for providing Services. This certificate shall have to be displayed by the RD.
 - e. BSNL reserves the right to increase the number of the RD in the territory allotted to the RD, withdraw the work of Rural Distributorship of any or all Services for any reason at the discretion of BSNL or take such steps etc. in the interest of selling BSNL Products.
- 5.36 The merchandise will be sold at the premises by the Franchisee / RD and it is clarified:
 - a. That the Franchisee / RD shall not have any authority to store, sell or transfer or in any way dispose of the merchandise except as provided in this Agreement.
 - b. The Franchisee / RD shall be responsible for all taxation aspects/levies levied by the govt. authorities. The merchandise sold by him and liable for the same, BSNL shall not be responsible in any case.
 - c. That 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 Franchisee / RD.
 - d. That it shall be the responsibility of the Franchisee / RD to effect the sales through proper invoices detailing the material particulars of BSNL phones including the IMEI number. The Franchisee shall keep BSNL indemnified against claims regarding unauthorized handsets sold or alleged to have been sold from the Franchisee's outlet(s), being raised against BSNL by any third party.
 - e. That BSNL shall not be liable for any loss or damage of Free C TOP-UP activation SIM provided by BSNL.
 - f. That BSNL shall not be liable for any loss or damage of Third Party Recharge (TPR).
- 5.37 BSNL reserves the right to suspend the operation of this agreement, 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 franchisee shall be payable by BSNL.

6. Responsibilities and Obligation of Franchisee:

- a) Franchisees shall serve the RDs of his territories at his door-step on terms & conditions as mentioned herein and in the agreement dtd. _____ between BSNL & Franchisees.
- b) Wherever RDs are available, provision of Services should be only through retailers of RDs.
- c) Franchisees shall not create his retail network wherever RDs are selected.

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- d) Territory Franchisee will collect all CAFs from RDs and will provide them SIM as well as Recharge Coupon/C-TOPUP.
- e) The Franchisee shall be responsible for all the issues of RD inter-alia, replacement of defective stock, payments, compliances, reconciliation of account with RD, physical verification of stock/ regular meeting with RD, Taxes aspects, payment of incentive etc.

7. Responsibilities of BSNL: 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.

8. Tax Liability:

RD have to comply with all applicable taxes as per Central / States/ Local Laws

- i. BSNL services such as Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to RDs 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.
- ii. RD will raise commission invoice (along with applicable GST) on BSNL/ franchisee. Since commission is paid to RD in the form of c-topup, BSNL/ franchisee will also raise an invoice (along with applicable GST) on RD for allocation of such c-topup value
- iii. BSNL shall, on a conservative basis, withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on all margins provided to RD for sale of BSNL services.
- iv. BSNL shall, withhold tax at source under Chapter XVIIIB of the IT Act, 1961 on the secondary/ subsequent incentives provided to RD (refer point f above)
- v. BSNL / franchisees shall be responsible for discharging GST liability in cases where RD is not registered under GST. It is further agreed that RD shall not charge tax on invoice
- vi. GST paid by RD to BSNL/ franchisee and by BSNL/ franchisee to RD (as the case maybe w.r.t. secondary/ subsequent incentive granted by BSNL) shall be available to RD and BSNL/ franchisees, respectively, as ITC which can be set off against the GST charged by RD or BSNL/ franchisee
- vii. The rate of 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 ___% of Face Value.
- viii. Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL services, discount on FRC/RC, any scheme based incentive, FOS incentive etc. to RD may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.
- ix. The invoices raised by RD and BSNL/ franchisee should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2018
- x. In case of any deficient supply or incomplete supply, it shall be the responsibility of RD to issue GST compliance credit note within the reasonable time and take tax adjustment. In case RD fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by RD.
- xi. RD 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. RD may 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 RD only on receipt of input tax credit to BSNL/ franchisee
- xii. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.
- xiii. In case of secondary/ subsequent incentives provided to RD, it shall be the responsibility of RD to raise appropriate tax invoice as per the provisions of GST Act. BSNL/ franchisee reserves the right to be indemnified for the credit loss in case BSNL/ franchisee is unable to claim the ITC for any non-compliance / default in raising appropriate invoice by RD. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.
- xiv. Further the Supplier is required to comply following requirements w.r.t. issuance of invoice:
 - a) All the details of RD (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
 - b) Invoice/Debit Note/Credit Note need to be issued timely within the time prescribed under GST law;

- c) It would be the responsibility of RD 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/ franchisee on account of default by RD, the same would be recovered by BSNL/ franchisee from RD;
- d) Registered location of BSNL/ franchisee shall be mentioned in the agreement with GSTIN No. RD shall raise invoices at the registered premise of BSNL/ franchisee for availment of credit and ensure that the place of supply as per GST law is same as registered premise;
- e) It shall be the responsibility of RD to raise invoice within the prescribed timelines.
- xv. RD to share the monthly information (w.r.t. incentive) with BSNL which would be uploaded by RD in its GSTR -1 along with the information of input credit to be claimed by BSNL/ franchisee in such month. It shall be the responsibility of RD to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents on or before _____
- xvi. GST (if applicable) on account of liquidated damages due to delay in supply of BSNL services would be borne by online SIM selling agent.

BSNL reserves the right to amend and the franchisee agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL’s policy

BSNL reserves the right to amend and the RD agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL’s policy

9. Performance Monitoring:

The Performance of the RDs shall be measured as follows:

Weightage for evaluating performance

Parameters	Weightage
Type A Parameters	
FRC / Plan Voucher	45%
RC	30%
POS	25%
Total	100%
Bench Mark Score	50%

10. 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.

11. Exit Clause: RD may exit by giving 60days notice and PBG shall be refunded once the pending dues if any are cleared.

12. Dispute Resolution/ Arbitration:

Except as otherwise provided elsewhere in the contract, in the event of any disputes, controversy , or differences arising out of or relating to this agreement, or the breach, termination or invalidity thereof between the parties, such party or parties shall make a request to the other party or parties to amicably settle such differences or disputes and parties shall thereupon make every effort to settle the same amicably within a period of 60 (sixty) days from the date of making of such request.

Where parties are unable to settle the disputes through conciliation, the same shall be referred to CGM, Telecom Circle/District of BSNL for referral of such disputes to a sole arbitrator (Chosen from the name(s) provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration and conciliation Act, 1996, any amendment thereof , and any notification issued or rules made thereunder from time to time.

The venue of the arbitration proceeding shall beSSA.

13. Settlement off any sum of money due and payment to Franchisee, RD, under the agreement or otherwise shall be appropriated by BSNL and same shall be sett-off against any claim of BSNL for payment of sum of money arising out of this agreement of other agreement made by Franchisee/RD with BSNL.

Signature of Franchisee / RD

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The Agreement includes the Annexure-D/ CM - S&D Policy and EOI dt. constitute entire agreement of the parties with respect to matters here in conditioned and all its terms & conditions are binding among the parties shall be signed by all parties. This agreement will be construed in interpretation applied, governed in accordance with the laws of India and at Court has jurisdiction in respect of this agreement.

In witness whereof, the parties have caused this agreement to be executed and delivered by the duly authorized officers:

For and on behalf of BSNL	Signature & Seal
Name _____	
Designation _____	
Address _____	

For and on behalf of the Franchisee	Signature & Seal
Name _____	
Executive Director / Prop. _____	
Address _____	
Telephone / Mobile Nos. _____	

For and on behalf of the Rural Distributor	Signature
Name _____	
Address _____	
Telephone / Mobile Nos. _____	

Name and Address of Witness	Sign of Witness

Dated at _____ on _____

**FORMAT OF FRANCHISEESHIP AGREEMENT (for distribution of BSNL products)
(The Agreement should be typed on non-judicial stamp paper of Rs. 100/-)**

This agreement is made at _____ day of _____ 20____, between _____ Telecom Circle / District, of Bharat Sanchar Nigam Limited (BSNL), a Company incorporated under the Companies Act, 1956 having its Registered Office & Corporate Office at Bharat Sanchar Bhawan, Harish Chandra Mathur Lane,

Signature of Franchisee / RD

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Janpath, New Delhi-110001 Circle office at _____ and SSA at _____ (hereinafter referred to as "BSNL" which expression shall be deemed to include its successors and assigns wherever the context so admits or requires) through its duly authorized representative Mr. _____ of _____ SSA, ON THE ONE PART.

AND

M/s _____ (hereinafter referred to as the "Franchisee-CM" (or franchisee in short, both terms have been used in this document interchangeably) which expression shall include his servants, heirs, executors and administrators wherever the context so admits or requires) through its authorized representative,

Mr. _____ ON THE OTHER PART.

WHEREAS

- (a) BSNL is desirous of appointing authorized Franchisees with a view to distribute BSNL products (as defined below) under its brand names for which the BSNL has been licensed to provide Telecom services.

Whereas BSNL invited bid / Expression of Interest (EoI) _____ dated _____ for _____ (Name of the territory and SSA) based upon evaluation of bids received under said EoI M/s _____ has been shortlisted /emerged as successful bidder for selling BSNL products on the terms and conditions as agreed herein between parties of this agreement.

OR

The existing franchisee (under CM- Sales & Distribution Policy-2012) has approached BSNL and requested to consider himself for migration to this "CM-S&D Policy-2018", based upon eligibility criteria for migration as described in "CM-S&D Policy-2018" and other related letters/ amendments/ clarifications issued time to time by BSNL. Based in the representation made M/s _____ has successfully migrated. The Franchisee has requested to sign agreement for provision of distribution of BSNL products in _____ (Name of the territory and SSA), in pursuance of the said request and based upon such assurance, BSNL has agreed to sign the agreement with the franchisee for _____ months / years for selling BSNL products as given in this agreement.

(Only applicable part is to be retained)

- (b) The Franchisee M/s _____ has been appointed and it agrees to operate as Distributor in accordance with the terms of this Agreement.
- (c) The Parties acknowledge that the appointment is on Principal to principal basis and nothing contained herein shall be deemed as any collaboration, partnership or agency between the Parties thereto.
- (d) The Franchisee has given an unconditional Bank Guarantee of Nationalized Bank of Rs. _____ valid for _____ years, _____ months and shall be refunded after due fulfilment of the said agreement.

Now it is hereby agreed by and between the parties hereto as follows:

In consideration of due observance & performance of all the terms and conditions mentioned in this agreement and its Parts and Annexure, EoI no. _____ dated _____, CM-S&D Policy-2018 attached here to and forming part and parcel of this agreement, BSNL and Franchisee agree to sign this agreement on exclusive basis to sell BSNL products as per conditions contained in various parts, annexure, EoI of CM-S&D Policy-2018 attached hereto.

16. Definitions

17. **BSNL Products:** GSM 3G / 2G, Wi-Max, Data Cards, EVDO, NIC, Blackberry, CDMA, WLL, FWT, IFWT, VAS etc. and any other future products that may be launched by Consumer Mobility group of BSNL. These consumer mobility products shall be **Primary Products** for this proposed franchisee-CM channel. Other products such as Landline, broadband, ITC etc. shall be **Secondary Products** for this franchisee channel which may also be allowed if needed. Further, BSNL products shall include other future products that may be required by BSNL
18. **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.

19. **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.
 20. **SIM / USIM / RUIM:** A SIM card is used in 2G services; USIM is used in 3G services while RUIM is used in CDMA handsets.
 21. **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.
 22. **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.
 23. **Activation Fee:** Onetime non-refundable charges levied for energizing a cellular phone connection.
 24. **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.
 25. **Commencement Date** means the date on which the Agreement comes into effect in accordance with the provisions of Clause hereof.
 26. **Products 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.
 27. The Franchisee shall include its employees, agents and authorized representatives who shall be responsible for the scope of work as described in Clause 5 herein below.
- 2.0 **Exclusivity:** The Franchisee understands and agrees that Franchisee Sales and Distribution agreement is on "Exclusive Basis".
 - 3.0 **Content:** The CM-S&D Policy-2018 and its future revisions, the annexure attached hereto & the EoI document annexed hereto, LoI and subsequent instructions to Franchisee shall form integral part of this agreement and incorporated herein by this reference.
 - 4.0 **Proposed Channel of Distribution:** The Franchisee has gone through and understood the proposed channel of Sales and Distribution of BSNL products. However, the BSNL reserves the right to make changes in the scheme of Sales & Distribution at any time in future in the larger interest of its Consumer Mobility business.
 - 5.0 **Scope of Sales & Distribution:** The Franchisee shall provide information about BSNL products, to walk in- customers. It shall also establish, through its sales-force, direct contact with prospective customers and register as many new BSNL customers as possible subject to a minimum number fixed by BSNL. Franchisee shall also distribute all BSNL products to its retailers & Rural Distributors selected by BSNL.
 - 6.0 Specifications of work, conduct, requirements, standards and operating procedures: As described in the EoI and in CM-S&D Policy-2018.
 - 6.1 Franchisee hereby agrees and unequivocally undertakes to fully comply with all the terms and conditions stipulated in agreement along with its parts CM S&D Policy 2018, EoI, LoI attached hereto without any deviation and reservation of any kind, unless mutually agreed between the parties at any given time.
 - 6.2 The franchisee has submitted a bank guarantee of Rs. _____ as a security towards due observance and performance of terms and conditions of this agreement and Agreement with BSNL RD. The PBG shall be valid for _____ years _____ months. The franchisee agrees to increase the amount or/and to renew / extend the PBG from time to time till the expiry of this agreement as against Annex-VI or till dues of BSNL by virtue of this agreement have been fully paid and its claims satisfied or discharged or till BSNL is satisfied that terms and conditions of this agreement from (Annex-VI) without prejudice to its risks & remedies, BSNL shall encash/ forfeit the said PBG on breach of any of terms & conditions of the agreement or the agreement with RD, if RD service through Franchisee or failure of Franchisee to meet the targets, for sale of BSNL products as stipulated in the Agreement or have fully and properly carried out by the franchisee.

7.0 Commencement of the Agreement

- 7.1 The Agreement shall come into effect on the date mentioned in the heading of the Agreement. The Agreement shall be valid for a period of _____ years _____ months from the date of its commencement and may be extended for such period and on such terms and conditions as are conveyed by the BSNL to the Franchisees 2 (two) months prior to the expiry of the Agreement. If at any stage during the tenure of this agreement it comes to the notice of BSNL, directly or otherwise that franchisee had misrepresented the facts or submitted any false information, which could have affected the signing of this agreement with franchisee, this agreement shall stand terminated immediately under intimation to the franchisee.
(The above clause 7.1 is to be modified by respective Telecom Circles/ Districts upto the extent of provision contained in the CM S&D Policy 2018 and all its amendments, all other applicable terms and conditions as given in EoI are accepted by franchisees, who have opted for migration in writing before they are allowed to migrate to this CM S&D Policy 2018.)
- 7.2 In case, any future statutory provision warrants variation in the Agreement/Policy, in any material way, both parties will in good faith use their best endeavour to agree to such terms and conditions as may be necessary. However, in case no such agreement can be reached, either party shall have the right to withdraw from this Agreement.
- 7.3 The effect of withdrawal from the Agreement under Clause 7.2 would be that the Agreement shall stand terminated with immediate effect.

8.0 Appointment of the Franchisee

- 8.1 The BSNL shall appoint Franchisee for sale and distribution of its products in the territory from the Franchisee /Franchisee outlet(s) as described in **EoI / "CM-S&D Policy-2018"**. The discount offered by BSNL on the products can be modified by BSNL as per procedure described in EoI. However BSNL shall have a right to appoint any additional Franchisee(s) / Franchisee in the territory / area of operation of the BSNL and the Franchisee shall have no objection what so ever.
- 8.2 BSNL will supply to the Franchisee all the relevant data, guidelines and other information to effectuate the purpose of the Agreement.
- 8.3 On termination of the Agreement, howsoever occasioned/caused, no post-sale-discount, margin, trade scheme etc. shall become due to the Franchisee unless the same shall have accrued prior to the date of such termination and the Franchisee expressly has to agree that he will not be entitled to any compensation, post-sale-discount, trade scheme etc. and/or indemnification whatsoever, from the BSNL in that regard.
- 8.4 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
- 8.5 Franchisees would be liable to satisfy all the eligibility conditions/ criteria as mentioned in CM-S&D Policy-2018

9.0 General Obligations of the Franchisee

- 9.12 The franchisee shall be responsible for sale of BSNL products purchased by them and other responsibilities as described in **Annexure II**
- 9.13 The Franchisee shall maintain a suitable organization for the sales & distribution of BSNL products in the allocated territory from his outlet(s). The Franchisee shall use its best efforts to always act in the interest of both the BSNL and its subscribers.
- 9.14 BSNL may from time to time require the Franchisee to carry out customer satisfaction surveys for all its channel working under him as decided by the BSNL, the cost thereof, if any, will be borne by the Franchisee.
- 9.15 The Franchisee /Franchisee(s) shall not during the continuance of this Agreement or for a period of _____ after its termination (whether alone or directly or indirectly) be interested or**

concerned in any business or activity which is in competition with the business or activities of the BSNL. The Franchisee acknowledges that the adherence to this provision is a material obligation of this Agreement.

- 9.16 The franchisee shall undertake operations in additional territory/ territories according to provision of this CM-S&D Policy-2018 as approved by BSNL on look-after basis for specific period of time with his consent.
- 9.17 Franchisees shall use RDs selected by BSNL - Retailer network for sales and distribution of BSNL products through RD's in a rural area. Obligation/ responsibilities/general terms and conditions of the tri-party agreement between BSNL, Franchisee and Rural distributor are described in **Annexure-VI**.
- 9.18 Franchisees shall serve the RDs of his territories and if fails to serve, the RDs will be served by BSNL. The retailer working under RDs will be served by RDs
- 9.19 Wherever RDs are available, sales and distribution of BSNL products, should be only through retailers of RDs.
- 9.20 Franchisees shall not create his retail network wherever RDs are selected.
- 9.21 The Franchisee shall devise an efficient administrative process for the mandatory delivery of filled up Customer Application Forms (CAF) for all its channel working under him (including RDs and its retailers) to the BSNL
- 9.22 The Franchisee shall treat as confidential and secret all verbal and written communication, lists and circulars which in the opinion of the BSNL are regarded as confidential information and/or trade secrets. The Franchisee shall adopt and implement security procedures acceptable to the 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 the BSNL and shall be returned to the BSNL upon termination of this Agreement in the manner prescribed by the BSNL. The Franchisee hereby undertakes and agrees not to retain and make any copies of the entrusted confidential information.
- 9.23 The Franchisee shall, if so desired by the BSNL, make alterations, modifications and install such furniture, fixture and air-conditioning equipment, introduce customer care hardware including computer with UPS, Modem etc. as required and mutually agreed upon, the cost of such alterations, renovation shall be borne exclusively by the Franchisee.
- 9.24 Unless otherwise agreed in writing, the Franchisee is solely responsible for all costs and expenses for maintaining its office and all related operating expenses incurred.
- 9.25 BSNL Products will be sold at the premises by the Franchisee and it is clarified:
- That the Franchisee shall not have any authority to store, sell or transfer or in any way dispose of the merchandise except with explicit written permission from concerned SSA/Circle.
 - The stock shall be purchased by the Franchisee from BSNL in accordance with the conditions prescribed by BSNL S&D Policy 2018
 - The Franchisee shall maintain adequate stock at all times.
 - The Franchisee shall be responsible for the BSNL products sold by him and liable for the same, BSNL shall not be responsible in any case.
 - That 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 Franchisee.
 - That it shall be the responsibility of the Franchisee to effect the sales through proper invoices detailing the material particulars of the BSNL phones including the IMEI number. The Franchisee shall keep BSNL indemnified against claims regarding unauthorized handsets sold or alleged to have been sold from the Franchisee's outlet(s), being raised against the BSNL by any third party.
 - That BSNL shall not be liable for any loss or damage of CTOP-UP activation SIM provided by BSNL.
 - That BSNL shall not be liable for any loss or damage of Third Party Recharge (TPR).
 - BSNL shall not be liable for any act or omission of the point of sale of the Franchisee.
 - 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.
 - The franchisees will be responsible for intimating their state-wise GSTIN(s) to BSNL for billing purposes (in case franchisees are registered in multiple states)
- 9.26 BSNL reserves the right to suspend the operation of this agreement, 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 franchisee shall be payable by BSNL.

10.0 General Obligations of BSNL:

- i. Appoint sufficient number of Retailer Managers, Retailer Manager Coordinator (RMC), Franchisee Managers. Appoint other members of the Sales team at Circle and SSA level.
- j. 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 Franchisee-ship Agreement. These quarterly/ monthly sales targets 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.
- k. 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.
- l. 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.
- m. 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 fulfil 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 Franchisee or any other channel partners shall be replaced at the sole discretion of BSNL after due verification.

- n. 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
- o. Ensure timely payments to all channel partners preferably online.
- p. It will be mandatory on monthly basis to reconcile the account of prepaid product along with IN report.
- q. The following items shall be given to franchisees by BSNL at no additional cost for performing their responsibilities, including for demo purpose under this agreement, and are not linked with the sales targets to be made by the franchisees:
 - i. One landline connections with unlimited on net local calls (LL + Mobile) within circle.
 - ii. One landline connection for incoming calls with Broadband plan – BBG Combo ULD 850 (350 monthly free call with unlimited download/Upload).
 - iii. One VPN over Broadband (**512 kbps VPNoBB plan**)
 - iv. One 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. The franchisees agree and accept that all the above are used by them for performing their functions under this agreement and not for any other purpose.

11.0 Targets: The Franchisee agrees that he/ she/ they shall adhere to targets and its terms as described in **Annexure III**

12.0 Prices at which BSNL products will be sold to Franchisees: 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.

Price of the BSNL products purchased by Franchisees shall be subject to the terms & condition as described Annexure-IV and may be revised or discontinued by BSNL as per the changes in business environment. 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.

13.0 Prices for Consumer fixed Access products:

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.

14.0 Tax Liability: Franchisees have to comply with all applicable taxes as per Central / States/ Local Laws.

- b. The Franchisee shall place an order for purchase of products from BSNL.
- c. 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.
- d. BSNL will charge GST on the transaction value i.e. the price at which BSNL sells its products to the franchisee. BSNL would raise tax invoice for sale of BSNL products to the franchisees.
- e. For the purpose of this agreement, the place of supply under GST shall be determined in terms of applicable GST laws and regulations. The location of franchisee for GST purposes shall be the location from which the franchisee raises a purchase order on BSNL.
- f. 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 on its further supply.
- g. BSNL shall, on a conservative basis, withhold tax at source under Chapter XVIIB 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.
- h. The invoices raised by BSNL shall comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2017
- i. In case of any deficient supply or incomplete supply at the time of sale of BSNL products, BSNL shall issue a credit note and franchisee hereby accepts to acknowledge and account this credit note. The franchisee represents to take appropriate action to enable BSNL to get a GST deduction whenever applicable.
- j. 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.
- k. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.
- l. Further the Franchisee is required to declare correct information on GST portal viz. the amount, the place of supply, rate of tax etc as mentioned on the invoice raised by BSNL. In case, the eligibility of input tax credit is questioned or denied to Franchisee on account of default by the franchisee, the same would be not recovered from BSNL by the franchisee;

BSNL reserves the right to amend and the franchisees agrees to the amended procedure which may be required pursuant to changes in GST law or pursuant to changes in BSNL's policy.

15.0 Brand name, Logos and Trademarks

15.1 The Franchisee accepts for all purposes that any brand names, logos, trademarks or identifying slogans affixed by BSNL or any of the Franchisee/ Franchisee's affiliated companies to the products, whether registered or not, constitute the exclusive property of BSNL or their affiliated companies and cannot be used except in connection with the promotion and sale of products of BSNL. The

Franchisee shall not contest, at any time, the right of the BSNL or its affiliated companies to any brand names or Logo used or claimed by the BSNL or such companies.

- 15.2 During the term of this Agreement, the Franchisee is authorized to use the BSNL's brand name(s), logos and trademarks only in connection with the Franchisee/Franchisee's representative commitments as set out in this Agreement. The Franchisee/Franchisee's representative use of such logos and trade names shall be in accordance with the guidelines issued by the BSNL. In the event of termination of this Agreement, howsoever caused, the Franchisee/Franchisee's representative right to use such trademarks, logos shall cease with immediate effect. The Franchisee agrees not to attach any additional trademarks, logos or trade designations to any services of the BSNL thereafter.
- 15.3 As long as this Agreement remains in force but not thereafter, subject to **Clause 15.2** above, the Franchisee may identify itself as an Authorized Franchisee of the BSNL, but shall not use the brand names, logos and trademarks of the BSNL as part of its corporate or partnership name or otherwise indicate to the public that it is an affiliate or agent of the BSNL.
- 15.4 The Franchisee will not publish, nor cause to be published, any advertising, or make any representations oral or written, which might confuse, mislead or deceive the public or which are detrimental to the name, trademarks, goodwill or reputation of the BSNL. It is advisable that such advertising may be got approved by BSNL prior to publication.
- 15.5 The BSNL shall allow the Franchisee to use its logo/ trademark to be displayed on the signboard to be placed at the Franchisee/Franchisee's retailer's outlet(s) and on the each memos and/or bills issued by the Franchisee towards the sales of BSNL products effected from the outlet(s). However, the intellectual property rights associated with such brand names, logos and trademarks are and shall remain the sole property of the BSNL.
- 15.6 The Franchisee shall not use any name, emblem, logo or trademarks of its own.

16.0 Warranty

- 16.1 The Franchisee hereby expressly warrants that the consumer mobility products and territory as specified herein shall be efficiently sold by the Franchisee network with high quality standards as specified by BSNL from time to time. The standards and specifications as set by the BSNL shall be strictly adhered to by the Franchisee without any qualifications.
- 16.2 The Franchisee shall not make any representation to customers or give any warranties other than those contained in any standard terms and conditions set out in the customer Application Forms (CAF).

17.0 Product Availability

- 17.1 BSNL reserves the right to delete from this Agreement BSNL products and territories in which the Franchisee is not able to perform and in such an event the BSNL shall give to the Franchisee as much notice of such deletion as is practicable in the circumstances.
- 17.2 BSNL shall be vested with the sole discretion to amend, review, suspend, cancel, change or extend the scope and ambit of the products and territory as specified in Eol / CM-S&D Policy-2018

18.0 Software: In relation to any software supplied by BSNL to the Franchisee (if any) solely for the performance under this agreement, the Franchisee acknowledges that all intellectual property rights in such software are and shall remain the property of the BSNL or a third party licensor as the case may be. Furthermore, the Franchisee agrees that he will take steps necessary to protect these intellectual property rights and to comply with such requirements in this regard as the BSNL may impose from time to time.

20. 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.

20. Termination for Cause: This Agreement can be terminated on any of the grounds and in the following manner:

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- 20.1 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.
- 20.2 Without prejudice to any other provision for termination in this agreement, BSNL shall be entitled to forthwith terminate this agreement, without any liability to BSNL, by providing notice in writing to the franchisee of this agreement upon the occurrence of any of the following events:-
- (d) If the franchisee commits any breach, of any of the terms and conditions of this agreement and in case such breach is capable of being remedied, the franchisee fails to remedy the same within thirty(30) days after receipt of a notice in writing from BSNL giving full particulars of the breach and requiring it to be remedied, or
- (e) If the franchisee commits any breach, of any of the terms and conditions of this agreement and if such breach is not capable of being remedied, or
- (f) If the franchisee is found involved in fraud or other illegal or unethical activities in relation to any subject matter associated with this agreement.
- 20.3 BSNL may also terminate this agreement for any other reason at any time during the term of this agreement by delivering not less than 30 days' prior written notice of such termination to the Franchisee.
- 20.4 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 this agreement by written notice forthwith.
- 20.5 In case the Franchisee parts with its business including its assets in favour of any 3rd party directly or indirectly, the BSNL will have a right to terminate this agreement forthwith. The exercising of the right of cancellation / termination shall not have the effect of waiving any damages to which BSNL might otherwise be entitled to.
- 21.0 Consequences of Termination:** In the event that Agreement is terminated, the following shall be the consequences.
- 21.1 All the Franchisee's rights under this Agreement shall cease and no payment whatsoever shall be due to the Franchisee for loss of goodwill, anticipated profits and any other claims or losses on account of such termination. The Franchisee hereby waives any claim to receive any compensation as a result of the termination of this Agreement.
- 21.2 On termination or surrender or expiry of this agreement, any sums payable under this Agreement and which are unpaid on the date of termination shall forthwith become due and payable by the Franchisee. In case failure of franchisee to pay the amounts due to BSNL, the franchisee shall be liable to pay interest @12% per annum along with applicable GST, on this realization of the said outstanding amount. The outstanding amount shall be realized from the pending dues of bills due to franchisee or from the encashment of BG without prejudice to any other risks & remedies available to BSNL.
- 21.3 The provisions of this Agreement shall, to the extent stated or necessarily implied, survive the termination thereof.
- 21.4 Subject to the provisions of this agreement, cancellation or termination or expiry of this Agreement shall not relieve or release either party from making payments which may be owing to the other party under the terms of this Agreement.
- 21.5 The Franchisee shall at its own expense return to the BSNL promptly all information, documentation and materials to the BSNL which relate to the sale of products and / or software and future marketing

Signature of Franchisee / RD

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plans or future models of the BSNL together with any copies thereof or any other documents entrusted to the Franchisee by the BSNL. Franchisee shall not represent BSNL in any of its dealing and use BSNL's name trademark logo etc.

- 21.6 On termination of this Agreement howsoever occasioned, the Franchisee shall deliver to the BSNL all the merchandise SIM card Data Cards etc., all papers including the unused registration forms, partially used and unused books, marketing / publicity and display material and documents etc. which may have come to his possession or custody before the termination.
- 21.7 On the termination of the agreement for any cause whatsoever, all rights and privileges granted to the Franchisee shall immediately terminate. The Franchisee and all persons claiming under it shall immediately cease and desist from the use of the trade name BSNL and any other sign, slogan, symbol or other distinguishing characteristic owned by or associated with BSNL's products. The Franchisee shall immediately cease carrying on any business permitted under the agreement.
- 21.8 BSNL shall be entitled to injunctive and equitable relief for any violation of the terms and conditions. Franchisee shall pay all costs and expenses including reasonable advocate fee borne by the BSNL for enforcing any provision of the agreement including the provisions of **Clause 21**. The provisions of this clause shall survive the termination of this agreement.

22.0

- (i) **Liquidated Damages:** If the franchisee fail to deliver the services as per agreement schedules, parts, Annexure and CM-S&D Policy-2018 or adhere to the targets as prescribed and agreed herein, or breach of any of terms and conditions of this agreement or surrender of franchisee-ship at its own will, without prejudice to other remedies available to BSNL, BSNL shall be entitled to recover, as pre estimated agreed liquidated damages for breach of contract, a sum equivalent to PBG or as decided by Telecom Circle / District for failure to provide services or breach of terms and conditions of the agreement as well as the agreement among BSNL, RD and Franchisee. If RDs is served through Franchisee and same be set-off/adjust from the PBG or forfeit the PBG.
- (ii) **Legal action:** BSNL may initiate legal action against Franchisee in case of Para 22(i) above.
- (iii) **BSNL** may debar the Franchisee for future dealings with BSNL for any contract / Franchisee ship/dealership etc.

- 23.0 **Insurance:** The liability to insure Franchisee stocks in the outlet (s) and in the possession of the Franchisee will be of the Franchisee and the liability for any loss or damage due to any fire, burglary, theft, etc. will be that of the Franchisee.

24.0 Indemnification

- 24.1 The Franchisee hereby agrees to well and sufficiently protect and keep harmless and indemnify the BSNL, against all type of embezzlement, misappropriation or misapplication of money. Or fraud if any committed by prospective subscriber(s).
- 24.2 The Franchisee agrees to fully indemnify and keep indemnified the BSNL against all losses or any claims for damages or any other claims of whatsoever nature, which are brought against BSNL by any third party owing to deeds or misdeeds attributable to the Franchisee, or any claim of breach of any statutory regulation, orders from any govt. bodies requires or breach of any clause or term and conditions of this agreement The BSNL shall be vested with the sole discretion to determine such damages/ claims and have the right to adjust the same from any dues payable to the Franchisee.
- 24.3 The BSNL shall not be liable to the Franchisee or any other party consequent upon termination of the Agreement or termination of Agreement with RD, if RD is served through franchisee for any reason whatsoever for any claim for loss or profits or for any anticipated booking for BSNL or on account of any expenditure, investments, leases or any other commitments made by the Franchisee in connection with the Agreement made in reliance upon or by virtue of the Franchisee appointment under the Agreement.
- 24.4 The BSNL's acceptance of any booking from the Franchisee after the termination / expiry of this Agreement shall not be construed as a renewal or extension of the Agreement nor as a waiver of termination.

25.0 Franchisee as independent entity.

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- 25.1 The Franchisee, its employees, agents and representatives shall sell the BSNL products purchased by them, as an independent "entity" on an exclusive basis and nothing contained herein shall be deemed to create any partnership, joint venture, employment or relationship of principal and agent between the parties hereto or between BSNL and the Franchisee representatives and employees or to sell BSNL products with any right, power or authority, or to provide the Franchisee with any right, power or authority, whether express or implied to create any such duty or obligation.
- 25.2 The Franchisee's personnel, employees, agents or representatives have no authority and/or right to bind BSNL in any manner. It is clarified that the personnel employed by the Franchisee shall be the sole employees of the Franchisee and BSNL shall have no financial or statutory responsibility towards them.
- 26.0 The Franchisee represents and warrants that no officer, director, employee of BSNL or immediate family member thereof ("collectively, BSNL, personnel") has received or will receive anything of value of any kind from the Franchisee or its officers, directors, employees or agents in connection with this Agreement and that no BSNL personnel have a business relationship of any kind with the Franchisee or its officers.

27.0 Miscellaneous

- 27.1 In the event of the death or retirement of any director or change of shareholders of the Franchisee the appointment of a replacement or the transfer to another shareholder shall be subject to the prior approval of the BSNL which shall not be unreasonably withheld and such replacement or transferee shall enter into each agreement to abide by the terms and conditions of this agreement as may be required by the BSNL. However the decision of BSNL shall be final in this regard.
- 27.2 The Franchisee shall not shift the operations to any other premises without written permission from the BSNL.
- 27.3 The Franchisee may publish advertisement in newspapers at his own cost with the prior approval from the BSNL for text matter and design.
- 27.4 The Franchisee will not be allowed to make any alteration/ correction in the text matter of registration forms or any printed materials supplied by the BSNL.
- 27.5 The terms and conditions may be amended as and when any changes, addition or deletion is required with the consent of both the parties except what is stated herein above.
- 27.6 In case of loss of the certificate(s) or any documents issued by the BSNL, the Franchisee shall immediately report the same to the BSNL with the copy of F.I.R.
- 27.7 The BSNL will issue a certificate to the effect that M/s _____ is the authorized Franchisee for selling BSNL products. This certificate shall have to be displayed by the Franchisee. The photo I-card would be issued to the executive director/ proprietor or other authorized person/executive(s) by the Franchisee.
- 27.8 BSNL reserves the right to increase the number of the Franchisees in the territory allotted to the Franchisee, withdraw the work of Franchisee ship of any or all products for any reason at the discretion of the BSNL or take such steps etc. in the interest of service.
- 27.9 BSNL may call, as and when felt necessary, the Franchisee/ Franchisee's representative for educating him in respect of latest schemes, products, rules, orders or regulations.
- 27.10 The Franchisee shall not secure subscribers from outside the allocated area & confined its operation within the allotted territories.
- 27.11 The Franchisee will distribute BSNL products at a rate fixed by the BSNL to all its associated retailers.
- 27.12 The Franchisee shall make all endeavours to ensure that no fraud of any kind, contractual, criminal or otherwise is committed by any prospective subscribers of all its channel partners in the matter of taking/providing BSNL connection and matters connected therewith. Franchisee shall be responsible for the costs and consequences thereof inter-alia outstanding dues, litigation, losses, damages or loss suffered/ to be suffered by BSNL etc.
- 27.13 The Franchisee shall carry out its obligation hereunder at its own cost and expenses including but not limited to usage of his own space and personnel and no reimbursement whatsoever shall be made by the BSNL on any account whatsoever.

Without prejudice to its right of any other remedy, BSNL shall encash the PBG in case of any breach of any terms and condition of the agreement or sell products as per agreed schedule and parameters, targets etc. on the part of franchisee.

- 27.14 The Franchisee is not authorized to assign or otherwise transfer the benefits of this agreement or part thereof to a third party.
- 27.15 The Franchisee shall provide his permanent address and bank account number/PAN at the time of signing the agreement.
- 27.16 The Franchisee will be given a code number as his identification. A 'SEAL' indicating the code number along with the name & address of the Franchisee shall be imprinted by the Franchisee on the subscriber agreement forms and prepaid application forms before forwarding them to BSNL.
- 27.17 The Franchisee shall be fully responsible for the employment or payment of wages to its employees and shall fully comply with all laws, rules, regulations, notifications, directions orders etc. of the Govt. whether Central, State, Local or Municipal relating to such employment, payment of wages etc. and all others matter connected therewith and hereby indemnifies and agrees to continue indemnifying BSNL in this regard.
- 27.18 The Franchisee shall perform their duty in strict compliance with all applicable laws in India along with rules and regulation of duly constituted govt. authorities in India and shall obtain all licenses, restrictions or other approval, if any required by laws in India.

28.0 General Terms & Conditions

- 28.1 Whenever any new products are launched, a separate communication will follow on the applicable discount / margin rate.
- 28.2 Franchisees may be given right to view Franchisee portion of Sancharsoft, which they are supposed to view periodically and take necessary actions.
- 28.3 BSNL reserves the right to change the terms of trade from time to time with notice period of 30 days.
- 28.4 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.
- 28.5 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.
- 28.6 The company's decision will be final on all matters relating to the business and will be binding on the Franchisee.
- 28.7 The payment by the Franchisees will be made through a cheque / ECS.
- 28.8 All Franchisees will report to SSA Head through the nodal officer appointed by him.
- 28.9 All taxes present & future, that may be levied by the govt./ local authorities etc. will be applicable to the franchisee a/c.
- 28.10 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.
- 28.11 The franchisee has to fully cooperate with BSNL to investigate any complaint from the public, retailers or BSNL's sales teams.
- 28.12 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.
- 28.13 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.
- 28.14 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 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
- 28.15 BSNL Shall not be liable for any act of commission or omission of any third party.
- 28.16 During the currency of agreement, franchisee will not be permitted to provide services to any other telecom service provider.

- 28.17 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.
- 28.18 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.
- 28.19 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.
- 28.20 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 (as may be applicable)
- 28.21 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.
- 28.22 BSNL shall deduct tax at source if required under GST Act and regulations, any law or any regulation.
- 28.23 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.
- 28.24 Those who were terminated / not migrated may be barred to participate in EOI for that territory only for next two years.
- 28.25 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.
- 28.26 PBG shall be forfeited, in case franchisee does not start business within stipulated time frame as mentioned under agreement.
- 28.27 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.
- 28.28 PBG shall be forfeited if franchisee-ship is terminated on performance based evaluation mentioned under agreement.
- 28.29 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.
- 28.30 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.

29.0 General Provisions

- 29.1 **Governing Language and Law:** The language to be used in connection with the Agreement shall in all cases be the English Language. This Agreement shall be governed by and construed in accordance with the laws of India.
- 29.2 **No authority to Commit:** The Franchisee, its agents and employees will not be the legal representatives, employees or agents of the BSNL for any purpose and have no right or authority to incur any expenses on behalf of the BSNL or to create, in writing or otherwise, obligations of any kind, express or implied, in the name of or on behalf of BSNL excluding the rights and duties under this Agreement. The Franchisee shall make no representations inconsistent with the foregoing, but so long as this Agreement remains in force, the Franchisee shall be entitled to describe itself as the “Authorized Franchisee” of BSNL for selling the products in the territory.
- 29.3 **Assignment:** Neither party may assign its rights and remedies nor transfer its obligations under this Agreement without prior written consent of the other party, except that the BSNL may so assign to any of its affiliated or subsidiary companies without such consent. In any event, any assignment or

transfer shall not operate to relieve the assigning party of any of its obligations hereunder, nor will any such assignment impose any obligation on the assignee except in the case of an express written assumption by the assignee.

29.4 **Notices:** Any notice or communication pursuant to this Agreement shall be deemed duly given or made when they shall have been delivered by hand, first class registered mail or, to the party at the address set forth at the beginning of this Agreement, or to such other address as shall have been given in writing to the other party.

For and on behalf of the Franchisee
Signature _____
Name _____

For and on behalf of the BSNL
Signature _____
Name _____

(In capital letters)

(In capital letters)

Executive Director / Prop. _____

Designation _____

Name & Address _____

Designation:-

Name & Address _____

29.5 **Failure to enforce:** The failure of either party to enforce at any time the provisions hereof shall not be construed to be a waiver of such provisions nor a waiver of the right of such party thereafter to enforce each and every such provision.

29.6 **Remedies for enforcement**

iii. Nothing shall be construed to restrict the right of the BSNL to institute appropriate proceedings at law and equity to obtain injunction or other relief on account of any default hereunder whether or not the BSNL has exercised its right to terminate the agreement.

iv. The remedies granted to BSNL will be cumulative and are not intended to be exclusive if any, other remedies to which it may be lawfully entitled in case of any breach or threatened breach of the terms and provisions. Failure of BSNL to insist on strict performance of any of terms and provisions of the agreement or to exercise any right or remedy shall not be construed as a waiver of any such rights.

29.7 **Joint and Several:** All agreements on the part of either of the parties which comprise more than one person or entity shall be joint and several and singular gender throughout this agreement shall include all genders and the plural and the successors in title to the parties.

29.8 **Severability:** If any terms or provisions of the agreement are or shall be illegal, invalid or unenforceable in any jurisdiction, all other terms and provisions of the deed shall remain legal, valid and enforceable in such jurisdiction and the parties shall endeavour to substitute forthwith such other legal, valid and enforceable provisions as will most closely correspond to the legal and economic intent of such illegal, invalid or unenforceable term or provision.

29.9 **Publicity:** This Agreement shall be treated by the Franchisee and franchiser, as each treats its own confidential information. Additionally, no press release or other publicity of any nature regarding this Agreement shall be made without the other party's prior written approval, which approval shall not be unreasonably withheld. Franchisee should take all necessary steps to safeguards the privacy and confidentialities of any information about BSNL and its subscribers from whom it has acquired such information by virtue of the product sold and shall not divulge or use any such information except as may be necessary in case of activities under this agreement. Franchisee shall, prior to commencement of operations, confirm in writing to BSNL that franchisee has taken all necessary steps to ensure that it and its employees shall observe confidentiality of customer information. However, approval of such disclosure shall be deemed to be given to the extent that such disclosure is required to comply with government rules, regulations or other governmental requirements. The publishing party shall give the other party a reasonable opportunity to review the text of such disclosure prior to the disclosure.

30.0 **Title:** Titles to the paragraphs / clauses are given for convenience only and do not have any legal complications.

31.0 **Force Majeure:** Without in any way limiting the general limitations of liability contained in this entire agreement neither party shall be responsible for failure or delay in performance of sale of products

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hereunder due to any occurrence commonly known as force majeure including without limitation acts of God, any government body (de jure or de facto) or public enemy, acts of war, riots, earthquake, embargoes, strikes or other concerted acts of workmen (whether of the parties or others) casualties, or accidents, and shortage of power, labour or materials, or any other causes, circumstances, or contingencies, whether of a similar or dissimilar nature to the foregoing, beyond the parties' control and which cannot be reasonably forecast or prevented thereby hindering the performance by the parties of any of its obligations hereunder.

The parties shall forthwith give each other notice in the event of any one or more of the foregoing occurrences. Upon such notice the parties may cancel or delay performance hereunder for so long as such performance is prevented or delayed by such occurrence and in such an event neither party shall have any liability to the other.

32.0. Dispute Resolution/ Arbitration:

Except as otherwise provided elsewhere in the contract, in the event of any disputes, controversy , or differences arising out of or relating to this agreement, or the breach, termination or invalidity thereof between the parties, such party or parties shall make a request to the other party or parties to amicably settle such differences or disputes and parties shall thereupon make every effort to settle the same amicably within a period of 60 (sixty) days from the date of making of such request.

Where parties are unable to settle the disputes through conciliation, the same shall be referred to CGM, Telecom Circle/District of BSNL for referral of such disputes to a sole arbitrator (Chosen from the name(s) provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration and conciliation Act, 1996, any amendment thereof , and any notification issued or rules made thereunder from time to time.

The venue of the arbitration proceeding shall beSSA.

33.0 Set Off: Any sum of money due and payable to the franchisee under this agreement or otherwise shall be appropriated by BSNL and the same shall be set off against any claim of BSNL for payment of sum of money arising out of this agreement or other agreement(s) made by franchisee with BSNL.

The agreement including the Annexure / CM-S&D Policy-2018, and Eol no. ____ dated _____ constitute the entire Agreement of the parties with respect to the matters herein contained and all its terms and conditions are binding between the parties and supersedes all prior agreements and understandings between the parties whether written or oral. The Agreement shall be signed by the authorized representatives of both parties. In witness whereof, the parties have causes this agreement to be executed and delivered by the duly authorized officers:

For and on behalf of the Franchisee
Signature _____
Name _____
(In capital letters)
Executive Director / Prop. _____
Designation _____
Name & Address _____
Dated at _____ on _____

For and on behalf of the BSNL
Signature _____
Name _____
(In capital letters)
Name & Address _____

List of authorized representatives:

(a) As designated in writing by the BSNL:

- Name
- Designation
- Address
- Mobile Number
- E-mail ID

(b) As designated in writing by the Franchisee:

- Name
- Designation
- Address
- PAN Number
- Qualification
- Mobile Number
- e-Mail id

Responsibilities of Franchisee

- y. Selling of all BSNL Products purchased by them, directly or through Rural Distributors (RDs) or retailers.
- z. Two tier structure for urban and three tier structure for rural areas by incorporating intermediate channel of RDs.
- aa. Generation of demand for sale of products purchased from BSNL.
- bb. 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. Atleast one retailer in every Village
- cc. Retailers in the rural areas will be appointed and served by RDs.
- dd. Meeting all targets set by SSA/Circle for the franchisee territory. Franchisee is responsible for meeting these targets through all channel entities working under him.
- ee. 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/- (along with applicable GST, if any) shall be imposed per wrong CAF on franchisee.
- ff. 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 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.
- gg. 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.
- hh. Operation of IT tools and systems provided by BSNL as specified from time to time, including hiring data entry operator if required.
- ii. Appointing required number of FoS (Feet-on-Street) exclusively for BSNL to serve retailers as per guidelines in force.
- jj. Assisting, cooperating and following instructions issued by the Franchisee Manager or any other BSNL employee appointed by BSNL and provide him/her required details as specified by BSNL.
- kk. Providing List/Details of FOS and retailers to BSNL.
- ll. 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.
- mm. All forms of complaint handling on phone and walk-in-complaints (hardware related, billing, 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.
- nn. 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.
- oo. 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.
- pp. Receiving advertisement/ marketing material from BSNL, and displaying it at POS and distribution to Rural Distributors.

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- qq. Promotion of BSNL brand(s) at Franchisee's cost.
- rr. Arranging special promotional events as per BSNL guidelines at Franchisee's cost, including events, camps/canopy in unreached and potential areas.
- ss. Timely submission of bills and claims to the nodal officer
- tt. Storage of SIM's, data cards and other telecom products.
- uu. Issue receipts: At the time of booking of any new connection franchisee shall issue a formal receipt to the customer.
- vv. Franchisee will be responsible for all the work done through its distribution network.
- ww. The franchisees will be responsible for intimating their state-wise GSTN No. to BSNL for billing purposes

Target Setting:

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

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:

(d) 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.

(e) 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.

(f) For POS :

Based on number of BTS

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.

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,

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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.

d) For recharge:-

SSAs may further apportion the recharge target as per number of BTS and class of territory.

e) 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

f) 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.

Consideration and Pricing

- iv. In consideration of the Franchisee fulfilling its obligation set out in this Agreement and in the BSNL S&D Policy 2018, BSNL shall sell to the Franchisee the stock at a rate as may be decided and communicated by BSNL from time to time.
- v. BSNL shall from time to time declare the maximum retail price of the stock subject to the applicable law and the Franchisee shall be able to further sell the products at a price as specified by BSNL subject to terms and conditions of this Agreement and applicable law.
- vi. Franchisee shall further sell the products to retailers/ RDs at a price lower than the maximum retail price, in accordance with Annexure-V. These figures indicate the minimum share of discount/ margin which franchisee must pass on to retailers/ RDs.
- vii. Wherever retailers are being served through "RURAL DISTRIBUTOR", franchisee has to pass on at least 82.5% of discount/ margin earned by the franchisee (i.e the discount provided by BSNL at the time of sale of products to Franchisee) to rural distributor out of which 65% will be passed by RDs to retailers on Recharge / C-TOPUP.
- viii. The Franchisee shall make all payments in respect of stock purchased in advance by way of (i) RTGS (ii) account payee crossed bank cheque/ draft favouring the AC payee.
- ix. Delivery of stock shall be made only after full payment of money by the Franchisee to BSNL
- x. Any charges of delivery of stock shall be borne by the Franchisee.

B. Penalty (along with applicable GST, if any):

Consequences for Poor Performance: Any franchisee who does not meet the cut-off score on any parameters, becomes liable for penalty as per the table given below:

Penalty Structure for Franchisees								
Class of Territory	Month	1st	2nd	3rd	4th	5th	6th 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.

Signature of Franchisee / RD

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.

B. Action against Cross-selling:

- c) 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).
- d) If franchisee is found selling through Multi SIM device:
- (i) BSNL may impose suitable penalty on the franchisee along with a warning letter.
 - (ii) The CTOPUP 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

Discount/ Margin offered**Table- I A (Two Tier) Franchisee – Retailer**

Sharing of franchisee discount/ margin among Franchisee → Retailers

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

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

Sharing of franchisee discount/ margin among Franchisee/ RDs/ Retailers

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

Table- II (Two Tier) RDs – Retailers

Sharing of franchisee discount/ margin among RDs/ Retailers

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

Tax Liability: Online SIM selling distributor have to comply with all applicable taxes as per central/states/Local Laws.

- a. BSNL will charge GST on the price at the transaction value i.e. the price at which BSNL sells its products to Online SIM selling distributor. BSNL would raise sale invoice for sale of BSNL products to Online SIM selling distributor. BSNL would raise invoice on GST registered premise only.
- b. GST paid by Online SIM selling distributor to BSNL shall be available to the online SIM--distributors as input tax credit which can be set off against the GST charged by Online SIM selling distributor
- c. 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
- d. The invoices raised by BSNL should comply with all the conditions as prescribed under the GST law in force.
- e. The rate of discount on sale of BSNL products 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.
- f. Further online SIM selling Distributor is required to declare correct information on GST portal viz. the amount, the place of supply, rate of tax etc as mentioned on the invoice raised by BSNL. In case, the eligibility of input tax credit is questioned or denied to online SIM selling Distributor on account of default by online SIM selling Distributor, the same would be not recovered from BSNL by online SIM selling Distributor
- g. Methodology and applicable tax deduction at source on discount (if any) at the time of sale of BSNL Products etc. to Online SIM Selling Distributor may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.
- h. The rate of discount on sale of BSNL products 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.
- i. The invoice raised by BSNL shall comply with all the conditions as prescribed under Central Goods and Services Tax Act, 2017 and Rules enforced.
- j. In case of any deficient supply or incomplete supply both at the time of sale of BSNL products, BSNL shall issue a credit note and Online SIM selling distributor hereby accepts to acknowledge and account this credit note. The Online SIM selling distributor represents to take appropriate action to enable BSNL to get a GST deduction whenever applicable.
- k. 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 due to failure of Online SIM selling distributor to comply with the relevant laws/ regulations applicable in India or overseas, Online SIM selling distributor undertakes to indemnify BSNL for an amount equal to amount payable by BSNL and the same shall be recovered by BSNL
- l. In case of any deviation, default or negligence on the part of Online SIM selling distributor due to which it is liable to pay penalty to BSNL, the same shall be recovered by BSNL from Online SIM selling distributor along with applicable GST (as may be applicable)
- m. BSNL reserves the right to amend and Online SIM selling distributor agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to changes in BSNL's policy

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Format of Tri Party Rural Distributorship Agreement
(The Agreement should be typed on non-judicial stamp paper of Rs. 100/-)

This agreement is made at _____ day of _____ 20____, between _____ Telecom Circle / District, of Bharat Sanchar Nigam Limited (BSNL), a Company incorporated under the Companies Act, 1956 having its Registered Office & Corporate Office at Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001 Circle office at _____ and SSA at _____ (hereinafter referred to as "BSNL" which expression shall be deemed to include its successors and assigns wherever the context so admits or requires) through its duly authorized representative Mr. _____ of _____ SSA, ON THE ONE PART.

AND

M/s _____ (hereinafter referred to as the "Franchisee-CM" (or franchisee in short, both terms have been used in this document interchangeably) which expression shall include his servants, heirs, executors and administrators wherever the context so admits or requires) through its authorized representative, Mr. _____ ON THE SECOND PART.

AND

Sh. _____ (hereinafter referred to as the "**Rural Distributor**" (or RD in short, both terms have been used in this document interchangeably) which expression shall include his servants, heirs, executors and administrators wherever the context so admits or requires) through its authorized representative, Mr. _____ ON THE THIRD PART.

The BSNL, Franchisee-CM, RD, will individually be referred as "party" & collectively called as "parties"

WHEREAS

- (a) The BSNL is desirous of appointing authorized **Rural Distributor** with a view to do sales and distribution of BSNL products to cater rural areas covered by approx. 5 BTS under its brand names for which the BSNL has been licensed to provide Telecom services.
Whereas BSNL selected RD through open interest dated _____ for _____ (Name of the territory and SSA) from rural areas who will be served by the said territories of Franchisee-CM as mentioned in the second part of this agreement, for selling BSNL products on the terms and conditions as agreed herein among parties of this agreement.
- (b) The Rural Distributor has given an unconditional Bank Guarantee of Nationalized Bank of Rs. _____ valid for _____ years, _____ months and shall be refunded after due fulfilment of the said agreement.
- (c) The RD has been selected for three years and its term may be extended for two years on year to year basis, based on performance. This agreement shall be valid till the validity of franchisee agreement or for period of three year whichever is earlier.
- (d) Whereas Franchisee-CM shall use RD and its retailers for sale and distribution of BSNL products through the RDs in a rural area on the terms & conditions as agreeable among the parties under this agreement.

Now it is hereby agreed by and among the parties hereto as follows:

In consideration of due observance & performance of all the terms & conditions mentioned in this Agreement (Annex-VI) & Parts of Annexure of Agreement between BSNL & Franchisees and are also party of Agreement (Annex-VI) attached here to & forms part & parcel of this Agreement. BSNL, Franchisee, RD are to sign this agreement for sale of BSNL products in the rural areas as per terms & conditions of various parts of Annex of EOI and RD parties attached herewith.

- vi. Rural Distributors (RDs) shall be selected by BSNL and may work on non-exclusive basis under the CM-franchisee agreement as executed between BSNL & franchisee.
- vii. BSNL shall issue a certificate to the effect that Sh. _____ is authorised RD selected by BSNL and authorised to serve under M/s _____ franchisee of territory _____
- viii. Rural Distributors will be assigned an exclusive area of 4-5 BTS sites within one CM-franchisee territory.
- ix. Rural Distributors shall 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.

Signature of Franchisee / RD

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- x. Retailer / POS in the area of RD will be managed by Rural Distributors at its own risk and cost and franchisee will have no direct role to play in that area.

14. The RD has submitted a bank guarantee of Rs. _____ as a security towards due observance and performance of terms and conditions of this agreement. The PBG shall be valid for _____ years _____ months. The Rural Distributor agrees to increase the amount or/and to renew / extend the PBG from time to time till the expiry of this agreement or till dues of BSNL by virtue of this agreement have been fully paid and its claims satisfied or discharged or till BSNL is satisfied that terms and conditions of the said agreement have fully and properly carried out by the franchisee. Without prejudice to its risks & remedies BSNL shall encash/forfeit the said PBG on breach of terms & conditions of this agreement by RD or failure to sell BSNL products under this agreement by RD or failure of the RD to meet the targets assigned by BSNL.

- 2.1 The Franchisee-CM has submitted the PBG of Rs. towards observation of performance of terms of this agreement and its own agreement dated.....

15. Discount/ Margin/ Commission:

- d) Sharing of Commission among Franchisee, RD & Retailer will be as per the Annexure-V and will be payable as per the procedure specified by the BSNL. The Franchisee shall make payment of commission to RDs as per Annex-V.

RDs will also get 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:

3. The incentive will be payable after the end of the month & deposition of the CAF.
4. 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 Sanchar-soft data only) will be as follow:

- | | | |
|---------------------|---|---------|
| • Franchisee | - | Rs.10/- |
| • Rural Distributor | - | Rs.15/- |

- e) RDs should pass commission received by them to retailers as per said Annexure-V or as specified by BSNL from time to time.
- f) Mode of payment between RDs and Franchisee shall be electronically based on Sanchar-Soft. BSNL shall devise the system for manual payment, till the provision of 3-tier structure (Franchisee/ RDs/ Retailer) in Sanchar-Soft. It is the responsibility of Franchisee, the payment received from RD should be deposited on the same day in BSNL account.

16. Verification of identity of subscribers

Franchisee shall be responsible for the subscriber's verification done by the Rural Distributor & retailers of Rural Distributor. The original proof of identity /address be matched & verified with the self-attested photocopies submitted by the applicant.

17. Responsibilities and Obligation of Rural Distributor

- 5.38 Rural Distributor must ensure that BSNL products are available in retail networks in sufficient quantity on demand.
5.39 Rural Distributors and for its channel retailer shall submit CAF completed in all respect to concern franchisee.
5.40 Rural Distributors are required to attend meetings in SSA/ Franchisee as and when needed.
5.41 Rural Distributor is supposed to serve retailers at their premises.
5.42 The BSNL reserves the right to change the terms of trade from time to time without any prior notice.
5.43 The Rural Distributor shall fully co-operate Franchisee / BSNL.

Signature of Franchisee / RD

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- 5.44 RDs will make payment at the time of delivery of stock. However, they should make the requisition to the territory franchisee in advance.
- 5.45 The Sales Target shall be communicated by BSNL from time to time which shall be part & parcel of this Agreement.
- 5.46 Timely submission of bills and claims to the nodal officer/ franchisee.
- 5.47 MIS as per BSNL format to BSNL officials/ Franchisee as per frequency specified.
- 5.48 Rural distributors are required to attend meetings in SSA/ Franchisee as and when needed. Rural Distributor must ensure availability of BSNL products.
- 5.49 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.
- 5.50 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.
- 5.51 The security deposit of Rural Distributor shall be forfeited in case of violation of agreement and non fulfilment of statutory obligations.
- 5.52 Rural Distributor must ensure that BSNL products are available with its retailers in sufficient quantity on demand. Rural Distributor must ensure that no black marketing or mal treatment to customer is done through its network.
- 5.53 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.
- 5.54 If any proof is found, suggesting illegal involvement of Rural Distributor/ retailer or any other distribution channels, SSA head will decide and propose cancellation of Rural Distributor license.
- 5.55 SSA head reserves the right to terminate Rural Distributorship at any time based on performance.
- 5.56 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.
- 5.57 In case of termination of agreement with franchisee, RD will be served by the look-after franchisee of the respective territories or by the BSNL/ any other channel.
- 5.58 RD has to sell BSNL product as specified by BSNL.
- 5.59 RD will be responsible for intimating their GSTIN to BSNL and/or franchisee for billing purpose.
- 5.60 In case of dispute arising between the Rural Distributor/ Franchisee and BSNL, the same shall be adjudicated by means arbitration clause.
- 5.61 The decision of BSNL will be final on all matters relating to the business and will be binding on the Rural Distributor.
- 5.62 If any proof is found, suggesting illegal involvement of Rural Distributor/ retailer or any other distribution channels, SSA head may decide and cancel contract of Rural Distributor.
- 5.63 SSA head reserves the right to terminate Rural Distributorship at any time without assigning any reason.
- 5.64 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.
- 5.65 RD has to sell BSNL product as specified by BSNL.
- 5.66 BSNL reserves the rights to seek/verify financial information from Rural Distributor Bankers/credit providers & ensure other sources to carry out other verifications
- 5.67 The RD agree not to involve himself in any manner either directly or indirectly in a business or activity which is in connection with business or activities of BSNL. The RD acknowledges that the adherence of this provision is a material obligation of this agreement.
- 5.68 The RD shall treat as confidential and secret all verbal and written communication, lists and circulars which in the opinion of the BSNL are regarded as confidential information and/or trade secrets. The Franchisee shall adopt and implement security procedures acceptable to the 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 the BSNL and shall be returned to the BSNL upon termination of this Agreement in the

manner prescribed by the BSNL. The Franchisee hereby undertakes and agrees not to retain and make any copies of the entrusted confidential information.

- 5.69 The RD shall use BSNL Logo, Brand name during the term of this agreement.
- 5.70 The RDs have to bear all applicable taxes as per central/state/local laws, GST tax. BSNL shall not be responsible for any circumstances whatsoever.
- 5.71 The RD shall be sincere to insure the stocks in its possession and liability for any loss or damage due to any fire, burglary, theft whichever is that of RD.
- 5.72 The RD shall not secure subscribers from outside the allocated area and confined the operation within the allocated area.
- 5.73 RD shall neither assign its rights and remedies nor transfer its obligations under this Agreement without prior written consent BSNL
- 5.74 Other Obligations:
- a. The RD shall not shift the operations to any other premises without written permission from the BSNL.
 - b. The RD will not be allowed to make any alteration/ correction in the text matter of registration forms or any printed materials supplied by the BSNL.
 - c. In case of loss of the certificate(s) or any documents issued by the BSNL, the RD shall immediately report the same to the BSNL with the copy of F.I.R.
 - d. The BSNL will issue a certificate to the effect that M/s _____ is the authorized RD for selling BSNL products. This certificate shall have to be displayed by the RD.
 - e. The BSNL reserves the right to increase the number of the RD in the territory allotted to the RD, withdraw the work of Rural Distributorship of any or all products for any reason at the discretion of the BSNL or take such steps etc. in the interest of selling BSNL products.
- 5.75 The merchandise will be sold at the premises by the Franchisee / RD and it is clarified:
- g. That the Franchisee / RD shall not have any authority to store, sell or transfer or in any way dispose of the merchandise except as provided in this Agreement.
 - h. The Franchisee / RD shall be responsible for all taxation aspects/levies levied by the govt. authorities. The merchandise sold by him and liable for the same, BSNL shall not be responsible in any case.
 - i. That the 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 Franchisee / RD.
 - j. That it shall be the responsibility of the Franchisee / RD to effect the sales through proper invoices detailing the material particulars of the BSNL phones including the IMEI number. The Franchisee shall keep the BSNL indemnified against claims regarding unauthorized handsets sold or alleged to have been sold from the Franchisee's outlet(s), being raised against the BSNL by any third party.
 - k. That the BSNL shall not be liable for any loss or damage of Free C TOP-UP activation SIM provided by BSNL.
 - l. That the BSNL shall not be liable for any loss or damage of Third Party Recharge (TPR).
- 5.76 BSNL reserves the right to suspend the operation of this agreement, 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 franchisee shall be payable by BSNL.
- 5.77 **Tax Liability:** RD have to bear all applicable taxes as per central/states/Local Laws.

- a. BSNL/Franchisee will charge GST on the price at the transaction value i.e. the price at which BSNL/Franchisee sells its products to the RD. BSNL/Franchisee would raise tax invoice for sale of BSNL products to the RD.
- b. For the purpose of this agreement, the place of supply under GST shall be determined in terms of applicable GST laws and regulations. The location of the RD for GST purposes shall be the location from which the RD raises a purchase order on BSNL/Franchisee.
- c. GST paid by RD to BSNL/Franchisee shall be available to the RD as ITC, which can be set off against the GST charged by RD on its further supply.
- d. In case of any deficient supply or incomplete supply both at the time of sale of BSNL products BSNL/franchisee shall issue a credit note and RD hereby accepts to acknowledge and account this credit note. The RD represents to take appropriate action to enable BSNL/franchisee to get a GST deduction whenever applicable.
- e. RD 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.
- f. 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 due to failure of the RD to comply with the relevant laws/ regulations applicable in India or overseas, RD undertakes to indemnify BSNL for an amount equal to amount payable by BSNL and the same shall be recovered by BSNL
- g. The invoices raised by BSNL should comply with all the conditions as prescribed under the GST law in force.
- h. The rate of discount on sale of BSNL products 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.
- i. Further RD is required to declare correct information on GST portal viz. the amount, the place of supply, rate of tax etc as mentioned on the invoice raised by BSNL. In case, the eligibility of input tax credit is questioned or denied to RD on account of default by RD, the same would be not recovered from BSNL/ franchisee by RD
- j. Methodology and applicable tax deduction on payment like discount at the time of sale of BSNL Products etc. to RD may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.
- k. In case of any deficient supply or incomplete supply both at the time of sale of BSNL products, BSNL shall issue a credit note and RD hereby accepts to acknowledge and account this credit note. The RD represents to take appropriate action to enable BSNL to get a GST deduction whenever applicable
- l. In case of any deviation, default or negligence on the part of RD due to which it is liable to pay penalty to BSNL, the same shall be recovered by BSNL from Online SIM selling distributor along with applicable GST (as may be applicable)

5.78 BSNL reserves the right to amend and the RDs agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to changes in BSNL's policy

18. Responsibilities and Obligation of Franchisee:

- f) Franchisees shall serve the RDs of his territories at his door-step on terms & conditions as mentioned herein and in the agreement dtd. _____ between BSNL & Franchisees.
- g) Wherever RDs are available, sales and distribution of BSNL product, should be only through retailers of RDs.
- h) Franchisees shall not create his retail network wherever RDs are selected.
- i) Territory Franchisee will collect all CAFs from RDs and will provide them SIM as well as Recharge Coupon/C-TOPUP.
- j) The Franchisee shall be responsible for all the issues of RD inter-alia, replacement of defective stock, payments, compliances, reconciliation of account with RD, physical verification of stock/ regular meeting with RD, Taxes aspects, grant of discount/ incentive etc.

19. **Responsibilities of BSNL:** 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.

20. Performance Monitoring:

The Performance of the RDs shall be measured as follows:

Weightage for evaluating performance

Parameters	Weightage
Type A Parameters	
FRC / Plan Voucher	45%
RC	30%
POS	25%
Total	100%
Bench Mark Score	50%

21. 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.

22. Exit Clause: RD may exit by giving 60days notice and PBG shall be refunded once the pending dues if any are cleared.

23. Dispute Resolution/ Arbitration:

Except as otherwise provided elsewhere in the contract, in the event of any disputes, controversy , or differences arising out of or relating to this agreement, or the breach, termination or invalidity thereof between the parties, such party or parties shall make a request to the other party or parties to amicably settle such differences or disputes and parties shall thereupon make every effort to settle the same amicably within a period of 60 (sixty) days from the date of making of such request.

Where parties are unable to settle the disputes through conciliation, the same shall be referred to CGM, Telecom Circle/District of BSNL for referral of such disputes to a sole arbitrator (Chosen from the name(s) provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration and conciliation Act, 1996, any amendment thereof , and any notification issued or rules made thereunder from time to time.

The venue of the arbitration proceeding shall beSSA.

24. Settlement off any sum of money due and payment to Franchisee, RD, under the agreement or otherwise shall be appropriated by BSNL and same shall be sett-off against any claim of BSNL for payment of sum of money arising out of this agreement of other agreement made by Franchisee/RD with BSNL.

The Agreement includes the Annexure-D/ CM - S&D Policy and EOI dt. constitute entire agreement of the parties with respect to matters here in conditioned and all its terms & conditions are binding among the parties shall be signed by all parties. This agreement will be construed in interpretation applied, governed in accordance with the laws of India and at Court has jurisdiction in respect of this agreement.

In witness whereof, the parties have causes this agreement to be executed and delivered by the duly authorized officers:

For and on behalf of the BSNL	Signature & Seal
Name _____	
Designation _____	
Address _____	

For and on behalf of the Franchisee	Signature & Seal
Name _____	
Executive Director / Prop. _____	
Address _____	
Telephone / Mobile Nos. _____	

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For and on behalf of the Rural Distributor	Signature
Name _____	
Address _____	
Telephone / Mobile Nos. _____	

Name and Address of Witness	Sign of Witness

Dated at _____ on _____