

**Bharat Sanchar Nigam Limited**  
(A Government Enterprises)

Policy for Deployment of 3<sup>rd</sup> Party A2P SMSC on non-exclusive basis

VAS-8/A2P-SMS/2014

Dated: 30<sup>th</sup> September, 2019

BSNL is currently providing the GSM/PSTN services across the nation except Delhi and Mumbai and has a GSM/CDMA subscriber base of approx. 110 Millions Prepaid and Postpaid and 18 Millions PSTN subscriber. At present BSNL has 25 Million mobile data users and 5 Mn landline broadband customers of different tariff plans.

Attributable to the rapid expansion of market and various efforts undertaken by this office, Bulk Push business has started gaining upward traction. There has been exponential growth in the revenues of Bulk Push SMS in recent times. To cater to the above requirement, it has been decided to deploy 3<sup>rd</sup> party SMSCs on managed service model.

Proposals are invited from interested and eligible companies for deployment of 3<sup>rd</sup> party A2P SMSC on non-exclusive basis. The eligible companies can offer the services to BSNL's subscribers after entering into an agreement with BSNL for deployment of A2P SMSC in BSNL premises. The objective is to further tap the ever growing market of A2P SMS and enhance the revenues through this service.

Salient points regarding eligibility conditions, documents required and major terms & conditions are given below:-

1. Eligibility Conditions:

- 1.1 The prospective SMSC deployer shall either be a company registered and incorporate in India under Companies Act, 1956/2013 or a Foreign company. In case prospective SMSC deployer is Foreign Company, it can participate either through its established place of business in India duly registered with the Registrar of Companies, Ministry of Corporate Affairs, Government of India or through its wholly owned subsidiary company registered and incorporate under companies act 1956/2013.
- 1.2 The company should have a minimum annual turnover (audited) of Rupees 10 Crores or equivalent during the last financial year in one of the following areas or any combination thereof,
  - a) Telecom applications/ VAS or
  - b) IT applications or
  - c) Content provisioning or
  - d) Content development or
  - e) Content application development.

The turnover of parents / holding company may also be considered for deciding turnover criteria; the subsidiary company shall submit a declaration in this regard.

- 1.3 The company should have deployed atleast one SMSC or worked as SMS aggregator with any of the operators in India.
- 1.4 The SMSC deployer has to be a registered telemarketer and have capability to filtering/ scrubbing facility.

- 1.5 SMSC deployer shall comply with all the existing TRAI/ TCCCPR Regulations 2018 as amended from time to time
- 1.6 The period of non-exclusive agreement will be 27 months (3 months for installation of equipment & integration with BSNL network and 24 months for service).
- 1.7 The company will be required to submit a non-refundable empanelment fee of Rs.4.5 Lakhs along with the proposal in the form of DD in favor of Accounts Officer (Cash), BSNL, New Delhi.

2. List of documents to be submitted as part of the proposal:

- 2.1 Copy of the Article of Association & Memorandum of Association.
- 2.2 List of Directors including their names(s) and address (es) alongwith contact telephone numbers, DIN of each director & CIN of the company.
- 2.3 Certified True copy of Board's/ Management's resolution in favor of authorized signatory.
- 2.4 Specimen signature of the authorized official duly attested by Company's/authorized signatory's Banker.
- 2.5 Latest audited Annual Report of the company, in case printed copy is not available then copy of the same duly certified by the Company Secretary/ Director/ Managing Director of the company.
- 2.6 Turnover certificate from the company's Auditors/ CA mentioning the field of turnover as required under the eligibility conditions.
- 2.7 Non-refundable Empanelment fees in the form of DD in the name of AO (Cash) BSNL New Delhi, required as per eligibility conditions.
- 2.8 Non-Disclosure Undertaking (NDU), duly notarized on non judicial stamp paper of Rs.50/- (NDA format enclosed).
- 2.9 Certificate from the Indian Telecom Operator that the SMSC deployer has deployed SMSC or is working as an SMS aggregator, in their network and the same is running successfully.
- 2.10 Contact details i.e. Name, mail id, phone no., mobile no., fax no. of a responsible person for liaising in this matter.
- 2.11 All necessary documents are to be submitted by Foreign SMSC deployer, as relevant to conditions mentioned in para 1.1.

Draft agreement, containing the complete commercial, financial and technical conditions to be signed for deployment of SMSC shall be forwarded to the eligible companies only after evaluating the proposal containing the above documents in full.

3. General Terms and Conditions of the Agreement:

- 3.1 The deployment of 3<sup>rd</sup> party SMSC will be done on Opex basis, wherein cost of SMSC will be borne by SMSC deployer and revenue generated through the service shall be shared between SMSC deployer & BSNL. The manage service model, BSNL will pay for per successful delivery of SMS i.e. per transaction cost. The prospective partner will deploy SMSC at its cost, market and acquire of the business, collection of revenue from its Enterprise customer etc. The partner will pay to BSNL as per its rate card minus per transaction cost of SMS.

- 3.2 BSNL's Cellular Mobile Operations are divided into four Zones viz. East, West, North and South, comprising of the Licensed Service Areas as defined below.

S.No.	Zone	Licensed Service Areas
1.	East	Assam , Bihar including Jharkhand , Kolkata Metro, Orissa, West Bengal including A&N, North East (NE-I including NE-II)
2.	West	Gujarat, Maharashtra, Madhya Pradesh including Chhattisgarh
3.	North	Haryana, Himachal Pradesh, , Jammu & Kashmir, Punjab, Rajasthan, UP (East), UP (West) including Uttarakhand
4.	South	Andhra Pradesh including Telangana, Karnataka, Kerala, Tamil Nadu including Chennai

- 3.3 SMSC deployer can deploy SMSCs in more than one zones of BSNL. The required connectivity to the concerned network elements of BSNL will be provided by BSNL.
- 3.4 BSNL shall offer 0.15 paise + applicable GST per successful delivered SMS to the prospective SMSC deployer.
- 3.5 The prevalent rate card of BSNL would be applicable to all the SMSC deployers, any modifications thereof would be abided by SMSC deployer.
- 3.6 The SMSC deployer will have to integrate with the various network elements of BSNL i.e. HLR, SMSC, Billing system, including inter operator billing system. BSNL will provide suitable connectivity to its network element like SSTP, B&CCS, Inter operator billing system etc. Necessary GT codes, SP codes, short codes etc will be provided by BSNL.
- 3.7 SMSC deployer will have to deploy a proper reconciliation mechanism/system including to give access to its servers/systems as per the requirement of BSNL. There should be a clear reconciliation mechanism in place to avoid any revenue leakage. Further, any additional integrations or nodes required for carrying out such reconciliations will be responsibility of SMSC deployer & should be at the cost of the SMSC deployer including settling of commercials with the existing equipment/billing system supplier for proper integration. Further, all such integrations and nodes should be in the administrative control of BSNL.
- 3.8 SMSC deployer will have to pay a Penalty of 3 times of the amount due to the difference in the SMS counts reported by the SMS deployer to the SMSs actually sent through the 3<sup>rd</sup> party SMSC deployed by the SMSC deployer. This penalty will be applicable in case of any short reporting or under reporting of SMS counts or any discrepancy in nature of SMS.
- 3.9 The company will have to give a commitment to generate minimum top line revenue of Rs.5 Crores per annum during the tenure of agreement and back it up with the Performance Bank Guarantee (PBG) of Rs.25 Lakhs(5% of the topline revenue commitment) on yearly basis.
- 3.10 BSNL shall provide the adequate infrastructure like space, AC Power supply, battery, AC environment etc. as per the requirement of SMSC deployer at location(s) preferably at Mobile Zonal Nodal Centre free of cost.

- 3.11 SMSC deployer will have to ensure that TCCCPR,2018 and all regulations coming up from time to time are being followed by them. To effect this regulation, additional Bank Guarantees of Rs.20 Lacs each (Rs.20Lacs per SMSC deployed for each zone) has to be submitted by SMSC deployer. The security deposit is for breach of any of the regulations laid down by TRAI, non-payment to BSNL. This additional Bank Guarantees have to be submitted at Nodal Centres where SMSC would be deployed. Any penalty levied on BSNL on account of UCC or any violations of regulation will be completely borne by SMSC deployer and may be recovered from said security deposit. SMSC deployer will have to ensure that all the guidelines of BSNL in regards to bulk SMS business issued from time to time are being followed.
- 3.12 Nodal Centres where the SMSC has been deployed by the SMSC deployer shall have to ensure that bills are raised on SMSC deployer on timely and regular basis based on the traffic pushed by the SMSC.
- 3.13 Company shall be totally bound and obliged to comply with all applicable norms and directions issued from time to time by the Regulator (TRAI) or the Licensor (DOT) or Govt of India.
4. **Operator agnostic:** The system of the SMSC deployer should be Interoperable among various systems of BSNL wherein SMSC deployer has to enable its all network element with BSNL systems in seamless manner.
5. **Delivery of Service:** The SMSC deployer shall ensure provisioning of commercial services in the agreed service area within 30 days of provision of requisite connectivity by BSNL.
6. **Indemnification:** SMSC deployer shall agree to protect, defend, indemnify and hold harmless BSNL and its employees, officers, directors, agents or representatives from and against any and all liabilities, damages, fines, penalties and costs (including legal costs and disbursements) arising from or relating to:
- 6.1 Any breach of any statute, regulation, direction, orders or standards from any governmental body, agency, telecommunications operator or regulator applicable to such party;
- 6.2 Any breach of the terms and conditions in the agreement by SMSC deployer;
- 6.3 Any claim of any infringement of any intellectual property right or any other right of any third party or person or of law by SMSC deployer;
- 6.4 Any claim made by any third party or person arising out of the use of the services and arising in connection with interruptions or degradations of service caused solely SMSC deployer.
- 6.5 Any liability arising out of non compliance of Laws, Directives, guidelines etc. of the Land where SMSC deployer is located.

This clause shall survive the termination or expiry of this Agreement.

## **7. Directions / Guidelines from Licensor/regulator or Any Govt. statutory body:**

- 7.1 In accordance with DOT guidelines, any directions of DOT thereunder, BSNL shall have the right to direct, to warn, to penalize the company or terminate the Agreement after considering any report of conduct or antecedents detrimental to the security of the nation. The decision of BSNL in this regard in accordance with such DOT directions shall be final and binding and in any case the company shall bear all

liabilities in the matter and keep BSNL informed for all claims, cost, charges or damages in this respect.

7.2 In accordance of DOT guidelines, the company shall have provision for lawful interception for VAS which are being provided to BSNL subscribers using Voice bearer/data/SMS/USSD/PTT etc. Further, any new Value Added Services should be added/ commissioned in the network only after having confirmed the provisioning of appropriate monitoring facilities for the same.

#### **8. Submission of Proposal**

The proposal, complete in all respect, addressed to Dy. Manager (VAS-I), Second Floor, Bharat Sanchar Bhawan, HC Mathur Lane, Janpath, New Delhi-110001, can be submitted on any working day. BSNL will scrutinize such proposal and will enter into an agreement within 15 days from the date of finalization of the service & documents.

**FORMAT OF THE NON-DISCLOSURE UNDERTAKING**

(To be submitted duly notarized on non-judicial stamp paper of Rs.50/- only)

M/s \_\_\_\_\_, a company registered under Companies Act 1956, having its registered office at \_\_\_\_\_ acting through Shri \_\_\_\_\_, the authorized signatory (which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) hereby declare and undertake that we will not divulge any part of this agreement either through oral or written communication or through any mode to anyone.

We further undertake and declare that we shall be responsible for safe custody of the papers/documents including the Agreement proposed to be entered into between M/s BHARAT SANCHAR NIGAM LIMITED and ourselves. We shall ensure all necessary steps to safeguard the privacy and confidentiality of the Agreement and shall use our best endeavours to secure that no person acting on our behalf or ourselves divulge or disclose or use any part of the Agreement without the written consent of M/s BHARAT SANCHAR NIGAM LIMITED.

We further declare and undertake that if we declare not to sign the above Agreement with M/s BHARAT SANCHAR NIGAM LIMITED, we shall return back the copy of the Agreement (in original) back to GM (VAS) acting on behalf of M/s BHARAT SANCHAR NIGAM LIMITED within one month without preserving any copy of the same, in any form, whatsoever.

We further declare and undertake to indemnify M/s BHARAT SANCHAR NIGAM LIMITED for any loss or damage(s) caused to it by virtue of any default from our side in compliance to the aforesaid conditions.

Signed on behalf of M/s \_\_\_\_\_ by Shri \_\_\_\_\_  
(Name and Designation) authorized signatory.