



Opportunity to become BSNL partner for Machine to Machine (M2M)/ Internet of Things (IoT) Services on non exclusive basis

VAS-8/M2M/2019/2

Dated 1st May 2019

Introduction:

BSNL invites proposal, on Revenue sharing basis from M2M Partners, from interested and eligible firms/ companies for association with BSNL to generate revenues from M2M (Machine to Machine) projects being undertaken by Government/ Autonomous and Commercial entities all across the country. M2M partner or its principal may meet the relevant eligibility criteria in combined manner. The purpose of this policy documents is to empanel M2M partners for exploring and executing M2M business opportunity jointly. BSNL may enter into the agreement with Non-exclusive arrangement with M2M partner based on specific requirements of projects. The empanelled M2M Partner shall be called “Centrally Empanelled M2M Partner” i.e. CEMP and shall be eligible for partnering BSNL across its area of operation. Empanelled vendors, if selected for execution of a M2M project may enter into the separate agreement with BSNL Circles for execution of the project.

BSNL is currently operating its GSM mobile services across the nation except in Delhi and Mumbai and have a subscriber base of more than 105 million. BSNL also have a landline subscriber base of 13 million. BSNL is providing different Value Added Service on SMS, MMS, GPRS, EDGE and 3G etc to its Cellular customers. BSNL is envisaging to progressively generating revenues from M2M and associated services, which may require partnership with external agencies acting as Technology provider, Device Manufacturers, Application Developers, Field Support Providers, and System Integrators etc. The technology shall enable transactions through SMS, GPRS, USSD, WAP, J2ME and Internet etc.

The M2M partner shall be required to establish a platform preferably in Disaster Recovery mode & according to latest Regulatory Guidelines including TRAI QOS requirements, if applicable. It is expected that the M2M partner approaching BSNL for partnership in this business shall be aware of the revenue streams/costs involved/business case of this business and shall have sufficient knowledge and resources to operate the services. The M2M partner is expected to rope in all partners essential for end to end delivery of services to customers.

One of main requirement is linking up with other players in the value chain to provide a solution that meets the precise needs of the customer within many sectors and markets including Automotive, Consumer Electronics, Consumer Goods, Energy & Utilities, Financial Services, Health, Manufacturing, Public Services, Security Transport & Logistics etc. The Ecosystem of M2M business should have below mentioned stakeholders and M2M partner should be capable of performing all (except providing telecom Connectivity) activities involved in end to end delivery of M2M value chain,

including, but not limited to following:

- i) M2M Device Provider
- ii) Connectivity Provider
- iii) Service Management Platform Provider
- iv) Application Middleware provider
- v) Managed Service Provider
- vi) Field Support Provider
- vii) Application Provider
- viii) Infrastructure Provider
- ix) System Integrator

Role and responsibility of BSNL and M2M partner are defined in point no 4 (Scope of Work) of this document.

1. THE SALIENT POINTS REGARDING ELIGIBILITY CONDITIONS, DOCUMENTS REQUIRED AND MAJOR TERMS & CONDITIONS FOR M2M PARTNERS ARE PROVIDED BELOW:

1.1 Eligibility Condition for M2M partner:

- 1.1.1 The M2M partner shall either be a company registered and incorporate in India under Companies Act, 1956/2013 or a Foreign company. In case prospective M2M partner 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, the Government of India or through its wholly owned subsidiary company registered and incorporate under companies act 1956/2013.
- 1.1.2 The M2M partner/its principal should have at least two tie-ups with M2M device providers and at least one tie up with M2M Platform Provider globally at the time of applying to BSNL.
- 1.1.3 The M2M partner/its principal and its technology partner(s)/its principal shall have a combined minimum annual turnover (audited) of Rupees 5 Crore during the last financial year or current financial year. The M2M partner/its principal shall submit a turnover certificate from the CA in this regard. The turnover of parents / holding company may also be considered for deciding turnover criteria; the subsidiary company shall submit a declaration in this regard.
- 1.1.4 The M2M partner/its principal and its technology partner/its principal should not have been blacklisted in any government sector.

1.2 List of documents to be submitted as part of the proposal:

- 1.2.1 Copy of the Article of Association & Memorandum of Association.
- 1.2.2 Latest audited Annual Report of the M2M partner, in case printed copy is not available then copy of the same duly certified by the M2M partner Secretary/ Director/ Managing Director of the M2M partner.
- 1.2.3 Turnover certificate from the M2M partner's Auditors/ CA mentioning the field of turnover as required under the eligibility conditions.
- 1.2.4 List of Directors including their names(s) and address(es) along with contact

- telephone numbers, DIN of each director & CIN of the M2M partner.
- 1.2.5 Certified True copy of Board's/ Management's resolution in favor of authorized signatory.
 - 1.2.6 Specimen signature of the authorized official duly attested by M2M partner's/authorized signatory's of Customer.
 - 1.2.7 Nonrefundable Empanelment fees of Rs. 4,50,000/- in the form of DD drawn in favour of AO (Cash), BSNL, New Delhi shall be submitted along with the proposal.
 - 1.2.8 Revenue generation commitment, required as per eligibility conditions and an undertaking clearly committing to submit the Bank Guarantee within 15 days of signing of the agreement.
 - 1.2.9 Non Disclosure undertaking, duly notarized on non judicial stamp paper of Rs.50/(NDA format enclosed).
 - 1.2.10 Technical details of the solutions and business plan.
 - 1.2.11 Contact details i.e. Name, mail id, phone no., mobile no., fax no. of a responsible person for liaising in this matter.
 - 1.2.12 Certificate for eligibility against requirement of eligibility conditions mentioned at clause 1.1.2 of policy.
 - 1.2.13 If the M2M partner/M2M partners intend to provide services/solution along with some technology partner then the documents to be submitted along with the proposal shall also contain the agreement between M2M partner/ amongst partners clearly defining the responsibilities of each.
 - 1.2.14 The M2M partner shall submit an irrevocable undertaking duly signed by it/ its principal and its technology partner(s)/ its parent, if applicable, stating that all of them i.e. the M2M partner, its principal and its partner(s), its parent shall be liable for due performance of the contract jointly and severally, failing which all of them shall be liable to be barred from having any business dealing with BSNL for a period of three years.
 - 1.2.15 If turnover and experience of principal is considered then M2M partner shall submit a declaration cum an Undertaking from its principal stating that the M/s(Name of Principal).....is the PRINCIPAL of M/s.....(name of M2M Partner)... and it (M2M PARTNER/ ITS PRINCIPAL) will support and take responsibility to enable its subsidiary M2M partner < M2M PARTNER/ ITS PRINCIPAL > to perform the contractual obligation of the agreement to be signed by < M2M PARTNER/ ITS PRINCIPAL > with BSNL. In all such cases the Principal, along with M2M partner, shall also sign the undertaking as indicated in clause 1.1.3 of the policy.”
 - 1.2.16 Undertaking for having capability to perform roles and responsibilities of M2M Device Provider, Connectivity Provider, Service Management Platform Provider, Application Middleware provider, Managed Service Provider, Field Support Provider, Application Provider, Infrastructure Provider and System Integrator as defined in Scope of Work (para-5.2).
 - 1.2.17 A undertaking to provide that M2M partner should not have been blacklisted in any government sector as indicated in clause 1.1.4
 - 1.2.18 A undertaking to provide other document, if any, at the time of signing the project agreement.

2. **Other requirements / Terms & Conditions:**

- 2.1 M2M partner / its principal must have thorough knowledge of M2M based services.
- 2.2 The M2M partner only (main bidder) will interact with BSNL for all obligations/ payments; however all the technology partner(s) will be jointly and severally responsible for the execution of the project.
- 2.3 The M2M partner/its principal and its technology partner(s)/its principal shall be jointly and severally responsible for due performance of the contract including continued post execution support of the project. Similarly both the M2M partner and the partner shall be jointly and severally remain responsible for non performance inter alia any other act that may lead to barring of business dealing with the M2M partner (along with partners) or banning business with them.
- 2.4 M2M partner should have a verifiable, scalable and stable platform (eco-system) in place which can be converted into a device supply chain and enable multiple commercial grade vertical services for BSNL in various areas such as automotive, smart meters and smart grid, consumer devices, Industrial Infrastructure remote monitoring etc. On demand, M2M partner should be able to produce references for such international success stories in each vertical/areas.
- 2.5 M2M partner should have verifiable, scalable and stable eco-system that can be self sustained when interfaced/introduced to end consumer
- 2.6 M2M partner should have to comply with all regulations issued by Govt. agency time to time.

3. **Process for empanelling BSNL partner for M2M services:**

After scrutinizing the of document submitted by interested M2M partners, M2M partner will be called for a Technical presentation which include future planning and road map for executing M2M services in BSNL.

4. **SCOPE OF WORK:**

- 4.1 The following broad scope of work (SOW) is only indicative/ tentative and may differ on case to case basis at the time of discussions with the M2M partner based on type of solution proposed and responsibility matrix. The actual SOW shall be made part of agreement in each case, on case to case basis.
- 4.2 Currently, BSNL is involved in providing basic voice and data connectivity services to their customers. The BSNL eco-system is well equipped to handle the distribution network for these services as well as work flows for service delivery and service assurance. However, when it comes to M2M, there are some specific requirements that need to consider and those are not being addressed by the current BSNL eco-System. Some of these requirements are listed below:
 - 4.2.1 M2M involves devices that need to be managed (Provision, de-provision, suspend, control, troubleshoot, test, map to a Connection Id etc.). Traditional BSNL systems do not have the provision to perform such Device Management activities. Also since M2M solutions are varied, so are the types of M2M devices.
 - 4.2.2 M2M Solution deployment involves field services to deploy and test M2M devices that could be attached to fixed or moving assets. The types of devices and assets involved are varied and hence the mechanism to interface them will vary. Also the criticality of the solution will determine the timeframe within which a

faulty M2M device may need to be replaced. Hence the field service personnel involved in deploying / servicing the M2M devices would need to be trained appropriately to handle these aspects.

4.2.3 Operationalizing M2M Solutions requires interactions with multiple players who would offer different services for service fulfillment, service delivery, service assurance and service termination.

4.3 The main aspects involved in operation of M2M services in BSNL eco-system are as mentioned in below figure-1.

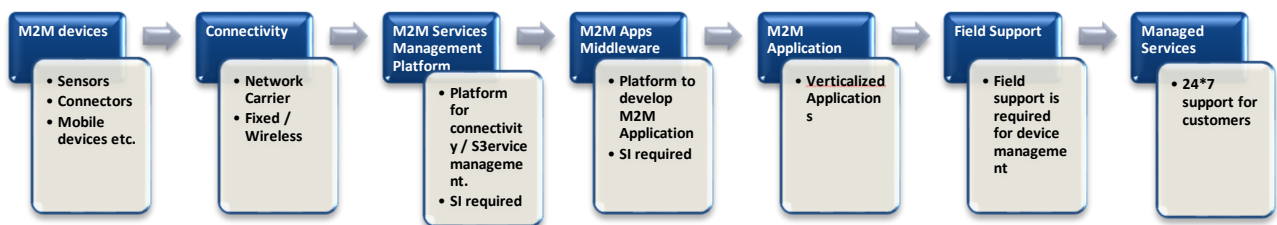


Figure 1: Aspects involved in operation of M2M service

4.4 Roles & Responsibility of BSNL:

4.4.1 BSNL will do interaction with enterprise customer individually or jointly with M2M partner.

4.4.2 BSNL will provide telecom connectivity to M2M PARTNER for installing M2M solution as per requirement of Enterprise customer. Types of connectivity are E1 connectivity for SMSC, PRI connectivity for voice response system & WAP connectivity, Broadband connectivity for Internet etc.

4.4.3 BSNL will provide Short codes, Long Codes & Access Point Name (APN)s for SMS, USSD, IVR etc.

4.4.4 BSNL will provide Subscriber Identity Module (SIM) for M2M solution as per requirement of Enterprise customers.

4.4.5 BSNL will prepare special tariff plans for M2M Enterprise customers as per requirement and feasibility.

4.4.6 BSNL may use man-power for field support for day to day operation & Maintenance (O&M), if required and feasible.

4.4.7 BSNL will provide support for network related problems.

4.4.8 Hosting Infrastructure: Infrastructure including AC/ Power/ space / connectivity to local BSNL Network etc. shall be provided by BSNL for this business in case deployment is done in BSNL Premises.

4.5 Roles & Responsibility of M2M Partner

The M2M partner shall be responsible for complete implementation of M2M solution, which includes survey, design, engineering, supply, testing, packaging, transportation, erecting, successful commissioning, putting into operation and establishing the successful performance during the period of agreement with customer and comprehensive O&M (including warranty etc.). Complete implementation means full responsibility to implement M2M solution for customer as specified by them. Further

comprehensive O&M means full responsibility to undertake effective & efficient Operation & Maintenance activities as specified. This includes all incidentals/ services/ materials/ manpower/ permissions/ liaison/ licences/ spares/ consumables etc., whether explicitly listed or implicitly required for the satisfactory completion and performance of the System as per the specifications, meeting international codes and standards.

M2M partner should be capable of performing all (except providing telecom Connectivity) activities involved in end to end delivery of M2M value chain, including, but not limited to following:

4.5.1 M2M devices supply chain

M2M partner shall bring capabilities and partners in this space; M2M partner should have capability to engage other leading M2M PARTNER/Module/Device vendor(s) as per project requirement to provide best-fit options to customers. M2M partner should have a eco-system in place which can be converted into a device supply chain for BSNL in various areas such as automotive, smart meters and smart grid, consumer devices, Industrial Infrastructure remote monitoring etc.

4.5.1.1 M2M PARTNER shall have to build a M2M device supply chain for BSNL.

4.5.1.2 M2M PARTNER shall have to do M2M device vendor management for different types of M2M device (Smart communication Device) for M2M solutions.

4.5.1.3 M2M PARTNER shall have to Evaluate and select a right M2M device (Smart communication Device) for the solution as per requirement of enterprise customer.

4.5.1.4 M2M PARTNER shall have to do Integration of hardware testing with the application in real environment before finalizing a M2M device (Smart communication Device). Device may also need to be certified for BSNL. M2M partner can work with vendors for such mandatory certification.

4.5.1.5 M2M Partner shall have to do all the Operation & management of M2M devices (including warranty).

4.5.1.6 M2M partner can provide L1, L2 and L3 Support for the devices.

4.5.2 M2M Service Management Platform

M2M partner should have a tie up with M2M “connectivity / service management platform” provider. The portal offered by the Platform shall include an online management interface that gives customers/partners complete visibility and control of their inventory or devices. Through the portal, customers can view real-time data traffic and billing information, provision, cancel and suspend devices, assign rate plans and create unique alert thresholds. The Portal shall also serves as a point of contact between M2M partner the customer and the network operations centre. If an authorized customer/partner requires technical support, they can submit request through the Portal. M2M partner should have expertise in product engineering of M2M Connectivity / Service Management Platform and can provide services to integrate the M2M Connectivity / Service Management Platform with the BSNL infrastructure (network, OSS & BSS) and offer Managed Services for the same.

- 4.5.2.1 M2M PARTNER shall have to install servers/platforms including hardware/ other software/database etc in a location finalized as per the requirements of Enterprise customers in BSNL service area.
- 4.5.2.2 M2M Partner shall have to do all the Operation & management of M2M service management platform (including warranty).
- 4.5.2.3 M2M PARTNER shall have to establish a two way communication with M2M Device.
- 4.5.2.4 M2M PARTNER shall have to prepare GUI Interface as per requirement of enterprise customer.
- 4.5.2.5 M2M PARTNER shall have to assist BSNL is preparing Rate Plans for enterprise customers
- 4.5.2.6 M2M PARTNER shall have to do mapping of M2M Device with M2M PARTNER.
- 4.5.2.7 M2M PARTNER shall have to prepare self service portal.
- 4.5.2.8 On boarding of customers.

4.5.3 M2M **Application Middleware**

- 4.5.3.1 M2M PARTNER shall have to install servers/platforms including hardware/ other software/database etc in a location finalized as per the requirements of Enterprise customers in BSNL service area.
- 4.5.3.2 M2M PARTNER shall have to do all the Operation & management of M2M Application Middleware (including warranty).
- 4.5.3.3 M2M PARTNER shall have to do device management.
- 4.5.3.4 M2M PARTNER shall have to do Full Life cycle state management designed to cover wide range of use-case scenarios.
- 4.5.3.5 M2M PARTNER shall have to rapid development, integration and deployment of applications by multiple vendors/partners across multiple verticals.
- 4.5.3.6 M2M PARTNER shall have to do Reporting as per the requirement of enterprise customer and to prepare Dashboard to access all reports and other details of M2M solution.
- 4.5.3.7 M2M PARTNER must have a proficiency in Rapid development of Applications for M2M solutions.
- 4.5.3.8 M2M PARTNER shall have to do all Analytics and reporting as per requirement of enterprise customer and BSNL.

4.5.4 M2M **Application Development Center**

M2M partner should have the expertise to develop M2M applications for various industry verticals and should have an extensive portfolio of M2M solutions (including partner solutions) for various segments. For example, M2M partner have end to end solution(s) for vehicle telemetric, fleet management & logistics enabling the customer to gain competitive advantage over competitors. M2M Application development center will often be tasked with identifying successful applications that are “live” in a single local market and that have multi-country potential. The reasoning is that, significant value can be generated by bringing proven single country solutions to a wider audience.

- 4.5.4.1 M2M PARTNER shall have ready solutions (in house as well as from partners) spanning a wide range of verticals.

4.5.4.2 M2M PARTNER shall have a proficiency in design of new solutions and rapid implementation by using reusable components.

4.5.5 Managed Services

M2M partner should have a rich managed service experience with presence across all geographies, managing varied scale of operations & business-lines. M2M partner have a skilled resource pool, technology know-how, robust processes & unique delivery model to manage technology operations. M2M partner can also deliver managed services around M2M Solutions. There are basically four points where support is required i.e. Applications, M2M Devices, Connectivity, Data-center/Infrastructure.

4.5.5.1 L1 and L2 support shall be provided by M2M PARTNER on mutual agreement with BSNL.

4.5.5.2 L3 support and device related problem shall be provided by M2M PARTNER (through respective Device vendor/ Team).

4.5.5.3 M2M partner can provide field services for deployment and servicing of M2M devices in a production environment, if required.

4.5.5.4 M2M partner can provide L1, L2 Support for the devices. L3 support can be provided for home-grown devices

5. Engagement with Enterprise Customer:

Sr. No.	Type of Business Engagements	Approach
1	Customer floated EOI/RFP.	<u>Scenario-1:</u> BSNL, individually or jointly, participate in EOI/RFP floated by customer <u>Scenario-2:</u> M2M partner participated in EOI/RFP floated by customer.
2	BSNL approaches Customer or vice-versa for Nomination Business.	<u>Scenario-1:</u> Customer ready to reimburse the cost quoted by BSNL, as jointly decided in consultation with selected M2M partner. <u>Scenario-2:</u> Customer wants competitive price/cost to be discovered for solution. <u>Scenario-3:</u> Customer asks BSNL to float an open ended EOI.
3	M2M partner onboard customer.	M2M partner onboard customer. M2M Partner, choose BSNL as Telecom Partner.

5.1 As shown in above table, there are different modes of engagement with enterprise customer, Procedure for different engagements are as follows:

5.1.1 Customer floated EOI/RFP:

5.1.1.1 **Scenario-1:** Selection of M2M partner will be at sole discretion of BSNL. Before bidding, BSNL may enter into negotiation with empanelled M2M partners and select the one based on technical and financial competency to execute the project, revenue to BSNL etc.

- 5.1.1.2 **Scenario-2:** M2M partner participated in EOIRFP floated by customer. If more than one M2M partner is participating in EOIRFP, BSNL may partner with any one or more partners to be decided on case to case basis
- 5.1.2 **BSNL approaches Customer or vice-versa for Nomination Business:** In this case BSNL may select one of empanelled M2M partner or go for the EOIR based on customer's requirement.
- 5.1.2.1 **Scenario-1: Customer ready to reimburse:** If customer is ready to reimburse the cost of the project as per their requirement then the BSNL may engage with any of M2M partner based on requirement of customer and other commercials and quote the cost of the project to customer after including BSNL's charges and other License Fee/Corporate tax etc.
- 5.1.2.2 **Scenario-2: Customer agrees for engaging with BSNL empanelled vendors:** BSNL may ask quotes from empanelled M2M partners as per the requirement and selects one M2M partner. Quote of the selected M2M partner may be sent to customer after including BSNL's charges and other License Fee/Corporate tax etc. Procedure of finalizing quote, as mentioned in clause no. 4.2 may be followed.
- 5.1.2.3 **Scenario-3: Customer asks BSNL to float an EOIR:** If customer wants a competitive price for their M2M requirement and ask BSNL to float an open ended EOIR, then BSNL. BSNL draft & float an EOIR in consultation with customer as per their requirement and M2M partner will be finalized by BSNL for Customer as per EOIR Terms & Conditions. Empanelled M2M partner are also free to participate in EOIR.
- 5.1.3 **M2M partner on-boards customer:** If M2M partner approaches customer with M2M solution as per their requirement and customer agree & approve the solution of M2M partner. then BSNL may enter into the negotiation with M2M partner and enter into the agreement as per agreed commercials

5.2 Signing of Agreement:

- 5.2.1 The Tripartite Agreement shall be signed among BSNL, Integrator and Technology Partner.
- 5.2.2 This Agreement will be non-exclusive and nothing in this Agreement will be construed to prevent either Party from entering into a similar Agreement with any other Party or to restrict such Party from directly engaging in related activities.
- 5.2.3 BSNL intends to sign a master service agreement with M2M partner in which majority of terms & condition shall be available, however if required an addendum agreement may be signed with M2M partner depending upon the commercials of the project. The addendum agreement and other requirements of the project shall be finalized in discussion with M2M partner. The master service agreement to M2M partner shall be provided after empanelment.

5.3 Procedure for selection of M2M partner:

- 5.3.1 Quotes will be asked from Central Empanelled M2M partners (CEMP) as per requirements from customers.

- 5.3.2 First right of refusal should remain with the CEMP, whose Prototype was selected by customer. It means, the quote of other CEMP, if found to be L1, then such L1 rate may be offered first to the CEMP, whose Prototype/proposal was selected by customer. If such CEMP does not accept the offered L1 rate, the work may be awarded to the CEMP, who quoted the L1 rate.
- 5.3.3 In order to bring seriousness in the offer from other CEMP, suitable provision of EMD may be kept. In case, CEMP refuses to accept its own quoted rate, EMD could be forfeited by BSNL in addition to other punitive actions like blacklisting etc.
- 5.4 The proposal should be submitted by M2M partner, signed by authorized signatory, to respective circle.
- 5.5 EB team of Circle office shall examine the proposal and liaison with M2M partner, concerned ministry/ department/enterprise (customer) etc.
- 5.6 If required, a Proof of Concept (POC) testing may be conducted at a zonal/circle/SSA level to check the technical feasibility or to conduct a Demo for customer. BSNL will provide the necessary connectivity and other hosting infrastructure for POC on no additional cost to BSNL.
- 5.7 BSNL may sign a separate agreement with Customer and M2M partner or may sign a combined tripartite agreement based on the proposal and discussions with Customer's on case to case basis.
- 5.8 In case BSNL signs separate agreement with Customer and M2M partner and there is a technology partner to the M2M partner as well, in such a case BSNL may sign a tripartite agreement (BSNL-Customer-M2M partner) making the technology partner a party in the agreement.
- 5.9 All the agreements shall be signed at circle for circle level deployment and at NTR for PAN India deployment.

A quotation will be send to customer for their consent. Quotation sent to customer will include all necessary License fee, spectrum charges, Govt. Tax, octroi tax or any other levy payable to government pertaining to M2M service.

6. Commercial Terms & Conditions:

- 6.1 Salient points for Commercial model for M2M services are as follows:
 - 6.1.1 M2M service is a novel approach in telecom domain and presently in its progressive stage in India. Like standard BSNL policies and services it is not feasible to fix standard revenue share with M2M partner.
 - 6.1.2 The revenue share between BSNL and M2M partner will be two phases depending on the platform implementation:

In phase 1: A light asset model would be adopted and Vendors/Partners would deploy minimum required infrastructure i.e. Application Enabled Platform. Existing BSNL core elements will be used to cater the M2M Traffic in this Phase-I.

Revenue share table for Phase-I:

Revenue Split	BSNL Revenue (%)	M2M Partner Revenue (%)
Connectivity Revenue	85%	15%
Solution Revenue	20%	80%

In Phase-II: When there will be sufficiently large M2M traffic and M2M Vendor/Partner would deploy additional elements to offload traffic from BSNL Core Network Elements. These elements are specialized elements which are designed to handle massive M2M traffic.

Revenue share table for Phase-II:

Revenue Split	BSNL Revenue (%)	M2M Partner Revenue (%)
Connectivity Revenue	70%	30%
Solution Revenue	20%	80%

6.1.3 While framing tariffs the inflow to BSNL shall be significantly higher than outflow from BSNL from above 15% proposal.

6.2 Revenue Commitment

6.2.1 The CEMP will have to give a commitment to generate top line revenue of Rs. 2 Crore in all Zones during the tenure of agreement and back it up with the Performance Bank Guarantee (PBG) of Rs. 10 Lakh for all Zones.

6.2.2 The Bank Guarantee is to be provided within 15 days of signing of the agreement. The Bank Guarantee should be valid for 34 months and will be forfeited in case of not generating the committed revenue in agreement period.

6.2.3 In all cases where CEMP are failed to meet Revenue Commitment (RC) as per existing policy, BG may be extended for next agreement period on CEMP's request. In case CEMP does not agree for the same, its BG may be en-cashed as per the existing policy.

6.2.4 All such extended agreement will be covered with the following BG conditions:

- a) The full BG will be forfeited, if the Top line revenue earned is less than 70% of the RC.
- b) If Top line revenue is between 70% and 95% of RC, the proportionate BG to be en-cashed, the remaining BG to be released.
- c) If Top line revenue is more than 95%, full BG to be released.

6.2.5 Existing BG of such extended agreement will be released on submission of new BG.

6.2.6 There will be no change in BG amount to be submitted.

6.2.7 If the CEMP's Top-line revenue is between 70% and 95% of the RC in extended agreement period, VASP will have the option to:

- a) Get the proportionate BG to be en-cashed as per the BG condition.
- b) Carry forward the revenue shortfall to next agreement period. The enhanced revenue commitment will be linked to BG of next agreement period. There will be no change in BG value for next agreement period.

6.3 **Performance Bank Guarantee (PBG)**

In addition to the **Performance Bank Guarantee** required by Enterprise customer, the M2M partners shall submit a Bank guarantee of 2% of the cost of the project (i.e. amount quoted to Enterprise customer) to BSNL at the time of signing of Agreement. The M2M Partners will be jointly and severally responsible for all the activities as defined under the agreement. PBG shall be valid for the **entire duration + 6 months** from the date of signing of Agreement with **M2M Partners**. BSNL shall reserve the right to encash the BG in case M2M Partners withdraw from the Agreement citing commercial/ business case reasons/breach of terms and conditions of the agreement by M2M Partners.

6.4 It is expected that in addition to the various costs the following costs shall also be borne by the M2M Partner / its principal:

6.4.1 Commission to other aggregators/integrators of billers

6.4.2 Statutory taxes, pertaining to M2M service, if any, on actual basis.

6.4.3 Any other cost which is mutually agreed.

6.5 **Costs to be taken into account before division of revenue share between BSNL & M2M partner/ its principal:** Following shall be removed from the revenue received from Customer before sharing with the M2M partner.

6.5.1 License fee, spectrum charges, corporate tax any other levy payable to Licensing Authority pertaining to Telecom service, if any, on actual basis.

6.5.2 Any other cost which is mutually agreed

7. **Duration of Agreement:** The period of agreement will be 28 months (4 months for installation of equipment & integration with BSNL network and 24 months for service). The agreement will be extendable for two year at a time on mutual consent basis.

8. **Empanelment Fee: CEMP shall pay Rs. 4,50,000/- (Rupees Four Lakh Fifty Thousand only)** towards Empanelment Fee at the time of signing of the agreement.

9. **Submission of Proposal:** Interested and eligible companies may submit their proposals along with all the requisite documents, on any working day to:-

DM (VAS-I-2)

2nd Floor, Bharat Sanchar Bhavan,

Bharat Sanchar Nigam Limited,

HC Mathur Lane, Janpath, New Delhi - 110001

Note: This policy is open ended and any company which is interested and meets the eligibility conditions may submit it proposal on any working day. BSNL would however reserve the right of periodic review of the entire policy or any elements thereof based on its business needs.