



भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

Opportunity to become VAS Provider under Policy for provision of APP based Value Added Service to Mobile Customers

VAS-8/Misc New Proposal/2017/Vol-4

Dated 25th Jan, 2018

Proposals are invited from interested and eligible companies (named as Value Added Service Provider or COMPANY hereinafter) for providing **APP based Value Added Services on non-exclusive and cost of content/services (revenue sharing) basis. These APP based services are to be integrated with BSNL's existing Customer Care App "MyBSNL App"**. The eligible companies can offer **APP based** services to BSNL's mobile data subscribers after entering into an agreement with BSNL. Subscribers will have option to either pay through TOPUP value (only for BSNL subscribers) or through netbanking/credit card/debit card using existing Payment Gateway of BSNL.

It is required to provision new services like:

- i. VOIP based Services
- ii. Advertising based on customer's profile
- iii. Augmented Reality
- iv. Manage My Health

etc. with BSNL customer care App "MyBSNL App". These services may be integrated with "MyBSNL App" by sharing the API with COMPANY i.e. actual service may reside on COMPANY's server and "MyBSNL App" may simply call the API of COMPANY when a service on offer is invoked by customer. These features may be provided to customers of other operators also. The brief details of such services are here as under:

i) VOIP based services:

This can provide some of the services like intelligent voice notification, Ad-Hoc Conferencing, Missed Call back, Interactive and Voice SMS. This service enable a customer to send greetings, speech etc. in own voice to multiple number of people means **record and notify** to multiple people immediately or after specific time. Recorded files and voice notification report can be viewed and fetched any time. In addition **Automated Voice Notification System** for Call detail CDR, Missed call report, Call summary can be viewed any time. Call Data Records and Call Recordings may be made available in real time. Some applications like share trading, ticket booking etc., the **Dynamic Voice Notification** may be made available which is based on the trading report and can be sent to multiple users. Conference Call facility may also be made available for user where a group can be created within same Telco.

Missed call back facility may also be available. There can be facility of Interactive and Voice SMS also. The Voice Trigger is free data call and voice message can be recorded even when mobile is without data connectivity. For Voice trigger, customer has to visit the website on mobile or desktop with data connectivity.

Here, the customer needs to pay for using the services and in turn BSNL shall pay applicable revenue share to COMPANY.

ii) Advertising based on customer's profile:

It is Permission based delivery of interactive rich media content on Smartphone Screen. Rich Media Interactions like never before where Smartphone screen used as an interactive billboard in everybody's pocket. It can be strategic tool to deliver interactive Content that provides interesting message content/ad to a highly targeted population based on audience profile. The content could be Cricket Sixers, Bollywood Videos, sponsored content, personalized content etc. User gets enhanced experience by displaying fabulous imagery or video on phone with user opted options like incoming call, end of the call, incoming SMS, location based and time based.

This free service may reward its members with exclusive products from their favorite brands and services. It is equipped with Intelligent Rewards Application that generates points and rewards to phone user, every time content is shown and clicked.

There will be a tripartite agreement between BSNL, COMPANY and advertiser/publisher/ content provider. The interactive content from advertiser/publisher/content provider will be delivered to BSNL subscribers.

Here, the customer needs to be paid by COMPANY for activating the advertisement services and in turn BSNL shall also be paid applicable revenue share by COMPANY.

iii) Augmented Reality :

AR (Augmented Reality) App as SDK in BSNL is a complete mobile application having Content Management Solution, response and Connectivity Management, analytics etc. When subscriber uses his/her mobile screen to Augmented Reality enabled Advertisement on newspaper, magazines etc, then its 3D view can be shown via Cloud or website. Content provider/Publisher/Advertisers may also include the respective call center details in AR enabled Adv. The respective Call center may also call to interested customers.

Augmented Reality is a digital technology that overlays text, images, video & 3D over printed objects (markers). It can be viewed through a Smartphone, tablet or Google card board. AR could be a great Service for BSNL subscribers with content like Governments Ads, Education Market, Marketing Sector Ads, and Newspaper etc.

The service shall be free for customer and BSNL shall be paid applicable revenue share by COMPANY.

iv) **ManageMyHealth:**

ManageMyHealth empowers individuals to carry Personal Health Information with the emergency health profile, contact details, current medication and recent diagnosis etc. Also rest of the health information may be available with ManageMyHealth Portal. It has two category: for Individual and for Health organizations. For individuals' category, there could be information like Emergency Health Information (Vitals, Blood Group etc), Contact Details, Current Medications, Recent Diagnoses etc. Their Multi purpose smartcard secure information access and management with data mobility using ManageMyHealth SDK Portal. For healthcare organizations category, there could be information like immediate access to Patient Health Data. Their Multi purpose Smartcard enables the hospitals to do cash transaction at one point and cashless at all other POS.

Such Portal creates an electronic relationship with the patient and provider. It has much information like Book Appointments, Lab Results Notification, Recall Reminders, Secure Mail, Order Repeat Prescriptions, Emergency Vitals, View and Maintain Health Summary, e-Consult, Kiosk & Smart Card.

Here, the customer needs to pay for using the services and in turn BSNL shall pay applicable revenue share to COMPANY.

Other similar services may be added by COMPANY after prior approval of BSNL as per market requirements.

The proposal, complete in all respect, addressed to DGM (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 list of services & their respective price points else will communicate deficiencies. However, BSNL reserves right to reject any proposal without assigning any reason for the same.

BSNL at its own discretion may decide to extend the services to customers of other operators also in OTT (Over the Top) mode. To enable the billing/charging of other operator's customers BSNL may extend third party payment gateway facility for payment of requisite fees through Net banking/Credit Card/Debit Card or any other mean.

1. Eligibility Conditions:

1.1 The prospective COMPANY shall either be a company registered and incorporate in India under Companies Act, 1956/2013 or a Foreign company. In case prospective COMPANY 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 1 Crore 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 executed at least two projects in last five years in the field of Value Added Service.

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 favour 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 /Authorized Signatory 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, required as per eligibility conditions.
- 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.
- 2.9 NDU, duly notarized on non-judicial stamp paper of Rs.50/- (NDA format enclosed).
- 2.10 Details of services, including price points, which the company wants to provide on BSNL's network.
- 2.11 Contact details i.e. Name, email id, phone no., mobile no., fax no. of a responsible person for liasoning in this matter.
- 2.12 Self-certification regarding number of deployments containing details of deployments.

Draft agreement, containing the complete commercial, financial and technical conditions to be signed for providing the services shall be forwarded to the eligible companies only after evaluating the proposal containing the above documents in full after finalization of the list of services & their respective price points.

3. General Terms and Conditions of the Agreement:

- 3.1 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:

Sl.	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

- 3.2 The required connectivity to the concerned network elements of BSNL will be provided by BSNL.
- 3.3 Subscribers will have option to either pay through TOPUP value (only for BSNL subscribers) or through net banking/credit card/debit card using existing Payment Gateway of BSNL.
- 3.4 Payment shall be made on monthly basis to the company on receipt of the bill. The company shall submit the Licensed Area-wise bill to the Zonal In-charge, who may be DET (VAS) or any other officer nominated by GM (CMTS), Nodal Centre. The Zonal In-charge shall verify the bill within 7 days and CMTS-Nodal Centre shall release the cost of content/services payment to the company within the next 15 days. The payment of charges shall be made to the company after deduction of TDS amount as per provisions of the Income Tax Act 1961.
- 3.5 No cost of content/services (revenue share) shall be payable by BSNL to VAS provider if its zonal monthly topline revenue remains less than Rs.50, 000/-. The cost of content/services to VAS provider shall be on pro-rata basis in case of any period less than one calendar month.
- 3.6 The agreement with the eligible company will be signed initially for 27 months (out of which, 3 months may be for installation, integration of the equipment/system with BSNL network and starting of the services).
- 3.7 Renewal or extension of the agreement will be based on the performance of the VAS Provider and as per prevailing policy of BSNL at that time. As per current policy, the extension for one year can be considered at BSNL's sole discretion.
- 3.8 BSNL reserves the right to provide the Services on its own or to enter into Agreement with other service providers/companies for providing similar services in its licensed Cellular Mobile Telephony service area(s) from time to time in future without any restriction on number of VAS providers.
- 3.9 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 Government of India.
- 3.10 Call Centre would need to be established by the Company at its own cost, both for Tele-calling, subscriber verification & also customer support. For the purpose of customer query & customer care a Toll Free number would be

advertised by the Company. Toll Free number along with usage will be provided by BSNL on Free of cost basis to the company. This toll-free number should only be utilized for promoting the Online Education service being provided under agreement with BSNL only. If any misuse of the facility is detected at any stage, the free Service shall be withdrawn.

- 3.11 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). The agreement can be extended for a period of 12 months at a time.
- 3.12 The company will be required to submit a non-refundable empanelment fee of Rs. 1.125 Lakh per zone and Rs.4.5 Lakhs for all four zones along with the proposal in the form of DD in favour of Accounts Officer (Cash), BSNL, New Delhi.
- 3.13 The company will have to give a commitment to generate top line revenue and back it up with the Performance Bank Guarantee (PBG) as per following:

The salient points of the policy are as following:

Agreement period	Min. Revenue Comm.	BG	BG encashment	Revenue Share (BSNL:VASP)*
1st yr	1 Cr.	15 Lakh	If revenue achieved is less than 1 Cr.	Topline \leq 1Cr (70:30) 1Cr < Topline \leq 3 Cr (40:60) 3Cr < Topline \leq 5 Cr (35:65) Topline > 5 Cr (30:70) e. g. in case of 1.5 Cr topline VASP shall be paid 30% revenue on 1 Cr and 60% rev. share on rest 50 lacs.
2 nd yr	1 Cr.	15 Lakh	If revenue achieved is less than 1 Cr.	Do

The differential revenue share is prescribed to encourage VASP to continuously invest into the system as the proposed services are new and require regular investment by VASP. The terms and conditions for paying additional revenue incentive for increasing top line revenue is based on already available policy placed at Annexure III. The details are as follows:

- The additional revenue share as incentive is to be paid on Annual basis.
- The basic revenue share of 30% shall be paid on monthly basis.
- The VASP has to submit Invoice for claiming incentive at zonal level within 60 days from end of the agreement year.
- Consolidated revenue figure of all zones will be provided by BSNL Corporate Office to each zone within 30 days of end of the agreement year.
- Out of total incentive payable, each zone shall pay the additional incentive in the ratio of basic revenue share of VASP paid, out of total topline revenue on pan India basis.

Illustration:

Topline Revenue	Rev Share to VASP	Topline Revenue in Lakh (illustration)	Calculation of Revenue share to VASP	Revenue share to VASP	Revenue share to BSNL
Topline \leq 1Cr (70:30)	30%	100	$100*0.3$	30	70
1Cr < Topline \leq 3 Cr (40:60)	60%	200	$100*0.3+100*0.6$	90	110
3Cr < Topline \leq 5 Cr (35:65)	65%	400	$100*0.3+200*0.6+100*0.65$	215	185
Topline > 5 Cr (30:70)	70%	600	$100*0.3+200*0.6+200*0.65+100*0.7$	350	250

Illustration of Zonal wise revenue share: if total topline revenue is 600 Lakh

Zone	Revenue Earned [A]	Calculation of Revenue share to VASP [B]	Basic Revenue share [C]	Additional Revenue share to VASP [D = B-C]	Revenue share to BSNL [E=A-D]
Zone-1	60	$60 * 350/600=35$	18	17	35
Zone-2	120	$120 * 350/600=70$	36	34	50
Zone-3	180	$180 * 350/600=105$	54	51	75
Zone-4	240	$240 * 350/600=140$	72	67	100
Total	600	350	180	170	250

Note: In above calculation, no deduction against License Fee and Spectrum Fee has been included for the sake of simplicity. However, 15% of End User (EUP) is to be deducted from EUP before sharing basic/incentive revenue share to VASP.

- 3.14 The Bank Guarantee is to be provided within 15 days of signing of the agreement. The Bank Guarantee should be valid for 30 months and will be forfeited in case of not generating the committed revenue in agreement period.
- 3.15 In case of fulfilment of Revenue Commitment no Bank Guarantee will be required for next extension period of agreement.
- 3.16 Addition of zones during the concurrency of agreement
- 3.16.1 Additional revenue commitment, Bank Guarantee, Duration of Monthly zonal revenue commitment, short code fees for addition of new zone is to be calculated on prorata basis. Empanelment fees will be taken as whole and not on prorata basis.
- 3.16.2 Company shall submit revised consolidated BG before the release of old BG by BSNL, if any. Bank guarantee is not required in those cases where

VAS Provider has crossed the revised revenue commitment as calculated by prorata basis.

3.16.3 Policy of duration of integration is to be continued for addition of zones i.e.3 months.

3.16.4 All the prorata calculation is to be done on monthly basis only i.e. COMPANYs signing on any day of the month, the whole month will be considered for calculation of RC/BG etc. assuming agreement has been done on 1st day of month.

4. **Delivery of Service:**

The company shall ensure provisioning of commercial services in the agreed service area within 7 days of provision of requisite connectivity by BSNL.

5. **Marketing of Services:**

Marketing, advertising and promotion of agreed VAS besides sourcing the content for the services will be done by the company at its own cost.

6. **Indemnification:**

COMPANY agrees 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 this agreement by **COMPANY**;

6.3 Any claim of any infringement of any intellectual property right or any other right of any third party or of law by **COMPANY**;

6.4 Any claim made by any third party arising out of the use of the services and arising in connection with interruptions or degradations of service caused solely by **COMPANY**.

6.5 The **COMPANY** shall comply with all the Laws, Directives, guidelines etc. of the Land where **COMPANY** is located and shall be fully responsible for the same. The **COMPANY** shall indemnify BSNL for any liability rising out of non-compliance of the same.

7. **Directions/guidelines from Licensor/Regulator or any Government statutory body:**

7.1 In accordance with clause 6.1A of DOT guidelines vide letter No 842-725/2005-VAS-66 dated 31st July, 2008 and 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 vide letter No 800-62/2008-ASP II/2 dated 14th May, 2008 the company shall provision for lawful interception for VAS which are being provided to BSNL subscribers using Voice bearer/GPRS/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.
- 7.3 In accordance with TRAI Directions dated 04.07.2011, no forced activation of VAS is to be done by any COMPANY. In case COMPANY is found indulging in VAS forced activations,

BSNL reserves the right to take action as per BSNL's prevailing policy, amended from time to time.

8. **Quality of Service:**

- 8.1 The Company shall ensure the Quality of Service (QoS) as prescribed by TRAI (Regulator) from time-to-time. The Company shall operate and maintain its Network conforming to Quality of Service standards to be mutually agreed subject to such other directions as the competent authority may give from time to time. The Company shall adhere to such QoS standards and provide timely information as required therein.
- 8.2 In the process of operating the Services, the company shall be responsible for
- 8.2.1 Installation, Operation & proper maintenance of the equipment.
- 8.2.2 Maintaining the performance and quality of service standards.
- 8.2.3 Response time to any query/ de-activation command from VAS Provisioning system shall not exceed 120 seconds.
- 8.2.4 Maintaining the MTTR (Mean Time to restore) within the specified limits of the quality of service as given below in respect of normal failures excluding catastrophes:
- 8.2.4.1 90% of faults reported by subscribers should be rectified within 24hours and 99% within three Calendar days.
- 8.2.4.2 The company will keep a record of number of faults and rectification reports in respect of the service, which will be produced before BSNL as and when and in whatever form desired.
- 8.2.5 Rectification of fault in the company owned links /equipment will have to be ensured within 24 hours.
- 8.3 The company shall be responsive to the complaints lodged by BSNL. He shall rectify the anomalies within the MTTR specified above and maintain the history sheets for each installation, statistics & analysis on the overall maintenance status and the same shall be made available to BSNL at desired intervals in prescribed format/ Performa.

9. **Submission of Proposal:**

Interested and eligible companies may submit their proposals alongwith all the requisite documents as per condition 2 above, on any working day to:-

**DGM (VAS-I),
Bharat Sanchar Nigam Limited, Second Floor, Bharat Sanchar Bhawan,
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 its 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.

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.