



BHARAT SANCHAR NIGAM LIMITED

O/o Chief General Manager
Himachal Pradesh Telecom Circle
Telephone Exchange Building, Boundary Estate, Chhota Shimla, Shimla -2.

Expression of Interest

for

**Franchisee ship of BSNL product and services for Sales and Distribution
In Dharamshala SSA of Himachal Pradesh Telecom Circle.**

EOI No.CSC/S&M/2-28/EoI DALHAUSIE/2010-11/20

DATED : 14/05/2015

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 of submission 06-06-2015 at 13:00 Hrs

Date of opening of Bid 06 -06-2015 at 13:30 Hrs

Signature and Seal of issuing authority.....

Read, Understood & Complied
Signature of Authorized Signatory



Bharat Sanchar Nigam Limited
 O/o Chief General Manager,
 Himachal Pradesh Telecom Circle
 Telephone Exchange Building, Boundary Estate, Chhota Shimla – 2.

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This document contains 64 pages including the cover page. Please check that all the pages are intact in the document.

CHECK LIST FOR BIDDERS / APPLICANTS.

- 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.
- The following documents form part of the EOI and should be submitted with EOI:

S. No.	Documents to be submitted	Documents submitted	
		Y / N	Page No. at which Document Attached
1	All pages of this EOI document, duly signed by the authorized signatory in a token of acceptance of all terms and conditions by the bidder. Any other document submitted by the bidder should also be signed by the authorized signatory.		
2.	Duly filled application form for individuals/companies/firms (Section-C, Annexure-G, H&I).		
3	If EOI document is downloaded from Internet, a DD of Rs 1000/- as cost of the bid document from a Nationalized / Scheduled Bank should be attached.		
4.	General Power of attorney in 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.	Self Attested copy of Article or Memorandum of Association or partnership deed or proprietorship registration as the case may be.		
6.	Self Attested copy of LST/CST/Service TAX Registration number, if applicable.		
7.	Self Attested copy of PAN/GIR Number.		
8.	Self Attested copy of current & valid clearance from Central and State Sales Tax authority 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. OR EMD/Bid Security may be submitted in the form of Demand Draft in favour AO (EF), O/o Chief General Manager, BSNL, Himachal Pradesh Telecom Circle, Shimla, Himachal Pradesh.		
10	Attested copy from CA of turn over details for the year 2013-14 (P&L Account) Turnover certificate item wise.		
11(a) 11(b)	Certificates for experience in dealing with telecom or FMCG or Electronic/Electrical goods for 6 months out of last 3 years on the date of opening of EOI with duly Self Attested supporting documents. 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.	Copy of Latest Income Tax Return		
14.	Any other supporting documents as asked for or called for.		

- 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.**
- Separate EOI form for each area should be submitted, if bidder wants to apply for more than one Franchisee Area if eligible.

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 Himachal Pradesh Telecom Circle
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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 SSA	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 Ernest Money Deposit:

Particulars		Issuing Bank with branch name	Issuing date	Validity	Amount (Rs.)
EOI Document cost (Details to be given in case EOI document is downloaded from Internet)	DD No.....			N/A	Rs.1000/-
EMD (in the form of BG/DD)	BG / DD No.			Valid upto	Rs. 25000/-

Seal & Signature of Bidder

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Bharat Sanchar Nigam Limited
O/o Chief General Manager,
Himachal Pradesh Telecom Circle
Telephone Exchange Building, Boundary Estate, Chhota Shimla – 2.

SECTION 'A'

NOTICE INVITING EOI (Expression of Interest) for BSNL Franchisee Ship

EOI No. CSC/S&M/2-28/EOI DALHAUSIE/2010-11/20

DATED : 14/05/2015

Sealed EOI (location wise) are invited from eligible & willing parties by CGM Himachal Pradesh Telecom Circle Shimla for selection of Franchisee for sale of BSNL services and products at Dalhausie Territory of Dharamshala SSA 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 SSA	Name of Franchisee area	Code No. of vacant Locations in SSA
Rs 25000	Rs 1000	As per Annexure	M	As per Annexure A		

Note- The sale of EOI document will be from 10: 00Hrs to 02:00Hrs on working days w.e.f 16-05-2015 to 05-06-2015.

Eligibility Requirements for BSNL Franchisee ship for franchisee territories are given below:

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

Turnover of Rs. 3 Lacs: 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.

Experience: Interested firms must be distributor of Telecom / FMCG / Electronics / Electrical products with established retail chain for **6 months out of last 3 years.**

A detailed product list for FMCG industry is provided in Annexure-C. A wholesale or stockiest business experience in the above categories should not be considered as distribution experience `if experience certificate is not available then documentary proof clearly showing the type and period of experience should be attached. A copy of certificate from Telecom or FMCG or other should be attached. In case there is ambiguity in the interpretation of Annexure-C, the decision of Circle Head will be considered final. This decision will be final binding to the bidder.

Note: DSAs and RDs of BSNL are allowed to participate. The experience of DSAs/ RDs will be called as telecom experience.

Space: Interested party must ensure office space (carpet area) of size **120 sqft** for BSNL franchisee ship within operational area of the territory. Space is to be ensured within 15 days of LOI for award of Franchisee ship.

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EOI of "CM-Franchisee Sales and Distribution Policy – 2012"

1. EOI document shall also be available for sale from O/o GM(Consumer Mobility),Himachal Pradesh Circle, Telephone Exchange Building, Boundary Estate, Chhota Shimla, Shimla 171002 against payment of Rs. 1000.00 which will be payable in the form of Cash or DD/ banker's cheques in the name of AO (EF), O/o Chief General Manager, Himachal Pradesh Circle, Shimla. In case of cash payment the original cash receipt obtained should be enclosed with application.
2. EOI document may also be downloaded from BSNL site hp.bsnl.co.in and cost of document in the form of DD be deposited along with the bid.
3. **Submission of EOI:** – Separate EOI should be submitted for each vacant location and each EOI should be super scribed with "**CM-Franchisee-ship for.....territory area ofSSA.**" and it should be dropped in drop box kept in the O/o GM (Consumer Mobility), Himachal Pradesh Circle, Telephone Exchange Building, Boundary Estate, Chotta Shimla, Shimla – 2.
4. **Opening of EOI :-** EOI shall be opened area wise as per schedule attached, in the office of the GM (CM) in the presence of bidders/authorized representatives of the bidders who wish to be present.
5. Fee for EOI Document is neither transferable nor refundable.
6. EOI document will neither be sent nor be accepted by Post / Courier.

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SECTION-B

Section 1: Roles and Responsibilities

A. Geographic area

- a. **Definition of Geographical areas:** All Franchisees should have well defined geographical area (to be defined by SSA and notified in the franchisee Agreement). This will be their primary area and the franchisee must fulfill all the requirements as per the policy in this primary area only.
- b. Franchisee is **not allowed to sell outside the Primary Area** in any case (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 is to be viewed seriously, will attract penalty as per clause 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.

B. Responsibilities of Franchisee

- a. Selling of all BSNL Products and services 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. Generation of demand for services permitted by BSNL.
- d. Appointment of Retailers
Franchisee must appoint sufficient numbers of retailers in the territory such that:
 - i. Each BTS area have at least 8 retailers
 - ii. One retailer in urban commercial area at every 200m,
 - iii. One retailer in urban residential area at every 500m,
 - iv. At least one retailer in every Village
- e. Rural Retailers will be appointed and served by RDs in 3 tier system.
- f. Meeting and exceeding all targets set by SSA/Circle for the franchisee. 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 period of 90 days from date of deposition of CAF. BSNL official will check the documents within 90 days and if anything is found wrong with respect to DOT/TERM guidelines than 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 PIA (photo, identity and address) of customer at the POS (Point of Sale) has to be done as per the various guidelines issued by DoT and BSNL from time to time. Franchisees will be responsible for the verifications done by all the channels i.e. Rural Distributors and retailers working within their network.
- i. Operation of IT tools and systems provided by BSNL as specified from time to time, including hiring data entry operator if required.
- j. Appointing required number of FoS (Feet-on-Street) exclusively for BSNL to service retailers as per the target set by SSA/Circle.
- k. 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.
- l. Providing List/Details of FOS and retailers to BSNL.
- m. All details and information (including but not limited to FoS details, secondary sales, etc.) as per BSNL format to BSNL officials as per frequency specified. Franchisee must provide secondary sales details and/or any other details as specified by BSNL from time to time in BSNL specified system e.g. Sancharsoft.
- n. After sales services: Receiving, attending & rectifying complaints.

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- o. 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 BSNL official for further disposal.
Response time - 15 minutes
Rectification time - Same day if complaint is received up to 5 P.M. and next business day if complaint is received after 5 P.M.
- p. Setup support infrastructure to service customers to meet the objective of serving customer in 2 hour or less and progressively in real time basis so that the customer is delighted.
- q. Serving retailers and Rural Distributors at their doorsteps as per frequency specified by BSNL. 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. Receiving advertisement/ marketing material from BSNL, displaying them and distribution to Rural Distributors and retailers at their premises.
- 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 and other outreach programs in rural areas
- u. Timely submission of bills and claims to the nodal officer
- v. Storage of SIM's, data cards and other telecom stores.
- w. Issue receipts: At the time of booking of any new connection franchisee shall issue a formal receipt to the customer.
- x. Franchisee will be responsible for all the work done through its distribution network.

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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 (upto 2 territories through Eol / Migration + look after territory), however this could be four as stated in below para- d).
- b. Maximum 50% of SSA territories or 3 whichever is less (upto 2 territories through Eol / Migration + look after) within the SSA
- c. Number of territories permissible through first Eol to a franchisee in a circle is restricted to two territories. However he may participate in one more territory in second or subsequent rounds wherever there is no bidder in first round of Eol.
- d. In case of existing franchisee if the numbers of migrated territories are three then he can't participate in the EOI. If he has migrated in two territories then he can participate for one territory in the 2nd round of Eol.

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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 or in cases where existing franchisee has not met the performance criteria (defined in this policy) for a period of more than three months
- b. EOIs are to be floated and finalized at Circle level. The approving authority will be the Head of circle.
- c. Circles must invite EOI from willing parties for eligible territories.
- d. To evaluate the short-listed bidders, a Selection committee at Circle comprising of three members will be formed for each SSA with the approval of Circle Head.
- e. After evaluation by the selection committee, the recommendation of the selection committee shall be approved by Circle Head. Lol to successful bidder shall be issued by the EOI issuing authority with the instruction to submit the requisite PBG at the concerned SSA within 15 days' time frame for signing the agreement. The contract shall be awarded for a period of three years to the successful bidder(s) as per the terms and conditions stipulated in the EOI and in the sales & distribution policy document.
- f. BSNL reserves the right to revise some sections of Sales & Distribution policy according to change in business environment. SSA shall notify all such changes to franchisees. Franchisee will be assumed to be in agreement with revised norms unless notified to BSNL in three weeks' time. Any party who wishes to discontinue the agreement can do the same by providing a 60 days' notice.
- g. **Interested party must deposit EMD of Rs. 25,000/- for class C territories along with EOI. The EMD/Bid Security may be submitted in the form of Demand Draft in favour of AO (EF), O/o CGM, BSNL, Himachal Pradesh Circle, Shimla, Himachal Pradesh OR Bank Guarantee issued from a Nationalized / Scheduled Bank on non-judicial stamp paper of Rs. 100/- (Format enclosed Annexure A) and valid for a period of 180 days from the date of opening of Eoi.**
- h. 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.
- i. The decision of BSNL will be final and binding.

B. Terms & Conditions with EOI

- a. Each franchisee will sign Franchisee Agreements at concerned SSA in the Circle (As per Annexure-N). Franchisee must not work with any other telecom operator in the capacity of any role related to sales & distribution anywhere in India.
- b. All Franchisees should have well defined geographical area (to be defined and notified by SSA/Circle). This will be their primary area and the franchisee must fulfill all the requirements as per the policy in this primary area.
- c. The demarcated area for which they are appointed should be the primary area for the franchisee's operation, and all contractual obligations and responsibilities as per franchisee policy should remain for this primary area only.
- d. Periodic performance review must be done and in case of a franchisee not- meeting the performance standards, action should be taken in accordance with 'Performance Management System' section of this policy.
- e. Franchisee is not allowed to sell 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

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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 services permitted to them. Franchisee should serve retailers as well as rural distributors at their premises.
- h. Franchisee must ensure availability of BSNL products and services at more than 90% of retail points (multi-brand outlets) which sell telecom products within their primary area.
- i. Existing customer service centers and all other channels including e-distributors, Rural Distributors, DSAs will also work as sales outlet for all type of services offered by BSNL. BSNL can directly appoint any other channel(s) to distribute and sale various telecom services and products within franchisee's primary area.
- j. Franchisee should ensure manning of office at least 12 hours per day (9:00 AM to 9:00 PM).
- k. BSNL reserves the rights to seek/verify financial information from franchisee's Bankers/credit providers and any another sources as to carry out other verifications.

C. Extension of Agreement

The extension for next two years (on year to year basis) can be granted, provided that the franchisee has been performing well i.e., achieving the prescribed bench-mark score during the last one year and achieving cut off score in type A parameters.

D. Requirements after EOI Approval

- a. PBG (Performance Bank Guarantee) of Rs. 1 Lakhs for class C territory to be submitted before signing of agreement within 15 days of LOI.
- b. 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.
- c. After approval of EOI by Circle, the Agreement shall be signed by the SSA, PBG (Performance Bank Guarantee) shall also remain in concerned SSAs, Franchisees will be monitored and supported by SSA. Payments will be done from SSA (except in case of special schemes where Circle can also make the payment).
- d. PBG will be treated as security deposit and no supply of material will be allowed against PBG.
- e. Material can be issued to franchisees against RTGS or Cheque on realization of Money in BSNL account or against Cash / Draft. The prefer mode for fund transfer for the franchisees to get material is RTGS.
- f. Franchisee may open an account with RTGS/online transfer facilities in the bank in which BSNL's account is in concerned SSA. Franchisee shall make payment to BSNL for material supply preferably by online transfer/RTGS mode. Any charges for online transfer or RTGS will be borne by franchisee.
- g. Roll out Plan: 50% of the retailers 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.

E. 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	20 marks
ii	Turnover	10 marks
iii	Place	15 marks
iv	Interview / Presentation	5 marks

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- b. Short listing will be done on the basis of point number (i) to (iii) 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 (service tax registration) or where it has operations (existing shop/office) for at least last two years or more.

F. Scoring Guidelines for Selection Criteria:

a. Experience of firm (Total Marks: 20)

	Experience	Telecom	FMCG Distribution	Electronic /Electrical
a.	Fulfillment of Minimum Criteria and up to 1 year in excess	14	12	8
b.	Greater than 1 years in excess but less than 2 years in excess	17	14	10
c.	Greater than 2 years in excess	20	16	12

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

b. Turnover (Total Marks = 10)

a.	Fulfillment of Minimum Criteria up to 20 percent in excess	3
b.	Greater than 20 percent in excess but less than 50 percent in excess	6
c.	Greater than 50 percent in excess	10

c. Place (Total Marks – 15)

a.	Bidder belongs to same SDCA	15
b.	Bidder belongs to same SSA	8
c.	Bidder belongs to same Circle	2

Bidder should have registration of service tax or operational area within same SDCA/ SSA/ Circle as the case may be.

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

- e. **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 'Place', 'Experience' and lastly 'Turnover'.

Section 4: Target Setting and Performance Management

A. Target Setting:

Targets will be assigned by Circle to SSAs and thereafter SSA will assign franchisee-territory-wise rolling target. Each SSA should set the rolling targets for CM products for next two calendar months on various parameters as defined below on or before the 25th of previous month. In case of holidays, it should be communicated on or before last working day before the 25th.

1. Parameters for Setting of SSA Target.

a	FRC / Plan Voucher	Gross connections (SIM activations) SSA wise and Franchisee territory wise
b	RC	Recharge sales – SSA wise and Franchisee territory wise
c	POS	Active Retailer : Loading FRC / PLAN VOUCHER Active Retailer : Loading RC
d	CDMA	Sale targets for other Consumer Mobility products – CDMA
e	Wi-MAX	Sale targets for other Consumer Mobility products – Wi-MAX

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, CDMA and Wi-max 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 Territory wise Target.

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

a) For connections:-

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

As an illustrative example,

SSA target = 15000

Let 80% of monthly target of SSA = 12000

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

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

Average per territory = 2000

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

Distributed target would be for Type A → 2600

For type B → 2000 and for Type C → 1400

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

b) For recharge:-

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

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

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

1. Appointment of Review committees:

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

Weightage for targets for evaluating performance

Parameters	Weightage
Type A Parameters	
FRC / Plan Voucher	45%
RC	10%
POS	15%
Type B Parameters	
% of CAF forms submitted	15%
Percentage of recharge sales via C-TOPUP	10%
Payment of Postpaid Bill through C-TOPUP	5%
Total	100%
Bench Mark Score	50%

Note: FRC / Plan Voucher include new connections of GSM / CDMA / Wi-MAX.

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

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

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

	Parameter (measured on monthly basis)	Scoring	Cut-Off Score
1	Gross Connections GSM, CDMA, Wi-MAX	% of target achieved in each product	>50%
2	Revenue/ Recharge sales GSM/ CDMA/ Wi-MAX in month	% of target achieved in each product	>50%
3	No. of retailers billed in month through BSNL specified system	% of target achieved	>50%
4	% of CAF forms submitted	No. of CAF submitted within specified time frame as a ratio of No. of activations within Franchisee's network	>90%
5	% of Recharge sales via C-TOPUP out of total recharge sale	% of target achieved	>60%
6	Payment of Postpaid Bill through C-TOPUP (quantity)	% of target achieved	>50%

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

Cut-off scores can be upwardly revised by Circle review committee with at least 60 days notification to franchisees. Apart from the parameters listed above, review committee should discuss about any other complaints received about the franchisee and warnings / monetary fines could be issued / imposed. SSA committee must prepare a scorecard for each franchisee before monthly review meeting. The scorecards for three months should be sent for Circle level review each quarter. CGM is authorized to vary cut-off score of 60% for recharge Sales via C-top-up by +/- 10% based on local conditions.

- iv. **Review Process at Circle/SSA:** Review committee at Circle should conduct a review of each franchisee every quarter. Score cards for this review shall be furnished by SSAs in time for the review. Circle will prepare a cumulative scorecard based on target achievement in the previous quarter. Circle can review performance of franchisees in between the quarterly review period also (especially in cases where the franchisee has not been meeting performance targets) and take action as described below.
- v. **Rewards:** Every quarter, Circles can reward the top five franchisees in the Circle. Both type 'A' and type 'B' parameters should be considered for award consideration.
- vi. **Consequences for Poor Performance:** Any franchisee who does not meet the cutoff score on any parameters (type A or type B) becomes liable for penalty as per the clause O (a) in section 5.
- vii. **Performance based termination:** Any franchisee who does not meet the cut-off score on cumulative target achievement during past three months on type 'A' parameters will become eligible for termination. Circle review committee then has the right to terminate any franchisee that is eligible for termination by giving a 30-day notice. Total number of terminations based on quarterly performance review in any month will be done considering that no. of vacant territories in the circle should not exceed 20 % of total number of justified territories or in the other words at least 80% of total no. of justified franchisees in the circle should always remained filled. Only franchisees who have been active in all six months should be considered for this exercise. Any franchisee inducted in past six months will not be considered for this exercise. All 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

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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 any franchisee EOI for any territory for the next two years. Circle/SSA may use look-after arrangement in these vacant territories.

- viii. **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.
- ix. **Confidentiality:** All data collected or generated during the review process at SSA or Circle level should be treated as confidential. It can be discussed with franchisees however no data related to other franchisees should be given to any franchisee. Access to this data should also be restricted to only competent authorities as decided by Circle Head or SSA Head.

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Section 5: Discounts & Commissions for Franchisee

- i. Total commission / discount payable to franchisee channel (Franchisee, Rural Distributors and Retailers) on various products 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. Franchisee must pass on part of the discount/commission to retailers/ RDs as described in Annexure-E. These figures are the minimum share which franchisee must pass on to retailers/ RDs.
 - a. Wherever retailers are being served through "RURAL DISTRIBUTOR", franchisee has to pass on at least 90% of the franchisee commission/discount to rural distributor out of which 75% will be passed by RDs to retailers on Recharge / C-TOPUP.
 - b. For postpaid connections, the discount/commission will be given in two steps unless specified otherwise:
 - 50% on submission of CAF
 - 50% after payment of first bill by the subscriber
 - c. 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.
 - d. 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:

- a. **Consequences for Poor Performance:** Any franchisee who does not meet the cutoff score on any parameters (type A or type B) becomes liable for penalty as per the table given below:

Penalty Structure for Franchisees							
Class of Territory	Month	1	2	3	4	5	6 th and onwards**
	Issuer	SSA	SSA	Circle*	SSA	SSA	Circle
	PBG in Rs.	Warning		Strong Warning	Base monetary penalty	Monetary penalty of 110% of col. 3	Monetary penalty of 125% of col. 3
A	300000						
B	200000						
C	100000						

* **Base monetary Penalty**-upto 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, Type-B 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 & Type-B 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:** If franchisee found to be involved in cross selling:

- (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.

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B. General Terms & Conditions

- a. Franchisees may be given right to view Franchisee portion of Sancharsoft, which they are supposed to view periodically and take necessary actions.
- b. BSNL reserves the right to change the terms of trade from time to time with notice period of 30 days.
- c. BSNL reserves the right to withhold or delay the discount/commission for the Franchisees in case of any pending disputes in matters relating to activations or cancellations.
- d. 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.
- e. The company's decision will be final on all matters relating to the business and will be binding on the Franchisee.
- f. 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.
- g. The payment to the Franchisees will be made through a cheque / ECS after deducting applicable taxes.
- h. All Franchisees will report to SSA Head through the nodal officer appointed by him.
- i. All taxes present & Future additional, taxes /Lessees/ duties etc thus may be levied by the govt. / Local authorities etc. will be to the franchisee a/c.
- j. The Franchisee shall comply with all applicable laws, bye Laws rules, regulations, orders, directions notifications etc of the Govt./ Court/Tribunals and shall also comply with all directions issued by BSNL and provide BSNL with all information and cooperation that BSNL may reasonably require from time to time.
- k. The franchisee has to fully cooperate with BSNL to investigate any complaint from the public, retailers or BSNL's sales teams.
- l. Franchisee shall be liable for all payments of wages, Salary etc to its employees & shall comply with all statutory laws, rules, relating to employment, wages, PF, ID, act etc.
- m. The Franchisee shall fully indemnify, defend & hold BSNL harmless from and against all claims, Liability, Losses or damages recoveries, proceedings, actions, Judgments costs, charges & expenses which may be made or brought or commences against BSNL or which BSNL may or may have to bear, pay or suffer directly or indirectly in connection with any breach Franchisee's agreement by franchisee or its agents, employees, offices.
- n. BSNL Shall not be liable for any act of discount/commission or omission of any third party.
- o. During the currency of agreement, franchisee will not be permitted to provide services to any other telecom service provider.
- p. 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.
- q. 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.
- r. 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, discount/commission payable to the franchisee etc.
- s. 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.
- t. PBG shall be forfeited if newly appointed franchisee does not start business within 60 days.
- u. 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.
- v. Franchisee may surrender his franchisee ship by giving 60 days notice, Such Franchisee shall not be eligible for participating in the Eoi process for next two years in circle
- w. PBG shall be refunded after adjusting dues / claims if the franchisee has surrendered his territory with mutual consents.
- x. In case of termination of franchisee-ship on performance based the penalty and other dues shall be recovered from PBG and rest be refunded back.

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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. 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.
- II. If experience certificate is not available then documentary proof clearly showing the type of experience, the period shown, be attached. BSNL will decide whether the documentary proof submitted for experience is acceptable or not this decision will be binding to this bidder.
- 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, Himachal Pradesh Telecom circle:
 - a. CGMT, Himachal Pradesh 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, Himachal Pradesh 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, Himachal Pradesh 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 for BSNL services should provide his present permanent address and bank account number at the time taking franchisee ship.
- XII. All franchisee for sales/ servicing of BSNL services 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 services 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 services shall be without prejudice to the right of BSNL to market these services from its existing or outlets including customer service centres. Nothing shall prevent BSNL to work out and introduce in future.
- XV. BSNL shall reserve the right to cancel the franchisee ship for BSNL services at any time without assigning any reason.
- XVI. All disputes arising out of franchisee for sales/servicing of postpaid BSNL mobile services 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 commission, bonus and rewards can be reviewed by BSNL at any time and decision of BSNL in this regard will be final.

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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 CGM, BSNL Shimla 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, Himachal 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 Shimla 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 Shimla Court alone shall have the territorial jurisdiction to adjudicate upon the matter.

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ANNEXURE – A : FRANCHISEE TERRITORY

Sr. No.	SSA Name	Territory Name	Territory Code	Territory Geographical Area	Areas Covered	Territory Category
1.	Dharamshala	Dalhausie	HP03102	SDOT Dalhausie, SDO (T) Tissa	DALHAUSIE , TISSA , BAKLOH, BALERA, BANIKHET, CHAURA, CHOWARI, , HATLI, HOBAR, KHAIRI, KUNJAR MAHADEV, RAIPUR, SIHUNTA, KAKIRA, BAGHAIGARH, BHALEI, DEOGA, KIHAR, NAKROTE, PANTAH, SALOONI, SANGHANI, SINGHADHAR, SUNDLA, SURANGANI, etc	C

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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 Block No. 11, SDA Complex, Kasumpti, Shimla - 171001 (hereinafter called the BSNL) for _____.

As an irrevocable Bank Guarantee against Earnest Money Deposit for as amount of Rs. 25000/- 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 – Section 3 D(a) 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.25000/-(Rupees Twenty five thousand 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

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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.

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FRANCHISEE DISCOUNT/COMMISSION STRUCTURE

The discount / commission of Product and services will be issued separately.

The discount / commission of Product and services may be modified from time to time and that will be binding as per the BSNL guidelines.

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SHARING OF DISCOUNT/ COMMISSION**Table- I A (Two Tier) Franchisee – Retailer**

Sharing of franchisee Discount/ Commission among Franchisee → Retailers

Product	Franchisee	Retailers
New Connection (Prepaid/ Postpaid)	30%	70%
CAF Commission	70%	30%
Recharge / C-TOPUP	25%	75%

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

Sharing of franchisee Discount/ Commission among Franchisee/ RDs/ Retailers

Product	Franchisee	RDs	Retailers
New Connection (Prepaid/ Postpaid)	15%	15%	70%
CAF Commission	50%	20%	30%
Recharge / C-TOPUP	10%	15%	75%

Wherever retailers are being served through 'Rural Distributors (RDs)', franchisee has to pass on 90% of Recharge / C-TOPUP of the franchisee commission/discount to rural distributors.

Table- II (Two Tier) RDs – Retailers

Sharing of franchisee Discount/ Commission among RDs/ Retailers

Product	RDs	Retailers
New Connection (Prepaid/ Postpaid)	15%	70%
CAF Commission	50%	30%
Recharge / C-TOPUP	15%	75%

Table- III DSA

Sharing of franchisee Discount/ Commission for DSA

Product	DSA
New Connection (Prepaid/ Postpaid)	70%
CAF Commission	50%
Recharge / C-TOPUP	75%

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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 / Himachal Pradesh 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.1 Lakh (Rupees One 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 athas 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. 1 Lakh (Rupees One 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. 1 Lakh (Rupees One 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 forbear to enforce any of the terms and conditions relating to the said agreement and the Bank shall not be relieved from its liability by reason of such failure or extension being granted to 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. 1 Lakh (Rupees One lakh only) on the last day on which the Bank Guarantee is due to expire.

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6. Notwithstanding anything herein contained;
 - (a) The liability of the Bank under this guarantee is restricted to Rs. 1 Lakh (Rupees One 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

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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

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ANNEXURE - H

To

**DGM (Sales – CM),
O/o GM (Consumer Mobility),
Himachal Pradesh Circle,
Telephone Exchange Building,
Boundary Estate,
Chotta Shimla – 2.**

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/- in case EOI document downloaded from site.
- (ii) EMD of Rs.25000/-

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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. LST / CST No. (if any)
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 Franchisee ship)
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

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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

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Location for Franchisee ship applied for

(As per details given in ANNEXURE - H)

S.No.	Location/Code number of area	Name of SSA
1.		

Other area if applied for / Working

S. No.	Location/ Code number of area	Name of SSA 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 20...

Seal and Signature:

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Signature of Authorized Signatory

ANNEXURE -M

Schedule for Submission & Opening of EoI:

Sr. No	Name of SSAs	Name of Franchisee Territory	Territory Code	Last date of submission of EoI	Date of opening of EoI
1.	Dharamshala	Dalhausie	HP03102	06-06-2015 at 13:00 Hrs	06-06-2015 at 13:30 Hrs

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ANNEXURE-N

**FORMAT OF FRANCHISEESHIP 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 OTHER PART.

WHEREAS

- (a) The BSNL is desirous of appointing authorized Franchisees with a view to do marketing and distribution of its Telecom Services 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 providing services on the terms and conditions as agreed herein between parties of this agreement.
- (b) The Franchisee-CM has approached the BSNL for authorizing it to act as an authorized Franchisee for marketing and distribution of BSNL 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-2012 attached here to and forming part and parcel of this agreement, BSNL and Franchisee agree to sign this agreement on exclusive basis to provide marketing and distribution of Telecom Services as per conditions contained in various parts, annexure, Eoi of CM-S&D Policy-2012 attached hereto.

1.0 Definitions

- 1.1 **BSNL Consumer Mobility Services / Products:** GSM 3G / 2G, Wi-Max, Data Cards, EVDO, NIC, Blackberry, CDMA, WLL, FWT, IFWT, VAS etc. and any other future product/ service 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..

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- 1.2 **Mobile Handsets:** Mobile Handsets are telephone instruments for mobile services made by independent third parties for making and receiving calls and other data & VAS services.
- 1.3 **SIM Cards:** SIM (Subscriber Identity Module) Card is provided to each BSNL Subscriber, who applies for GSM connection. It contains a microcomputer Chip with memory. The SIM card has to be plugged into the GSM Handset to activate the phone.
- 1.4 **SIM / USIM / RUIM:** A SIM card is used in 2G services; USIM is used in 3G services while RUIM is used in CDMA handsets.
- 1.5 **Booking a Connection:** A subscriber can book a 3G / 2G post-paid mobile connection by paying a refundable Security Deposit and an activation fee. 3G / 2G Pre-paid mobile connection can be booked by paying the fixed (non-refundable) charges.
- 1.6 **Services Bill:** It will include 'monthly rental', 'Airtime charges' and 'BSNL/Fixed Line charges' incurred by all calls made by the subscriber. Airtime charges are calculated at a pre-determined rate per unit time (as per tariff structure declared from time to time), or any other charges. BSNL /Mobile/ Fixed Line Charges : Whenever a call is made from a Cellular phone to an BSNL or any other company's phone or when long distance network is used, certain amount levied by BSNL/MTNL/ other operator which is normally called the BSNL /Fixed Line charges. This includes the Local, STD and ISD charges.
- 1.7 **Agent / Sales Executive / Sales Force/ FoS:** In the interest of increasing the customer base, the Franchisee can appoint sales force except Rural Distributor for booking new connection and selling of prepaid cards. FoS are appointed for servicing the retailers. However retailers in area of Rural Distributors shall be appointed by respective RDs.
- 1.8 **Activation Fee:** Onetime non-refundable charges levied for energizing a cellular phone connection.
- 1.9 **Security Deposit:** A refundable deposit taken from subscriber as security at the time of enrolment or/and additional services availed like value-added services, ISD etc. subsequently.
- 1.10 **Commencement Date** means the date on which the Agreement comes into effect in accordance with the provisions of Clause hereof.
- 1.11 **Products, Services and Territory** shall mean all those products, services and territory as described in EoI / CM-S&D Policy-2012 and as amended in writing by the agreement of both the parties from time to time.
- 1.12 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-2012 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 services. 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 BSNL services to walk in- customers. It shall also establish, through its sales-force, direct contact with

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prospective customers and register as many new BSNL customers as possible subject to a minimum number fixed by BSNL. Franchisee shall also distribute 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-2012.

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 2012, 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-V) 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 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.

7.2 In case, any future statutory provision warrants variation in the Agreement, 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 will grant to the Franchisee right for the sales & distribution of products & services in the territory from the Franchisee /Franchisee outlet(s) for which the BSNL will compensate the Franchisee as described in **Eoi / "CM-S&D Policy-2012"**. The commission and discount rates can be modified by BSNL as per procedure described in Eoi. However the 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 The 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 further compensation/ commission/ discount shall become due to the Franchisee unless the

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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/ commission/ discount and/or indemnification whatsoever, from the BSNL in that regard.

9.0 General Obligations of the Franchisee

- 9.1 The franchisee shall be responsible for responsibilities as described in **Annexure II**
- 9.2 The Franchisee shall maintain a suitable organization for the sales & distribution of products & 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 the BSNL and always act in the interest of both the BSNL and its subscribers.
- 9.3 The 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.
- 9.4 The Franchisee /Franchisee(s) agree not to involve himself in any manner either directly or indirectly in any business or activity which is in competition with the business or activities of the BSNL. He will not be the Franchisee of any other Telecom/IT/ Internet Service Provider in the area for which the BSNL has been licensed to provide the BSNL services. 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-2012 as approved by BSNL on look after basis for specific period of time with his consent.
- 9.6** Franchisees shall use RDs selected by BSNL - Retailer network for sales and distribution of BSNL product and services 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**.
- 9.7 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
- 9.8 Wherever RDs are available, sales and distribution of BSNL product and services, should be only through retailers of RDs.
- 9.9 Franchisees shall not create his retail network wherever RDs are selected.
- 9.10 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.
- 9.11 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.
- 9.12 The merchandise will be sold at the premises by the Franchisee and it is clarified:
- a) That the Franchisee 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 shall be responsible for the merchandise sold by him and liable for the same, BSNL shall not be responsible in any case.
 - c) 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.

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- d) 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 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.
 - e) That the BSNL shall not be liable for any loss or damage of Free C TOP-UP activation SIM provided by BSNL.
 - f) That the BSNL shall not be liable for any loss or damage of Third Party Recharge (TPR).
- 9.13 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 the BSNL:

- a. Appoint sufficient number of exclusive Franchisee Managers, Retailer Manager Coordinator (RMC), Retailer Managers and SSA Sales Head in each SSA. Appoint other members of the Sales & Marketing team at Circle and SSA level.
- b. Communicate the targets on rolling basis e.g. the target for the July and August will be communicated by 25th of June. In next month, the revised target for August (revision limited to 10% variation) and fresh target for September will be communicated by 25th of July. The target on each parameter defined in 'Performance Management System' section on or before 25th of previous month. In case of holidays, it should be communicated on or before the last working day before the 25th. Any exceptions to this have to be approved directly by GM (Consumer Mobility)/ designated GM by HOC.
- c. BSNL shall select/ appoint Rural Distributor on non-exclusive basis and they will be assigned exclusive area of few BTS sites within one franchisee territory.
- d. BSNL shall intimate regarding selected rural distributors in the franchisees territory to respective franchisee for sales and distribution of BSNL product & services in assigned BTS areas.
- e. In case franchisee fails to serve the RDs of his territories, BSNL will be free to serve them directly or by any other channel.
- f. Monitoring the channel partners (franchisees and rural distributors) as well as retailers for performance. Performance monitoring should include daily interactions with franchisees.
- g. Resolution of issues (including supply of SIMs, discount/commission payment, 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.
- h. It will be the responsibility of the Account Officer to remit the collection from the franchisee to credit to Company's account on a daily basis and ensure realization of the cheque.
- i. The cheque deposited by the Franchisees should be deposited with bank for realization on the same day, The Account Officer shall be responsible for ensuring collection, deposit with the bank and realization of the cheque(s).

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- j. Account Officer shall maintain an account of inventory received, sold and payments realized on daily basis and sent it to accounts wing along with Remittance statement.
- k. Franchisee manager / SSA Sales Head (Mobility) to ensure that any sales to franchisee by BSNL and any sales by franchisee further to retailers or rural distributors is recorded in BSNL specified IT system.
- l. The Sancharsoft & stock register giving details of material given to the Franchisee should be properly maintained and monitored on regular basis by SSA Sales Head (Mobility) and Head of SSA/GM Area in a PGM/Circle Head set up.
- m. Head of Circle / SSA will ensure that stocks are available in sufficient quantity in required denominations well in advance.
- n. Defective stock with the channel partners should be replaced immediately.
- o. MRP of the products in whole numbers should be displayed. The stocks and distribution of publicity materials like brochures etc., preferably in local languages also should be available in sufficient quantity.
- p. 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. There should be adequate arrangement for issuing stock to Franchisee/DSAs or their representatives, without making them turn away empty handed.
- q. 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 except on Sunday & Holiday. Details of in-charge and location of such CAF Desk should be intimated to all Franchisees/ DSAs.
- r. It will be mandatory on monthly basis to reconcile the account of prepaid product along with IN report.
- s. Physical verification of CM stock should be done as per periodicity decided by CGMs.
- t. Regular meeting with franchisee/ channel partner by CGMs / SSA Heads as per instruction issued by corporate office.
- u. The following items shall be given free of cost to franchisees for performing their responsibilities, including for demo purpose, and is not linked with the targets:
 - i. One rent free landline connections with incoming facility only.
 - ii. One rent free landline connections with Broadband plan - BBG Combo ULD 850 (free call 350 with Unlimited Download/Upload).
 - iii. One rent free VPN over Broadband (VPN.No.BB 256 plan)
 - iv. One rent free GSM post-paid Plan - 525, calls beyond freebies shall be payable.

Note:- Above facility shall be upto the validity of agreement

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 the 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 the BSNL.

13.0 Prices and Payment : The payment of Discount/ Commission payable to franchisee subject to the terms & condition as described Annexure-IV

14.0 Tax Liability: Franchisees have to bear all applicable taxes as per Central / States/ Local Laws. Service tax on Commission, claimed by franchisee, will be paid by BSNL. Income tax may be deducted at source on Commission paid as per applicable rules.

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 the BSNL or any of the Franchisee/ Franchisee's affiliated companies to the services, whether registered or not, constitute the exclusive property of the BSNL or their affiliated companies and cannot be used except in connection with the promotion and sale of the services of the 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 and services 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.

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16.0 Warranty

- 16.1 The Franchisee hereby expressly warrants that the consumer mobility products, services and territory as specified herein shall be efficiently serviced by the Franchisee with high quality standards as specified by the 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 Service Availability

- 17.1 The BSNL reserves the right to delete from this Agreement consumer mobility products/services 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 The BSNL shall be vested with the sole discretion to amend, review, suspend, cancel, change or extend the scope and ambit of the products, services and territory as specified in Eoi / CM-S&D Policy-2012

18.0 Software: In relation to any software supplied by the BSNL to the Franchisee hereunder, 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.

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

- 19.1 Performance based termination: Any franchisee who does not meet the cut-off score on cumulative target achievement during past three months on type 'A' parameters will become eligible for termination. Circle review committee then has the right to terminate any franchisee that is eligible for termination by giving a 30-day notice. Total number of terminations based on quarterly performance review in any month will be done considering that no. of vacant territories in the circle should not exceed 20 % of total number of justified territories or in the other words at least 80% of total no. of justified franchisees in the circle should always remained filled. Only franchisees who have been active in all six months should be considered for this exercise. Any franchisee inducted in past six months will not be considered for this exercise. All 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 any franchisee EOI for any territory for the next two years. Circle/SSA may use look-after arrangement in these vacant territories.
- 19.2 The BSNL has the right to terminate this agreement forthwith in case it comes to conclusion that the Franchisee has violated any of the clauses of the agreement which has resulted in or could result in loss to the BSNL or may cause damage to the service being provided by the BSNL. The decision of the BSNL will be final in this regard.

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- 19.3 The 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.
- 19.4 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.
- 19.5 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 the cancelling / terminating party might otherwise be entitled to.
- 20.0 Consequences of Termination:** In the event that Agreement is terminated, the following shall be the consequences.
- 20.1 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.
- 20.2 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, on this realization of 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 action for the amount due to BSNL.
- 20.3 The provisions of this Agreement shall, to the extent stated or necessarily implied, survive the termination thereof.
- 20.4 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 the Agreement.
- 20.5 The Franchisee shall at its own expense return to the BSNL promptly all information, documentation and materials to the BSNL which relate to the services and / or software and future marketing 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 stops using BSNL's name trademark logo etc.
- 20.6 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 given free of cost and documents etc. which may have come to his possession or custody.
- 20.7 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.
- 20.8 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

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including the provisions of Clause 20. The provisions of this clause shall survive the termination of this agreement.

21.0

- (i) **Liquidated Damages:** If the franchisee fail to deliver the services as per agreement schedules, parts, Annexure and CM-S&D Policy-2012 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 sett-off/adjust from the PBG or forfeit the PBG. .
- (ii) **Legal action:** BSNL may initiate legal action against Franchisee in case of Para 21(i) above.
- (iii) **BSNL** may debar the Franchisee for future dealings with BSNL for any contract / Franchisee ship/dealership etc.

22.0 Insurance: The liability to insure the 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.

23.0 Indemnification

23.1 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).

23.2 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.

23.3 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.

23.4 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.

24.0 Franchisee as independent entity.

24.1 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 service 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.

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24.2 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.**25.0** 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.

26.0 Miscellaneous

- 26.1 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.
- 26.2 The Franchisee shall not shift the operations to any other premises without written permission from the BSNL.
- 26.3 The Franchisee may publish advertisement in newspapers at his own cost with the prior approval from the BSNL for text matter and design.
- 26.4 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.
- 26.5 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.
- 26.6 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.
- 26.7 The BSNL will issue a certificate to the effect that M/s _____ is the authorized Franchisee for BSNL service. 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.
- 26.8 The 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.
- 26.9 The BSNL may call, as and when felt necessary, the Franchisee/ Franchisee's representative for educating him in respect of latest schemes, services, products, rules, orders or regulations.
- 26.10 The Franchisee shall not secure subscribers from outside the allocated area & confined its operation within the allotted territories.
- 26.11 The Franchisee will distribute the services and products at a rate fixed by the BSNL to all its associated retailers.
- 26.12 The 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.
- 26.13 In the event, the 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 the BSNL. The verification of subscriber's identity as per the govt. procedure shall be the responsibility of franchisee.
- 26.14 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

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consequences thereof inter-alia outstanding dues, litigation, losses, damages or loss suffered/ to be suffered by BSNL etc.

- 26.15 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 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 provide services as per agreed schedule and parameters, targets etc. on the part of franchisee.

- 26.16 The Franchisee is not authorized to assign or otherwise transfer the benefits of this agreement or part thereof to a third party.
- 26.17 The Franchisee shall provide his permanent address and bank account number/PAN at the time of signing the agreement.
- 26.18 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.
- 26.19 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.
- 26.20 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.
- 26.21 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 hereof.

27.0 General Provisions

- 27.1 **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.
- 27.2 **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 the services in the territory.
- 27.3 **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.
- 27.4 **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

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- Agreement, or to such other address as shall have been given in writing to the other party.
- 27.5 **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.
- 27.6 **Remedies for enforcement**
- i. 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.
 - 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.
- 27.7 **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.
- 27.8 **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.
- 27.9 **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.
- 28.0 **Title:** Titles to the paragraphs / clauses are given for convenience only and do not have any legal complications.
- 29.0 **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 service 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

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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.

- 30.0 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 SSA- _____ in accordance with The Arbitration and Conciliation Act 1996 any modifications or re-enactments 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, _____ Telecom Circle/ District of the BSNL company 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 **SSA-** _____ and will be governed by the provisions of The Arbitration and Conciliation Act 1996 or of any statutory amendment thereto or any re-enactment thereof for the time being in force. The Arbitrator so appointed shall pass a speaking award. In case of any dispute, the **SSA** _____ Court alone shall have the territorial jurisdiction to adjudicate upon the matter.
- 31.0 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-2012, and EoI 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 caused 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. _____

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

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EOI of "CM-Franchisee Sales and Distribution Policy – 2012"

Designation _____

Name & Address _____

Name & Address _____

Dated at _____ on _____

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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

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Responsibilities of Franchisee

- a. Selling of all BSNL Products and services 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. Generation of demand for services permitted by BSNL.
- d. Appointment of Retailers
Franchisee must appoint sufficient numbers of retailers in the territory such that:
 - i. Each BTS area have at least 8 retailers
 - ii. One retailer in urban commercial area at every 200m,
 - iii. One retailer in urban residential area at every 500m,
 - iv. At least one retailer in every Village
- e. Rural Retailers will be appointed and served by RDs in 3 tier system.
- f. Meeting and exceeding all targets set by SSA/Circle for the franchisee. Franchisee is responsible for meeting these targets through all channel entities inter-alia RD, retailers etc. 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, for all channel entities inter-alia RDs, retailers etc. working under him. Once the CAF has been deposited by the Franchisee under receipt to BSNL. The responsibility of said documents submitted in support of customer identity & address will be on Franchisee for period of 90 days from date of deposition of CAF. BSNL official will check the documents within 90 days and if anything is found wrong with respect to DOT/TERM guidelines than 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 PIA (photo, identity and address) of customer at the POS (Point of Sale) has to be done as per the various guidelines issued by DoT and BSNL from time to time. Franchisees will be responsible for the verifications done by all the channels i.e. Rural Distributors and retailers etc. working within their network.
- i. Operation of IT tools and systems provided by BSNL as specified from time to time, including hiring data entry operator if required.
- j. Appointing required number of FoS (Feet-on-Street) exclusively for BSNL to service retailers as per the target set by SSA/Circle.
- k. 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.
- l. Providing List/Details of FOS and retailers to BSNL.
- m. All details and information (including but not limited to FoS details, secondary sales, etc.) as per BSNL format to BSNL officials as per frequency specified. Franchisee must provide secondary sales details and/or any other details as specified by BSNL from time to time in BSNL specified system e.g. Sancharsoft.
- n. After sales services: Receiving, attending & rectifying complaints.
- o. 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 BSNL official for further disposal.
Response time - 15 minutes

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Rectification time - Same day if complaint is received up to 5 P.M. and next business day if complaint is received after 5 P.M.

- p. Setup support infrastructure to service customers to meet the objective of serving customer in 2 hour or less and progressively in real time basis so that the customer is delighted.
- q. Serving retailers and Rural Distributors at their doorsteps as per frequency specified by BSNL. 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. Receiving advertisement/ marketing material from BSNL, displaying them and distribution to Rural Distributors and retailers at their premises.
- 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 and other outreach programs in rural areas
- u. Timely submission of bills and claims to the nodal officer
- v. Storage of SIM's, data cards and other telecom stores.
- w. Issue receipts: At the time of booking of any new connection franchisee shall issue a formal receipt to the customer.
- x. Franchisee will be responsible for all the work done through its distribution network. Inter-alia all channels i.e. RDs, retailers etc. working under him.

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Annexure III**Target Setting:**

Targets will be assigned by Circle to SSAs and thereafter SSA will assign franchisee-territory-wise rolling target. Each SSA should set the rolling targets for CM products for next two calendar months on various parameters as defined below on or before the 25th of previous month. In case of holidays, it should be communicated on or before last working day before the 25th, the same shall be part and parcel of the agreement.

1 Parameters for Setting of SSA Target.

a	FRC / Plan Voucher	Gross connections (SIM activations) SSA wise and Franchisee-territory wise
b	RC	Recharge sales – SSA wise and Franchisee-territory wise
c	POS	Active Retailer : Loading FRC / PLAN VOUCHER Active Retailer : Loading RC
d	CDMA	Sale targets for other Consumer Mobility products – CDMA
e	Wi-MAX	Sale targets for other Consumer Mobility products – Wi-MAX

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, CDMA and Wi-max 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 Territory wise Target.

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

a) For connections:-

50% of target as per class of territory

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

As an illustrative example,

SSA target = 15000

Let 80% of monthly target of SSA = 12000

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

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

Average per territory = 2000

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

Distributed target would be for Type A → 2600

For type B → 2000 and for Type C → 1400

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

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

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Discounts & Commissions for Franchisee

- i. Total commission / discount payable to franchisee channel (Franchisee, Rural Distributors and Retailers) on various products 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. Franchisee must pass on part of the discount/commission to retailers/ RDs as described in Annexure-V. These figures are the minimum share which franchisee must pass on to retailers/ RDs.
- Wherever retailers are being served through "RURAL DISTRIBUTOR", franchisee has to pass on at least 90% of the franchisee commission/discount to rural distributor out of which 75% will be passed by RDs to retailers on Recharge / C-TOPUP.
 - For postpaid connections, the discount/commission will be given in two steps unless specified otherwise:
 - 50% on submission of CAF
 - 50% after payment of first bill by the subscriber
 - 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.
 - 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:

(a) Consequences for Poor Performance: Any franchisee who does not meet the cut-off score on any parameters (type A or type B) becomes liable for penalty as per the table given below, which shall be adjusted /set off by forfeiting the PBG.

Penalty Structure for Franchisees							
Class of Territory	Month	1	2	3	4	5	6 th and onwards**
	Issuer	SSA	SSA	Circle*	SSA	SSA	Circle
	PBG in Rs.	Warning		Strong Warning	Base monetary penalty	Monetary penalty of 110% of col. 3	Monetary penalty of 125% of col. 3
A	300000						
B	200000						
C	100000						

* **Base monetary Penalty** upto 2.5% of PBG based on weightage 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, Type-B 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 & Type-B 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.

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- (b) Action against Cross-selling:** If franchisee found to be involved in cross selling:
- a. 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.
 - b. 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.
 - c. 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.

B) General Terms & Conditions

1. Franchisees may be given right to view Franchisee portion of Sancharsoft, which they are supposed to view periodically and take necessary actions.
2. BSNL reserves the right to change the terms of trade from time to time with notice period of 30 days.
3. BSNL reserves the right to withhold or delay the discount/commission for the Franchisees in case of any pending disputes in matters relating to activations or cancellations.
4. In case of dispute arising between the Franchisee and BSNL, the same shall be adjudicated in terms of arbitration clauses.
5. The company's decision will be final on all matters relating to the business and will be binding on the Franchisee.
6. It will be the Company's endeavour 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.
7. The payment to the Franchisees will be made through a cheque / ECS after deducting applicable taxes.
8. All Franchisees will report to SSA Head through the nodal officer appointed by him.
9. All taxes present & Future additional, taxes /Lessees/ duties etc thus may be levied by the govt. / Local authorities etc. will be to the franchisee a/c.
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.
11. The franchisee has to fully cooperate with BSNL to investigate any complaint from the public, retailers or BSNL's sales teams.
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.
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, RDs, or its retailers.
14. BSNL Shall not be liable for any act of discount/commission or omission of any third party.

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15. During the currency of agreement, franchisee will not be permitted to provide services to any other telecom service provider.
16. 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.
17. 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.
18. 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, discount/commission payable to the franchisee etc.
19. 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.
20. PBG shall be forfeited if newly appointed franchisee does not start business within 60 days.
21. 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.
22. Franchisee may surrender his franchisee ship by giving 60 days notice, Such Franchisee shall not be eligible for participating in the Eoi process for next two years in circle
23. PBG shall be refunded after adjusting dues / claims if the franchisee has surrendered his territory with mutual consents.
24. In case of termination of franchisee-ship or breach of terms & conditions of RD agreement at Annex-VI on performance based the penalty and other dues shall be recovered from PBG and rest be refunded back.

Annexure V**SHARING OF DISCOUNT/ COMMISSION****Table- I A (Two Tier) Franchisee – Retailer**

Sharing of franchisee Discount/ Commission among Franchisee → Retailers

Product	Franchisee	Retailers
New Connection (Prepaid/ Postpaid)	30%	70%
CAF Commission	70%	30%
Recharge / C-TOPUP	25%	75%

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

Sharing of franchisee Discount/ Commission among Franchisee/ RDs/ Retailers

Product	Franchisee	RDs	Retailers
New Connection (Prepaid/ Postpaid)	15%	15%	70%
CAF Commission	50%	20%	30%
Recharge / C-TOPUP	10%	15%	75%

Wherever retailers are being served through 'Rural Distributors (RDs)', franchisee has to pass on 90% of Recharge / C-TOPUP of the franchisee commission/discount to rural distributors.

Table- II (Two Tier) RDs – RetailersSharing of franchisee Discount/ Commission among RDs/ Retailers
(In case RDs served by BSNL Directly)

Product	RDs	Retailers
New Connection (Prepaid/ Postpaid)	15%	70%
CAF Commission	50%	30%
Recharge / C-TOPUP	15%	75%

- a. BSNL reserves the right to change the commission/ discount structure from time to time based on market/ commercial needs without giving any notice.
- b. TDS will be deducted as applicable & Service Tax will be levied as per rule.
- c. Wherever retailers are being served through "RURAL DISTRIBUTOR", franchisee has to pass on at least 90% of the franchisee commission/ discount to rural distributor out of which 75% will be passed by RDs to retailers on Recharge / C-TOPUP.

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Annexure VI

**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 its Telecom Services 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 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 sale and distribution of BSNL products and services 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:

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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 market & distribution of selective service 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 authorized RD selected by BSNL and authorized 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 encase/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. Commission / Discount :

- a) Sharing of Commission / Discount 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 discount/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:

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 commission / discounts received by them to retailers as per said Annexure-V or as specified by BSNL from time to time.

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- 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 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 The 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 RDs will make payment at the time of delivery of stock. However, they should make the requisition to the territory franchisee in advance.
- 5.8 The Sales Target shall be communicated by BSNL from time to time which shall be part & parcel of this Agreement.
- 5.9 Timely submission of bills and claims to the nodal officer/ franchisee.
- 5.10 MIS as per BSNL format to BSNL officials/ Franchisee as per frequency specified.
- 5.11 Rural distributors are required to attend meetings in SSA/ Franchisee as and when needed. Rural Distributor must ensure availability of BSNL products and services.
- 5.12 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.
- 5.13 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.
- 5.14 The security deposit of Rural Distributor shall be forfeited in case of violation of agreement and non fulfillment of statutory obligations.
- 5.15 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.
- 5.16 Rural Distributor is supposed to serve retailers at their premises. Rural Distributor must ensure availability of BSNL products and services in the villages falling in his territory and which are inhabited.
- 5.17 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.
- 5.18 SSA head reserves the right to terminate Rural Distributorship at any time based on performance.

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- 5.19 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.
- 5.20 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.
- 5.21 RD has to sell BSNL product and services as specified by BSNL.
- 5.22 In case of dispute arising between the Rural Distributor/ Franchisee and BSNL, the same shall be adjudicated by means arbitration clause.
- 5.23 The decision of BSNL will be final on all matters relating to the business and will be binding on the Rural Distributor.
- 5.24 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.
- 5.25 SSA head reserves the right to terminate Rural Distributorship at any time without assigning any reason.
- 5.26 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.
- 5.27 RD has to sell BSNL product and services as specified by BSNL.
- 5.28 BSNL reserves the rights to seek/verify financial information from Rural Distributor Bankers/credit providers & ensure other sources to carry out other verifications
- 5.29 Deleted.**
- 5.30 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.
- 5.31 The RD shall use BSNL Logo, Brand name during the term of this agreement.
- 5.32 The RDs have to bear all applicable taxes as per central/state/local laws, service tax on commission etc. BSNL shall not be responsible for any circumstances whatsoever.
- 5.33 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.
- 5.34 The RD shall not secure subscribers from outside the allocated area and confined the operation within the allocated area.
- 5.35 RD shall neither assign its rights and remedies nor transfer its obligations under this Agreement without prior written consent BSNL
- 5.36 Other Obligations:
 - a. The RD shall not shift the operations to any other premises without written permission from the BSNL.

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- 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 BSNL service. 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 service.

5.37 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 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.
- d. 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.
- e. That the BSNL shall not be liable for any loss or damage of Free C TOP-UP activation SIM provided by BSNL.
- f. That the BSNL shall not be liable for any loss or damage of Third Party Recharge (TPR).

5.38 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 dated. _____ between BSNL & Franchisees.
- b) Wherever RDs are available, sales and distribution of BSNL product and 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 commission 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. 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	10%
POS	15%
Type B Parameters	
% of CAF forms submitted	15%
Percentage of recharge sales via C-TOPUP	10%
Payment of Postpaid Bill through C-TOPUP	5%
Total	100%
Bench Mark Score	50%

Note: Type A parameters in case RDs served by franchisees and Type A & B both in case RDs served By BSNL.

- 9. **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.
- 10. **Exit Clause:** RD may exit by giving 60days notice and PBG shall be refunded once the pending dues if any are cleared.
- 11. **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 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 SSA- _____ in accordance with The Arbitration and Conciliation Act 1996 any modifications or re-enactments 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 SSA Head, _____ Telecom District of the BSNL company or his nominee including any officer of Bharat Sanchar Nigam Limited (BSNL) nominated by him and the Franchisee / RD 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 SSA _____ and will be governed by the provisions of The Arbitration and Conciliation Act 1996 or of any statutory amendment

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thereto or any re-enactment thereof for the time being in force. The Arbitrator so appointed shall pass a speaking award.

12. 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. _____	

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 _____

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