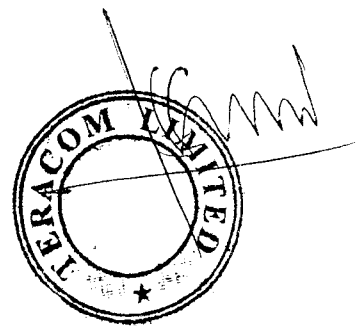


BHARAT SANCHAR NIGAM LIMITED

(A Govt. of India Enterprise)

AGREEMENT WITH TERACOM LIMITED FOR BUNDLING OF BSNL'S MOBILE SERVICES WITH 3.6 & 7.2 Mbps DATA CARDS.

TOTAL PAGES: 14- Pages



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Bharat Sanchar Nigam Limited
Agreement with Teracom Limited
for bundling of BSNL's mobile services with
3.6 & 7.2 Mbps data cards.
B. C. N. Ltd., New Delhi

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N 020960

AGREEMENT WITH TERACOM LIMITED FOR BUNDLING OF BSNL'S MOBILE CONNECTION WITH 3.6 & 7.2 Mbps GSM DATA CARDS


This agreement is signed on the 7th day of February, 2011 by and between **BHARAT SANCHAR NIGAM LIMITED**, a company registered under the Companies Act 1956 having its Registered and Corporate office at Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi - 110001 acting through **Shri Ashutosh Gupta, Addl.GM(PD-CM)** (hereinafter called **BSNL** which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) of the **FIRST PARTY**

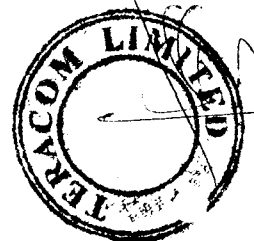
AND

Teracom Limited a company registered under the Companies Act 1956, having its registered office at 250, Kundaim Industrial Estate, Kundaim Goa - 403 115, acting through **Shri Puneet Jain**, the authorized signatory (hereinafter called **Teracom** which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) of the **SECOND PARTY**.

WHEREAS

1. BSNL is engaged in the business of providing telecom services throughout the country except the metro districts of Delhi and Mumbai.
2. Teracom is engaged in the business of manufacturing GSM Data cards, import, distribution and sale of these Data cards and various mobile communication products and accessories.


ASHUTOSH GUPTA
Addl. GM (PD-CM)
Bharat Sanchar Nigam Limited
New Delhi



3. BSNL and Teracom are desirous to establish an arrangement under which the parties shall work on terms set out herein for the benefit of both the parties in developing a bundled devices solution, which combines data cards and mobile connection. This arrangement is expected to enhance value to the Mobile customers of BSNL and GSM data cards customers of Teracom. This arrangement is also expected to increase overall demand of Mobile connections as well as GSM mobile data card.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In consideration of the due observance & performance of all the terms and conditions mentioned in this agreement the Part I, II & III attached hereto & forming part of this agreement, BSNL and Teracom agree to sign agreement on non-exclusive basis for bundling of BSNL Mobile connection and GSM data cards manufactured or marketed by Teracom for the benefit of Mobile customers of BSNL and Teracom as per conditions contained in various parts & Annexure attached hereto.
2. Teracom and BSNL hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in agreement along with Part I to III attached hereto without any deviation or reservations of any kind, unless mutually agreed between the parties at any given time. The details of the scheme may be changed from time to time on mutually agreed basis, based on market condition.
3. BSNL reserves the right to provide the GSM data cards on its own or to enter into Agreement with other GSM data cards vendors/manufacturers for bundling of GSM data cards of any other vendor/manufacture with Mobile connection of BSNL in future without any restriction of number of data cards vendors/manufactures.
4. The laws of land as promulgated/modified/amended or replaced from time to time shall govern this Agreement.
5. The Teracom shall indemnify BSNL in respect of any consequences of whatsoever nature arising on account of copy right/intellectual property rights violation in respect of Software/Hardware of GSM data cards, whichever and whatever is supplied by Teracom to the customer.
6. This Agreement shall not be amended or modified or altered or changed in any way except in writing and duly executed by the authorized representative of each party.
7. The Agreement is a confidential document. Teracom and BSNL shall not divulge any part of this Agreement either through oral or written communication or through any other mode to any third party.



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TERACOM LIMITED
100, Park Road, New Delhi
110017, India

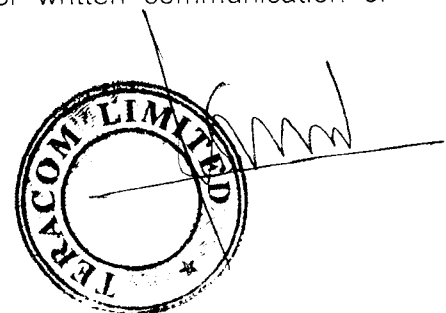


TABLE OF CONTENTS

PART I

COMMERCIAL CONDITIONS

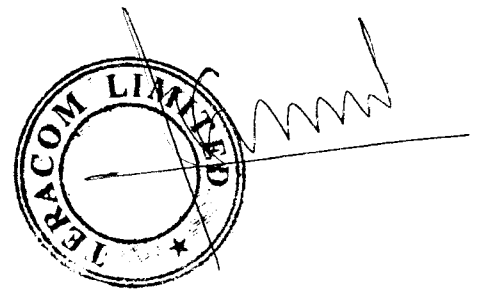
- Condition 1: Scope of the Work
- Condition 2: Marketing of Bundled GSM Data cards
- Condition 3: Duration of Agreement
- Condition 4: Extension of Agreement
- Condition 5: Modifications in the Terms and Conditions of Agreement
- Condition 6: Restrictions on 'Transfer of Agreement'
- Condition 7: Suspension, Revocation or Termination of Agreement
- Condition 8: Actions pursuant to Termination of Agreement
- Condition 9: Disputes Settlement
- Condition 10: Force- Majeure
- Condition 11: Right to Inspect
- Condition 12: Confidentiality of Information
- Condition 13: Indemnification
- Condition 14: Relationship
- Condition 15: Exclusivity
- Condition 16: Liability

PART II

FINANCIAL CONDITIONS

PART III

LIST OF DATA CARDS



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S. C. N. Ltd. (Pvt) Ltd

TERMS & CONDITIONS

PART-I COMMERCIAL CONDITIONS

1. Scope of the Work

1.1 Teracom shall

- Provide for sale of their GSM data card through their Distribution Network who will sell DATA CARDS after bundling with BSNL SIM Card.
- Teracom distributors will provide their GSM data cards to BSNL's Distribution Channel who will sale this device after bundling with BSNL mobile connection.
- A monthly schedule of targets for Teracom for BSNL bundle sales, will be drafted circle-wise.

1.2 The demand estimation of data cards bundled will be done centrally at the corporate office in consultation with Teracom and respective nodal officer as assigned by the GM Sales and Marketing of the circle customer mobility business unit

1.3 The demand estimation will be done at least ONE month in advance in order to provide sufficient time to Teracom to issue Data cards in appropriate quantities. The demand will be estimated in mutual agreement of BSNL and Teracom while keeping in mind potential sales for each circle and the market share of Teracom.

1.4 Based on estimated demand, the number of SIM cards will be earmarked to M/s Teracom at the corporate office and will be sent to the circle. Circle can not issue these SIM cards to any other vendor or any SSA for unbundled sale.

1.5 Teracom will designate a key BSNL account manager & Circle level Managers to run the process from their side with Circle level Managers of BSNL i.e. GM(Sales / Mktg).

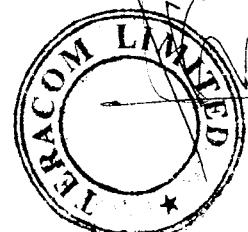
1.6 Teracom will submit circle-wise and model-wise sale details on monthly basis to the Demand Manager of Corporate Office.

1.7 Teracom distribution channel and BSNL's distribution channel will display prominently bundled data card/solution with BSNL mobile connection at its distribution network.

1.8 Teracom shall provide BSNL branding on the bundled devices packaging. BSNL SIM shall be packed in such a manner that BSNL brand / logo is displayed prominently. Besides this BSNL shall not be liable for any liability, damages, losses etc of whatsoever nature arising for co-branding of GSM Data cards to BSNL customers under this agreement.

1.9 Teracom will be responsible for presale service installation of required software or any accessory / helpdesk support/ after sales service / warranty / guarantee etc of GSM data card inter-alia payment of sales Tax etc thereon on its own cost, to be bundled with BSNL mobile service / SIM, for the customers who will buy bundled GSM data card. For this purpose BSNL will neither be responsible nor will pay any charges to Teracom.

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TERACOM LIMITED
Corporate Office
Plot No. 1, Sector 10, Gurgaon
Haryana - 122002
INDIA



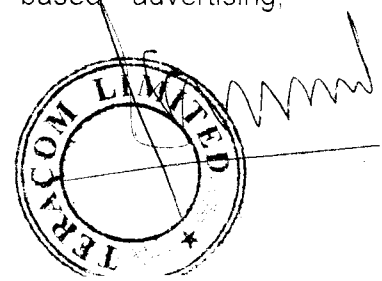
- 1.10 Teracom shall also be responsible for obtaining the copyrights and complying with the Intellectual Property Rights of the hardware and software or any other item. Teracom will also comply with all laws, rules, regulations, for bundling of GSM data cards including any permission for bundling of products etc. Teracom shall indemnify BSNL in respect of any consequences of whatsoever nature arising on account of copyright violation with respect to GSM data cards.
- 1.11 It is specifically agreed by the Teracom that it shall, at no point of time, use the BSNL name, logo, space and services under this agreement for sale of GSM data cards which are not for sale only to BSNL customers, unless agreed between the parties in writing and except that BSNL undertakes to allow Teracom to sale GSM devices without bundling.
- 1.12 Teracom shall provide warranty as per the Teracom existing norms of the GSM data cards sold under this scheme of bundled GSM Data cards at its own cost. The devices faults shall be attended by Teracom customer care/fault repair centre. M/s. Teracom shall mention its help desk details in its advertisement / promotion in English & in local vernacular language in an easily readable / comprehensible format.
- 1.13 Teracom shall provide post warranty support to the GSM data card sold under this scheme of bundled GSM Data cards.

2. Marketing of Bundled GSM Data Cards.

- 2.1 Based on the projected volumes, Teracom will identify Data cards (Data card Model + Color) for BSNL bundled in consultation with the corporate office within seven days.
- 2.2 Teracom will undertake marketing, advertising, promotion, etc. of bundled GSM Data Cards on mutually agreed basis.
- 2.3 Teracom will pack BSNL SIM in such a manner that BSNL brand / logo on the SIM is displayed prominently. The packaging design for the bundled GSM data cards and SIM shall be mutually agreed by both parties. The packing design shall be approved by marketing cell of Corporate Office.
- 2.4 Teracom will mention "Pack contains free BSNL SIM" on all bundles in order to make customer aware of bundling offer on the pack and that can not be sold without the SIM.
- 2.5 The responsibility of the M/s Teracom and BSNL with respect to marketing/ promotion of the scheme will be broadly as given below:
- 2.5.1 **BSNL** will mainly take care of promotion of the bundled scheme through mass media wherever feasible.
- 2.5.2 Teracom will mainly be responsible for promotion of the bundled scheme through *BTL (Below the line) marketing* i.e. merchandizing, mailers, pamphlets, leaflets, coupons, mailers, brochures, website based advertising,

BSN

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B. S. N. L. M. S. D. O. S. O.
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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 Teracom shall be payable by BSNL.

7.2 BSNL may, without prejudice to any other remedy available for the breach of any conditions of agreement, by a written notice of ONE month issued to Teracom at its registered office, terminate this agreement under any of the following circumstances:

- Teracom failing to perform any obligation(s) under the Agreement;
- Teracom failing to rectify, within the time prescribed, any defect as may be pointed out by BSNL.
- Teracom going into liquidation or ordered to be wound up by competent authority.

7.3 EITHER PARTY may terminate the Agreement, by giving notice of at least ONE month in advance. The effective date of surrender of agreement will be ONE month counted from the date of receipt of such notice by the other party or the authority that signed the agreement on behalf of other party.

7.4 If the Teracom is wound up or goes into liquidation, it shall immediately (and not more than a week) inform about occurrence of such event to BSNL in writing. In that case, the written notice period can be modified by BSNL as deemed fit under the circumstances. BSNL may either decide to issue a termination notice or to continue the Agreement by suitably modifying the conditions, as it feels fit under the circumstances.

7.5 It shall be the responsibility of Teracom to maintain the agreed Quality of Service / equipment, even during the period when the notice for surrender/ termination of agreement is pending.

7.6 Breach of non-fulfillment of Agreement conditions may come to the notice of BSNL through complaints or as a result of the regular monitoring. Wherever considered appropriate BSNL may conduct an inquiry either suo-moto or on complaint to determine whether there has been any breach in compliance of the terms and conditions of the agreement by Teracom or not? Teracom shall extend all reasonable facilities and shall endeavor to remove the hindrance of every type upon such inquiry.

8. Actions pursuant to Termination of Agreement

Notwithstanding any other rights and remedies provided elsewhere in the agreement, upon termination of this agreement:

- Neither Party shall represent the Other Party in any of its dealings.
- Neither Party shall intentionally or otherwise commit any act(s) as would keep a third party to believe that the Other Party is still the former Party's service provider, as the case may be.
- Each party shall stop using the other Party's name, trademark, etc., in any audio or visual form.
- The expiration or termination of the Agreement for any reason whatsoever shall not effect any obligation of either Party having accrued under the

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B. S. N. L. (P) LTD.
TERACOM LIMITED



Agreement prior to the expiration or termination of the Agreement and such expiration or termination shall be without prejudice to any liabilities of either Party to the other Party existing at the date of expiration or termination of the Agreement.

- Teracom shall return all the unsold SIM cards, if any, & clear BSNL's due within 30 days of termination, failing which Teracom shall be liable to pay 12% interest P.A. thereon.

9. Dispute Settlement

9.1 In the event of any question, dispute or difference arising under this Agreement or in connection there-with (except as to the matters, the decision to which is specifically provided under this agreement), the same shall be referred to the sole arbitration of the CMD, BSNL, New Delhi or in case his designation is changed or his office is abolished, then in such cases to the sole arbitration of the officer for the time being entrusted (whether in addition to his own duties or otherwise) with the functions of the CMD, BSNL or by whatever designation such an officer may be called (hereinafter referred to as the said officer), and if the CMD, BSNL or the said officer is unable or unwilling to act as such, then to the sole arbitration of some other person appointed by the CMD, BSNL or the said officer. The agreement to appoint an arbitrator will be in accordance with the Arbitration and Conciliation Act 1996.

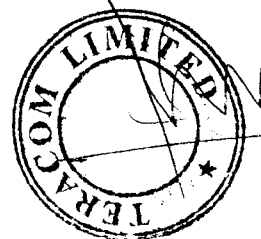
9.2 There will be no objection to any such appointment on the ground that the arbitrator is a BSNL Servant or that he has to deal with the matter to which the agreement relates or that in the course of his duties as a BSNL servant he has expressed his views on all or any of the matters in dispute. The award of the arbitrator shall be final and binding on both the parties to the agreement. In the event of such an arbitrator to whom the matter is originally referred, being transferred or vacating his office or being unable to act for any reason whatsoever, the CMD, BSNL or the said officer shall appoint another person to act as an arbitrator in accordance with terms of the agreement and the person so appointed shall be entitled to proceed from the stage at which it was left out by his predecessors.

9.3 The arbitrator may from time to time with the consent of both the parties enlarge the time frame for making and publishing the award. Subject to the aforesaid, Arbitration and Conciliation Act, 1996 and the rules made there under, any modification thereof for the time being in force shall be deemed to apply to the arbitration proceeding under this clause.

The venue of the arbitration proceeding shall be the office of the CMD, BSNL, New Delhi or such other places as the arbitrator may decide.

10. Force- Majeure

If at any time, during the continuance of this Agreement, the performance in whole or in part, by either party, of any obligation under this is prevented or delayed, by reason of war, or hostility, acts of the public enemy, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts (as are not limited to the establishments and facilities of Teracom), fire, floods, natural calamities or any act of God (hereinafter referred to as **event**), provided notice of happenings of any such event is given by the affected party to the other, within 21 Calendar days from the date of occurrence thereof, neither party shall, by reason of such event, be entitled to terminate the agreement, nor shall either party have any



such claims for damages against the other, in respect of such non-performance or delay in performance. Provided Service under the agreement shall be resumed as soon as practicable, after such event comes to an end or ceases to exist. The decision of BSNL as to whether the service may be so resumed (and the time frame within which the service may be resumed) or not, shall be final and conclusive. However, the Force-majeure events noted above will not in any way cause extension in the period of the agreement.

11. Right to Inspect

Wherever considered appropriate BSNL may conduct any inquiry either suo-moto or on complaint to determine whether there has been any breach in compliance of terms & conditions of the agreement by Teracom or not? In case of such inquiry, Teracom shall extend all reasonable facilities without any hindrance.

12. Confidentiality of Information

12.1 Subject to conditions contained in this Agreement, Teracom shall take all necessary steps to safeguard the privacy and confidentiality of any Information about BSNL and its subscribers from whom it has acquired such information by virtue of the Service provided and shall use its best endeavors to secure that:

- No person acting on behalf of Teracom himself divulges or uses any such information except as may be necessary in the course of marketing of bundled GSM data cards; and
- No person seeks such information other than is necessary for the purpose of selling bundled GSM data cards.

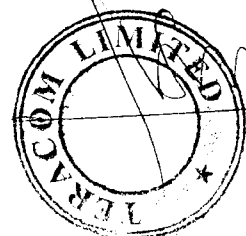
Provided, the above Para i.e. 12.1 shall not apply where BSNL has consented in writing to such information being divulged or used, and such information is divulged or used in accordance with the terms of that consent; or the information is already open to the public.

12.2 The Teracom shall ensure that no profiling information regarding the Mobile subscribers of BSNL is collected, analyzed, sold, transferred or otherwise disclosed to any third party or utilized for the purpose of promoting the other than agreed products/ services of the Teracom and/or any third party.

12.3 Teracom shall take necessary steps to ensure that Teracom and any person(s) acting on its behalf observe confidentiality of customer information.

12.4 Teracom shall, prior to taking action under this agreement, confirm in writing to BSNL that Teracom has taken all necessary steps to ensure that it and its employees shall observe confidentiality of customer information.

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



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TERACOM LIMITED
B-1, Sector 17, Gurgaon
Haryana, India
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13. Indemnification

Teracom agrees to protect, defend, indemnify and hold harmless BSNL and its employees, officers, directors, agents, dealers, distributors, detailers or representatives from and against any and all liabilities, damages, fines, penalties and costs (including legal costs and disbursements) arising from or relating to:

- Any breach of any statute, regulation, direction, orders or standards from any governmental body, agency, telecommunications operator or regulator applicable to such party;
- Any breach of the terms and conditions in this Agreement by the Teracom;
- Any claim of any infringement of any intellectual property right or any other right of any third party or of law by the Teracom;
- Any claim made by any third party arising out of sale of bundled GSM data cards and arising in connection with faults in said data cards.

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

14. Relationship

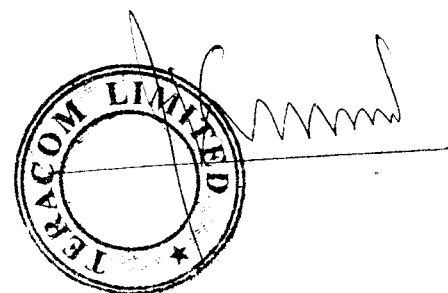
Each party understands that bundled it is an independently owned business entity and this Agreement does not make it, its employees, associates, distributors, dealers, retailers or agents as employees, agents or legal representatives of the other party for any purpose whatsoever. Neither party has express or implied right or authority to assume or to undertake any obligation in respect of or on behalf of or in the name of the Other Party or to bind the Other Party in any manner. In case, any party, its employees, associates or agents hold out as employees, agents or legal representatives of the other party, the former party shall forthwith upon demand make good any/all loss, cost, damage including consequential loss, suffered by the other party on this account.

15. Exclusivity

This Agreement is non-exclusive and nothing in this Agreement will be construed to prevent either party from entering into a similar Agreement with any other party or to restrict such party from directly engaging in related activities.

16. Liability

Except as provided in this Agreement, hereinabove, neither party shall be liable to other party or any other party by virtue of termination of this Agreement for any reason whatsoever for any claim for loss or profit or on account for any expenditure, investment, leases, capital improvements or any other commitments made by the other party in connection with their business made in reliance upon or by virtue of this Agreement.



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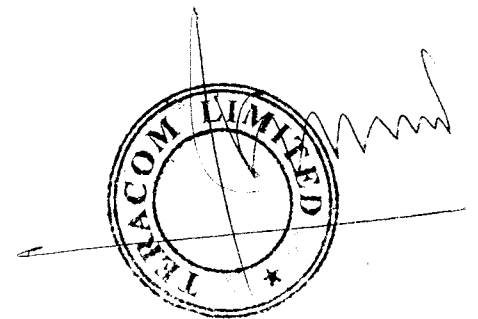
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PART-II

FINANCIAL CONDITIONS

1. M/s Teracom will sell their GSM data cards through their Distribution Network after bundling with BSNL mobile connection/SIM at mutually agreed prices/rates, which will be, preferably lower than MRP.
2. M/s Teracom will offer GSM devices to the distribution channel of BSNL at a mutually agreed rate from time to time (but lower than MRP) for sale through BSNL's Distribution Channel that will sell these devices after bundling with BSNL mobile connection.
3. M/s Teracom will extend upfront and deferred benefit to the customers who purchase the bundled GSM data card. The benefit will be mutually agreed between both the parties from time to time depending upon devices price, prevailing market conditions, available tariff plan etc.
4. M/s Teracom may consider arranging the financing option from banks, finance institutions to the BSNL customers of bundled GSM devices at prevailing market interest rate. BSNL will have no liability in this regard.
5. M/s Teracom will ensure compliance of all Tax laws or any law of the land, in respect of sale of bundled GSM data card.
6. In case of any dispute/complaints from the customers regarding any defect or non-delivery and consequent refund request of the bundled data card, the Teracom shall be responsible for providing the conclusive evidence of performance at its end.
7. Sales Tax or any other tax liability on sale of devices (bundled with BSNL's SIM) shall be responsibility of Teracom.



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