BHARAT SANCHAR NIGAM LIMITED

(A Govt. of India Enterprise)

AGREEMENT WITH Magicon Impex Pvt Ltd FOR BUNDLING OF BSNL'S MOBILE CONNECTION WITH Magicon Impex Pvt Ltds GSM MOBILE HANDSETS

Total Pages-15

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AGREEMENT WITH MAGICON IMPEX PVT LTD FOR BUNDLING OF BSNL'S MOBILE CONNECTION WITH MAGICON IMPEX PVT LTD'S GSM MOBILE HANDSETS

This agreement is signed on the 25 day of July 2012 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

Magicon Impex Pvt Ltd a company registered under the Companies Act 1956, having its registered office at at Batheja House, H-42 Bali Nagar, New Delhi - 110015, acting through, Shri Gurdeep Singh (Director) the authorized signatory (hereinafter called MAGICON) which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) of the SECOND PARTY.

H WHEREAS

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BSNL is engaged in the business of providing telecom services throughout the country except the metro districts of Delhi and Mumbai.

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FOR MAGICON IMPEX PVT. LTD.

- 2. MAGICON engaged in the business of manufacturing Mobile Handsets, including Dual SIM and Dual Technology 2G,3G, import, distribution and sale of these Mobile handsets and various mobile communication products and accessories.
- 3. BSNL and MAGICON 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 GSM mobile handset and mobile connection. This arrangement is expected to enhance value to the Mobile customers of BSNL and GSM mobile handset customers of MAGICON. This arrangement is also expected to increase overall demand of Mobile connections as well as GSM mobile handsets.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

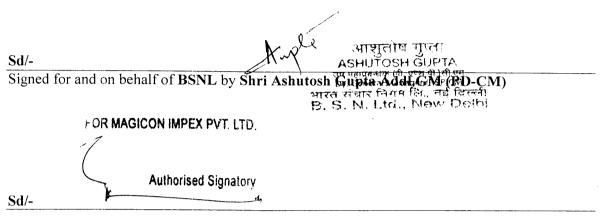
- 1. In consideration of the due observance & performance of all the terms and conditions mentioned in this agreement the **Part I, II, III&IV** attached hereto & forming part of this agreement, BSNL and MAGICON agree to sign agreement on non-exclusive basis for bundling of BSNL Mobile connection and GSM mobile handsets **manufactured or marketed by MAGICON** or the benefit of Mobile customers of BSNL and MAGICON as per conditions contained in various parts & Annexure attached hereto.
- 2. MAGICON and BSNL hereby agrees and unequivocally undertakes to fully comply with all terms and conditions stipulated in agreement along with **Part I to IV** 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 mobile handsets on its own or to enter into Agreement with other GSM mobile handset, vendors/manufacturers for bundling of GSM mobile handset of any other vendor/manufacturer with Mobile connection of BSNL in future without any restriction of number of mobile handset vendors/ manufactures.
- 4. The laws of land as promulgated/modified/amended or replaced from time to time shall govern this Agreement.
- 5. MAGICON 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 mobile handsets, whichever and whatever is supplied by MAGICON 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 M/s MAGICON 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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आसुतोष गुप्ता ASHUTOSH GUPTA उप महामान्सक (गे. एण्ड पी)मी.एम Dy. General Manager (P&P)CM आराब संरगर निगम लि., नई विल्ली म. H. N. Ltd., Now Delhi

FOR MAGICON IMPEX PVT. LTD.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed through their respective authorized representatives on the 25 day of july, 2012.



Signed on behalf of **MAGICON** by **Shri Gurdeep Singh (Director**) the authorized signatory, in accordance with the Resolution **dated 19 May 2012** passed by the Board of Directors of the company.

	e of Witnesses:	2 C	
. Signature	:	2. Signature	:
Name	:	Name	:
Occupation	:	Occupation	:
Address	:	Address	:
Place	:	Place	:

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FOR MAGICON IMPEX PVT. LTD.

Authorised Signatory

5 आश्रलोग गाला ASHUTOSH ĞUPTA तुध वहाधतन्त्रक (यो. एण्ल यो.)सी.एम DV. General Manager (PSFICM भारत संचार नियम लि., नई दिल्ली) B. S. McLtd., New Delhi

TERMS & CONDITIONS

PART-I COMMERCIAL CONDITIONS

1. Scope of the Work

Scope of the Work

- **1.1** MAGICON 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).
- **1.2** MAGICON will submit circle-wise and model-wise sale details on monthly basis to the Demand Manager of Corporate Office (Addl.GM (PD-CM).
- **1.3** MAGICON's distribution channel and BSNL's distribution channel will display prominently bundled GSM handsets / solution with BSNL mobile connection at its distribution network.
- 1.4 MAGICON shall provide BSNL branding on the bundled devices packaging. BSNL shall not be liable for any liability, damages, losses etc of whatsoever nature arising for co-branding of GSM handsets to BSNL customers under this agreement.
- **1.5** MAGICON will be responsible for presale service installation of required software or any accessory / helpdesk support/ after sales service / warranty / guarantee etc of GSM handset 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 handset. For this purpose BSNL will neither be responsible nor will pay any charges to MAGICON.
- **1.6** MAGICON shall also be responsible for obtaining the copyrights and complying with the Intellectual Property Rights of the hardware and software or any other item. MAGICON will also comply with all laws, rules, regulations, for bundling of GSM handsets including any permission for bundling of products etc. MAGICON shall indemnify BSNL in respect of any consequences of whatsoever nature arising on account of copyright violation with respect to GSM mobile handsets.
- 1.7 It is specifically agreed by the MAGICON that it shall, at no point of time, use the BSNL name, logo, space and services under this agreement for sale of GSM handsets which are not for sale only to BSNL customers, unless agreed between the parties in writing and except that BSNL undertakes to allow MAGICON to sale GSM devices without bundling.
- **1.8** MAGICON shall provide warranty as per the MAGICON's existing norms of the GSM handsets sold under this scheme of bundled GSM handsets at its own cost. The devices faults shall be attended by MAGICON's customer care/fault repair centre. MAGICON shall mention its help desk details in its advertisement / promotion in English & in local vernacular language in an easily readable / comprehensible format.

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भाशलोष गप्ता SHUTOSH GUPTA २व साठवयन्तवः (गो. एण्झ पी.)सी.एम 194: General Manager IPSPICM भारत नाभर भिनग लि., नई विल्ली

FOR MAGICON IMPEX PVT. LTD

MAGICON shall provide post warranty support to the GSM handset sold under 1.9 this scheme of bundled GSM handsets.

1.10 M/s MAGICON will follow the process of reverse bundling as set out by BSNL from time to time

2. Marketing of Bundled GSM Mobile Handsets.

- MAGICON will at its own cost undertake marketing, advertising, 2.1 promotion, etc. of bundled computing devices.
- MAGICON shall at its own cost market, promote and advertise the 2.2 integrated package using multiple marketing vehicles, including marketing promotions with third parties. BSNL would help market the product through fliers sent with bills, printing on the bill envelopes and sending free promotional SMSs etc.
- All MAGICON Devices will be Co-branded with BSNL. BSNL will 2.3 provide high resolution logo and other marketing images for integration on packaging, contents and devices as well.
- 2.4 The responsibility of BSNL and MAGICON with respect to marketing/ promotion of the scheme will be as stated herein the agreement.
- Neither of the party will go public through press, media or through any other 2.5 medium, about the scheme without mutual consent.
- The creative and other promotional material for any kind of advertisement 2.6 shall be approved by both parties before release in public/media.

3. **Duration of Agreement**

This agreement shall be valid for a period of ONE year from the date of signing the Agreement unless revoked earlier for whatever reasons. If at any stage during the tenure of this agreement, it comes to the notice of BSNL, directly or through some other complaint, that MAGICON had misrepresented the facts or submitted any false information or hidden any information, which could have affected the signing of this agreement with the MAGICON, this agreement shall stand terminated immediately under intimation to the MAGICON

4. **Extension of Agreement**

BSNL may extend, if deemed expedient, the period of agreement by ONE year at one time, upon request of MAGICON if made at least one month before expiry of currency of the agreement, on mutually agreed terms. The decision of BSNL shall be final in regard to the grant of extension.

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5. Modifications in the Terms and Conditions of Agreement

The terms and conditions of the Agreement are subject to modification by mutual agreement based upon the request of either party. In case of no agreement being reached in such cases, BSNL reserves the right to terminate the agreement.

6. Restrictions on 'Transfer of Agreement'

MAGICON shall not assign or transfer its right in any manner whatsoever under this agreement to a third party except as agreed in the agreement or enter into any agreement for sub-contracting and /or partnership relating to any subject matter of the agreement to any third party either in whole or in any part i.e. no subcontracting/ partnership/ third party interest shall be created.

7. Suspension, Revocation or Termination of Agreement

- 7.1 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 MAGICON 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 MAGICON at its registered office, terminate this agreement under any of the following circumstances:
 - MAGICON failing to perform any obligation(s) under the Agreement;
 - MAGICON failing to rectify, within the time prescribed, any defect as may be pointed out by BSNL.
 - MAGICON 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 MAGICON 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.

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FOR MAGICON IMPEX

.अपमुसोध मुस्ति ASHUTOSH GUETA उप वहणवनाव (व. १७४४) D. General Manager 2001)06 भारत रायद्र विजय थि., वड दिल्ली मारत रायद्र विजय थि., वड दिल्ली मारत रायद्र विजय थि., वड दिल्ली

- 7.5 It shall be the responsibility of MAGICON 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 or 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 MAGICON or not? MAGICON 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 Agreement prior to the expiration of 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.

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

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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 MAGICON), 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 by giving 30 days notice in writing to M/s MAGICON to determine whether there has been any breach in compliance of terms & conditions of the agreement by MAGICON or not? In case of such inquiry, MAGICON shall extend all reasonable facilities without any hindrance.

12. Confidentiality of Information

12.1 Subject to conditions contained in this Agreement, MAGICON 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:

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FOR MAGICON IMPEX PVT. LTD

- No person acting on behalf of MAGICON 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** MAGICON 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 MAGICON and/or any third party.
- **12.3** MAGICON shall take necessary steps to ensure that MAGICON and any person(s) acting on its behalf observe confidentiality of customer information.
- **12.4** MAGICON shall, prior to taking action under this agreement, confirm in writing to BSNL that MAGICON 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.

13. Indemnification

MAGICON 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 MAGICON ;
- Any claim of any infringement of any intellectual property right or any other right of any third party or of law by the MAGICON;

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

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FOR MAGICON IMPEX PVT LTD.

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.

17. Intellectual Property Rights:-

- 17.1 The IPRs of BSNL & MAGICON shall remain their own & this agreement shall not affect their ownership in any way unless mutually agreed upon.
- 17.2 If required, MAGICON shall be responsible for obtaining the legitimate copy rights, patent rights w.r.t. to handsets to be bundled with BSNL SIM under this agreement.
- 17.3 This clause shall survive the termination or expiry of this Agreement.

FOR MAGICON IMPEX PVT. LTD

Authorised Signatory

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<u>PART-II</u>

FINANCIAL CONDITIONS

- 1. MAGICON will sale at its own cost their GSM mobile Handset through their Distribution Network after bundling with BSNL mobile connection/SIM at mutually agreed prices/rates, which will be, preferably lower than MRP.
- 2. MAGICON will offer at its own cost GSM handset 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. BSNL will extend upfront and deferred benefit to the customers who purchase the bundled GSM Mobile Handset. The benefit will be mutually agreed between both the parties from time to time depending upon GSM handsets price, prevailing market conditions, available tariff plan etc.
- 4. MAGICON may consider arranging the financing option from banks, finance institutions to the BSNL customers of bundled GSM handset at prevailing market interest rate. BSNL will have no liability in this regard.
- 5. MAGICON ensures compliance of all Tax laws or any law of the land, in respect of sale of bundled GSM handsets.
- 6. In case of any dispute/complaints from the customers regarding any defect or nondelivery and consequent refund request of the bundled data card, the MAGICON shall be responsible for providing the conclusive evidence of performance at its end.
- 7. Sales Tax or any other tax liability on sale of GSM Mobile handsets sold by MAGICON (bundled with BSNL's SIM) shall not be the responsibility of BSNL
- 8. BSNL shall not be responsible in any circumstances for sale of GSM handsets & its related compliance of any law related to it & any sales service, warranty etc.

FOR MAGICON IMPEX PVT. LTD.

Authorised Signations



PART III PROCESS OF BUNDLING

Process:-

- 1. M/s MAGICON will submit the TAC codes of Mobile handsets to Sancharsoft (on behalf of BSNL) who will populate the numbers in its tables along with the freebies (Voice/SMS/Data plan offered) offered under the Offer.
- 2. The beneficiary customer can be an existing customer or a new customer. The new customer can take any plan he/she wishes.
- 3. The customer sends the request SMS to predefined short code for bundling activation giving the mobile no on which the freebies to be loaded. (ACT <XXXXXXXXXX> to 53734). BSNL shall make the said SMS toll free for the customer.
- 4. The Sancharsoft will then query the IMEI code for the given mobile no from Device manager/OTA.
- 5. Once IMEI code is received, SancharSoft will tally the code from its database. If found, it will provide the freebies through IN and move the code to archive table. If not found, it will send the regret SMS to the customer.

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LIST OF GSM HANDSET MODELS:-

- JV Magic
 JV X3i

FOR MAGICON IMPEX PVT. LTD.

Authorised Signates

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