

Corporate Office

2nd floor, Bharat Sanchar Bhawan,
Harish Chandra Mathur Lane, Janpath
New Delhi – 110001
Tel.: 011 – 23312300
Fax: 011 – 23358924



भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)

BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

BSNL 3G)))) **BSNL LIVE**
Faster than your thoughts 2010

File No.: File No 200-23/2008-VAS (pt)

Dated: 19-03-2014

To,

All CGMs,
BSNL Telecom Circles/Districts/NTR

Subject: Addendum to M-Governance policy – reg.

With the approval of competent authority, following addendum has been done in M-Governance policy. Additional Terms & conditions for M-Governance policy are as follows:

- (i) **AMC/Management of service:** Terms & Condition of AMC are supposed to be finalized along with project proposal. All the guidelines of the M-Governance policy are applicable including the admin charges of BSNL on cost of the main project as well as AMC. However, in instant cases where AMC has not been finalized while sending the quotes for project to the customer therefore amount for AMC to be charged may be negotiated with ASP and administrative charges as applicable according to existing guidelines may be taken.
- (ii) **License Fee & Corporate tax:** The license fee clause 3.1 relates to Gross Revenue stipulates that *"The Gross Revenue shall be inclusive of installation charges, late fees, sale proceeds of handsets (or any other terminal equipment etc.), revenue on account of interest, dividend, value added services, supplementary services, access or interconnection charges, roaming charges, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any setoff for related item of expense. Etc."* As per clause 3.2 of Adjusted Gross revenue there is no deduction allowed for expenditure of BSNL on VAS. BSNL has to pay the license fee on AGR and it is clear from above clause that all the revenue from VAS is the part of Gross Revenue and no deduction is allowed for VAS to arrive the AGR, hence BSNL has to pay the License Fee on the full revenue of VAS.
- (iii) **License Fee-ongoing cases:** Henceforth, License Fee/spectrum charges/ corporate taxes are to be deducted from revenue share payable to ASP irrespective of EUP of the services being provided under the project. The same may be made applicable with immediate effect. All the cases where agreements with the customer have not been signed may also be revised. Accordingly, however the cases in which agreement has already been signed, the existing guidelines as communicated may be followed.

Sanjay Kumar
DGM (VAS – I)