



File No: 9-32/2010-P&P-CM

Dated: 24/2/2011

To

All CGM Telecom Circle/ Metro Telecom District
Bharat Sanchar Nigam Limited

Subject: Data Card bundling MOU / Agreement with M/s Teracom Limited.

Reference to letter no: 9-6/2010-P&P-CM dated 1/9/2010, 9-6/2010-P&P-CM, dated 26/10/2010 and 9-6/2010-P&P-CM, dated 7/1/2011.

In continuation to this office letters mentioned above it is stated that BSNL had rolled out Broad Band services through GSM Data Cards in the Telecom Network across India to its customers. It is now felt that such devices like 3 G Data cards are in good demand in the present market conditions. So to make these devices available to the desirous subscribers at their will, it is decided to open the bundling scheme of these devices to some other desirous vendors along with existing/empanelled GSM devices vendors like M/s Micromax, M/s Capital Wireless Pvt. Ltd., M/s Linkwell Telesystems Pvt Ltd., M/s Beetel Teletech Limited and M/s Seuji Agroprocessing and Service Pvt. Ltd. In addition to these vendors, BSNL Corporate Office has also signed MOU / Agreement for sale of **GSM data cards** with M/s Teracom Limited.

Keeping in view the market scenario, reference rates of these 3G Data Card will be decided as per the table mentioned below.

Table-I

Sl No.	Product	Vendor/Model	Price to BSNL Franchisee (Exclusive of Taxes)	%age of Commission	Channel Margin	Price after Margin	Tax @ 4%	End Customer Price (Rs.)
1	3G USB Modem (Data Cards) 3.6Mbps 7.2 Mbps	M/s Teracom Limited	N/A	To be decided between vendor and franchise	N/A	N/A	N/A	As per prevailing Market prices as well BSNL prices

1. Branding of 3G data Cards:-

- M/s Teracom is supposed to provide 3G data cards in proper packaging.
- Proper branding of packages of Data Cards will be done as per requirement of BSNL.
- In addition to the packaging, network settings and startup branding through embedded software, co-branding will also be done by M/s Teracom.
- The devices may be preferably cobranded by putting name of the vendor and BSNL which will be displayed on the devices and packaging also.
- For the ease and convenience of the customers, these devices will be "Plug & Play" devices and no manual configuration or setting will be required by the end customer for installation and operation.
- **M/s Teracom should network lock the devices which shall be sold to BSNL's customers.**

2. Procurement and sale of 3G Data Cards:

These GSM data cards will be sold through BSNL's Distribution channel, Franchisee's distribution channel and BSNL's internal distribution like CSCs, organized retail like mobile store, Hotspot etc. The process of procurement of GSM data cards by these different distribution channels will be as given below:

a) BSNL's/Vendor's Distribution Channel:

The BSNL's franchisees and approved distributors of M/s Teracom will purchase the 3G devices directly from M/s Teracom at the mutually agreed rates as decided between the franchisees / distributors and M/s Teracom Limited.

b) Procurement by BSNL:

Some of the retail customers prefer to purchase through BSNL's outlets like CSCs rather than going to the BSNL's Franchisees. If BSNL's GSM data cards are not available through its own outlets, it reflects badly on the part of

BSNL. Hence it becomes imperative on BSNL to purchase these devices for short term for sale through CSCs. BSNL's Circle units may purchase only 3G Data cards for the emergency requirement of 2 months from M/s Teracom in case they do not have any inventory. It may be ensured by field units that only limited quantities are procured by the circles after seeking the approval from planning cell of Corporate Office regarding the quantity and rates of the data cards.

3. Sales and distribution channel: These devices shall be sold from the following sales and distribution channel:

- (a) BSNL's all external distribution channel like franchisee network, DSA, Post office, etc.
- (b) BSNL's internal distribution network like CSC.
- (c) Vendors distribution network.
- (d) Organized Retail like 'The Mobile Store' and Hotspot, etc.
- (e) Any other place as suggested by M/s Teracom Limited.

4. After sale service:

M/s Teracom will be responsible for the service after sales of GSM data cards. In this regard, details of the after Sales Service Centre (ASCs) will be provided by the vendor at point of sale.

5. Commission Structure:

BSNL has kept some Margin for the distribution channel. BSNL's /vendors distribution channel will purchase these devices as per prevailing/competitive market rates. These distribution channels will sell the Data cards for end customer's use. BSNL's distribution channel will get the applicable commission / discount as per the Sale & distribution policy for enrolling the customers for 3G services. No commission for 3G services will be offered by BSNL to vendor's distribution channel. However, if distribution channel of vendor work as retailer of BSNL's franchisee, applicable retailer commission should be extended by BSNL's franchisee in such cases

6. Process of Bundling 3G Devices:

- i. (32/64) SIMs will be taken by the data card vendor from BSNL nodal officer and will be bundled with their Data Card, as per the approved branding guidelines mentioned in Para 1.
- ii. These data cards will be procured by different distribution channels of BSNL /vendors /organized retail for selling further to the end users.
- iii. The packaging, branding, customization, network setting will be the responsibility of Data card vendor.
- iv. Sufficient quantity of SIMs should be made available by the nodal officer in each circle for bundling of 3G data cards.
- v. The details of the bundled devices, SIMs will be provided by the Data Card vendor to the circle units on monthly basis.

7. Monitoring and Control/SPOC:

The Marketing / Sales Cell of Circle will be responsible for 3G Data Card bundling in the field units. Product & Pricing unit of BSNL Corporate Office will have ownership of 3G Data Card bundling at Corporate Office.

8. Coordinators of vendor:

The central coordinators of M/s Teracom are as mentioned below.

S.No.	Contact Person	Mobile No.	Mail id.
1	Mr. Salaj Sinha	M – 9810556650	E-mail: ssinha@teracom.in
2	Mr. Rahul Sharma	M – 9810556650	E-Mail: rahulsharma@teracom.in
3	Mr. Nitin Agarwal	M – 9313367419	E-Mail: naggarwal@teracom.in

Address:

Corporate Office: "TERACOM HOUSE", B – 84, SECTOR – 60, NOIDA - 201301 (UP), INDIA.

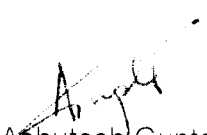
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9. **MOU / Agreement:**

The terms and conditions of the proposal for bundling have been finalized as per the agreement signed at corporate level (copy enclosed) with M/s Teracom for bundling scheme. All the field units are requested to take necessary action to bundle the 3G Data card as per the process.

Enclosures:

Annexure-I (MOU / agreement with M/s Teracom Limited



(Ashutosh Gupta)

Addl. GM (PDP-CM)

Copy to:-

- 1) Representative of M/s Teracom Limited Noida.