**FORMAT OF FRANCHISEESHIP AGREEMENT (for provision of Services to BSNL)**

**(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) BSNL is desirous of appointing authorized Franchisees with a view to receive certain Services (as defined below) from the franchisee.

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.

OR

The existing franchisee (under CM- Sales & Distribution Policy-2012) has approached BSNL and requested to consider himself for migration to “CM Sales and Distribution Policy – 2018" (‘CM-S&D Policy-2018’), based upon eligibility criteria for migration as described in “CM-S&D Policy-2018” and other related letters/ amendments/ clarifications issued time to time by BSNL. Based in the representation made, M/s \_\_\_\_\_\_\_ has successfully migrated. The Franchisee has requested to sign agreement for provision of services to BSNL in \_\_\_\_\_\_(Name of the territory and SSA), in pursuance of the said request and based upon such assurance, BSNL has agreed to sign the agreement with the franchisee for \_\_\_\_\_\_\_ months / years for provision of services as given in this agreement.

***(Only applicable part is to be retained)***

(b) The Franchisee M/s \_\_\_\_\_\_\_\_\_\_has been appointed and it agrees to operate as an authorized Franchisee for provision of 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-20182018 attached here to and forming part and parcel of this agreement, BSNL and Franchisee agree to sign this agreement on exclusive basis to provide services as per conditions contained in various parts, annexure, EoI of CM-S&D Policy-2018 attached hereto.

* 1. **Definitions**
  2. **Services:** Services shall include:
  3. FRC, OTF on select STVs, MNP, trade scheme, CAF, FoS, re-verification for KYC, etc.;
  4. Marketing and promotion of BSNL products, and assisting BSNL in maintaining and increasing its market share.

Further, Services shall include other future service that may be required by BSNL.

* 1. **BSNL products:** The phrase‘BSNL products’ refers to such primary and secondary products of BSNL, as may be defined as such by BSNL from time-to-time through its CM S&D Policy – 2018.
  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.
  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.
  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.
  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.
  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 BSNL /Fixed Line charges. This includes the Local, STD and ISD charges.
  7. **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.
  8. **Activation Fee:** Onetime non-refundable charges levied for energizing a cellular phone connection.
  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.
  10. **Commencement Date** means the date on which the Agreement comes into effect in accordance with the provisions of Clause hereof.
  11. **Services and Territory** shall mean all those services and territory as described in **EoI/** CM-S&D Policy-2018 and as amended in writing by the agreement of both the parties from time to time.
  12. The Franchiseeshall 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 this Franchiseeship agreement is on “Exclusive Basis”.

**3.0** **Content:** The CM-S&D Policy-2018 and its future revisions, the annexure attached hereto & the EoI document annexed hereto, LoI and subsequent instructions to Franchisee shall form integral part of this agreement and incorporated herein by this reference.

**4.0** **Proposed Channel of Distribution:** TheFranchisee has gone through and understood the proposed channel of Sales and Distribution of BSNL Products**.** However, 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 information about BSNL Products and Services to walk-in customers. It shall also establish, through its sales-force, direct contact with prospective customers and register as many new BSNL customers as possible subject to a minimum number fixed by BSNL. Franchisee shall also distribute information relating to 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-2018**.**

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 2018, EoI, LoI 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-VI) 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 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.

(*The above clause 7.1 is to be modified by respective Telecom Circles/ Districts upto the extent of provision contained in the CM S&D Policy 2018 and all its amendments, all other applicable terms and conditions as given in EoI are accepted by franchisees, who have opted for migration in writing before they are allowed to migrate to this CM S&D Policy 2018.)*

7.2 In case, any future statutory provision warrants variation in the Agreement/Policy, 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 BSNL shall appoint Franchisee for provision of Services in the territory from the Franchisee /Franchisee outlet(s) for which BSNL will compensate the Franchisee as described in **EoI / “**CM-S&D Policy-2018”**.** The compensation can be modified by BSNL as per procedure described in EoI. However, BSNL shall have a right to appoint any additional Franchisee(s) / Franchisee in the territory / area of operation of BSNL and the Franchisee shall have no objection what so ever.

8.2 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 compensation etc. shall become due to the Franchisee unless the 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 etc. and/or indemnification whatsoever, from BSNL in that regard.

8.4 Franchisee and BSNL shall act on a principal to principal basis and at no time, franchisee shall act in the capacity of an agent of BSNL. Franchisee shall not have any right or authority to negotiate, conclude or execute any contract or legal document with any third person in the name of BSNL; to assume, create, or incur any liability of any kind, express or implied, against or in the name of BSNL; or to otherwise act as the representative of BSNL, unless expressly authorized in writing by BSNL

**9.0** **General Obligations of the Franchisee**

1. The franchisee shall be responsible for provision of Services and other responsibilities as described in **Annexure II**.
2. The Franchisee shall maintain a suitable organization for the provision of 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 BSNL and always act in the interest of both BSNL and its subscribers.
3. 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 BSNL, the cost thereof, if any, will be borne by the Franchisee.
4. **The Franchisee /Franchisee(s) shall not during the continuance of this Agreement or for a period of \_\_\_\_\_ after its termination (whether alone or directly or indirectly) be interested or concerned in any business or activity which is in competition with the business or activities of BSNL**. **The Franchisee acknowledges that the adherence to this provision is a material obligation of this Agreement.**
5. The franchisee shall undertake operations in additional territory/ territories according to provision of this CM-S&D Policy-2018 as approved by BSNL on look-after basis for specific period of time with his consent.
6. Wherever RDs are available, provision of Services should be only through retailers of RDs.
7. 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
8. The Franchisee shall treat as confidential and secret all verbal and written communication, lists and circulars which in the opinion of BSNL are regarded as confidential information and/or trade secrets. The Franchisee shall adopt and implement security procedures acceptable to 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 BSNL and shall be returned to BSNL upon termination of this Agreement in the manner prescribed by BSNL. The Franchisee hereby undertakes and agrees not to retain and make any copies of the entrusted confidential information.
9. The Franchisee shall, if so desired by 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.
10. Unless otherwise agreed in writing, the Franchisee is solely responsible for all costs and expenses for maintaining its office and all related operating expenses incurred.
11. 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 BSNL:**

1. Appoint sufficient number of Retailer Managers, Retailer Manager Coordinator (RMC), Franchisee Managers. Appoint other members of the Sales team at Circle and SSA level.
2. BSNL shall communicate to the Franchisee the minimum targets required to be received by them on quarterly/ monthly basis (in respect of services other than secondary commission), in order to remain eligible for the Franchisee-ship Agreement. These quarterly/monthly targets will be communicated by BSNL in last week of previous quarter/month or in the first week of the quarter/month. The target will be given on each parameter defined in ‘Performance Management System’. Any exceptions to this have to be approved directly by GM (Consumer Mobility)/ designated GM by HOC. Failure to achieve the minimum target requirement may lead to review / termination of the contract.
3. Resolution of issues 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.
4. Franchisee manager / SSA Sales Head (Mobility) to ensure that all services provided by franchisee further to retailers or rural distributors is recorded in BSNL specified IT system. Further, the books of accounts maintained by the Franchisee may be called for as and when required by BSNL, for examination and cross-verification of Services offered by Franchisee.
5. 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 including Holiday. Details of in-charge and location of such CAF Desk should be intimated to all Franchisees/ DSAs.
6. Ensure timely payments to all channel partners preferably online.
7. It will be mandatory on monthly basis to reconcile the account of Services along with IN report.
8. Franchisee will be responsible for intimating their state-wise GSTIN No.(s) to BSNL for billing purpose (in case franchisees are registered in multiple states)

**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 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 BSNL.

**13.0 Payment to Franchisee:** The payment to franchisee channel (Franchisee, Rural Distributors and Retailers) will be announced by BSNL from time to time and shall be revised or discontinued by BSNL as per the changes in business environment. The payment shall be subject to the terms & condition as described in Annexure-IV.

**14.0** **Tax Liability:** Franchisees have to comply with all applicable taxes as per Central / States/ Local Laws.

* + 1. BSNL services i.e. Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to franchisees shall be given online in the form of c-top-up value through any platform like Sanchar-soft/Pyro/ERP after levy of applicable taxes i.e. TDS /GST etc., wherever applicable.
    2. Franchisees will raise commission invoice (along with applicable GST) on BSNL. Since commission is paid to the franchisees in the form of c-topup, BSNL will also raise an invoice (along with applicable GST) on the franchisees for allocation of such c-topup value
    3. BSNL shall, on a conservative basis, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on all payments to the franchisee against provision of Services.
    4. BSNL shall also withhold tax at source under Chapter XVIIB of the IT Act, 1961 on the secondary/ subsequent incentives provided to the franchisees (refer point f above)
    5. BSNL shall be responsible for discharging GST liability in cases where the franchisee is not registered under GST. It is further agreed that franchisee shall not charge tax on invoice
    6. GST paid by franchisees to BSNL and by BSNL to franchisees (as the case maybe w.r.t. secondary/ subsequent incentive granted by BSNL) shall be available to franchisees and BSNL, respectively, as ITC which can be set off against the GST charged by franchisee or BSNL
    7. The rate of incentive needs to be reviewed with every change in the rate of GST in order to keep it at par with or lower than the current rate of \_\_\_% of Face Value.
    8. Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL services, discount on FRC/RC, any scheme based incentive, FOS incentive etc. to franchisees may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.
    9. The invoices raised by the franchisee and BSNL should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2018
    10. In case of any deficient supply or incomplete supply, it shall be the responsibility of franchisee to issue GST compliance credit note within the reasonable time and take tax adjustment. In case the franchisee fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by the franchisee.
    11. Franchisee to comply with all the compliances as may be prescribed to ensure that compliance rating is not reduced below the prescribed limit as laid down under GST Act and GST regulations. Franchisee may be required to submit a self-declaration from time to time, that they are not black-listed on the GST portal. Notwithstanding anything contained in agreement, in the event of black listing of supplier i.e. compliance rating reduced below the prescribed limit, the amount related to tax shall be paid to franchisee only on receipt of input tax credit to BSNL
    12. Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.
    13. In case of secondary/ subsequent incentives provided to the franchisee, it shall be the responsibility of the franchisee to raise appropriate tax invoice as per the provisions of GST Act. BSNL reserves the right to be indemnified for the credit loss in case BSNL is unable to claim the ITC for any non-compliance / default in raising appropriate invoice by franchisees. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.

Further the Supplier is required to comply following requirements w.r.t. issuance of invoice:

* + - 1. All the details of franchisees (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
      2. Invoice/Debit Note/Credit Note need to be issued timely within the time prescribed under GST law;
      3. It would be the responsibility of the franchisee to declare correct information on invoice and GST portal viz. the amount, the place of supply, rate of tax etc. In case, the eligibility of input tax credit is questioned or denied to BSNL on account of default by the franchisee, the same would be recovered by BSNL from the franchisee;
      4. Registered location of BSNL shall be mentioned in the agreement with GSTIN No. Franchisee shall raise invoices at the registered premise of BSNL for availment of credit and ensure that the place of supply as per GST law is same as registered premise;
      5. It shall be the responsibility of franchisee to raise invoice within the prescribed timelines.
      6. Franchisee to share the monthly information (w.r.t. incentive) with BSNL which would be uploaded by the franchisee in its GSTR -1 along with the information of input credit to be claimed by BSNL in such month. It shall be the responsibility of the franchisee to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents on or before \_\_\_\_\_\_\_
    1. GST (if applicable) on account of liquidated damages due to delay in supply of BSNL services would be borne by the franchisee.

BSNL reserves the right to amend and the franchisee agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL’s policy

**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 BSNL or any of the Franchisee/ Franchisee’s affiliated companies to the services, whether registered or not, constitute the exclusive property of BSNL or their affiliated companies and cannot be used except in connection with the Services. The Franchisee shall not contest, at any time, the right of BSNL or its affiliated companies to any brand names or Logo used or claimed by BSNL or such companies.

15.2 During the term of this Agreement, the Franchisee is authorized to use 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 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 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 BSNL, but shall not use the brand names, logos and trademarks of BSNL as part of its corporate or partnership name or otherwise indicate to the public that it is an affiliate or agent of 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 BSNL. It is advisable that such advertising may be got approved by BSNL prior to publication.

15.5 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). However, the intellectual property rights associated with such brand names, logos and trademarks are and shall remain the sole property of BSNL.

15.6 The Franchisee shall not use any name, emblem, logo or trademarks of its own.

**16.0 Warranty**

16.1 The Franchisee hereby expressly warrants that Services and territory as specified herein shall be efficiently serviced by the Franchisee network with high quality standards as specified by BSNL from time to time. The standards and specifications as set by 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 BSNL reserves the right to delete from this Agreement, Services and territories in which the Franchisee is not able to perform, and in such an event BSNL shall give to the Franchisee as much notice of such deletion as is practicable in the circumstances.

17.2 BSNL shall be vested with the sole discretion to amend, review, suspend, cancel, change or extend the scope and ambit of the services and territory as specified in EoI / CM-S&D Policy-2018

**18.0** **Software:** In relation to any software supplied by BSNL to the Franchisee (if any) solely for performance under this agreement, the Franchisee acknowledges that all intellectual property rights in such software are and shall remain the property of BSNL or a third party licenser 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 BSNL may impose from time to time.

1. **Exit Clause:** Either party may, by giving 60 days notice in advance to the other party, exit from the agreement and the agreement shall stand terminated on expiry of 60th day from receipt of such notice. In such cases, the PBG shall be returned after deducting any amount whatsoever due to BSNL against the agreement.

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

20.1 Performance based termination: Any franchisee inducted in past six months will not be considered for this exercise. All such 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 franchisee EOI for that territory for the next two years. Circle/SSA may use look-after arrangement in these vacant territories.

20.2 Without prejudice to any other provision for termination in this agreement, BSNL shall be entitled to forthwith terminate this agreement, without any liability to BSNL, by providing notice in writing to the franchisee of this agreement upon the occurrence of any of the following events:-

1. If the franchisee commits any breach, of any of the terms and conditions of this agreement and in case such breach is capable of being remedied, the franchisee fails to remedy the same within thirty(30) days after receipt of a notice in writing from BSNL giving full particulars of the breach and requiring it to be remedied, or
2. If the franchisee commits any breach, of any of the terms and conditions of this agreement and if such breach is not capable of being remedied, or
3. If the franchisee is found involved in fraud or other illegal or unethical activities in relation to any subject matter associated with this agreement.

20.3 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.

20.4 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.

20.5 In case the Franchisee parts with its business including its assets in favour of any 3rd party directly or indirectly, 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 BSNL might otherwise be entitled to.

**21.0** **Consequences of Termination:** In the event that Agreement is terminated, the following shall be the consequences.

21.1 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.

21.2 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 along with applicable GST if any, on this realization of the said 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 risks & remedies available to BSNL.

21.3 The provisions of this Agreement shall, to the extent stated or necessarily implied, survive the termination thereof.

21.4 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 this Agreement.

21.5 The Franchisee shall at its own expense return to BSNL promptly all information, documentation and materials to BSNL which relate to the services and / or software and future marketing plans or future models of BSNL together with any copies thereof or any other documents entrusted to the Franchisee by BSNL. Franchisee shall not represent BSNL in any of its dealing and use BSNL’s name trademark logo etc.

21.6 On termination of this Agreement howsoever occasioned, the Franchisee shall deliver to 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 before the termination.

21.7 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.

21.8 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 BSNL for enforcing any provision of the agreement including the provisions of **Clause 21**. The provisions of this clause shall survive the termination of this agreement.

**22.0**

(i) **Liquidated Damages along with applicable GST (if any):** If the franchisee fail to deliver the services as per agreement schedules, parts, Annexure and CM-S&D Policy-2018 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 set-off/adjust from the PBG or forfeit the PBG. .

(ii) **Legal action**: BSNL may initiate legal action against Franchisee in case of Para 22(i) above.

(iii) **BSNL** may debar the Franchisee for future dealings with BSNL for any contract / Franchisee ship/dealership etc.

**23.0 Insurance:** The liability to insure Franchisee’s 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.

**24.0 Indemnification**

24.1 The Franchisee hereby agrees to well and sufficiently protect and keep harmless and indemnify BSNL, against all type of embezzlement, misappropriation or misapplication of money. Or fraud if any committed by prospective subscriber(s).

24.2 The Franchisee agrees to fully indemnify and keep indemnified 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 statuary regulation, orders from any govt. bodies requires or breach of any clause or term and conditions of this agreement 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.

24.3 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.

24.4 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.

**25.0 Franchisee as independent entity**.

25.1 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 Services 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.

25.2 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.

26.0 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.

**27.0 Miscellaneous**

27.1 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 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 BSNL. However the decision of BSNL shall be final in this regard.

27.2 The Franchisee shall not shift the operations to any other premises without written permission from BSNL.

27.3 The Franchisee may publish advertisement in newspapers at his own cost with the prior approval from BSNL for text matter and design.

27.4 The Franchisee will not be allowed to make any alteration/ correction in the text matter of registration forms or any printed materials supplied by BSNL.

27.5 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.

27.6 In case of loss of the certificate(s) or any documents issued by BSNL, the Franchisee shall immediately report the same to BSNL with the copy of F.I.R.

27.7 BSNL will issue a certificate to the effect that M/s \_\_\_\_\_\_\_\_\_ is the authorized Franchisee for providing Services. 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.

27.8 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 s for any reason at the discretion of BSNL or take such steps etc. in the interest of service.

27.9 BSNL may call, as and when felt necessary, the Franchisee/ Franchisee’s representative for educating him in respect of latest schemes, services, rules, orders or regulations.

27.10 The Franchisee shall not secure subscribers from outside the allocated area & confined its operation within the allotted territories.

27.11 The Franchisee will distribute / render the services at a rate fixed by BSNL to all its associated retailers.

27.12 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.

27.13 In the event, 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 BSNL. The verification of subscriber’s identity as per the govt. procedure shall be the responsibility of franchisee.

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

27.15 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 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.

27.16 The Franchisee is not authorized to assign or otherwise transfer the benefits of this agreement or part thereof to a third party.

27.17 The Franchisee shall provide his permanent address and bank account number/PAN at the time of signing the agreement.

27.18 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.

27.19 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.

27.20 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.

27.20 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 hereo

**28.0 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 incentives for 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 by the Circle Head or any official appointed by the Circle Head.
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 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.
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, that may be levied by the govt./ local authorities etc. will be applicable 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, depend & 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.
14. In case any GST and/ or cess liability, interest, penalties or any other tax/ duty/ amount/ charge/ liability / professional costs related to litigation becomes payable by BSNL or ITC is denied to BSNL due to failure of the franchisees to comply with the relevant laws/ regulations applicable in India or overseas, franchisees undertakes to indemnify BSNL for an amount equal to amount payable by BSNL and the same shall be recovered by BSNL
15. GST (if applicable) on account of liquidated damages due to delay in supply would be borne by franchisee
16. BSNL Shall not be liable for any act of commission or omission of any third party.
17. During the currency of agreement, franchisee will not be permitted to provide services to any other telecom service provider.
18. 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.
19. 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.
20. 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, incentive payable to the franchisee etc.
21. In case of any deviation, default or negligence on the part of franchisee due to which it is liable to pay penalty to BSNL, the same shall be recovered by BSNL from franchisee along with applicable GST (as may be applicable)
22. 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.
23. BSNL shall deduct tax at source, if required, under GST Act and GST regulations, any law or any regulation.
24. Franchisee who have not migrated or surrender franchisee-ship, any loss to BSNL on account of such default shall be recovered from PBG.
25. Those who were terminated / not migrated may be barred to participate in EOI for that territory only for next two years.
26. In case of successful completion of franchisee-ship-agreement agreement period, PBG shall be returned after ensuring that penalty/damage/dues/claims if any are cleared.
27. PBG shall be forfeited, in case franchisee does not start business within stipulated time frame as mentioned under agreement.
28. PBG shall be refunded in the cases where franchisee surrenders his territory/circle/zone with mutual consent of BSNL and after prior notice to BSNL for surrendering after ensuring that penalty/damage/dues/claims if any are cleared.
29. PBG shall be forfeited if franchisee-ship is terminated on performance based evaluation mentioned under agreement.
30. If franchisee does not serve prior notice and requests for surrendering his/her franchisee-ship with immediate effect in normal course and he/she is performing well in his territories/circle/zone as per parameters/targets mentioned under agreement, franchisee may be requested to continue with agreement. If franchisee still insists for surrendering of franchisee-ship, he/she may be advised to serve 90 days prior notice, and then PBG shall be returned after ensuring that penalty/damage/dues/claims, if any are cleared. If franchisee/e-distributor stops working with immediate effect, PBG shall be forfeited.
31. If franchisee, does not serve prior notice and requests for surrendering his/her franchisee-ship with immediate effect in normal course and he/she is not performing well in his territories/circle/zone as per parameters/targets mentioned under agreement, franchisee may be requested to improve his performance as per penalty clause under agreement and continue with agreement . If franchisee still insists for surrendering franchisee-ship he/she may be advised to serve 30 days prior notice, then PBG shall be returned after ensuring that penalty/damage/dues/claims if any, are cleared. If franchisee stops working with immediate effect, PBG shall be forfeited.

**29.0 General Provisions**

29.1 **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.

29.2 **No authority to Commit**: The Franchisee, its agents and employees will not be the legal representatives, employees or agents of BSNL for any purpose and have no right or authority to incur any expenses on behalf of 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.

29.3 **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 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.

29.4 **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 Agreement, or to such other address as shall have been given in writing to the other party.

29.5 **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.

29.6 **Remedies for enforcement**

1. Nothing shall be construed to restrict the right of BSNL to institute appropriate proceedings at law and equity to obtain injunction or other relief on account of any default hereunder whether or not BSNL has exercised its right to terminate the agreement.
2. 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.

29.7 **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.

29.8 **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.

29.9 **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.

**30.0** **Title:** Titles to the paragraphs / clauses are given for convenience only and do not have any legal complications.

**31.0** **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 services 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 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.

32.0. **Dispute Resolution/ Arbitration:**

Except as otherwise provided elsewhere in the contract, in the event of any disputes, controversy , or differences arising out of or relating to this agreement, or the breach, termination or invalidity thereof between the parties, such party or parties shall make a request to the other party or parties to amicably settle such differences or disputes and parties shall thereupon make every effort to settle the same amicably within a period of 60 (sixty) days from the date of making of such request.

Where parties are unable to settle the disputes through conciliation, the same shall be referred to CGM, ............. Telecom Circle/District of BSNL for referral of such disputes to a sole arbitrator ( Chosen from the name(s) provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration and conciliation Act, 1996, any amendment thereof , and any notification issued or rules made thereunder from time to time.

The venue of the arbitration proceeding shall be ....................SSA.

**33.0 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-2018, 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 causes this agreement to be executed and delivered by the duly authorized officers:

For and on behalf of the Franchisee For and on behalf of BSNL

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(In capital letters) (In capital letters)

Executive Director / Prop.\_\_\_\_\_\_\_\_\_

Designation\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name & Address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name & Address \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dated at \_\_\_\_\_\_\_\_\_on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Annexure - I**

**List of authorized representatives:**

(a) As designated in writing by 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

**Annexure – II**

**Responsibilities of Franchisee**

1. Providing Services agreed under this Agreement, directly or through Rural Distributors (RDs) or retailers.
2. Two tier structure for urban and three tier structure for rural areas by incorporating intermediate channel of RDs.
3. Generation of demand for BSNL Products.
4. Appointment of Retailers

Franchisee must appoint sufficient numbers of retailers in the territory such that:

* + 1. Each Urban BTS areas & Rural BTS areas should have at least 8 retailers and 4 Retailers respectively.
    2. One retailer in urban commercial area at every 200 meter
    3. One retailer in urban residential area at every 500 meter
    4. Atleast one retailer in every Village

1. Retailers in the rural areas will be appointed and served by RDs.
2. Meeting all targets set by SSA/Circle for the franchisee territory. Franchisee is responsible for meeting these targets through all channel entities working under him.
3. 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 a period of 90 days from the date of deposit of CAF. BSNL official will check the documents within 90 days and if anything is found wrong with respect to DOT/TERM guidelines then the form should be rejected/corrected and a token penalty of Rs 200/- shall be imposed per wrong CAF on franchisee.
4. Verification of credentials of customers – Verification of POI/POA (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.
5. BSNL reserves the right for CAF entry/CAF collection/CAF submission through any third party on outsourced model. However verification of credentials as mentioned in para (h) above shall be the responsibility of franchisee.
6. Operation of IT tools and systems provided by BSNL as specified from time to time, including hiring data entry operator if required.
7. Appointing required number of FoS (Feet-on-Street) exclusively for BSNL to serve retailers as per guidelines in force.
8. 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.
9. Providing List/Details of FOS and retailers to BSNL.
10. All details and information as specified by BSNL from time to time in BSNL specified system e.g. Sancharsoft.
11. All forms of complaint handling on phone and walk-in-complaints (hardware related, billing, performance related, etc.) will be handled directly by Franchisee. Franchisee shall redress all possible complaints on the spot. If required, help from BSNL call centres may be taken. Remaining complaints can be forwarded to designated CSC/BSNL official for further disposal.
12. Serving retailers and Rural Distributors at their doorsteps. Franchisee must ensure that no black-marketing or mal-treatment to customer is done through its network.
13. The margin/ discount/ incentives / commissions extended by BSNL to franchisee and eligible retailers in their chain/ network, which shall be deemed to be extended to the franchisee, with whom BSNL has entered into an agreement pursuant to this policy and statutory requirements shall be complied with, by the franchisee.
14. Receiving advertisement/ marketing material from BSNL and displaying it at POS, and distribution to Rural Distributors.
15. Promotion of BSNL brand(s) at Franchisee’s cost.
16. Arranging special promotional events as per BSNL guidelines at Franchisee’s cost, including events, camps/canopy in unreached and potential areas.
17. Timely submission of bills and claims to the nodal officer
18. Issue receipts: At the time of booking of any new connection franchisee shall issue a formal receipt to the customer.
19. Franchisee will be responsible for all the work done through its distribution network.
20. Franchisees will be responsible for intimating their state-wise GSTIN No. (s) to BSNL for billing purposes.

**Annexure III**

**Target Setting:**

Targets will be assigned by Circle to SSAs and thereafter SSA will assign franchisee- territory wise Qty/Monthly target. Quarterly/monthly target will be communicated in last week of previous qtr/month or in the first week of the qtr./month.

**1. Parameters for Setting of SSA Target.**

|  |  |  |
| --- | --- | --- |
| A | **FRC / Plan Voucher** | Gross connections (SIM activations) SSA wise and Franchisee wise |
| B | **RC** | Recharge sales – SSA wise and Franchisee wise |
| C | **POS** | Active Retailer : Loading FRC / PLAN VOUCHER  Active Retailer : Loading RC |

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:

1. **For GSM 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.

1. **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.

1. **For POS** :

Based on number of BTS

**2. Parameters for Setting of Franchisee 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.

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.

1. For recharge:-

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

1. 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:

* + 1. Number of retailers loading RC atleast 8 per BTS
    2. Number of retailers loading FRC / Plan Voucher atleast 3 per BTS

1. Apart from these targets for any other BSNL service from other business units shall be set by concerned business units however franchisee’s performance review may not consider achievement against those targets.

**Annexure IV**

**Consideration and Pricing**

* + 1. Theconsideration payable to franchisee channel (Franchisee, Rural Distributors and Retailers) for Services will be announced and set out in BSNL S&D Policy 2018, and may be revised or discontinued by BSNL as per the changes in business environment.
    2. 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.
    3. 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.

1. **Penalty (along with applicable GST, if any):**

Consequences for Poor Performance: Any franchisee who does not meet the cut-off score on any parameters, becomes liable for penalty as per the table given below:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Penalty Structure for Franchisees** | | | | | | | |
| Class of Territory | Month | 1st | 2nd | 3rd | 4th | 5th | 6th and onwards\*\* |
| Issuer | SSA | SSA | **Circle\*** | SSA | SSA | SSA |
| PBG in Rs. | Warning | Strong Warning | **Base monetary penalty (BMP)** | Monetary penalty of 110% of BMP | Monetary penalty of 125% of BMP | Monetary penalty of flat 150% of BMP each time in the event of poor performance |
| A | 300000 |  |  |  |  |
| B | 200000 |  |  |  |  |
| C | 100000 |  |  |  |  |

\* **Base monetary Penalty** up-to 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 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 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**:

1. If franchisee is found selling outside his territory:
   1. 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.
   2. 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.
   3. 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 (along with GST, if applicable).
2. If franchisee is found selling through Multi SIM device:
   1. A penalty @ 5% of total incentives provided to the franchisee subsequently on meeting the targets etc. in the last three month will be imposed on the franchisee along with a warning letter.
   2. The CTOPUP SIM of the retailers indulging in this system will be blocked with available balance.
   3. The action will be taken after investigation by BSNL. In case the same franchisee is found involved in using Multi SIM Mobile Automatic Recharge System repeatedly, his franchisee ship may be terminated

**Annexure V**

**Discount/ Margin offered**

**Table- I A (Two Tier) Franchisee – Retailer**

Sharing of franchisee discount/ margin among Franchisee 🡪 Retailers

| **Service** | **Franchisee** | **Retailers** |
| --- | --- | --- |
| New Connection (Prepaid/ Postpaid) | 30% | 70% |
| CAF | 70% | 30% |
| Recharge / C-TOPUP | 30% | 70% |

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

Sharing of franchisee discount/ margin among Franchisee/ RDs/ Retailers

| **Service** | **Franchisee** | **RDs** | **Retailers** |
| --- | --- | --- | --- |
| New Connection (Prepaid/ Postpaid) | 15% | 15% | 70% |
| CAF | 50% | 20% | 30% |
| Recharge / C-TOPUP | 15% | 15% | 70% |

**Table- II (Two Tier) RDs – Retailers**

Sharing of franchisee discount/ margin among RDs/ Retailers

| **Service** | **RDs** | **Retailers** |
| --- | --- | --- |
| New Connection (Prepaid/ Postpaid) | 15% | 70% |
| CAF | 50% | 30% |
| Recharge / C-TOPUP | 15% | 70% |

**Tax Liability:**

Online SIM selling distributors have to comply with all applicable taxes as per Central / States/ Local Laws

BSNL services i.e. Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to Online SIM selling distributors shall be given online in the form of c-top-up value through any platform like Sanchar-soft/Pyro/ERP after levy of applicable taxes i.e. TDS /GST etc., wherever applicable.

Online SIM selling distributors will raise commission invoice (along with applicable GST) on BSNL. Since commission is paid to the Online SIM selling distributors in the form of c-topup, BSNL will also raise an invoice (along with applicable GST) on the Online SIM selling distributors for allocation of such c-topup value

BSNL shall, on a conservative basis, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on all margins provided to the Online SIM selling distributors for sale of BSNL services.

BSNL shall, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on the secondary/ subsequent incentives provided to the Online SIM selling distributors (refer point f above)

BSNL shall be responsible for discharging GST liability in cases where the Online SIM selling distributors is not registered under GST. It is further agreed that Online SIM selling distributors shall not charge tax on invoice

GST paid by Online SIM selling distributors to BSNL and by BSNL to Online SIM selling distributors (as the case maybe w.r.t. secondary/ subsequent incentive granted by BSNL) shall be available to Online SIM selling distributors and BSNL, respectively, as ITC which can be set off against the GST charged by Online SIM selling distributors or BSNL

The rate of incentive needs to be reviewed with every change in the rate of GST in order to keep it at par with or lower than the current rate of \_\_\_% of Face Value.

Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL services, discount on FRC/RC, any scheme based incentive, FOS incentive etc. to Online SIM selling distributors may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.

The invoices raised by the Online SIM selling distributors and BSNL should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2018

In case of any deficient supply or incomplete supply, it shall be the responsibility of Online SIM selling distributors to issue GST compliance credit note within the reasonable time and take tax adjustment. In case the Online SIM selling distributors fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by the Online SIM selling distributors.

Online SIM selling distributors to comply with all the compliances as may be prescribed to ensure that compliance rating is not reduced below the prescribed limit as laid down under GST Act and GST regulations. Online SIM selling distributors may be required to submit a self-declaration from time to time, that they are not black-listed on the GST portal. Notwithstanding anything contained in agreement, in the event of black listing of supplier i.e. compliance rating reduced below the prescribed limit, the amount related to tax shall be paid to Online SIM selling distributors only on receipt of input tax credit to BSNL

Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.

In case of secondary/ subsequent incentives provided to the Online SIM selling distributors, it shall be the responsibility of the Online SIM selling distributors to raise appropriate tax invoice as per the provisions of GST Act. BSNL reserves the right to be indemnified for the credit loss in case BSNL is unable to claim the ITC for any non-compliance / default in raising appropriate invoice by Online SIM selling distributors. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.

Further the Supplier is required to comply following requirements w.r.t. issuance of invoice:

1. All the details of Online SIM selling distributors (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
2. Invoice/Debit Note/Credit Note need to be issued timely within the time prescribed under GST law;
3. It would be the responsibility of the Online SIM selling distributors to declare correct information on invoice and GST portal viz. the amount, the place of supply, rate of tax etc. In case, the eligibility of input tax credit is questioned or denied to BSNL on account of default by the Online SIM selling distributors, the same would be recovered by BSNL from the Online SIM selling distributors;
4. Registered location of BSNL shall be mentioned in the agreement with GSTIN No. Online SIM selling distributors shall raise invoices at the registered premise of BSNL for availment of credit and ensure that the place of supply as per GST law is same as registered premise;
5. It shall be the responsibility of Online SIM selling distributors to raise invoice within the prescribed timelines.

Online SIM selling distributors to share the monthly information (w.r.t. incentive) with BSNL which would be uploaded by the Online SIM selling distributors in its GSTR -1 along with the information of input credit to be claimed by BSNL in such month. It shall be the responsibility of the Online SIM selling distributors to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents on or before \_\_\_\_\_\_\_

2018

GST (if applicable) on account of liquidated damages due to delay in supply of BSNL services would be borne by online SIM selling agent.

BSNL reserves the right to amend and the Online SIM selling distributor agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL’s policy

Wherever retailers are being served through “RURAL DISTRIBUTOR”, franchisee has to pass on at least 82.5% of the discount/ margin given to franchisee to rural distributor out of which 65% will be passed by RDs to retailers on Recharge / C-TOPUP.

**Annexure VI**

**Format of Tri Party Rural Distributorship Agreement (for provision of Services to BSNL)**

**(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-110001Circle 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.

BSNL, Franchisee-CM, RD, will individually be referred as “party” & collectively called as “parties”

WHEREAS

(a) BSNL is desirous of appointing authorized **Rural Distributor** with a view to promote BSNL Products and provide Services to BSNL, with a view to cater rural areas covered by approx. 5 BTS under its brand names for which 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 provision of Services to BSNL 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:

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 services in the rural areas as per terms & conditions of various parts of Annex of EOI and RD parties attached herewith.

1. 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.
2. BSNL shall issue a certificate to the effect that Sh. \_\_\_\_\_\_\_ is authorised RD selected by BSNL and authorised to serve under M/s\_\_\_\_\_\_\_\_\_\_\_ franchisee of territory \_\_\_\_\_\_
3. Rural Distributors will be assigned an exclusive area of 4-5 BTS sites within one CM-franchisee territory.
4. 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.
5. 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.
6. 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 encash/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……….

1. **Incentive**:
2. Sharing of incentive among Franchisee, RD & Retailer will be as per the Annexure-V and will be payable as per the procedure specified by BSNL. The Franchisee shall make payment of incentives 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/-

1. RDs should pass incentive received by them to retailers as per said Annexure-V or as specified by BSNL from time to time.
2. 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.
3. **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 attested photocopies submitted by the applicant.

1. **Responsibilities and Obligation of Rural Distributor**
   1. Rural Distributor must ensure that BSNL products are available in retail networks in sufficient quantity on demand.
   2. Rural Distributors and for its channel retailer shall submit CAF completed in all respect to concern franchisee.
   3. Rural Distributors are required to attend meetings in SSA/ Franchisee as and when needed.
   4. Rural Distributor is supposed to serve retailers at their premises.
   5. BSNL reserves the right to change the terms of trade from time to time without any prior notice.
   6. The Rural Distributor shall fully co-operate Franchisee / BSNL.
   7. The Sales Target shall be communicated by BSNL from time to time which shall be part & parcel of this Agreement.
   8. Timely submission of bills and claims to the nodal officer/ franchisee.
   9. MIS as per BSNL format to BSNL officials/ Franchisee as per frequency specified.
   10. Rural distributors are required to attend meetings in SSA/ Franchisee as and when needed. Rural Distributor must ensure availability of BSNL Products.
   11. 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.
   12. In no case Rural Distributor is allowed to sell BSNL Products 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.
   13. The security deposit of Rural Distributor shall be forfeited in case of violation of agreement and non-fulfilment of statutory obligations.
   14. 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.
   15. Rural Distributor is supposed to serve retailers at their premises. Rural Distributor must ensure availability of BSNL Products in the villages falling in his territory and which are inhabited.
   16. 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.
   17. SSA head reserves the right to terminate Rural Distributorship at any time based on performance.
   18. 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.
   19. In case of termination of agreement with franchisee, RD will be served by the look-after franchisee of the respective territories or by BSNL/ any other channel.
   20. RD has to sell BSNL Products as specified by BSNL.
   21. In case of dispute arising between the Rural Distributor/ Franchisee and BSNL, the same shall be adjudicated by means arbitration clause.
   22. The decision of BSNL will be final on all matters relating to the business and will be binding on the Rural Distributor.
   23. 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.
   24. SSA head reserves the right to terminate Rural Distributorship at any time without assigning any reason.
   25. 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.
   26. RD has to provide Services as specified by BSNL in this Agreement.
   27. BSNL reserves the rights to seek/verify financial information from Rural Distributor Bankers/credit providers & ensure other sources to carry out other verifications
   28. The RD agree not to involve himself in any manner either directly or indirectly in a business or activity which is in connection with business or activities of BSNL. The RD acknowledges that the adherence of this provision is a material obligation of this agreement.
   29. The RD shall treat as confidential and secret all verbal and written communication, lists and circulars which in the opinion of BSNL are regarded as confidential information and/or trade secrets. The Franchisee shall adopt and implement security procedures acceptable to 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 BSNL and shall be returned to BSNL upon termination of this Agreement in the manner prescribed by BSNL. The Franchisee hereby undertakes and agrees not to retain and make any copies of the entrusted confidential information.
   30. The RD shall use BSNL Logo, Brand name during the term of this agreement.
   31. The RDs have to bear all applicable taxes as per central/state/local laws, GST tax on discount/ incentive etc. BSNL shall not be responsible for any circumstances whatsoever.
   32. The RD shall be sincere to insure their stocks and liability for any loss or damage due to any fire, burglary, theft whichever is that of RD.
   33. The RD shall not secure subscribers from outside the allocated area and confined the operation within the allocated area.
   34. RD shall neither assign its rights and remedies nor transfer its obligations under this Agreement without prior written consent BSNL
   35. Other Obligations:
   36. The RD shall not shift the operations to any other premises without written permission from BSNL.
   37. The RD will not be allowed to make any alteration/ correction in the text matter of registration forms or any printed materials supplied by BSNL.
   38. In case of loss of the certificate(s) or any documents issued by BSNL, the RD shall immediately report the same to BSNL with the copy of F.I.R.
   39. BSNL will issue a certificate to the effect that M/s \_\_\_\_\_\_\_\_\_ is the authorized RD for providing Services. This certificate shall have to be displayed by the RD.
   40. 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 Services for any reason at the discretion of BSNL or take such steps etc. in the interest of selling BSNL Products.
   41. The merchandise will be sold at the premises by the Franchisee / RD and it is clarified:
2. 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.
3. 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.
4. That 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.
5. That it shall be the responsibility of the Franchisee / RD to effect the sales through proper invoices detailing the material particulars of BSNL phones including the IMEI number. The Franchisee shall keep BSNL indemnified against claims regarding unauthorized handsets sold or alleged to have been sold from the Franchisee's outlet(s), being raised against BSNL by any third party.
6. That BSNL shall not be liable for any loss or damage of Free C TOP-UP activation SIM provided by BSNL.
7. That BSNL shall not be liable for any loss or damage of Third Party Recharge (TPR).
   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 the franchisee shall be payable by BSNL.
8. **Responsibilities and Obligation of Franchisee:**
9. Franchisees shall serve the RDs of his territories at his door-step on terms & conditions as mentioned herein and in the agreement dtd. \_\_\_\_\_\_\_ between BSNL & Franchisees.
10. Wherever RDs are available, provision of Services should be only through retailers of RDs.
11. Franchisees shall not create his retail network wherever RDs are selected.
12. Territory Franchisee will collect all CAFs from RDs and will provide them SIM as well as Recharge Coupon/C-TOPUP.
13. 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 incentive etc.
14. **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 is such case at his doorstep.
15. **Tax Liability:**

RD have to comply with all applicable taxes as per Central / States/ Local Laws

BSNL services such as Secondary / subsequent incentives such as incentive on FRC/RC, any scheme based incentive, FOS incentive etc. to RDs shall be given online in the form of c-top-up value through any platform like Sanchar-soft/Pyro/ERP after levy of applicable taxes i.e. TDS /GST etc., wherever applicable.

RD will raise commission invoice (along with applicable GST) on BSNL/ franchisee. Since commission is paid to RD in the form of c-topup, BSNL/ franchisee will also raise an invoice (along with applicable GST) on RD for allocation of such c-topup value

BSNL shall, on a conservative basis, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on all margins provided to RD for sale of BSNL services.

BSNL shall, withhold tax at source under Chapter XVIIB of the IT Act, 1961 on the secondary/ subsequent incentives provided to RD (refer point f above)

BSNL / franchisees shall be responsible for discharging GST liability in cases where RD is not registered under GST. It is further agreed that RD shall not charge tax on invoice

GST paid by RD to BSNL/ franchisee and by BSNL/ franchisee to RD (as the case maybe w.r.t. secondary/ subsequent incentive granted by BSNL) shall be available to RD and BSNL/ franchisees, respectively, as ITC which can be set off against the GST charged by RD or BSNL/ franchisee

The rate of incentive needs to be reviewed with every change in the rate of GST in order to keep it at par with or lower than the current rate of \_\_\_% of Face Value.

Methodology and applicable tax deduction/reconciliation on payment like discount at the time of sale of BSNL services, discount on FRC/RC, any scheme based incentive, FOS incentive etc. to RD may be changed time to time & necessary instructions shall be issued by concerned cell of BSNL CO.

The invoices raised by RD and BSNL/ franchisee should comply with all the conditions as prescribed under the tax invoice rules under Central Goods and Service Tax Rules, 2018

In case of any deficient supply or incomplete supply, it shall be the responsibility of RD to issue GST compliance credit note within the reasonable time and take tax adjustment. In case RD fails to issue proper credit note within the time stipulated under the GST law the taxes charged and not adjusted would be borne by RD.

RD to comply with all the compliances as may be prescribed to ensure that compliance rating is not reduced below the prescribed limit as laid down under GST Act and GST regulations. RD may be required to submit a self-declaration from time to time, that they are not black-listed on the GST portal. Notwithstanding anything contained in agreement, in the event of black listing of supplier i.e. compliance rating reduced below the prescribed limit, the amount related to tax shall be paid to RD only on receipt of input tax credit to BSNL/ franchisee

Applicable Tax deductions/ reconciliation/ accounting related instructions/ guidelines shall be issued by concerned cell of BSNL CO, which shall be applicable to circle/SSA.

In case of secondary/ subsequent incentives provided to RD, it shall be the responsibility of RD to raise appropriate tax invoice as per the provisions of GST Act. BSNL/ franchisee reserves the right to be indemnified for the credit loss in case BSNL/ franchisee is unable to claim the ITC for any non-compliance / default in raising appropriate invoice by RD. Further all invoices should be sent to BSNL promptly and in no case beyond 30 days of Invoice date.

Further the Supplier is required to comply following requirements w.r.t. issuance of invoice:

* + - 1. All the details of RD (name, address, GSTIN/ unregistered vendor, place of supply, SAC/ HSN code etc.) and other mandatory details shall be mentioned on the invoice;
      2. Invoice/Debit Note/Credit Note need to be issued timely within the time prescribed under GST law;
      3. It would be the responsibility of RD to declare correct information on invoice and GST portal viz. the amount, the place of supply, rate of tax etc. In case, the eligibility of input tax credit is questioned or denied to BSNL/ franchisee on account of default by RD, the same would be recovered by BSNL/ franchisee from RD;
      4. Registered location of BSNL/ franchisee shall be mentioned in the agreement with GSTIN No. RD shall raise invoices at the registered premise of BSNL/ franchisee for availment of credit and ensure that the place of supply as per GST law is same as registered premise;
      5. It shall be the responsibility of RD to raise invoice within the prescribed timelines.

RD to share the monthly information (w.r.t. incentive) with BSNL which would be uploaded by RD in its GSTR -1 along with the information of input credit to be claimed by BSNL/ franchisee in such month. It shall be the responsibility of RD to provide reconciliation statement of all the supplies made by it including issuance of credit note, debit note or other documents on or before \_\_\_\_\_\_\_

GST (if applicable) on account of liquidated damages due to delay in supply of BSNL services would be borne by online SIM selling agent.

BSNL reserves the right to amend and the franchisee agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL’s policy

BSNL reserves the right to amend and the RD agrees to the amended procedures which may be required pursuant to changes in GST law or pursuant to change in BSNL’s policy

1. **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 | 30% |
| POS | 25% |
| Total | 100% |
| **Bench Mark Score** | **50%** |

1. **Extension:** Based on performance, theSSA 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.
2. **Exit Clause:** RD may exit by giving 60days notice and PBG shall be refunded once the pending dues if any are cleared.
3. **Dispute Resolution/ Arbitration:**

Except as otherwise provided elsewhere in the contract, in the event of any disputes, controversy , or differences arising out of or relating to this agreement, or the breach, termination or invalidity thereof between the parties, such party or parties shall make a request to the other party or parties to amicably settle such differences or disputes and parties shall thereupon make every effort to settle the same amicably within a period of 60 (sixty) days from the date of making of such request.

Where parties are unable to settle the disputes through conciliation, the same shall be referred to CGM, ............. Telecom Circle/District of BSNL for referral of such disputes to a sole arbitrator ( Chosen from the name(s) provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration and conciliation Act, 1996, any amendment thereof , and any notification issued or rules made thereunder from time to time.

The venue of the arbitration proceeding shall be ....................SSA.

1. 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 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_