

# **Bharat Sanchar Nigam Limited**

(A Government Enterprises)

## **Policy on provision of IPTV services through FTTH/ Content Partners/OTT aggregator on non-exclusive basis**

**No VAS-2/IPTV-FTTH-Content partners/2019**

**Dated: 17 Feb. 2020**

**(After inclusion of corrigendum to Policy no. VAS-2/IPTV-FTTH-Content partners/2019 dated 15 Jan 2020)**

BSNL is currently providing the GSM/PSTN services across the nation except Delhi and Mumbai and has a GSM subscriber base of approx. 117 Millions Prepaid and Postpaid and 11 Millions PSTN subscriber. At present BSNL has 25 Million mobile data users and 5 Mn wireline broadband customers, including FTTH customers, availing services in different tariff plans.

Proposals are invited from interested and eligible companies for providing IPTV services on non-exclusive basis. The eligible companies can offer the IPTV services to BSNL's subscribers after entering into an agreement with BSNL. The objective is to increase revenue of BSNL, therefore the IPTSP shall deliver quality content (with valid IPR) for value addition in the services and profitability for both BSNL & IPTSP.

**Following scenarios have potential for network monetization through delivery of content to the customers**

### **Scenario-1 :**

IPTV services to BSNL broadband/FTTH customers through the IPTV service provider (IPTSP). IPTSP can be a Technology Company who has agreement with Registered MSO or Registered MSO having agreement with Technological Company for providing uninterrupted TV broadcast services, shall arrange for delivery of digital cable TV channels through BSNL IP network. Since customer experience for TV channels is highly dependent on data latency and throughput, it is highly desirable that the content have to be closest to the customer. For this the IPTSP have to make arrangements for caching of video content so that cached data in servers can be located physically close to customer premise. Minimum one caching server in one Circle/LSA shall be deployed by the IPTSP. This arrangement will also help in saving expensive bandwidth, which otherwise will be required to fetch and deliver the video content to customers. The cost of deploying caching servers shall be borne by IPTSP and related enablement cost shall also be borne by the IPTSP.

### **Scenario-2 :**

IPTV service to BSNL broadband/FTTH customers through the IPTV service provider (IPTSP) shall arrange for delivery of digital cable TV channels through FTTH partner's IP network (last mile fiber). The content shall be directly mixed with Internet and voice traffic at OLTE installed by the FTTH partner, and hence the video traffic shall not mix into BSNL's other IP network traffic and shall be run in a completely independent

manner through Virtual Private Network. However, BSNL shall allow installation of caching servers in its premises with no infrastructure charges, including OLTE. Minimum one caching server in one Circle/LSA shall be deployed by the IPTSP. This will help BSNL customers to enjoy video content in a jitter/buffer free manner. The cost of deploying caching servers shall be borne by IPTSP/FTTH partners and related enablement cost shall also be borne by the IPTSP/FTTH partner (LCOs/MSOs).

### **Scenario-3 :**

IPTV service to BSNL enterprise broadband customers (like hotels and other institutional buyers of broadband service) - the IPTV service provider shall arrange for delivery of digital cable TV channels through FTTH partners/BSNL's IP network (last mile fiber).

Salient points regarding eligibility conditions, documents required and major terms & conditions are given below:-

#### **1. Eligibility Conditions:**

- 1.1 The prospective IPTSP shall either be a company registered and incorporate in India under Companies Act, 1956/2013 or a foreign company. In case prospective IPTSP is Foreign Company, it can participate either through its established place of business in India duly registered with the Registrar of Companies, Ministry of Corporate Affairs, and Government of India or through its wholly owned subsidiary company registered and incorporate under company's act 1956/2013.
- 1.2 The company should have a minimum annual turnover (audited) of Rupees 1 Crore or equivalent during the last financial year in one of the following areas or any combination thereof,
  - a) Telecom applications/ VAS or
  - b) IT applications or
  - c) Content provisioning or
  - d) Content development or
  - e) Content application development.The turnover of parents / holding company may also be considered for deciding turnover criteria; the subsidiary company shall submit a declaration in this regard.
- 1.3 The agreement with IPTSP shall be on non-exclusive basis only.
- 1.4 The period of non-exclusive agreement will be 15 months (3 months for installation of equipment & integration with BSNL network and 12 months for service). The IPTSP shall commit acquisition of 5,000 customers in one year (average of last three months of the agreement period) or annual revenue commitment of Rs.1 Cr. on PAN India basis on which revenue share is payable to BSNL which shall be backed by Bank Guarantee of Rs.15 Lakhs.
- 1.5 The company will be required to submit a non-refundable empanelment fee of Rs. 50,000 plus applicable GST at the place of signing of agreement.

1.6 IPTSP can be a Technology Company who has agreement with Registered MSO or Registered MSO having agreement with Technological Company for providing uninterrupted TV broadcast services.

**2. List of documents to be submitted as part of the proposal:**

- 2.1 Copy of the Article of Association & Memorandum of Association.
- 2.2 List of Directors including their names(s) and address (es) along with contact telephone numbers, DIN of each director & CIN of the company.
- 2.3 Certified True copy of Board's/ Management's resolution in favor of authorized signatory.
- 2.4 Specimen signature of the authorized official duly attested by Company's/authorized signatory's Banker.
- 2.5 Latest audited Annual Report of the company, in case printed copy is not available then copy of the same duly certified by the Company Secretary/ Director/ Managing Director of the company.
- 2.6 Turnover certificate from the company's Auditors/ CA mentioning the field of turnover as required under the eligibility conditions.
- 2.7 Non-refundable Empanelment fees required as per eligibility conditions.
- 2.8 Non-Disclosure Undertaking (NDU), duly notarized on non judicial stamp paper of Rs.50/- (NDA format enclosed).
- 2.9 Details of Contents/ services, including price points, which the company wants to provide on BSNL's network.
- 2.10 Contact details i.e. Name, mail id, phone no., mobile no., fax no. of a responsible person for liaising in this matter.
- 2.11 All necessary documents are to be submitted by Foreign IPTSP, as relevant to conditions mentioned in para 1.1.

**Draft agreement, containing the complete commercial, financial and technical conditions to be signed for providing the IPTV services shall be forwarded to the eligible companies only after evaluating the proposal containing the above documents in full after finalization of the list of services & their respective price points.**

**3. General Terms and Conditions of the Agreement:**

3.1 BSNL's wireline Operations are divided into four Zones viz. East, West, North and South, comprising of the Licensed Service Areas as defined below.

| S. N. | Zone | Licensed service areas                                                                                                  | Nodal Circles (CFA) |
|-------|------|-------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1.    | East | Assam , Bihar including Jharkhand , Kolkata Metro ,Orissa, West Bengal including A&N, North East (NE-I including NE-II) | Kolkata             |
| 2.    | West | Gujarat, Maharashtra, Madhya Pradesh including Chhattisgarh                                                             | Gujarat             |

|    |       |                                                                                                             |           |
|----|-------|-------------------------------------------------------------------------------------------------------------|-----------|
| 3. | North | Haryana, Himachal Pradesh, , Jammu & Kashmir ,Punjab, Rajasthan, UP (East), UP (West) including Uttarakhand | Rajasthan |
| 4. | South | Andhra Pradesh including Telangana, Karnataka, Kerala, Tamil Nadu including Chennai                         | Telangana |

3.2 The IPTSP shall have to enable its platform, such that it can allow the CDR system /platform with charging of subscribers for the IPTV services. Its platform shall have capability of independently billing the IPTV service charges to the customers and compliance reporting to TRAI and related agencies for revenue and accounting.

3.3 Revenue share between BSNL & IPTSP will be as under:

(A)

| Services                                                                                   | BSNL revenue Share (%) | IPTSP's revenue share (%) |
|--------------------------------------------------------------------------------------------|------------------------|---------------------------|
| <b>Free to Air (FTA) TV<br/>(upto 2 lakh customers on PAN India)</b>                       | <b>50</b>              | <b>50</b>                 |
| <b>Free to Air (FTA) TV<br/>(additional customers over and above 2 lakhs on PAN India)</b> | <b>60</b>              | <b>40</b>                 |

- An additional (over & above) .5% will also paid by the IPTSP to BSNL for paid channel TV services.
- The revenue share payable to IPTSP will include LCO & last mile partner component.
- IPTSP has to make arrangements with local partner for installation and maintenance of customer premise equipment for delivery of IPTV services. The charges payable to local partner shall be borne by IPTSP.
- IPTSP has to make arrangement for complaint resolution of IPTV services of the customers.
- IPTSP has to make arrangements for entertaining the customer requests for changes required in TV channels/content subscription.

(B)

**OTT (Over the Top):**

The revenue share will be decided on case to case basis with mutual discussions.

- For the OTT services through OTT aggregator, subscriber shall be billed along with broadband monthly charges by the BSNL.

3.4 For OTT service, BSNL Revenue share can be further shared with FTTH Partner as per FTTH revenue share policy.

3.5 The IPTSP may be allowed to bundle its services with various product of BSNL depending upon their utility and customer requirement after getting approval from BSNL for the service. For this IPTSP has to submit relevant documents regarding the service to BSNL including the proposal for revenue share between BSNL and the IPTSP. The services can be provisioned by BSNL retailer / franchisee chain/TIP also.

### **3.6 Performance responsibility of the IPTSP**

#### **(A)**

The period of non-exclusive agreement shall be 15 months (3 months for installation of equipment & integration with BSNL network and 12 months for service). Renewal or extension of the agreement will be yearly basis. The extension for one year can be considered based on the following conditions:-

- IPTSP has to fulfill the annual revenue commitment of Rs.1 Cr. on PAN India basis on which revenue share is payable to BSNL.

Or

- The IPTSP shall commit acquisition of 5,000 customers in one year (average of last three months of the agreement period).

Above conditions shall be backed with Bank Guarantee (BG) of Rs.15 Lakhs. BG will be released only if the partner fulfills the above revenue commitment. If the IPTSP fails to fulfill the above conditions, the BG shall be forfeited and agreement shall be renewed with submission of new BG.

#### **(B)**

The company shall have to deposit connectivity fee of Rs.4.5 lakhs plus applicable GST on non-achievement of the said target as defined in the sub clause 'A' above at the end of targeted period, i.e. agreement period.

- 3.7 For the linear TV arrangement, The MSO / Technology provider will collect the amount from the customers and submit the necessary details to respective BSNL Telecom Nodal Circle/Circle indicating the network carrier/BSNL's and last mile service provider's /LCO's share. Tax Invoice for revenue share shall be raised on monthly basis to the IPTSP on receipt of monthly report from the IPTSP. The IPTSP shall verify the bill within 15 days and release the cost of content/services payment to the BSNL within the next 15 days. The payment of charges shall be made to BSNL after deduction of TDS amount as per provisions of the Income tax Act. MSO's subscriber management system can be audited with prior notice, to ascertain/verify the correctness of data supplied for billing. Access to the subscriber management system including report generation for customers FTA and paid channels should be provided to BSNL for online monitoring and reconciliation purpose.
- 3.8 For the OTT services through OTT aggregator, subscriber shall be billed along with broadband monthly charges. Payment shall be made on monthly basis to the OTT aggregator partner on receipt of the bill. The OTT partner shall submit the State/UT-wise bill (in compliance of GST) to the designated Nodal Circle/Circle In-charge, who may be DGM/AGM or any other officer nominated by CGM, Nodal Circle. The designated Nodal Circle/Circle In-charge shall verify the bill within 15 days. The verified bills/invoices shall be processed & paid within two months. The payment of charges shall be made to the partner after deduction of TDS amount as per provisions of the Income Tax Act 1961.

- 3.9 The Central Monitoring System (CMS) portal shall be made available to BSNL designated nodal officer of respective Nodal Circle/Circle.
- 3.10 BSNL reserves the right to provide the IPTV services on its own or to enter into Agreement with other service providers/companies for providing similar services in its licensed wireline / Cellular Mobile Telephony service area(s) from time to time in future without any restriction on number of IPTSP providers.
- 3.11 IPTSP/Partner shall be totally bound and obliged to comply with all applicable norms and directions issued from time to time by the Regulator (TRAI) or the Licensor (DOT) or Govt of India.
- 4. Integration of platform:-** IPTSP shall integrate its system with BSNL's CDR system / VAS Provisioning system for exchanging customer Profile database who have availed TV service on daily basis and also for enabling near on-line execution of activation, renewal or de-activation of IPTV service through CDR system/ VAS Provisioning system based on request/option received from the customer.
- 4.1 The required connectivity between BSNL's network and prospective IPTSP/Partner's network shall be done by the IPTSP/partner as detailed below. The required connectivity to the concerned network elements of BSNL shall be provided free of charge based on the technical feasibility. To begin with, BSNL will provide bandwidth of 1 GBps per location to the IPTSP/partner subject to achievement of annual target as per para 3.6 above for a period of one year. Further augmentation of bandwidth shall be done as per the requirement & justifications.
- 4.2 The augmentation of caching servers and related enablement shall be done by IPTSP/partner at its own cost whenever its utilization reaches up to 70 %
5. The TIP/LCO shall ensure the connectivity from network element (OLTE) to last mile fiber and BSNL shall not be responsible for any approval/permission from local authority/agency, whatsoever.
- 6. Payment gateway:-** Online payment gateway (net banking/credit card/debit card / M-Wallet) of BSNL shall initially take the cost of the services from customers and thereafter revenue share will be share with IPTSP as per agreed on financials.
- 7. Operator agnostic:-** The system of the IPTSP/partner should be Interoperable among various systems of BSNL wherein IPTSP/partner has to enable its all network element with BSNL systems in seamless manner.
- 8. Marketing of Services:** Marketing, advertising and promotion of agreed IPTV service besides sourcing the content for the services will be borne by the IPTSP/partner at its own cost. BSNL may market, if needed, the services provisioned through its Bundled products subject to commercial conditions, mutually agreed.
- 9. Delivery of Service:** The IPTSP/Partner shall ensure provisioning of commercial services in the agreed service area within 30 days of provision of requisite connectivity by BSNL.



**10. Indemnification:** IPTSP/Partner shall agree to protect, defend, indemnify and hold harmless BSNL and its employees, officers, directors, agents or representatives from and against any and all liabilities, damages, fines, penalties and costs (including legal costs and disbursements) arising from or relating to:

- a) Any breach of any statute, regulation, direction, orders or standards from any governmental body, agency, telecommunications operator or regulator applicable to such party;
- b) Any breach of the terms and conditions in the agreement by IPTSP/partner;
- c) Any claim of any infringement of any intellectual property right or any other right of any third party or person or of law by IPTSP/partner;
- d) Any claim made by any third party or person arising out of the use of the services and arising in connection with interruptions or degradations of service caused solely IPTSP/partner.
- e) Any liability arising out of non compliance of Laws, Directives, guidelines etc. of the Land where IPTSP/partner is located.

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

**10. Directions / Guidelines from Licensor/regulator or Any Govt. statutory body:**

10.1 In accordance with DOT guidelines, any directions of DOT thereunder, BSNL shall have the right to direct, to warn, to penalize the IPTSP/partner or terminate the Agreement after considering any report of conduct or antecedents detrimental to the security of the nation. The decision of BSNL in this regard in accordance with such DOT directions shall be final and binding and in any case the IPTSP/partner shall bear all liabilities in the matter and keep BSNL informed for all claims, cost, charges or damages in this respect.

10.2 In accordance of DOT guidelines, the IPTSP/partner shall have provision for lawful interception for services which are being provided to BSNL subscribers using Voice bearer/data/SMS/USSD/PTT etc. Further, any new Value Added Services should be added/ commissioned in the network only after having confirmed the provisioning of appropriate monitoring facilities for the same.

10.3 In accordance with TRAI directions, no forced activations of services is to be done by any IPTSP/partner. In case IPTSP/partner is found indulging in illegitimate/ forced activations, BSNL reserves the right to take action as per BSNL prevailing policy, amended from time to time.

10.4 TRAI guidelines on TV & Broadcast shall prevail as per TRAI directions time to time.

**11. Submission of Proposal**

The proposal, complete in all respect, addressed to Dy. Manager (BBVAS), Second Floor, Bharat Sanchar Bhawan, HC Mathur Lane, Janpath, New Delhi-110001, can be submitted on any working day. BSNL will scrutinize such proposal and will enter into an agreement within 15 days from the date of finalization of the list of services & their respective price points else will communicate deficiencies.

## **Annexure A**

### **FORMAT OF THE NON-DISCLOSURE UNDERTAKING**

(To be submitted duly notarized on non-judicial stamp paper of Rs.50/- only)

M/s \_\_\_\_\_, a company registered under Companies Act 1956, having its registered office at \_\_\_\_\_ acting through Shri \_\_\_\_\_, the authorized signatory (which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) hereby declare and undertake that we will not divulge any part of this agreement either through oral or written communication or through any mode to anyone.

We further undertake and declare that we shall be responsible for safe custody of the papers/documents including the Agreement proposed to be entered into between M/s BHARAT SANCHAR NIGAM LIMITED and ourselves. We shall ensure all necessary steps to safeguard the privacy and confidentiality of the Agreement and shall use our best endeavors to secure that no person acting on our behalf or ourselves divulge or disclose or use any part of the Agreement without the written consent of M/s BHARAT SANCHAR NIGAM LIMITED.

We further declare and undertake that if we declare not to sign the above Agreement with M/s BHARAT SANCHAR NIGAM LIMITED, we shall return back the copy of the Agreement (in original) back to BHARAT SANCHAR NIGAM LIMITED within one month without preserving any copy of the same, in any form, whatsoever.

We further declare and undertake to indemnify M/s BHARAT SANCHAR NIGAM LIMITED for any loss or damage(s) caused to it by virtue of any default from our side in compliance to the aforesaid conditions.

Signed on behalf of M/s \_\_\_\_\_ by Shri \_\_\_\_\_  
(Name and Designation) authorized signatory.