

FAQs on FTTH REVENUE SHARE POLICY (Revised on 14/07/2017)

1. What is 'FTTH Revenue Share Policy' of MTNL?

FTTH Revenue Share Policy of MTNL envisage engagement of prospective Indian firms, companies as partner on revenue share basis as per terms given in said policy for roll-out of Access Network for providing Broadband Internet, Voice & VAS service using any suitable Broadband Internet Technology e.g. FTTH, Wi-Fi, ADSL, VDSL etc. within Fixed service license area of MTNL i.e. Metro city of Delhi and Mumbai.

The prospective partner entity could be a Company, Proprietorship, Firm, Joint Venture, Consortium or even Start-ups/ Self-Entrepreneurs/ Registered Societies / RWA /local Cable providers / Real Estate developers, i.e. virtually anyone having capabilities to extend the last mile reach of Optical fiber of MTNL.

2. What is the process to become revenue share partner?

The details terms and eligibility requirement to become FTTH Revenue share partner is provided on MTNL website. Interested entity need to go through the policy and ascertain, whether it is meeting eligibility requirement. The entity interested to become 'FTTH Revenue Share Partner of MTNL' may submit the proposal along with eligibility document as specified herewith to the Nodal Officer of MTNL of respective city clearly mentioning their preferred area of Operation. After scrutinizing the proposal and verifying the eligibility requirement, the Nodal officer of MTNL shall invite the prospective partner to submit performance bank guarantee of requisite amount as per specified format as given in the policy document and sign an agreement as per format specified in policy document.

3. What are the eligibility criteria to become Revenue share partner of MTNL?

The eligibility requirement for the prospective partners is specified in clause (3) of the policy and reproduced below-

Partner shall be a company / Self-entrepreneurs/ Partnership firm Registered Societies / RWA/ Builders / local Cable providers / Proprietorship firm registered / incorporated in India including a Consortium, involved in / aimed towards FTTH business segment. However, the promoter(s) of the Start-up company / Self entrepreneurs/ Partnership firm / Proprietorship firm registered or incorporated in India including a Consortium shall preferably be a Graduate, Professional(s) such as Engineers, C.A, MBA, retired employees of MTNL, BSNL, Diploma in IT/Electronics etc.

The partner must have a minimum turnover as specified below in the last two financial years:

| Type of Partner | Area of Operation | Turnover in INR |
|-----------------|---------------------------|-----------------|
| A | RSU / Exchange Level | NIL |
| | GM Level | 10,00,000/- |
| | PAN Delhi / Mumbai | 20,00,000/- |
| B | Gated Complex / Societies | NIL |

4. What are the documents, one has to submit to become revenue share partner?

The Partner needs to submit following documentary proof for their eligibility criteria-

- i. Certificate of incorporation
- ii. Memorandum of Article and Article of Association or partnership deed or proprietorship deed as the case may be.
- iii. Registration certificate from State Director of Industries or from Secretariat for Industrial Approval (SIA), Ministry of Industries, Government of India.
- iv. Copy of last 3 years Income Tax Return (ITR)
- v. Audited copy of last 3 years Balance sheet and Profit & Loss Account.
- vi. Approval from Reserve Bank of India /SIA in case of foreign collaboration.
- vii. Latest and valid NSIC Certificate or MSME registration (If applicable).
- viii. Board resolution, certificate of authorization for authorized signatory submitting the proposal and signing the agreement on behalf of the firm/company.
- ix. Copy of GST registration and GSTIN is compulsory if turn-over is more than 20 lakhs.
- x. Copy of PAN

All documents submitted will also be self-attested by the director/Partner/ owner.

However, in case of RWAs following documents only need to be submitted for eligibility--

- i) Certificate of registration of RWA
- ii) Bye-laws of RWA
- iii) Resolution of RWA to enter into agreement with MTNL for FTTH service on revenue share basis and authorization for authorized signatory.

5. To whom in MTNL, I should get in touch with to become revenue share partner of MTNL?

The Contact Details of the nodal officers of MTNL for respective cities/License area are as follows:

| | |
|---|---|
| Nodal Officer Delhi: Sri Anil Bahadur AGM (MM) EB MTNL Delhi Room No. 121 Eastern Court Janpath New Delhi – 110001 Mob: 9868133536 saxenaab63@gmail.com 011-23327071 | Nodal Officer Mumbai: Sri P.N. Vasane Sr. Manager (FTTH), MTNL Mumbai O/o DGM(FTTH), 16th, Floor, West Wing, Telephone House, Prabhadevi, Dadar (West), Mumbai-400 028 Mobile: 9869454455 Email: smftth.mtnl@gmail.com |
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6. What are the services, which can be offered under MTNL's FTTH revenue share policy?

Following services can be offered under MTNL's FTTH Revenue Share Policy within fixed license service area of MTNL i.e. within city of Delhi and Mumbai -

- i) Broadband Internet
- ii) Voice
- iii) VAS Services like IPTV/Internet TV, Home Surveillance, e-Education, Tele-medicine, OTT based services, Gaming etc. or any other service permitted by MTNL from time to time etc.)

7. Any fee to be paid to MTNL to become FTTH Revenue share partner?

There is no fee to be paid to become partner; however Partner shall have to submit Performance Guarantee in form of Demand Draft or Bank Guarantee in the Performa specified in Annexure-II of the policy as per details below—

- i. PBG/DD of Rs 25,000/- (Rs. Twenty fifty Thousand only) for operating in one Telephone Exchange/RSU area.
- ii. PBG of Rs 2,00,000/- (Rs Two lacs only) for operating in one GM Area
- iii. PBG of Rs 5,00,000/- (Rs Five lacs) for operating in whole city.

8. Any agreement to be signed with MTNL to become revenue share partner?

Yes. The Partner needs to enter into an agreement with MTNL in the format specified in the Policy. The signatory must be the promoter of the entity itself, in case the entity is a company, then, a certified true copy of Board Resolution needs to be enclosed with the agreement, wherein the official has been authorized to sign the agreement on behalf of the company. The copy of Revenue share policy signed at each page by the partner should be attached with agreement.

9. For how long I can provide service under FTTH revenue share policy?

Agreement shall remain in force initially for a period of Ten (10) years on non-exclusive basis from the date of award of work and can be extended further with mutual consent. This agreement shall be valid for its full term unless revoked as per the clauses and mechanism defined in this Agreement.

10. Is it necessary to use only GPON/GEAPON based FTTH technology to provide internet under 'FTTH Revenue share Policy' or can I choose other technologies as well to provide Broadband internet service?

Partner is free to deploy any technology in Access Network compatible to interface with MTNL Backbone Network to provide Broadband internet service under this policy like GEAPON, GPON, LAN Switches, ADSL, VDSL, Wi-Fi etc.

11. What is the revenue I shall earn under this policy?

The partner shall get revenue share as per details below-

| Partner Type | Name of Services | Area of operations | No. of Billed Connection | Revenue share offered to Partner | |
|---------------------|--|--|---------------------------------|--|------|
| A | MTNL FTTX services like Broadband, Voice Telephony, VAS etc., where access network will be installed and maintained by partner. | Exchange / RSU Level | Upto 200 | 25 % | |
| | | | 201-500 | 28 % | |
| | | | 501-1000 | 31 % | |
| | | | 1001 - 1500 | 34 % | |
| | | | >1500 | 36% | |
| | | Fibre will be made available at nearest MTNL exchange or at any point on existing OFC route wherever feasible and picking up this fibre will be the responsibility of revenue share partner. | GM level | Upto 1000 | 25 % |
| | | | | 1001- 3000 | 29 % |
| | | | | 3001- 9000 | 33 % |
| | | | | 9001 -15000 | 36 % |
| | | | | >15000 | 38 % |
| | PAN Delhi / Mumbai | | Upto 3000 | 25 % | |
| | | | 3001 - 6000 | 29 % | |
| | | | 6001- 12000 | 33 % | |
| | | | 12001-20000 | 36 % | |
| | | | 20001-30000 | 38% | |
| >30000 | | | 40% | | |
| B | MTNL FTTX services like Broadband, Voice Telephony, VAS etc., where access network will be installed and maintained by partner. Fiber will be made available at the gate of the society / building by MTNL on case to case basis, if business model is viable. | Gated Complex / Societies | | Flat 25 % with no revenue reduction. No roll out obligation or requirement of minimum no. of subscribers but subject to viability. | |

12. What are the geographical area, where I can provide internet service under FTTH revenue share policy?

The area of operation under this policy can be as small as any Gated Complex/Society to as large as Whole City (Delhi and/or Mumbai) as per details below-

- i) Gated Building Complex/Society
- ii) Area covered under One MTNL Telephone Exchange/Remote Switching Unit
- iii) City area covered under one MTNL Area GM. (Delhi city is divided in 7 Area GMs and Mumbai city in 9 Area GMs).
- iv) Whole City i.e. Delhi, Mumbai

The partners need to indicate choice of geographical area it intend to provide service, while submitting proposal to MTNL based upon its Business Interest and eligibility condition given in FTTH Revenue share policy.

13. What type and how many agreement(s), I have to sign with MTNL to become revenue share partner?

The partner needs to enter into one agreement with one field unit (i.e. either Delhi or Mumbai) for any number of Exchanges or GM Area within their jurisdiction. However if any partner opts to work both in Delhi as well as Mumbai, then they will have to enter into separate agreement with both Units. This Agreement is an arrangement with PARTNER for Ten (10) years of operations on non-exclusive basis from the date of signing the Agreement, which can be further extended on mutual agreement basis.

14. How much time it will take to get approval from MTNL to become revenue share partner in MTNL?

After submitting the proposal to Nodal Officer of MTNL, the complete process is expected to be finalized within a month time.