

Government of India
Ministry of Communications & IT
Department of Telecommunications
(Access Services Division)
1203, Sanchar Bhavan, Ashok Road, New Delhi-110001.

No.20-271/2010-AS-I (Pt-1)

Dec-03, 2013

To
All the UAS Licensees Company.

Subject: Amendment of Unified Access Service Licence (UASL) Agreement, regarding Foreign Direct Investment (FDI) – Caps and routes in Telecom sector.

In pursuance of Condition 5.1, The LICENSOR hereby amends the following in the Unified Access Service Licence Agreement issued in 2001 in Telecom Service Areas. This amendment is effective with immediate effect.


Existing affected clauses of UASL	After Amendment
<p>1. OWNERSHIP OF THE LICENCEE COMPANY 1.A. The total composite foreign holding including but not limited to investments by Foreign Institutional Investors (FIIs), Non-resident Indians (NRIs), Foreign Currency Convertible Bonds (FCCBs), American Depository Receipts (ADRs), Global Depository Receipts (GDRs), convertible preference shares, proportionate foreign investment in Indian promoters/investment companies including their holding companies, etc., herein after referred as FDI, will not exceed 74 per cent. The 74 per cent foreign investment can be made directly or indirectly in the operating company or through a holding company and the remaining 26 per cent will be owned by resident Indian citizens or an Indian Company (i.e. foreign direct investment does not exceed 49 percent and the management is with the Indian owners). It is clarified that proportionate foreign component of such an Indian Company will also be counted towards the ceiling of 74%. However, foreign component in the total holding of Indian public sector banks and Indian public sector financial institutions will be treated as 'Indian' holding. The licensee will be required to disclose the status of such foreign holding and certify that the foreign investment is within the ceiling of 74% on a half yearly basis.</p>	<p>1. OWNERSHIP OF THE LICENCEE COMPANY 1.A. FDI upto 100% with 49% under automatic route and beyond 49% through FIPB route subject to observance of licensing and security conditions by licensee as well as investors as notified by the DoT from time to time. Both direct and indirect foreign investment in the Licensee Company shall be counted for the purpose of calculating total FDI.</p>
<p>1.C The Share Holder Agreements (SHA) shall specifically incorporate the condition that majority directors on the Board including Chairman, Managing Director and Chief Executive Officer (CEO) shall be resident Indian citizens and shall also envisage the conditions of adherence to Licence Agreement.</p>	<p>1.C. deleted</p>
<p>1.D FDI up to 49 percent will continue to be on the automatic route. FDI in the licensee company/Indian promoters/investment companies including their holding companies shall require approval of the Foreign Investment Promotion Board (FIPB) if it has a bearing on the overall ceiling of 74 percent. While approving the investment proposals, FIPB shall take note that investment is not coming from countries of concern and/or unfriendly entities.</p>	<p>1.D The licensee Company/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of extant FDI policy of the Government. While approving the investment proposals, FIPB may take into accounts security concerns.</p>
<p>1.G (i) In order to ensure that at least one serious resident Indian promoter subscribes reasonable amount of the resident Indian shareholding, such resident Indian promoter shall hold at least 10 per cent equity of the licensee company.</p>	<p>1.G (i) deleted</p>


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1.G (ii) The Company shall acknowledge compliance with the licence agreement as a part of Memorandum of Association of the Company. Any violation of the licence agreement shall automatically lead to the company being unable to carry on its business in this regard. The duty to comply with the licence agreement shall also be made a part of Articles of Association.	1.G (ii) deleted
1.2 The conditions at para 1.A to 1.G above shall also be applicable to the existing companies operating telecom service(s), which had the FDI cap of 49%. The Indian & Foreign equity holdings in the LICENSEE company as disclosed by the LICENSEE company on the date of signing of the LICENSE AGREEMENT, are as follows: INDIAN EQUITY..... FOREIGN EQUITY..... The LICENSEE shall declare the above information as on 1 st January and 1 st July by 7 th January and 7 th July respectively to LICENSOR. This is to be certified by the LICENSEE company's company secretary or statutory auditor.	1.2 The LICENSEE shall declare compliance to licence and security condition and Indian equity and Foreign equity as on 1 st January and 1 st July by 7 th January and 7 th July respectively to LICENSOR. This is to be certified by the LICENSEE company's Company Secretary or statutory auditor.
41.20 (xi) The Remote Access (RA) to Network would be provided only to approved location(s) abroad through approved location(s) in India. The approval for location(s) would be given by the Licensor (DOT) in consultation with the Security Agencies.	41.20(xi) The Remote Access (RA) to Network would be provided only to approved location(s) abroad through approved location(s) in India. The approval for location(s) would be given by the Licensor (DoT) after satisfying itself about the appropriateness.
41.20 (xvii) The Licensee shall familiarize/ train Vigilance Technical Monitoring (VTM)/ security agency officers/ officials in respect of relevant operations/ features of their systems.	41.20 (xvii) The Licensee shall familiarize/ train Telecom Enforcement, Resource and Monitoring (TERM)/ security agency officers/ officials in respect of relevant operations/ features of their systems.

2. All other terms and conditions of the Unified Access Service Licence Agreement including amendments and instructions issued from time to time shall remain unchanged.

3. Please acknowledge receipt.


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(R. K. Soni)

Director (AS-I)

For and on behalf of the President of India

Ph.No.2303 6284

Copy To:

1. Secretary, TRAI
2. Director (IT) may kindly arrange to upload this letter on the website of DoT.