

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-05, 2013

To

Bharat Sanchar Nigam Limited,
H.C. Mathur Lane, New Delhi.


Subject: Addendum to Basic Service Licence of BSNL, regarding Foreign Direct Investment (FDI) – Caps and routes in Telecom sector.

The following is appended in Basic Service Licence of BSNL Licence No.10-3/2000-BS.II dated 29.09.2000 in view of the increase in FDI Cap from 74% to 100% in Telecom sector.

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
1.B 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.
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.
General Conditions:
1.2.A. Foreign Direct Investment (FDI):
(ii) FDI shall be subject to laws of India and not the laws of the foreign country/countries.
1.2.B. Security Conditions:
(i) The Chief Officer Incharge of technical network operations and the Chief Security Officer should be a resident Indian citizen.
(ii) Details of infrastructure/network diagram (technical details of the network) could be provided on a need basis only to telecom equipment suppliers/manufacturers and the affiliate/parents of the licensee company. Clearance from the licensor (Department of Telecommunications, Government of India) would be required if such information is to be provided to anybody else.
(iii) For security reasons, domestic traffic of such entities as may be identified /specified by the licensor shall not be hauled/routed to any place outside India.
(iv) The licensee company shall take adequate and timely measures to ensure that the information transacted through a network by the subscribers is secure and protected.
(v) The officers/officials of the licensee companies dealing with the lawful interception of messages will be resident Indian citizens.
(vi) The majority Directors on the Board of the company shall be Indian citizens.
(vii) The positions of the Chairman, Managing Director, Chief Executive Officer (CEO) and/or Chief Financial Officer (CFO), if held by foreign nationals, would require to be security vetted by Ministry of Home Affairs (MHA). Security vetting shall be required periodically on yearly basis. In case something adverse is found during the security vetting, the direction of MHA shall be binding on the licensee.
(viii) The Company shall not transfer the following to any person/place outside India:-
(c) Any accounting information relating to subscriber (except for international roaming/billing) (Note: it does not restrict a statutorily required disclosure of financial nature) ; and
(d) User information (except pertaining to foreign subscribers using Indian Operator's network while roaming).

(ix) The Company must provide traceable identity of their subscribers. However, in case of providing service to roaming subscriber of foreign Companies, the Indian Company shall endeavour to obtain traceable identity of roaming subscribers from the foreign company as a part of its roaming agreement.
(x) On request of the licensor or any other agency authorised by the licensor, the telecom service provider should be able to provide the geographical location of any subscriber (BTS location) at a given point of time.
(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.
(xii) Under no circumstances, should any RA to the suppliers/manufacturers and affiliate(s) be enabled to access Lawful Interception System(LIS), Lawful Interception Monitoring(LIM), Call contents of the traffic and any such sensitive sector/data, which the licensor may notify from time to time.
(xiii) The licensee company is not allowed to use remote access facility for monitoring of content.
(xiv) Suitable technical device should be made available at Indian end to the designated security agency/licensor in which a mirror image of the remote access information is available on line for monitoring purposes.
(xv) Complete audit trail of the remote access activities pertaining to the network operated in India should be maintained for a period of six months and provided on request to the licensor or any other agency authorised by the licensor.
(xvi) The telecom service providers should ensure that necessary provision (hardware/software) is available in their equipment for doing the Lawful interception and monitoring from a centralized location.
(xvii) The telecom service providers should familiarize/train Telecom Enforcement, Resource and Monitoring (TERM)/security agency officers/officials in respect of relevant operations/features of their systems.
(xviii) It shall be open to the licensor to restrict the Licensee Company from operating in any sensitive area from the National Security angle.
(xix) In order to maintain the privacy of voice and data, monitoring shall only be upon authorisation by the Union Home Secretary or Home Secretaries of the States/Union Territories.
(xx) For monitoring traffic, the licensee company shall provide access of their network and other facilities as well as to books of accounts to the security agencies.

2. All other terms and conditions of the Licence Agreement No. 10-3/2000-BS.II dated 29.09.2000 including amendments and instructions issued from time to time shall remain unchanged.
3. This addendum is part and parcel of Licence Agreement No. 10-3/2000-BS.II dated 29.09.2000.
4. Please acknowledge receipt.


 (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.