

Government of India
Ministry of Communications and IT
Department of Telecommunications
(Data Services Wing)
Sanchar Bhawan, 20, Ashoka Road, New Delhi-110117

No. 820-01/2006-LR (Vol-II)Pt.

To,

All Internet Service Providers (ISPs)

Dated : 29.06.2012

Subject: Amendment with respect to Licence Fee (LF)-regarding

In pursuance of the right of Licensor to modify at any time the terms and conditions of the License Agreement for provision of Internet Services, in public interest or for the proper conduct of the service, the Licensor hereby intimates that:

A uniform licence fee rate of 8% of "Adjusted Gross Revenue (AGR)" shall be adopted for all ISP and ISP-IT licences, in two steps starting from 01.07.2012 as follows:

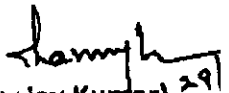
Category of licence	Details	Annual Licence Fee rate as % of AGR	
		For the period from 01.07.2012 to 31.03.2013	For year 2013-14 and onwards
ISP	Licence for provisioning of Internet services issued under 1998 guidelines (without Internet Telephony)	4%	8%
ISP-IT	Licence for provisioning of Internet services (including Internet Telephony) issued under 2002 guidelines, Licence for provisioning of Internet services issued under 24.08.2007 guidelines	7%	8%

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2. Revenue for the purpose of licence fee for ISP Category shall provisionally include all types of revenue from Internet services, allowing only those deductions available for pass through charges and taxes/levies as in the case of access services, without any set-off for expenses. Revenues from Internet services will also be included in the definition of applicable AGR provisionally for ISP-IT category till government takes a final decision after obtaining TRAI recommendations in this regard.

3. Necessary amendment(s) to the Licence Agreement(s) to above effect will be issued in due course of time.

4. Please acknowledge receipt.


(Sanjay Kumar) 29/1
ADG(ISP-I)

Copy to:

1. Secretary TRAI, New Delhi
2. Sr. DDG(AS)/DDG(CS)/DDG(Security-TERM)/ Sr. DDG WPF/ DDG (LF-I/II)/WA /DOT
- ✓ 3. Director (IT) for uploading on the DOT Site
4. ISPAI
5. DG P&T Audit
6. Secy...., MOF