

Government of India
 Ministry of Communications & IT
 Department of Telecommunications
 (Data Services Division)
 Sanchar Bhavan, 20 Ashoka Road, New Delhi-110001.

No. 820-01/2006-LR (Vol. II) Pt-2

23-12-2013

To

All Internet Service Providers
 (under Guidelines dated 24.08.2007 for grant of Internet Service Provider
 Licence).

**Subject: Amendment of Licence Agreement for provision of Internet Service, issued
 under Guidelines dated 24.08.2007, regarding Foreign Direct Investment
 (FDI) – Caps and routes in Telecom sector.**

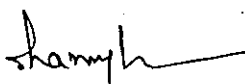
In pursuance of Condition 5.1 of Schedule-“Terms and Conditions” of the Licence for provision of Internet Service issued under Guidelines dated 24.08.2007, The LICENSOR hereby amends the following Terms and Conditions of the said Licence Agreement with immediate effect :

Existing affected clause of licence	After Amendment								
<p>1. <u>Ownership of the LICENSEE Company:</u></p> <p>1.1 The LICENSEE shall ensure that the total foreign equity in the paid up capital of the LICENSEE Company does not, at any time during the entire Licence period, exceed 74% of the total equity. The details of the Indian & Foreign promoters/shareholders with their respective equity holdings in the LICENSEE Company as disclosed on the date of signing of the Licence agreement, are as follows:</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 10%;">Sl. No.</th> <th style="width: 40%;">Name of Shareholders</th> <th style="width: 20%;">Indian/ Foreign</th> <th style="width: 30%;">Percent of Equity held</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Sl. No.	Name of Shareholders	Indian/ Foreign	Percent of Equity held					<p>1. <u>Ownership of the LICENSEE Company:</u></p> <p>1.1 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.</p>
Sl. No.	Name of Shareholders	Indian/ Foreign	Percent of Equity held						
<p>1.2 Both direct and indirect foreign investment in the licensee company shall be counted for the purpose of FDI ceiling. Foreign Investment shall include investment by Foreign Institutional Investors (FIIs), Non-resident Indians (NRIs), Foreign Currency Convertible Bonds (FCCBs), American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and convertible preference shares held by foreign entity. Indirect foreign investment shall mean foreign investment in the company/ companies holding shares of the licensee company and their holding company/companies or legal entity (such as mutual funds, trusts) on proportionate basis. Shares of the licensee company held by Indian public sector banks and Indian public sector financial institutions will be treated as Indian</p>	<p>Both direct and indirect foreign investment in the Licensee Company shall be counted for the purpose of calculating FDI.</p>								

holding'. In any case, the 'Indian' shareholding will not be less than 26 percent.			
1.3 The details of direct and indirect foreign investment as disclosed on the date of signing of the Licence Agreement are as follows:			Deleted
Sr.No.	Name	Details of Direct & Indirect foreign Investment	
1.4 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.			While approving the investment proposals, FIPB may take into accounts security concerns. The licensee Company/ Indian Promoters/Investment Companies including their holding companies shall comply with relevant provisions of extant FDI policy of the Government. The LICENSEE shall declare compliance to licence and security condition and Indian equity and Foreign equity as on 1st January and 1st July by 7th January and 7th July respectively to LICENSOR. This is to be certified by the Company Secretary or Licensee Company's statutory auditor.
B. Security Conditions: 34.28(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 (IB).			B. Security Conditions: 34.28(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.

2. All other terms and conditions of the Licence Agreement for provision of Internet Service issued under Guidelines dated 24.08.2007, including amendments and instructions issued from time to time shall remain unchanged.

3. Please acknowledge receipt.


(Sanjay Kumar)
ADG(ISP-1)

For and on behalf of the President of India
Ph.No.2303 6482

Copy To:

1. Secretary, TRAI
2. WA, DOT
3. Sr. DDG(WPF)/DDG(LF-I)/DDG(LF-II)
4. DDG(AS-I)/DDG(DS)/DDG(CS)
5. Director (IT) may kindly arrange to upload this letter on the website of DoT