

2013

Government of India  
Ministry of Communications & I.T.  
Department of Telecommunications  
20, Ashoka Road, New Delhi - 110001.

No. 815-66/2013-DS(C)

5<sup>th</sup> Dec. 2013  
Nov., 2013

To  
Captive VSAT licensees

**Sub: Amendment in Captive VSAT license regarding Foreign Direct Investment (FDI) – Caps and routes in Telecom sector**

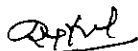
In pursuance of clause No. 6(ii) and 10 of Section-I of the Captive VSAT license agreement, the LICENSOR hereby amends the following terms and conditions of Section-IV of Part-II of the Captive VSAT license with immediate effect:

Existing affected condition of license	Condition after amendment
<p><b>1.7 OWNERSHIP OF THE LICENSEE COMPANY</b></p> <p><del>1.7 (a) Foreign Direct Investment (FDI): The Licensee must be an Indian company, registered under the Indian Companies Act'1956. The Licensee shall ensure that the total foreign equity in the LICENSEE Company does not, at any time during the entire LICENSE PERIOD, exceed 74% of the total paid up equity subject to the following FDI norms:</del></p>	<p><b>1.7 OWNERSHIP OF THE LICENSEE COMPANY</b></p> <p>1.7 (a) Foreign Direct Investment (FDI): The Licensee must be an Indian company, registered under the Indian Companies Act'1956. FDI will be governed by the FDI policy of their sector.</p>
<p><del>(i) 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 holding'. In any case, the 'Indian' shareholding will not be less than 26 percent.</del></p>	<p>(i) deleted</p>
<p><del>(ii) FDI up to 49 percent will continue to be on the automatic route. FDI in the licensee company/Indian promoters/investment companies</del></p>	<p>(ii) The licensee Company/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of</p>

<p><del>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.</del></p>	<p>extant FDI policy of the Government.</p>
<p><del>1.7 (b) (iii) The LICENSEE shall declare the Indian &amp; Foreign equity holding (both direct &amp; indirect) in the LICENSEE company and submit unconditional compliance to the FDI norms and security conditions on 1st day of January and 1st day of July on six monthly basis to the LICENSOR. The compliance report should be certified by the Company Secretary or the Statutory Auditor of the LICENSEE Company.</del></p>	<p>1.7 (b) (iii) The LICENSEE shall declare compliance to licence and security condition and Indian equity and Foreign equity as on 1<sup>st</sup> January and 1<sup>st</sup> July by 7<sup>th</sup> January and 7<sup>th</sup> July respectively to LICENSOR. This is to be certified by the LICENSEE company's Company Secretary or statutory auditor.</p>
<p>1.10 Security Conditions: (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 (<del>DoT</del>) <del>in</del> <del>consultaion</del> with the security agencies(<del>IB</del>)</p>	<p>1.10 Security Conditions: (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.</p>
<p>(xvii) The Licensee shall familiarize/ train <del>Vigilance</del> <del>Technical Monitoring (VTM)/</del> security agency officers/ officials in respect of relevant operations/ features of their systems.</p>	<p>(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.</p>

2. All other terms and conditions of the Captive VSAT license Agreement including amendments and instructions issued from time to time shall remain unchanged.

3. Please acknowledge receipt.

  
 05.12.2013  
 (R. S. Rajput)  
 ADG(SAT-V)

For and on behalf of the President of India  
 Ph.No.23710248

Copy To:

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