

**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

**Mahanagar Telephone Nigam Limited,**  
**CGO Complex, New Delhi.**

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

The following is appended in Basic Service Licence of MTNL Licence No.1-101/85-MTC/PHB dated 27.03.1986 in view of the increase in FDI Cap from 74% to 100% in Telecom sector.

<b>I. OWNERSHIP OF THE LICENCEE COMPANY</b>
<b>1.A.</b> 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
<b>1.B</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.
<b>1.2.</b> 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.
<b>General Conditions:</b>
<b>1.2.A. Foreign Direct Investment (FDI):</b>
(ii) FDI shall be subject to laws of India and not the laws of the foreign country/countries.
<b>1.2.B. Security Conditions:</b>
(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:-
(e) Any accounting information relating to subscriber (except for international roaming/billing) (Note: it does not restrict a statutorily required disclosure of financial nature) ; and
(f) User information (except pertaining to foreign subscribers using Indian Operator's network while roaming).