

2013

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

No: 815-66/2013-DS(A)

5th Dec.
New Delhi, 2013

To
Commercial VSAT Operators (under NTP-99)

Sub: Amendment in Commercial VSAT license (issued under NTP-99) regarding Foreign Direct Investment (FDI) – Caps and routes in Telecom sector


In pursuance of clause No. 12 of Schedule-“Terms & Conditions” of the Commercial VSAT license agreement, the LICENSOR hereby amends the following terms and conditions of the Schedule-“Terms & Conditions” of the Commercial VSAT license with immediate effect:

Existing affected condition of license	Condition after amendment
<p>OWNERSHIP OF THE LICENSEE COMPANY</p> <p>1.1 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:</p>	<p>OWNERSHIP OF THE LICENSEE COMPANY</p> <p>1.1 A Foreign Direct Investment (FDI): The Licensee must be an Indian company, registered under the Indian Companies Act'1956. 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>
<p>(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.</p>	<p>(i) Both direct and indirect foreign investment in the Licensee Company shall be counted for the purpose of calculating total FDI.</p>
<p>(ii) FDI up to 49 percent will continue to be on the automatic route. FDI in the licensee company/Indian promoters/investment companies</p>	<p>(ii) The licensee Company/ Indian Promoters/ Investment Companies including their holding companies shall comply relevant provisions of</p>

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.	extant FDI policy of the Government. While approving the investment proposals, FIPB may take into accounts security concerns.
1.1 B (iii) The LICENSEE shall declare the Indian & Foreign equity holding (both direct & 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.	1.1 B (iii) 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.
Security Conditions: 23.17 (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 consultaion with the security agencies (IB)	Security Conditions: 23.17 (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.
23.17 (xvii) The Licensee shall familiarize/ train Vigilance Technical Monitoring (VTM)/ security agency officers/ officials in respect of relevant operations/ features of their systems.	23.17 (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.

2. All other terms and conditions of the Commercial 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.