

FDI POLICY IN TELECOM SECTOR

FDI policy for the Telecom Sector is as under:

Sr. No.	Sector/Activity	FDI Cap/Equity	Entry route	Other Conditions
1.	Basic and cellular, Unified Access Services, National/International Long Distance, V-Sat, Public Mobile Radio Trunked Services (PMRTS) Global Mobile Personal Communications Services (GMPCS) and other value added telecom services	74% (including FDI, FII, NRI, FCCBs, ADRs, GDRs, convertible preference shares, and proportionate foreign equity in Indian promoters /Investing Company)	Automatic upto 49%. FIPB beyond 49%.	Subject to guidelines notified in the Press Note No. 3 (2007 Series) read with Press Note No. 2/2009.
2.	ISP with gateways, radio-paging, end-to-end bandwidth.	74%	Automatic upto 49% FIPB beyond 49%	Subject to licensing and security requirements notified by the Department of Telecommunications www.dot.gov.in
3.	a) ISP without gateway, - b) Infrastructure provider providing dark fibre, right of way, duct space, tower (Category ◆I); c) Electronic mail and voice mail	100%	Automatic up to 49% FIPB beyond 49%	Subject to the condition that such companies shall divest 26% of their equity in favour of Indian public in 5 years, if these companies are listed in other parts of the world. Also subject to licensing and security requirements, where required. www.dot.gov.in
4.	Manufacture of telecom equipments	100%	Automatic	Subject to sectoral requirements. www.dot.gov.in
5	Guidelines for calculation of total foreign investment i.e. direct and indirect foreign investment in Indian companies	-	-	Press Note No. 2/2009
6	Guidelines for transfer of ownership or control of Indian companies in sectors with caps from resident Indian citizens to non-resident entities.	-	-	Press Note No. 3/2009

Source : DOT website