

By Speed Post/Airmail

No. 87(2012)/221(2011)
 Government of India
 Ministry of Finance
 Department of Economic Affairs
 FIPB
 (FC Section)

North Block, New Delhi
 Dated September 20, 2012

To,
 M/s [Redacted] Networks Ltd., Dadar and Nagar Haveli
 Survey No. 68/1, Madhuban Dam Road, Rakholi 396 230
 Union Territory of Dadra & Nagar Haveli, INDIA

Subject: Approval for foreign collaboration (Registration No. 221/2012 dated 17/11/2011)

Sir,

I am directed to refer to the above mentioned application and to convey approval of Government of India to your proposal subject to the following terms and conditions:

- | | | |
|----|---|---|
| 1. | Name and address of foreign collaborator/investor | M/s [Redacted] Ltd., Mauritius through M/s. [Redacted] Technologies Ltd., Dadar and Nagar Haveli |
| | Name and address of the Indian Joint Venture partner | Not applicable |
| | Name and address of the implementing company | M/s [Redacted] Ltd, Dadar and Nagar Haveli |
| 2. | Item(s) of manufacture/ activity covered by the foreign collaboration | To provide telecom services in the category of infrastructure provider providing dark fibre right of way, duct space, tower (IP Category - I), electronic mail and voice mail services. |
| 3. | Location/Proposed Location | Regd. Office in Dadra & Nagar Haveli |
| 4. | Foreign Equity : 100 per cent of the equity capital of M/s [Redacted] Ltd, Dadar and Nagar Haveli(through its parent company) | |

The proposal involved a foreign investment of ₹500 crore(indirect)



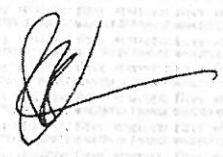
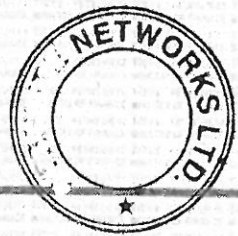
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5. The approval is for M/s Sterlite Networks Ltd, Dadar and Nagar Haveli for the following:
 - (a) To operate as Infrastructure Provider for providing;
 - (b) Dark fibre, right of way, duct space, tower (IP Category I);
 - (c) Electronic Mail; and
 - (d) Voice mail
6. The approval is subject to para 3.10.4.2(iv) and 6.2.15.3 of Circular 1 of 2012 of Consolidated FDI policy. Downstream investments through internal accruals shall be permissible subject to the provisions of para 3.10.3 and 3.10.4.1 of Circular 1 of 2012
7. The proposal is subject to the condition that (i) such companies will divest 26% of their equity in favour of Indian Public in in 5 years, if these companies are listed in other parts of the world; and (ii) Licensing and security requirements of DoT.
8. All remittances by the foreign collaborator shall be made as per the exchange rates prevailing on the day of remittance.
9. The transfer / issue / pricing of the shares shall be as per RBI / SEBI guidelines as applicable.
10. The investee company shall notify FIPB Unit, within 30 days of receipt of funds and/or allotment of shares to Non-resident shareholders in the following circumstances:
 - (i) Where there is an increase in the amount of foreign equity without a change in the foreign equity percentage approved, as per clause 4 supra.
 - (ii) Where there is an increase in the foreign equity percentage beyond what is approved as per clause 4 supra and the activity is permissible on the automatic route under the extant FDI policy.
11. In case the proposed activity is not exempted from the provisions of Industrial (Development & Regulation) Act 1951 and the Foreign Exchange Management Act, 1999 as amended form time to time, it will be your responsibility to obtain such clearance as may be required under the said Acts.
12. The location of the industrial project, if any, will be subject to Central or State Environmental laws or regulations including local zoning and land use laws and regulations.
13. The investee company / project shall comply with all applicable environmental laws and regulations (including effluent and emission standards as may be prescribed by the State Government in which the investee company / project is located.

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- 14. You shall ensure that your investment approved vide this letter is in compliance with Prevention of Money Laundering Act, 2002 as amended from time to time.
- 15. Import of capital equipment components and raw materials will be allowed as per the EXIM policy prevailing from time to time.
- 16. You may now proceed, if needed, to finalise the foreign collaboration agreement. This approval letter be made part of the said agreement to be executed between the investee company and the foreign collaborator and only those provisions of the agreement which are covered by this letter or which are not in variance with the provisions of this letter shall be binding on the Government of India or Reserve Bank of India.
- 17. The agreement shall be subject to compliance with Indian Laws.
- 18. The Administrative Ministries for this Project are Department of Telecommunications, Ministry of Home Affairs, Ministry of External Affairs, Department of Economic Affairs, and Department of Industrial Policy & Promotion, and Department of Economic Affairs.
- 19. A copy of the foreign collaboration agreement, signed by both parties shall be furnished to the following authorities:
 - i. Reserve Bank of India / Authorized Dealer
 - ii. Administrative Ministry/Department as mentioned above.
 - iii. FIPB Unit, New Delhi
 - iv. Department of Scientific and Industrial Research, Technology Bhawan, New Mehrauli Road, New Delhi.
- 20. You are requested to:
 - (i) acknowledge and confirm the acceptance of the terms and conditions mentioned in this letter immediately on receipt of this approval;
 - (ii) furnish the information as per the questionnaire on 1st January & 1st July every year till the receipt of total approved foreign equity and commencement of commercial production to the Administrative Ministry/ies concerned and also to the FIPB Unit.
- 21. In case of any problem encountered during implementation of this foreign collaboration approval, you are advised to contact Foreign Investment Implementation Authority (FIIA) at email address fiaa@ub.nic.in or write to Foreign Investment Implementation Authority, Department of Industrial Policy & Promotion, Ministry of Commerce and Industrial, Udyog Bhawan, New Delhi-110011.

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- 22. Any non-compliance with the approval letter shall be viewed strictly by the Government and the Government reserves the right to, at its sole discretion, revoke this approval or modify its terms and conditions and/or initiate action on account of such non-compliance.
- 23. All future correspondence/ intimation/ downstream investment notifications/ notifications for amendments/ changes in terms and conditions of the approval letter etc., if required, shall be addressed to the FIPB Secretariat, Section Officer (FIPB-II), North Block, New Delhi-110 001. Kindly quote the Approval Number in all correspondences.

Yours faithfully

(B.D. Barua)

Under Secretary to the Govt. of India



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