

No 8/12/2006-BP&L
Government of India
Ministry of Information and Broadcasting

New Delhi, Dated the 6th November, 2007

ORDER

The Government of India hereby decides that the following modifications shall be made to the Guidelines for Direct-to-Home services:

1. Under para (v) with the heading “Procedure for application and Grant of Licenses” the eighth bulleted point shall be deleted and substituted by the following namely:

“The Licensee shall pay an annual fee equivalent to 10% of its gross revenue as reflected in the audited accounts of the Company for that particular financial year, *in the manner detailed under Article -3 (License Fee) of the “Schedule to the License Agreement”*.”

2. In Article-3 (License Fee) of the “Schedule to the License Agreement” Article 3.1 shall be deleted and substituted by the following namely

“The Licensee shall pay an initial non-refundable entry fee of Rs.10 crores before the issue of letter of intent to him by Licensor, and, after the issue of the Wireless Operational License by the Wireless Planning and Coordination (WPC) Wing of the Ministry of Communications, an annual fee equivalent to 10% of its gross revenue in that particular financial year *in the manner detailed hereunder.*”

3. In Article-3 (License Fee) of the “Schedule to the License Agreement” for DTH Service, *after clause 3.1.3 the following shall be added as Article 3.1A:-*

“3.1A.1 The First payment of Annual license fee for the financial year (FY) shall be made on the basis of provisional accounts for the FY certified by the Statutory Auditors, within one month of the end of that FY.

3.1A.2 Annual License fee for the FY shall be finally determined on the basis of final annual accounts of the FY audited by the Statutory Auditors, which shall not be later than 30th September of the following FY. If the amount so determined is found to be higher than the amount already deposited as per clause 3.1A.1, the difference amount along with simple interest @ 1% per month on the difference for the period of delay calculated from 1st of May of the following FY upto and including the date of such payment shall be paid in one lumpsum within a period of 15 days from the date of finalization of audited accounts, or 15th October of the following FY whichever is earlier.

3.1A.3 Where the total annual fee deposited as per clause 3.1A.1 is more than the amount determined on the basis of audited accounts of the FY, the difference may at the request of the licensee be adjustable against the annual licence fee due for the following FY.

3.1A.4 In case any amount is to be deposited by the licensee as per provisions of clause 3.1.3 it shall be deposited within 15 days of such determination along with simple interest at the rate of 1% per month for the period from 1st May following the FY for which such determination has been made, upto and including the date of payment.

The above provisions would come into effect immediately and would also be applicable in respect of the existing licensees.

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