

# Telecom Hotline

February 02, 2005

## GOVT CLEARS 74% FDI IN TELECOM

The Government, today, cleared the proposal to raise the Foreign Direct Investment (FDI) limit in the telecom sector in India from the earlier 49% to 74%, subject to certain conditions. Some of the conditions that have been made public are that 50% of the directors must be resident Indians; the CEO, CFO and the CTO must also be resident Indians; there must be one Indian promoter with 10% stake at all times. Further, there are certain other conditions with respect to routing of calls and reporting of traffic to regulatory authorities.

*The Government has been toying with raising the FDI allowed in the telecom sector for a while. Today's decision is a welcome move for the advancement of the telecom sector in India, which is a rapidly growing sector and urgently requires substantial investment to upgrade telecom infrastructure and services. This decision would also lead to more consolidation in the sector.*

Vivek Kathpalia

## DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Handbook on New Labour Codes

April 29, 2024

### Compendium of Research Papers

April 11, 2024

### Third-Party Funding for Dispute Resolution in India

April 02, 2024

## Research Articles

### Private Client Insights - Sustainable Success: How Family Constitutions can Shape Corporate Governance, Business Succession and Familial Legacy

January 25, 2024

### Private Equity and M&A in India: What to Expect in 2024?

January 23, 2024

### Emerging Legal Issues with use of Generative AI

October 27, 2023

## Audio

### Third-Party Funding: India & the World

April 27, 2024

### IBC allows automatic release of ED attachments: Bombay HC reaffirms

April 15, 2024

### The Midnight Clause

February 29, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

[Click here to view Hotline archives.](#)

## Video

### Cyber Incident Response Management

February 28, 2024

### Webinar : Navigating Advertising Laws in India Part II Fireside Chat

with Manisha Kapoor

February 27, 2024

**Webinar : Navigating Advertising  
Laws in India**

February 20, 2024