

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:2402

ANSWERED ON:08.12.2005

PARTICIPATION BY FOREIGN ORGANISATION IN PRINT AND VISUAL MEDIA

Krishnadas Shri N.N.

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) whether the Government has decided to allow direct participation by foreign organisations in the domestic print media as well as visual media;
- (b) if so, the details thereof; and
- (c) the precautionary steps taken by the Government to protect the national interests while allowing participation to the foreign organisations?

Answer

THE MINISTER OF INFORMATION & BROADCASTING AND PARLIAMENTARY AFFAIRS (SHRI P.R. DASMUNSI)

(a) to (c): The requisite information is given at Annexure.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA UNSTARRED QUESTION NO.2402 DATED 08.12.2005.

The foreign investment policy of the Government in the print and visual media is as under:

Print Media

(i) Foreign Direct Investment (FDI) {which includes FDI by Non-Resident Indians (NRIs), Persons of Indian Origin (PIOs)} and portfolio investments by recognised Foreign Institutional Investors (FIIs), together up to a ceiling of 26% of paid up equity capital, in Indian entities publishing newspapers and periodicals dealing with news and current affairs is allowed. Such investment would be permissible by foreign entities having sound credentials and international standing, subject to certain conditions.

(ii) Facsimile edition, in whole or in part(s), of foreign newspapers, by Indian entities, with or without foreign investment, and also by foreign companies owning the original newspaper, provided they get incorporated and registered in India under the Companies Act, 1956.

(iii) Publication of Indian editions of foreign scientific, technical and speciality magazines/periodicals/journals; and

(iv) Foreign investment upto 100% in Indian entities publishing scientific/technical and speciality magazines/periodicals/journals.

Film Sector

In the film sector 100% Foreign Direct Investment (FDI) is permissible on the automatic approval route without any qualifying conditions. Broadcasting Sector

(i) 100% Foreign Direct Investment (FDI) is permitted in the field of Television software production on the Foreign Investment Promotion Board route on a case to case basis subject to certain conditions.

(ii) For obtaining Direct To Home (DTH) service, the guidelines provide for total foreign equity holding including Foreign Direct Investment (FDI)/Non-Resident Indian(NRI)/Overseas Corporate Body (OCB)/Foreign Institutional Investor (FI) in the applicant company not to exceed 49%, with a cap of 20% on FDI. The eligibility criteria under DTH guidelines, inter-alia, lays down that the Applicant Company must have Indian Management control with majority representatives on the Board as well as the Chief Executive of the company being a resident Indian.

Adequate safeguards have been provided for in the guidelines in these sectors to ensure that management and editorial control remains in Indian hands and to protect the national interests.