Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
SIA (FC Division)

Press Note No. 01 (2006 Series)

Subject: Foreign Direct Investment (FDI) in Up-linking of TV Channels

At present, FDI up to 49% is permitted for setting up hardware, Up-linking HUB, etc., subject to compliance with the Broadcasting Laws and Regulations and subject to the detailed guidelines for Up-linking announced by the Ministry of Information and Broadcasting from time to time.

2. Under the revised guidelines for Up-linking notified on 2.12.2005, the Government has decided to allow FDI in the Up-linking of TV Channels as under:

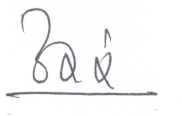
a) FDI up to 49% would be permitted with prior approval of the Government for setting up Up-linking HUB/ Teleports;

b) FDI up to 100% would be allowed with prior approval of the Government for Up-linking a Non-News & Current Affairs TV Channel;

c) FDI (including investment by Foreign Institutional Investors (FIIs) up to 26% would be permitted with prior approval of the Government for Up-linking a News & Current Affairs TV Channel subject to the condition that the portfolio investment in the form of FII/ NRI deposits shall not be "persons acting in concert" with FDI investors, as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The Company permitted to uplink the channel shall certify the continued compliance of this requirement through the Company Secretary at the end of each financial year.

While calculating foreign equity of the applicant company, the foreign holding component, if any, in the equity of the Indian shareholder companies of the applicant company will be duly reckoned on pro-rata basis, so as to arrive at the total foreign holding in the applicant company. However, the indirect FII equity in a company as on 31st March of the year would be taken for the purposes of pro-rata reckoning of foreign holdings.

3. FDI for Up-linking TV Channels will be subject to compliance with the Up-linking Policy of the Government of India notified by the Ministry of Information & Broadcasting from time to time.



(Umesh Kumar)
Joint Secretary to the Government of India

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