

August 12, 2013

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Telecom Regulatory Authority of India
 Mahanagar Doorsanchar Bhawan
 Jawahar Lal Nehru Marg
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Dear Sir,

Re: Consultation Paper on Foreign Direct Investment in Broadcasting Sector in India

We welcome the views expressed by the Authority in the Consultation Paper on Foreign Direct Investment in Broadcasting Sector in India ("CP"). It is very heartening to note that the Authority recognizes the need to rationalize the FDI limits in the broadcasting sector for strengthening infrastructure, raising productivity, enhancing competitiveness of the domestic economy and generating new employment opportunities.

There is a need for the broadcasting industry to be able to complement and supplement its available pool of domestic funds, through access to increased external funding. Access to increased external funding will also enable the broadcasting industry to attract high-end technology and draw from managerial best practices globally. Further, considering the convergence between the broadcasting and telecom sectors and considering the Government's intention to enhance FDI limits for telecom services to 100% (49% through the automatic route and FDI beyond 49% through FIPB), the intention to enhance the FDI limits for carriage services to bring them in sync with FDI limit for telecom services seems fair and logical.

Even though we think that the proposals made by the authority are in the right direction and will have far reaching effects for the broadcasting sector, we present some of our thoughts on the FDI limits for the broadcasting sector which may be considered by the Authority.

S. No.	Segment	Existing limits	Proposed limits	Viacom18's views
1.	Teleport	74%	100%	These segments constitute the carriage services which are primarily in the nature of infrastructural services. Considering the nature of these services, <u>our view is that 100% FDI should be permitted in these segments under the automatic route.</u>
2.	DTH	Upto 49% - Automatic route	Upto 49% - Automatic route	
3.	HITS			
4.	Mobile TV	Beyond 49% - FIPB route	Beyond 49% - FIPB route	
5.	Cable TV Networks			
6.	Downlinking of TV Channels	100% Through FIPB route	100% Through FIPB route	The Ministry of Information and Broadcasting, Government of India, has formulated policy guidelines for downlinking of all satellite television channels downlinked/received/transmitted and re-transmitted in India for public viewing. These

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				<p>guidelines lay down an elaborate set of criteria for downlinking of TV channels for public viewing in India.</p> <p>Considering the fact that sufficient content rules and guidelines exist for ensuring that content deemed undesirable or subversive in nature is not downlinked for public viewing in India, <u>we would urge the Authority to allow 100% FDI for downlinking of TV channels under the automatic route.</u></p>
7.	Uplinking of Non-News & Current Affairs TV Channels	100% Through FIPB route	100% Through FIPB route	<p>The content shown on non-news & current affairs TV channels is primarily for the entertainment of the viewers. There exists a separate set of guidelines for regulating the content which can be shown on such channels. These guidelines have been framed by IBF (Indian Broadcasters Federation) and are adhered to by all the broadcasters. Further, a programming code also exists under the Cable Television Networks (regulations) Acts 1995. This shows that sufficient guidelines exist for content monitoring and regulation to ensure that content deemed undesirable or subversive in nature is not broadcast through TV channels and thus there is no need for FDI limits to be used as a tool for content monitoring and regulation.</p> <p><u>In view of the same, we would urge the Authority to allow 100% FDI for uplinking of non-news & current affairs TV channels under the automatic route.</u></p>
8.	FM Radio	26% Through FIPB Route	49% Through FIPB Route	<p>We support the views of the Authority to increase the FDI limits in FM radio to 49%.</p>
9.	Uplinking of News & Current Affairs TV Channels	26% Through FIPB Route	49% Through FIPB Route	<p>There are stringent content monitoring guidelines in place for news & current affairs TV channels. In addition to content monitoring guidelines, the uplinking guidelines provides safeguards to ensure that content which is intrinsically sensitive in nature or which can influence public opinion is not telecast. The uplinking</p>

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				<p>guidelines also provide that the CEO of a company that uplinks news & current affairs TV channel should be a resident Indian. Further, majority of the board of directors of such a company should also be resident Indians. In addition to this, sufficient guidelines exist for security clearance of personnel, infrastructure/network/software related requirements ensuring monitoring, inspection and submission of information for such TV channels. In view of this, we are of the view that there is no need for FDI limits to be used as a tool for content monitoring and regulation for news & current affairs TV channels.</p> <p><u>Thus, we would urge the Authority to allow 100% FDI for even for uplinking of news & current affairs TV channels under the automatic route.</u></p>
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For Viacom18 Media Private Limited

Kunal Rajpal
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 AVP - Legal & Secretarial



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