

Dear Sir,

SUB: TRAI Consultation Paper (Consultation Paper No.5/2008) on Foreign Investment Limits for the Broadcasting Sector

We welcome the steps taken by the TRAI to review the existing norms for foreign investment limits in the broadcasting sector.

- Broadcasting as an industry, especially news broadcasting, is growing at a rapid pace. To sustain this growth we feel the need for greater investments in the sector. In our opinion, the foreign investment limits in news and current affairs channels (including both FDI & FII) should be raised to 49% from the existing levels 26% to augment additional funding currently unmet from domestic sources
- The MIB Uplink policies already impose the terms under which news channels can operate, which require the CEO and Editor-in-Chief to be Indian nationals, thereby safeguarding the editorial control in Indian hands.
- We are also eager that the word 'indirect' used in the calculation of foreign equity in news organisations be deleted

Today, the Government factors in both direct and indirect shareholding to calculate the level of foreign holdings in any news company. This presents a difficult situation for listed entities as shares of Indian corporates change hands numerous times on a daily basis in the stock markets. Hence, calculating indirect holdings in a company becomes a cumbersome and impractical exercise.

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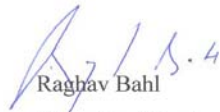
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- We would hence request that the word 'indirect' be struck off, and only 'direct' foreign holdings be considered for arriving at the aggregate level of foreign shareholding in a company

We look forward to a mutually beneficial outcome to your initiative for this consultation paper.

Warm regards,



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