

**SIXTY-FIRST REPORT**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2003)**

(THIRTEENTH LOK SABHA)

MINISTRY OF INFORMATION AND BROADCASTING

[Action Taken by Government on the Recommendations/Observations  
of the Committee contained in its Thirty-Second Report (Thirteenth  
Lok Sabha) on Entry of Foreign Print Media and Foreign Direct Investment in Print Media ]

Presented to Lok Sabha on 22.12.2003  
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LOK SABHA SECRETARIAT  
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## CHAPTER I

### REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the recommendations contained in the Thirty-Second Report (Thirteenth Lok Sabha) on Entry of Foreign Print Media and Foreign Direct Investment in Print Media related to Ministry of Information & Broadcasting.

2. The Thirty-Second Report was presented to Lok Sabha on 22 March, 2002 and was laid on the table of Rajya Sabha on the same day. It contained 23 recommendations/observations.

3. Action Taken Notes in respect of all the Recommendations/Observations contained in the Report have been received and categorised as under:—

- (i) Recommendations/Observations which have been accepted by the Government:  
Para Nos. 42, 43, 48, 55 & 61

Total : 5  
Chapter -II

- (ii) Recommendations/Observations which the Committee does not desire to pursue in view of the reply of the Government:  
Para Nos. 45 & 46

Total : 5  
Chapter - III

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:  
Para Nos. 44, 47, 49-54, 56-60 & 62-64

Total : 16  
Chapter - IV

- (iv) Recommendations/Observations in respect of which replies are of interim nature:  
Para Nos. Nil

Total : Nil  
Chapter - V

**4. The Committee desires that Action Taken Notes on the Recommendations/Observations contained in Chapter-I of this Report**

**should be furnished at an early date. In cases, where it is not possible for any reason for the Ministry to implement the recommendations in letter and spirit, the matter should be reported to the Committee with reasons for non-implementation.**

5. The Committee will now deal with the action taken by Government on some of the recommendations.

The Committee in its Thirty-Second Report had *inter-alia* observed as under:—

It would be incorrect to assume that the electronic media has greater impact on the public than print media.

**Recommendation (Para No. 44)**

That the control on Management by foreigners can be exercised not only by owning 51% of the equity, but also through shareholders' agreement which may confer such control and management of the Company on them, though their shareholding may be less. This is against Policy Resolution of 1955.

**Recommendation (Para No. 47)**

Some of the witnesses were of the view that foreign investment should be allowed but with a reasonable cap put on the foreign shareholding. Under the Companies Act, 1956, if anyone holds more than 25 per cent shares he can block a special resolution. So, the witnesses were of the opinion that there is no harm in allowing a foreign company to have equity holding upto 25 per cent with a stipulation that the management of the Indian company will be in the hands of the Indians. However, in view of the fact that even though the minority share holding, foreign investors can gain effective control of management and the editorial Board of the Newspaper through shareholders' agreement or loan agreement and that there are groups which with only 6% to 8% of equity holding used to manage companies. The Committee did not agree with the proposition that it is safe to permit upto 25% foreign equity in the print media.

**Recommendation (Para No. 49 & 50)**

That the foreign investors who invest in the Indian newspaper industry would do so not merely by the lure of returns, but because of the

tempting prospect of gaining enormous clout in the socio-political life of this country.

**Recommendation (Para No. 51)**

The entry of foreign investment or foreign media has the potential of polluting the cultural life and changing the basic orientations of the Indian mind in the long run.

**Recommendation (Para No. 52)**

Allowing foreign investment in any form in this sector has far-reaching implications and an attempt to separate the issue from its implications is not best example of farsightedness.

**Recommendation (Para No. 53)**

The Committee did not subscribe to the view that in the absence of foreign investment the newspaper industry in India would face ruin. It also observed that there has not been much enthusiasm for taking loans or financial investment simply because it would entail payment of interest and returns thereon.

**Recommendation (Para No. 54)**

The Committee also found that the Press Council had suggested the setting up of a Newspaper Finance Corporation to look into the financial needs of the newspapers and a Bill for this purpose was introduced in Lok Sabha in 1970. However, with the dissolution of the House, the Bill lapsed and it was re-introduced in 1973. The Government did not proceed with the matter and the question of financial assistance to the newspapers remained unaddressed. In view of it, the Committee felt that the Government should seriously consider this problem and make institutional arrangements for concessional finance for small and medium newspapers so that the working capital and other financial needs of such newspapers could be met.

**Recommendation (Para No. 56)**

The Committee had further observed that entry of foreign media is not in the long term interest of the country. It was of the firm view that newspaper is different from other commodities like steel or electricity that may be allowed to be produced by foreign investors. Newspaper

makes significant impact on the minds of the people. It influences the political beliefs, the social mores and the basic cultural impulses of the people. The foreign print media owners or the foreign investors with their superior technology and managerial skill and unlimited resources can neutralize any statutory restrictions which may be imposed and become crucial players in the domestic print media sector. The Committee further observed that the hostile countries through their intelligence agencies can use front organisations to enter the Print Media sector through the foreign investment route and undermine the unity of the country. They can do incalculable harm to the fragile social harmony by purveying slanted and mischievous news and views. Thus Print Media can be used by them as an instrument of subversion. The Committee also held that even those who advocated the opening up of this sector to foreign investors wanted a cap on such investment because they wanted the entire management of a newspaper to remain in the Indian hands. This underscored the point that control of the management of a newspaper in the hands of the foreigners is not in the interest of the country. The Committee, therefore, felt that it would be pointless to argue that foreign equity up to 25% would be safe or unsafe beyond that.

**Recommendation (Para No. 57)**

That almost all witnesses who were in favour of permitting foreign participation and investment, categorically stressed on the imperative need of having Indian editors, Indian managers and Indian publishers with emphasis that overall management should remain in Indian hands and policy decisions should be taken by Indians. The insistence of Indian management particularly the control on the editorial and the overall policy underlined the dangers that may be faced affecting the national interest if such control passes to the foreigners. The Committee was of the view that insistence on retaining the editorial and the management control in the hands of the Indians, even after the foreign entry is permitted, clearly emphasized the dangers of opening the doors to the foreigners.

**Recommendation (Para No. 58)**

That officials of the Ministry of Home Affairs who had appeared before the Committee were of the view that internal security scenario is not conducive for opening up of print media sector. The Committee felt

that the perception of the Ministry of Home Affairs about the security implications of allowing foreigners to operate in the print media are based on a realistic understanding of the ground reality. The Committee thus agreed with their view.

**Recommendation (Para No. 59)**

It was pointed out to the Committee that the Fundamental Right of freedom of expression is available to Indian citizens only. That means a foreigner who acquires control of newspaper through whatever means cannot enjoy the freedom of expression and thus cannot run a newspaper in the country.

**Recommendation (Para No. 60)**

Summing up the whole issue, the Committee had observed that it is not in favour of allowing the foreign newspapers and periodicals which deal mainly with news and current affairs to bring out Indian editions or foreign shareholding in any form in the Indian Print Media sector. The Committee also recommended to the Government to consider suitable measures to deal with the problems of shortage of capital being faced by the small and medium newspapers in the country. It also desired the Government to put in place an institutional arrangement for these categories of newspapers.

**Recommendation (Para No. 62)**

6. The Ministry of Information & Broadcasting in its Action Taken Notes has stated:—

- (i) That differing views on the entry of foreign print media or foreign capital in print media have been taken into account while reviewing the policy since 1955 and appropriate safeguards have been put in place in the Guidelines for Foreign Investment/publication of Indian editions of foreign scientific/technical/speciality magazines/periodicals/journals.
- (ii) In the past, there has been differing views on the issue of entry of foreign print media/capital but no final decision could be taken.
- (iii) Considering the issue in all its contexts and totality, it has been decided to allow Indian editions of foreign scientific, technical

and speciality magazines/periodicals/journals and to allow foreign investment upto 74% in Indian entities publishing scientific, technical and speciality magazines/periodicals/journals. Foreign Direct Investment (FDI) has been allowed upto 26% FDI in Indian entities publishing newspapers and periodicals dealing with news and current affairs with a view to bring in great diversity among dailies, help reduce the dominance of a few dailies and also enable the Indian newspapers and periodicals to become comparable in quality with their International counterparts. It has further been added that views of the Committee and inputs given by the Ministry of Law, Justice & Company Affairs have been taken into consideration while drafting the guidelines. The following safeguards are stated to have been provided in the guidelines for allowing 26% FDI:

- (a) Ensuring that there is no dispersal of Indian holding by providing that the largest Indian shareholder would have a significantly greater holding than all the foreign holdings put together, would obviate the dominance of any foreign entity.
  - (b) All shareholders agreements/loan agreements having a bearing on management control would have to be fully disclosed to the I&B Ministry.
- (iv) The decision to allow foreign investment in print media is taken keeping in view the opinions expressed by various bodies and the various facets of recommendations and concerns expressed by the Standing Committee. Adequate safeguards like verification of antecedents of foreign investor, requirement of 3/4<sup>th</sup> of the Board of Directors being resident Indians, keeping editorial and management control in the hands of resident Indians and ensuring against dispersal of Indian equity have been provided for in the guidelines.
- (v) That keeping in view of the apprehension all proposals for FDI in Indian entities publishing newspapers and periodicals dealing with news and current affairs shall be processed and decided upon on a case to case basis in the Ministry of Information & Broadcasting on the basis of inter-ministerial consultations with the Ministry of Home Affairs and other

Ministries (*i.e.* Department of Culture, Department of Women & Child Development etc.)

- (vi) Keeping in view the concerns expressed by the Committee, it has been provided in the guidelines that 3/4<sup>th</sup> of the Board of Directors and the key executive and Editorial staff to be resident Indians, all shareholders agreements/loan agreements having a bearing on management control are to be disclosed to Ministry of Information & Broadcasting.
- (vii) The Ministry has been receiving representations from the leading publishers of newspapers and magazines requesting the Government to consider permitting foreign investment in print media. Taking into consideration all the facts, foreign investment in print media has been allowed. Publication of Indian edition of foreign scientific, technical and speciality magazines/periodicals/journals and foreign investment in Indian entities publishing scientific, technical and speciality magazines/periodicals/journals have been allowed as it would benefit youths, students, professionals and the scientific and technical community.
- (viii) As regards granting of loans and advances to small and medium newspapers, such units are eligible for concessions in the rates of interest margin etc. as are normally available to other small scale industries.

**7. The Government is obviously not bound by the report of the Standing Committee and is entitled to take a policy decision contrary to the report but when the Committee, though by majority, had submitted its report after full discussion and consideration, cogent reasons should have been given for changing the earlier policy and how the country would be benefitted by the policy change, specially in the context of the Reserve Banks notification dated 16 February, 2001, which imposed a total ban on the FIIs, NRIs etc. purchasing any shares of debentures of an Indian Company engaged in the print media sector and the objections made by the Home Ministry considering the security aspects.**

**8. Further, the Committee in its report had recommended the publication of foreign magazines of scientific and technological character, subject to certain restrictions, particularly by providing that**



such foreign magazines may be allowed to be published provided they enter into collaboration with Indian publishing house(s) dealing with such scientific and technological subjects. It has not been explained how, if the recommendation had been accepted by the Government, it would have gone against the interest of the youths, students, professionals and the scientific and technical community as also readers interested in special subjects or would have prevented them from getting means "to update their knowledge and opening a window of a two way flow of information about the latest developments and trends in special fields of knowledge". The acceptance of the recommendation would not have stood in the way of achieving the said objectives.

9. In the circumstance the Committee is of the view that since no material is available regarding the number of applications, if any, that were received by the Government and how many such applications have been granted so far, the Committee is of the view that the Government should constantly review the policy that has been taken by the Government, specially in view of the security considerations involved.

## **Print Media Policy**

### **Recommendation (Paras 63-64)**

10. In Paras 63 and 64 of its earlier report, the Committee felt that there is a need for comprehensive Print Media Policy so that there is healthy growth in the media sector. It further observed that Cabinet Resolution of 1955 laid down the basic approach to the Entry of Foreign Print Media, but it remained an inadequate basis for such a policy in the new situation. New context and new challenges in the 21<sup>st</sup> Century call for new and adequate response from the Government. In its Action Taken Notes the Ministry of Information and Broadcasting has stated that Print Media Policy has been engaging the attention of the Government and that Recommendations of two Press Commissions set up earlier have been kept in mind while taking policy decisions on Press matters. Lately, the Print Media Policy came up for examination before a Sub-Committee of the Consultative Committee of MP's which was set up to prepare a positional/working paper of Media Policy. The Sub-Committee submitted its report in March, 1996. Although the report was placed before the Consultative Committee, no view could be taken

on the report. It has further been stated that in matters relating to Print Media, the Government has been guided by the basic principles of Freedom of Speech and Expression and non-interference in the working of Press subject to statutory provisions.

11. It has further been stated that keeping in view the different facets of recommendations and concerns of the Standing Committee and in the light of the views expressed by other bodies, comprehensive review of the existing Print Media Policy has been undertaken and it has been decided to allow 26% FDI in Indian entities publishing newspapers and periodicals dealing with News and current affairs. Government has also allowed Indian editions of foreign scientific, technical and speciality magazines/periodicals/journals. Foreign investment up to 74% in Indian entities publishing scientific, technical and speciality magazines/periodicals/journals has also been allowed.

**12. Since the Standing Committee has already recommended the adoption of a comprehensive Print Media Policy to enable the media sector have a healthy growth and since a Sub-Committee of the Consultative Committee of MPs was appointed to prepare positional/working paper of Media Policy, the Government may seriously look into the matter of formulation of the Comprehensive Policy as soon as possible. It is regretted that no reason has been given why the matter is not being seriously proceeded with.**

## **CHAPTER II**

### **RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation/Observation (Para No. 42)**

The Committee gave serious consideration to the different views and perspectives presented by various eminent individuals as well as representatives of prominent newspapers who appeared before it. The Committee has also carefully gone through the written material submitted by various parties on the issue. We are happy that this study undertaken by the Committee has evoked nationwide interest which only underscores the crucial importance of the subject.

#### **Action Taken by the Government**

Being a statement of facts, no action is called for.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No. 10/1/2001-Press dated 29<sup>th</sup> September 2003.

#### **Recommendation/Observation (Para No. 43)**

During its interactions with people from the print media a point was often raised as to whether the print media is more powerful or the electronic media in the matter of influencing the public mind. The argument advanced by those who supported the entry of foreign media or foreign investment in the print media is that since the foreign entry into the electronic media has been permitted there is little sense in insulating the print media against the foreign entry. According to them, the hold of electronic media on the public mind is far greater than that of the print media. On the other hand, those who are opposed to the foreign investment argue that the influence of the print media on the public mind is far greater than that of the electronic media and the entry of foreign media companies in whatever form will ultimately succeed in manipulating the minds of the people and destroying our culture.

#### **Action Taken by the Government**

The contents of the para summarise the differing views on the subject of foreign investment in Indian entities publishing newspapers and periodicals and publication of Indian editions of foreign

newspapers and periodicals. These views have been taken into account while reviewing the policy in force since 1955 and appropriate safeguards have been put in place in the Guidelines for Foreign Investment/publication of Indian editions of foreign scientific/technical/speciality magazines/periodicals/journals. (Annex)

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29<sup>th</sup> September 2003.

#### **Recommendation/Observation (Para No. 48)**

The Committee has endeavoured to address the question of entry of foreign investors into the Indian Print Media sector fully taking into account both the contextual significance of the Cabinet Resolution of 1955 and the reality of globalization. As regards the prohibition imposed by the Resolution on foreign owned companies, the Committee agrees with the proposition made by the Ministry that the Resolution forbids foreign investors gaining control of management of Indian Print Media companies irrespective of the size of their shareholdings. The Committee has also been informed that the Reserve Bank of India has, through a notification issued on 16<sup>th</sup> February 2001, imposed a total ban on the FIIs, NRIs etc. purchasing any shares *os* debentures of an Indian Company engaged in the print media sector. Thus, the Government has already acted on the basis that no foreign investment can be allowed in the print media sector under the 1955 resolution.

#### **Action Taken by the Government**

The observations are factual in nature.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29<sup>th</sup> September 2003.

#### **Recommendation/Observation (Para No. 55)**

The Committee examined the question as to how widespread is the demand for foreign investment/participation in the print media. As per the documents submitted to the Committee by the Government, apart from some of the largest newspapers, the Press Council which represents a majority of small and medium newspapers, the All India Small and Medium Newspapers Association, Indian Federation of

Small and Medium Newspapers and All India Small and Medium Newspapers Federation as well Indian Newspaper Society (which is treated as the representative body of the Indian Newspaper Society) have opposed the entry of foreign print media in the country. The document also says that a Resolution of the National Union of Journalists adopted in November, 2000 opposed the entry of foreign media. The Committee find that these are true representative bodies of the print media in the country and therefore, their opinions on this issue cannot be lightly dismissed.

### **Action Taken by the Government**

The observations are factual in nature and the various views on the subject have been taken into account while reviewing the policy pertaining to foreign investment in Indian entities publishing newspapers and periodicals and Indian editions of foreign newspapers and periodicals.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29th September 2003.

### **Recommendation/Observation (Para No. 61 )**

The Committee has taken note the view expressed in some quarters that foreign magazines of scientific and technological character may be published from India and no restriction should be imposed on the same. However, the Committee is of the view that no unrestricted permission should be given even to such publications as that will open the door for entry of foreign magazines dealing also with matters not scientific or technical as otherwise non-scientific and non-technical subjects can be included transforming its contents by the foreign publishers. However, with a view to enable serious students to have access to high level of scientific and technological publications at cheaper prices, foreign magazines dealing with those subjects only may be allowed to be published provided they enter into collaboration with Indian publishing house (s) dealing with such scientific and technological subjects.

### **Action Taken by the Government**

The decision to allow publication of Indian edition of foreign scientific/technical/speciality magazines/periodicals/journals and to

allow foreign investment upto 74% in Indian entities publishing scientific, technical and speciality magazines/periodicals/journals have been taken so as to benefit youths, students, professionals and the scientific and technical community as also readers interested in special subject, by way of providing better and affordable access to such specialist periodicals thereby giving them a means to update their knowledge and opening a window of a two way flow of information about the latest developments and trends in special fields of knowledge.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No. 10/1/2001-Press dated 3rd September 2002 and 29th September 2003.

## CHAPTER III

### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE IN VIEW OF THE REPLY OF THE GOVERNMENT

#### **Recommendation/Observation (Para No. 45)**

It has been argued before the Committee that the logic at the Cabinet Resolution of 1955 is no longer valid in the present times as the country is firmly set on the path of globalization. Therefore, so goes the argument, the time has come for us to review the whole policy of foreign investment in print media.

#### **Action Taken by the Government**

The observations are factual in nature. However, the policy in force since 1955 has since been reviewed keeping in view the concerns expressed in various quarters and appropriate safeguards have been put in place in the Guidelines for Foreign Investment/publication of Indian editions of foreign scientific/technical/speciality magazines/periodicals/journals. (Annex)

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29th September 2003.

#### **Recommendation/Observation (Para No. 46)**

The Cabinet Resolution of 1955 in respect of the publication of foreign owned newspapers etc. was adopted on the basis of the recommendations of the Press Commission appointed in 1953. This Resolution remained the basis of the media policy of the Government so far. The Committee finds that although the Government attempted to review this Policy at different times, no consensus could be arrived at and the general view that emerged on all those occasions was that entry of foreign print media or foreign investment in the print media was not a desirable step.

#### **Action Taken by the Government**

The observations are factual in nature. However, in the past, though there have been differing views on the issue, no final decision could be taken.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29th September 2003.

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

#### **Recommendation/Observation (Para No. 44)**

With the opening up of the electronic media there is an unrestricted availability of TV Channels in the country. It is difficult to say at this stage what long term impact it will have on the public mind. The chief attraction of television is the visual images it presents. There is no doubt that visuals of certain events are very powerful, for instance the visuals of war scenes like in Kargil. It is, however, a matter of common experience that the effect of visual images has tendency to wear off in course of time. Further, the visuals by their very nature give a rather fleeting views of the situation and it can have effect only on the viewers for the time being. The written words, on the other hand, give the readers different dimensions of the situation with more lasting impression. These have the potential at all times to evoke deeper feelings, stimulate the thinking and in the long run condition the mind to accept the ideas they contain. There cannot be any doubt that the feature articles and the editorials in the newspaper have the power to influence the readers' mind deeply which the ephemeral images on a TV screen do not have. A book on Auschwitz, or, on Kargil, for example, creates a more powerful and long-lasting impact on the mind than the visuals thereof. Therefore, it is incorrect to assume that the electronic media has greater impact on the public mind than the print media.

#### **Action Taken by the Committee**

The concerns of the Committee have been taken into account while reviewing the policy in force since 1955 and appropriate safeguards have been put in place while framing Guidelines in this regard.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29th September 2003.

#### **Recommendation/Observation (Para No. 47)**

The whole debate on the entry of foreign media revolves around this Cabinet Resolution of 1955. This Resolution has two limbs. One, no



foreign owned newspaper or periodical should in future be permitted to be published in India. Two, foreign newspapers and periodicals, which dealt mainly with news and current affairs should not be allowed to bring out Indian editions. As far as the question of foreign newspapers and periodicals being allowed to bring out Indian editions is concerned, there is almost a consensus against this proposition. So, the Committee addressed itself mainly to the first limb of this Resolution. There was considerable discussion in the Committee on the precise nature of the prohibition imposed by this part of the Resolution. The discussion turned on the precise meaning of the term "foreign-owned" used in the Resolution. Representatives of the Ministry of Law, Justice and Company Affairs stated before the Committee that there is no concept of ownership in the Companies Act, 1956 as the company is a legal entity distinct from its members. The Act, therefore, does not define the term "foreign-owned". The Committee has been further informed by the Ministry that this term, not being a statutory term, should be understood in its ordinary sense, namely, a company in which foreigners have control on the management. It has been clarified by the Ministry officials that the control on management by foreigners can be exercised not only by owning 51% of the equity, but also through shareholders' agreement which may confer such control and management of the company on them, though their shareholding may be less. This, the Committee has been told, would go against the Resolution of 1955.

### **Action Taken by the Government**

Considering the issue in all its contexts and totality, it has been decided to allow Indian editions of foreign scientific, technical and speciality magazines/periodicals/journals and to allow foreign investment upto 74% in Indian entities publishing scientific, technical and speciality magazines/periodicals/journals. This would benefit youths, students, professionals and the scientific and technical community as also readers entrusted in special subjects, by way of providing better and affordable access to such specialists periodicals thereby giving them a means to update their knowledge and opening a window of a two way flow of information about the latest developments and trends in special fields of knowledge. The decision to allow 26% FDI in Indian entities publishing newspapers and periodicals dealing with news and current affairs has been taken with the view to bring in greater diversity among dailies, help reduce the dominance of a few dailies and also enable the Indian newspapers and periodicals to become

comparable in quality with their International counterparts. The view of the Committee and the inputs given by the M/o Law, Justice & Company Affairs have been taken into consideration while drafting the guidelines at Annexure.

Following safeguards have been provided for in the guidelines for allowing 26% FDI in Indian entities publishing newspapers and periodicals dealing with news and current affairs, to take care of the above concerns:

- (i) Ensuring that there is no dispersal of Indian holding by providing that the largest Indian shareholder would have a significantly greater holding than all the foreign holdings put together, would obviate the dominance of any foreign entity.
- (ii) All shareholders agreements/loan agreements having a bearing on management control would have to be fully disclosed to the I&B Ministry.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29th September 2003.

#### **Recommendation/Observation (Para No. 49)**

However, the Committee has examined this question in all its dimensions. Some of the witnesses who appeared before the Committee have said that foreign investment should be allowed but with a reasonable cap put on the foreign shareholding. Under the Companies Act, 1956, if anyone holds more than 25 per cent shares he can block a special resolution. So, these witnesses said that there is no harm in allowing a foreign company to have equity holding upto 25 per cent with a stipulation that the management of the Indian company will be in the hands of the Indians.

#### **Action Taken by the Government**

The decision to allow foreign investment in print media has been taken keeping in view the opinions expressed by various bodies and the various facets of recommendations and concerns expressed by the Standing Committee. Adequate safeguards like verification of antecedents of foreign investor, requirement of 3/4th of the Board of Directors being resident Indians, keeping editorial and management

control in the hands of resident Indians and ensuring against dispersal of Indian equity have been provided for in the guidelines.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29<sup>th</sup> September 2003.

#### **Recommendation/Observation (Para No. 50)**

The Committee is not convinced by this argument. The Committee is of the view that the foreign investor, even with minority shareholding can gain effective control of management and the Editorial Board of the Newspaper through shareholders' agreement or loan agreement. The Department of Company Affairs through a written note has drawn the attention of the Committee to the fact that groups which had only 6% to 8% of equity used to manage the affairs of the companies like DCM, Escorts etc. Further, it has also been stated by the Ministry that a company can be controlled by an agreement without any induction of funds even on the basis of technical know-how. So, the Committee does not agree with the proposition that it is safe to permit up to 25% foreign equity in the print media.

#### **Action Taken by the Government**

As in reply to para 47.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No. 10/1/2001-Press dated 3rd September 2002 and 29th September 2003.

#### **Recommendation/Observation (Para No. 51)**

The report of the First Press Commission suggests that newspaper is not one of the most attractive investment destinations. The Commission after carefully studying the investment pattern in the newspaper industry indicates that an investor may choose a newspaper for investing with a view to influencing public affairs. The influence which great newspapers and the media barons wield in the Western democracies is phenomenal. The Committee feels that the foreign investor who comes forward to invest in the Indian newspaper industry will do so not merely by the lure of returns, but because of the tempting prospect of gaining enormous clout in the socio-political life of this country.

### **Action Taken by the Government**

The above concerns have been taken care of by providing 3/4th of the Board of Directors should be resident Indians and the key executive and Editorial staff should be resident Indians. Verification of antecedents of foreign investors would be done before hand so as to ensure that only parties with sound credentials are permitted to invest.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29th September 2003.

### **Recommendation/Observation (Para No. 52)**

Serious apprehensions about a cultural invasion were expressed by some prominent witnesses who appeared before the Committee and the same cannot be ignored as a figment of imagination. Counter arguments that the Indian culture is too strong to be invaded or destroyed and that the opening up of the electronic media has not resulted in the destruction of our culture do not reflect a deeper understanding of the complexities of the problem. One, it is too early to evaluate the long term impact of the liberalization of the electronic media. Two, the capacity of the print media to deeply influence the public mind is a universally recognised fact. The Committee, therefore, feel that the entry of foreign investment or foreign media has the potential of polluting the cultural life and changing the basic orientations of the Indian mind in the long run.

### **Action Taken by the Government**

These ill effects have been guarded against by providing suitable provisions in the Guidelines. Adequate safeguards have, therefore, been provided while formulating the guidelines for publication of Indian editions of foreign magazines/journals/periodicals. (Annexure). All proposals for FDI in Indian entities publishing newspapers and periodicals dealing with news and current affairs shall be processed and decided upon on a case to case basis in the Ministry of Information & Broadcasting on the basis of inter-ministerial consultations with the Ministry of Home Affairs and other Ministries (*i.e.*D/o Culture, D/o Women & Child Development etc.), as may be required.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29th September 2003.

### **Recommendation/Observation (Para No. 53)**

A section of the media views the whole issue of entry of foreign media merely as an issue of investment in a resources starved business sector. In this context, the Committee would like to refer to a letter written by five leading publisher of newspaper and periodicals to the Minister of Information and Broadcasting who forwarded the same to the Committee for its consideration. The burden of this letter is that the entire category of investors as well as the venture capital funds etc. were non-existent in 1955 and therefore a policy framed at that time could not have been meant to cover such portfolio investors and investment by these categories is already allowed in the most powerful media today, namely, TV, INTERNET, DTH etc. The signatories to this letter, therefore, requested the Government to permit portfolio investment by FIIs, NRIs and OCBs in the print media. The Committee do not view the print media sector as any other productive sector where infusion of foreign capital may be permitted. The Committee has already pointed to the dangers involved in allowing foreign investment in the Indian print media by the category of investors. The print media, the Committee believe, has a larger dimension than a more profit making venture and therefore the simple logic of investment and dividend does not fit in with the nature of this operation. For that very reason the perceived advantages of foreign institutional investment over foreign direct investment or *vice-versa* are not a relevant consideration. Further, the task the Committee set itself was not merely to examine whether foreign portfolio investment or Foreign Direct Investment is or is not permissible under the Cabinet Resolution of 1955. The Committee has examined the whole issue of foreign investment in the print media in the total context of the liberalization of the Indian economy. The Cabinet Resolution undoubtedly is a major reference point and an important context in the history of media policy but the Committee has addressed this issue with the informational needs of the Indian society in the new socio-cultural and economic environment in focus. The Committee believe that allowing foreign investment in any form in this sector has far-reaching implications and an attempt to separate the issue from its implications is not best example of farsightedness.

### **Action Taken**

The concerns expressed by the Committee have been taken into account while formulating the guidelines which provide *inter-alia*

against dispersal of Indian holding, 3/4th of the Board of Directors and the key executive and Editorial staff to be resident Indians, all shareholders agreements/loan agreements having a bearing on management control to be disclosed to M/o Information and Broadcasting. Reply to para 47 also refers.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press dated 29th September 2003.

### **Recommendation/Observation (Para No. 54)**

As regards the position of resources in this sector, records show that there has been a phenomenal growth in the number of newspapers and circulation over the past 50 years. The most reasonable conclusion, then, is that lack of foreign investment has in no way affected the growth in strength using domestic resources. As per an estimate in terms of the number of newspapers published and also total circulation, India is among the top four countries in the world. The other countries are, Japan, the United States and China. There are 50,029 registered newspapers in India. The Committee, therefore, does not think that in the absence of foreign investment the newspaper industry in India will face ruin. Further, not much enthusiasm has been shown for taking loans or financial investment simply because it will entail payment of interest and other returns.

### **Action Taken by the Government**

This Ministry has been receiving representations from leading publishers of newspapers and magazines, requesting the Government to consider permitting foreign investment in print media.

Taking into consideration all the facts, foreign investment in print media has been allowed. The move to allow FDI in news and current affairs segment is likely to bring in greater diversity among dailies, help reduce the dominance of a few dailies and also enable the Indian newspapers and periodicals to become comparable in quality with their international counterparts.

Publication of Indian edition of foreign scientific, technical and speciality magazines/periodicals/journals and foreign investment in Indian entities publishing scientific, technical, and speciality

magazines/ periodicals/journals has been allowed as it would benefit youths, students, professionals and the scientific and technical community as also readers interested in special subject, by way of providing better and affordable access to such specialist periodicals thereby giving them a means to update their knowledge and opening a window of a two way flow of information about the latest developments and trends in special fields of knowledge.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No. 10/1/2001-Press dated 29th September 2003.

### **Recommendation/Observation (Para No. 56)**

The Committee, however, recognizes the problem of finance which affects the small and medium newspapers in the country. The Second Press Commission went into this problem in detail and made certain recommendations. The Commission found as a fact that the smaller newspapers suffered on account of inadequacy or non-availability of finance whereas the fruits of growth have by and large gone to the big newspapers. The Committee, therefore, feels that the problem of finance for the small and medium newspapers needs to be seriously looked into. The Committee finds that the Press Council had suggested the setting up of a Newspaper Finance Corporation to meet the financial needs of the newspapers and a Bill for this purpose was introduced in the Lok Sabha in 1970. With the dissolution of the House, the Bill lapsed, but was re-introduced in 1973. However, the Government did not proceed with this matter and the question of financial assistance to the newspapers remains unaddressed. The Committee feels that the Government should seriously consider this problem and make institutional arrangements for concessional finance for small and medium newspapers so that the working capital and other essential financial needs of such newspapers could be met.

### **Action Taken by the Government**

Loans and advances granted to small and medium newspaper which satisfy the investment criteria laid down for small scale industrial units are considered as priority sector advances and such units are eligible for concessions in the rates of interest margin etc. as are normally available to other small scale industries.

*The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat vide this Ministry's communication No. 10/1/2001-Press, dated 3rd September 2002 and 29th September 2003.*

### **Recommendation/Observation (Para No. 57)**

The Committee has endeavoured to address the question of entry of foreign print media or foreign investment in the print media in its totality. It has considered the circumstances under which the Cabinet Resolution of 1955 was adopted; the breath taking advances that have taken place in the electronic media and its power *via-a-vis* that of the print media to influence the mind of the people; and also the information policy imperatives in a liberalized and globalized ambiance. Having considered all this, the Committee has come to the conclusion that the entry of foreign media is not in the long term interest of the country. The Committee is of the firm view that newspaper is different from steel or electricity which may be allowed to be produced by foreign investors. Newspaper has significant impact on the minds of the people. It influences the political beliefs, the social mores and the basic cultural impulses of the people. The foreign print media owners or the foreign investors with their superior technology and managerial skill and unlimited resources can neutralize any statutory restrictions which may be imposed and become crucial players in the domestic print media sector. Further, the hostile countries through their intelligence agencies can use front organisations to enter the Print Media sector through the foreign investment route and undermine the unity of the country. They can do incalculable harm to the fragile social harmony by purveying slanted and mischievous news and views. Thus Print Media can be used by them as an instrument of subversion. This adverse possibility has been brought to the notice of the Committee by some witnesses. The Committee has taken note of the fact that even those who advocated the opening up of this sector to foreign investors wanted a cap on such investment because they wanted the entire management of the newspaper to remain in the Indian hands. The Committee took careful note of this point. This only underscores the fact that there is a consensus on the point that control of the management of a newspaper in the hands of the foreigners is not in the interest of the country. Whether 10% off the shareholding will enable the foreign company to control the management of 51%, entry of foreign interest in the domestic print media sector is detrimental to the interest of the country. The Committee feels it is pointless to argue that foreign equity up to 25% is safe and is unsafe beyond that.



### **Action Taken by the Government**

The apprehensions expressed above have been taken into account while reviewing the policy of 1955 and formulating the present guidelines. (Annexure)

*The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat vide this Ministry's communication No.10/1/2001-Press, 29th September 2003.*

### **Recommendation/Observation (Para No. 58)**

Almost all the witnesses who appeared before the Committee and who are in favour of permitting foreign participation and investment, categorically stressed on the imperative need of having Indian editors, Indian managers and Indian publishers with emphasis that overall management should remain in Indian hands and the policy decision should be under the control of Indians. Such views clearly highlight the importance of retaining the Indian control over the newspapers published in India. The insistence on having Indian management and particularly the control on the editorial and the overall policy being in Indian hands underlines the dangers that may be faced affecting the national interest if such control is passed on to the foreigners, be they shareholders and investors. The Committee is of the view that the insistence on retaining the editorial and the management control in the hands of the Indians, even after the foreign entry is permitted, clearly emphasises the dangers of opening the doors to the foreigners.

### **Action Taken by the Government**

As in replies to para 47 and para 53.

*The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat vide this Ministry's communication No.10/1/2001-Press, dated 29th September 2003.*

### **Recommendation/Observation (Para No. 59)**

The Committee gave serious consideration to the possible impact of liberalization in the print media on the security situation in the country. The Home Ministry Officials stated before the Committee that as people tend to rely more on printed version of facts an attempt at this information will have tremendous impact on the people and it will be

more difficult to control it. So, in the view of the Home Ministry of internal security scenario is not conducive for an opening up of print media sector. The Committee feels that the perception of the Ministry of Home Affairs about the security implication of allowing foreigners to operate in the print media is based on a realistic understanding of the ground reality. The Committee is in full agreement with this view.

### **Action Taken by the Government**

The concerns noted above have been kept in view while reviewing the 1955 policy and finalising the Guidelines in this regard. (Annex). The guidelines, *inter-alia*, prescribe that all proposals for FDI in Indian entities publishing newspapers and periodicals shall be processed and decided upon in the Ministry of Information & Broadcasting on a case by case basis, after inter-ministerial consultations with the Ministry of Home Affairs and other ministries (*i.e.* D/o Culture, D/o Women & Child Development etc.), as may be required.

*The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat vide this Ministry's communication No.10/1/2001-Press, dated 29th September 2003.*

### **Recommendation/Observation (Para No. 60)**

The constitutional angle of this issue was also placed before the Committee. Dissemination of information being a part of the Fundamental Right of freedom of expression, Press in India enjoys Fundamental Right enshrined in the Constitution. However, the Fundamental Right to freedom of expression is available to Indian citizens only. This means a foreigner who comes to acquire control of the Indian newspaper through whatever means cannot enjoy the freedom of expression and thus cannot run the newspaper in the country.

### **Action Taken by the Government**

While reviewing the 955 policy on foreign investment in print media, adequate safeguards have been provided to ensure that the management and editorial control remains in Indian hands.

*The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat vide this Ministry's communication No.10/1/2001-Press, dated 29th September 2003.*

### **Recommendation/Observation (Para No. 62)**

To sum up, the Committee is not in favour of allowing the foreign newspapers and periodicals which deal mainly with news and current affairs to bring out Indian editions or foreign shareholding in any form in the Indian Print Media sector. The Committee, however, thinks that publication of foreign scientific and technical magazines can be allowed for the benefit of the students of science and technology and the community in collaboration with well-known or competent Indian publishers dealing with such subject. The Committee also recommends that the Government consider suitable measures to deal with the problems of shortage of capital being faced by the small and medium newspapers in the country. In particular the Government should consider putting in place an institutional arrangement for concessional finance for these categories of newspapers.

### **Action Taken by the Government**

Publication of Indian editions of foreign scientific, technical and speciality magazines/periodicals/journals has been allowed. May also please refer to para 56.

*The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat vide this Ministry's communication No. 10/1/2001-Press, dated 3rd September 2002 and 29th September 2003.*

### **Recommendation/Observation (Para No. 63)**

Finally, the Committee feels that there is a need for a comprehensive print media policy. The Cabinet Resolution of 1955 laid down the basic approach in regard to the entry of foreign print media. But it remains an inadequate basis for such a policy in the new situation. There are new contexts and new challenges in the 21st Century which call for new and adequate responses from the Government.

### **Action Taken by the Government**

The Print Media Policy has been engaging the attention of the Government. Two Press Commissions had been set up which gave their recommendations on various aspects related to the Press. These recommendations have been kept in mind while taking policy decisions on Press matters. Lately, the Print Media Policy came up for examination before a Sub-Committee of the Consultative Committee of MPs, set up to prepare a

Positional/Working Paper on Media Policy, which submitted its report in March 1996. Although the report was placed before the Consultative Committee, no view could be taken on the report.

In matters related to the Print Media as in the case of other media, the Government is guided by the basic principles of Freedom of Speech and Expression and non-interference in the working of the Press, subject to statutory provisions.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press, dated 3rd September 2002 and 29th September 2003.

#### **Recommendation/Observation (Para No. 64)**

The Committee calls upon the Government to formulate a comprehensive print media policy so that there is a healthy growth in the media sector which will take care of the information needs of the society in the new millennium as well as protect the essentially pluralistic cultural traditions of India and its ethos.

#### **Action Taken by the Government**

As in reply to para 63.

As regards foreign investment in print media, keeping in view the various facets of recommendations and concerns of the Standing Committee and in the light of views expressed by other bodies, a comprehensive review of the existing print media policy was undertaken after which it has been decided as follows:

- (i) To allow 26% FDI in Indian entities publishing newspapers and periodicals dealing with news and current affairs.
- (ii) a. To allow Indian editions of foreign scientific, technical and speciality magazines/periodicals/journals; and  
b. To allow foreign investment upto 74% in Indian entities publishing scientific, technical and speciality magazines/periodicals/journals.

The Action Taken Note on this recommendation has been forwarded to Lok Sabha Secretariat *vide* this Ministry's communication No.10/1/2001-Press, dated 3rd September 2002 and 29th September 2003.

## CHAPTER V

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES ARE INTERIM IN NATURE

— NIL —

NEW DELHI;  
*19 December 2003*  

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*26 Agrahayana, 1925 (Saka)*

SOMNATH CHATTERJEE  
*Chairman,*  
*Standing Committee on*  
*Information Technology.*

## ***ANNEXURE I***

### **GUIDELINES FOR FOREIGN DIRECT INVESTMENT IN INDIAN ENTITIES PUBLISHING NEWSPAPERS AND PERIODICALS DEALING WITH NEWS AND CURRENT AFFAIRS**

#### **PREAMBLE**

The Union Government has decided to allow Foreign Direct Investment (FDI) upto 26% of paid up equity capital in Indian entities publishing newspapers and periodicals dealing with news and current affairs. Such investment would be permissible by foreign entities having sound credentials and international standing, subject to certain conditions.

#### **1. Application**

- (i) Nine copies of the prescribed application form, duly filled in, alongwith the requisite documents shall be submitted to the Ministry of I&B.
- (ii) Application fee of Rs. 5000/- will have to be submitted through demand draft made in favour of Pay & Accounts Officer, Ministry of Information and Broadcasting, payable at New Delhi.

#### **2. Title of the Publication**

Title verification shall continue to be done by the Press Registrar as per existing procedure.

#### **3. Foreign Investment**

- (i) FDI will be allowed only where the resultant entity (hereinafter called "New Entity") is a company registered with the Registrar of Companies under the provisions of the Companies Act, 1956.
- (ii) Only Foreign Direct Investment upto 26% of paid-up equity of the New Entity will be allowed.
- (iii) Permission will be granted only in cases where equity held by the largest Indian shareholder is at least 51% of the total equity, excluding the equity held by Public Sector Banks and Public Financial Institutions as defined in Section 4A of the Companies Act, 1956, in the New Entity. The term largest Indian shareholder used in this clause will include any or a combination of the following:

- (1) In the case of an individual shareholder,
  - (a) The individual shareholder
  - (b) A relative of the shareholder within the meaning of section 6 of the Companies Act, 1956
  - (c) A company/group of companies in which the individual shareholder/HUF to which he belongs has management and controlling interest
- (2) In the case of an Indian company
  - (a) The Indian company
  - (b) A group of Indian companies under the same management and ownership control.

Provided that in case of a combination of all or any of the entities mentioned in sub-clause (1) and (2) above, each of the parties shall have entered into a legally binding agreement to act as a single unit in managing the matters of the New Entity.

- (iv) While calculating the 26% FDI in the equity of the New Entity, the foreign holding component, if any, in the equity of the Indian shareholder companies of the New Entity will be duly reckoned on *pro data* basis so as to arrive at the total foreign holding in the New Entity.
- (v) At least 50% of the FDI will have to be inducted by issue of fresh equity. The balance, *viz.* upto 50% of the FDI, may be inducted through transfer of existing equity.

#### **4. Processing of FDI Proposals**

All proposals for FDI in Indian entities publishing newspapers and periodicals shall be processed and decided upon in the Ministry of Information & Broadcasting on the basis of inter-ministrial consultation with the Ministry of Home Affairs and other ministries, as may be required.

5. (i) The applicant will be required to intimate the names and details of all persons not being resident Indians who are proposed to be inducted in the Board of Directors of the New Entity.

- (ii) The Company will be liable to intimate the names and details of any foreigners/NRIs to be employed/engaged in the New Entity either as consultants (or in any capacity) for more than 60 days in a year, or, as regular employees.

**6. The permission of the Ministry of I&B would be incumbent, *inter alia*, upon the following:—**

- (i) Permission would be conditional on at least  $\frac{3}{4}$ th of the Directors on the Board of Directors of the New Entity and all key executives and editorial staff being resident Indians.
- (ii) The applicant and the New Entity making full disclosure, at the time of application, of Shareholder' Agreements and Loan Agreements that are finalized or proposed to be entered into. Any subsequent changes in these would be disclosed to the Ministry of I&B within 15 days.
- (iii) The New Entity framing its Articles/Memorandum of Association to ensure compliance with the above.
- (iv) It will be obligatory on the part of the New Entity to take prior permission from Ministry of Information & Broadcasting before effecting any alteration in the foreign shareholding pattern and the shareholding of the largest Indian shareholder indicated in clause 3 (iii) above.



**ANNEXURE II**

## GUIDELINES FOR

- (i) PUBLICATION OF INDIAN EDITIONS OF FOREIGN TECHNICAL/ SCIENTIFIC/SPECIALITY MAGAZINES JOURNALS PERIODICALS; AND
- (ii) FOREIGN INVESTMENT IN INDIAN ENTITIES PUBLISHING SCIENTIFIC/ TECHNICAL/SPECIALITY MAGAZINES/JOURNALS/ PERIODICALS

**PREAMBLE**

The Union Government has decided to allow:

- (i) Publication of Indian editions of Foreign Scientific, Technical and speciality magazines/periodicals/journals; and
- (ii) Foreign investment upto 74% in Indian entities publishing scientific/ technical and speciality magazines/periodicals/journals.

**1. Application**

- (i) An application shall be made to the Ministry of Information & Broadcasting in the prescribed format to determine the nature of contents of the publication.
- (ii) Application fee of Rs. 5000/- (Rupees five thousand only) shall have to be deposited through a Demand Draft in favour of the Pay and Account Officer, Ministry of Information & Broadcasting payable at New Delhi.

**2. Processing**

- (i) The application shall be processed by the Ministry of I&B, after due inter-Ministerial consultations, to decide whether the proposed publication is covered under the category of scientific, technical or speciality magazine/periodical/journal. Representatives of the concerned Ministries/specialist bodies and language experts, as found necessary will be associated in this task. In appropriate cases, the Ministry of I&B will issue:
  - (a) An approval, subject to compliance with the provisions of the Press and Registration of Books Act and Rules made thereunder for publication of the foreign journal; or
  - (b) A No Objection Certificate (NOC) for foreign investment, a copy of which would be sent to RNI/SIA/RBI and the applicant.
- (ii) Determination of category assigned to the publication (s) is liable for review by the Ministry of I&B if the contents of the publication (s) undergo change at a later date.
- (iii) a) In cases where both FDI and FII investment is envisaged, the applicant may approach the FIPB/RBI for clearance after obtaining the No Objection Certificate from the Ministry of I&B.  
 b) In cases involving only portfolio investment, the applicant may approach the Reserve Bank of India, for further clearance, if any, after obtaining the No Objection Certificate from the Ministry of I&B.

## APPENDIX I

### MINUTES OF THE THIRTY-FOURTH SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2003)

The Committee sat on Friday, 19 December, 2003 from 15.00 hours to 16.00 hours in Committee Room No. '070', Parliament Library Building, Parliament House, New Delhi.

#### PRESENT

Shri Somnath Chatterjee — Chairman

#### MEMBERS

*Lok Sabha*

2. Shri Pawan Kumar Bansal
3. Prof. Dukha Bhagat
4. Shri Rama Mohan Gadde
5. Shri K.K. Kaliappan
6. Shri A. Krishnaswamy
7. Shri Bhartruhari Mehtab
8. Shri Saroj Tufani
9. Shri K.A. Sangtam
10. Shri Nikhil Kumar Chowdhary
11. Shri Vanlalawma
12. Shri Charanjit Singh
13. Dr. Bikram Sarkar

*Rajya Sabha*

14. Shri Balbir K. Punj
15. Shri Rajeev Shukla

#### SECRETARIAT

1. Shri S.K. Sharma — *Joint Secretary*
2. Shri S. K. Sharma — *Officer on Special Duty (IT)*
3. Shri B.D. Swan — *Under Secretary*
4. Shri D.R. Shekhar — *Assistant Director*

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee then, took up for consideration the following Draft Reports and adopted the same:—

- |       |     |     |     |
|-------|-----|-----|-----|
| (i)   | *** | *** | *** |
| (ii)  | *** | *** | *** |
| (iii) | *** | *** | *** |
| (iv)  | *** | *** | *** |
- (v) Draft Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Thirty-Second Report on 'Entry of Foreign Print Media and Foreign Direct Investment in Print Media' relating to the Ministry of Information & Broadcasting.

3. The Committee, then, authorised the Chairman to finalise and present the above mentioned Reports to the House in light of the factual verifications received from the concerned Departments/Ministries.

***The Committee then adjourned.***

## APPENDIX II

[Vide Para 5 of Introduction]

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE THIRTY-SECOND REPORT (THIRTEENTH LOK SABHA)

[Vide Para 5 of Introduction]

I. Recommendations/Observations which have been accepted by the Government:	
Para Nos. 42, 43, 48, 55 & 61	5
Total Percentage	21.73%
II. Recommendations/Observations which the Committee does not desire to pursue in view of the reply of the Government :	
Para Nos. 45 & 46	2
Total Percentage	8.69%
III. Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:	
Para Nos. 44, 47, 49-54, 56-60 & 62-64	16
Total Percentage	69.56%
IV. Recommendations/Observations in respect of which replies are of interim nature:	
Para No. Nil	NIL
Total Percentage	NIL