

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

**PRESS NOTE NO. 4 (2002 SERIES)**

*Subject: Revision of existing sectoral guidelines for FDI, including investment by non-resident Indians and overseas corporate bodies*

Press Note 2 (2000 series) dated the 11<sup>th</sup> February, 2000 enclosing the sector specific guidelines for Foreign Direct Investment (FDI), *inter alia* includes the following provisions for the **Advertising and Film sectors**:

Automatic approval is available for the following:

- Up to 74% FDI in Advertising sector.
- Up to 100% FDI in Film industry (i.e., film financing, production, distribution, exhibition, marketing and associated activities relating to film industry subject to the following:
  - I. Companies with an established track record in films, TV, music, finance, and insurance would be permitted.
  - II. The company should have a minimum paid up capital of US\$ 10 million if it is the single largest equity shareholder and at least US\$ 5 million in other cases.
  - III. Minimum level of foreign equity investment would be US\$ 2.5 million for the single largest equity shareholder and US\$ 1 million in other cases
  - IV. Debt equity ratio of not more than 1:1 i.e. domestic borrowings shall not exceed equity
  - V. Provisions of dividend balancing would apply.

2. With a view to further liberalizing the FDI regime, the Government have permitted FDI up to 100% on the automatic route in the advertising sector. FDI up to 100% in the film sector, which is already on the automatic route, will not be subject to the conditions indicated at I to V above.

3. The provisions of Press Note No. 2 of 2000 series stand modified to the above extent.

**(M. S. SRINIVASAN)**

Joint Secretary to the Government of India