

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

UNSTARRED QUESTION NO:1395
ANSWERED ON:03.03.2000
ECONOMIC POTENTIALITY OF FILM INDUSTRY
SATYAVRAT CHATURVEDI

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

- (a) the extent to which the economic potentialities have been increased after according the status of industry to the film Industry;
- (b) whether the persons belonging to this sector have submitted their demands to the Government ; and
- (c) if so, the details of the demands and the reaction of the Government thereto?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY)

- (a) After the status of Industry Sector was accorded to the film industry, in the Budget for 1999-2000, the benefit of a new section 80 HHF of the Income Tax Act has been made applicable to companies engaged in the export of entertainment software.
- (b)&(c) The Ministry has taken up the following proposals received from the film industry with the Ministry of Finance in view of emerging convergence of Information Technology (I.T.), telecommunications and entertainment technologies and for optimizing growth of entertainment industry, thus making it possible to tap its full potential as a foreign exchange earner and to generate employment opportunities:
 - (i) rates of customs duty on professional equipment for films, television and music industry may be similar to the duty structure laid down for I.T. sector;
 - (ii) customs duty and countervailing duty on color raw stock be waived as it is not manufactured in India;
 - (iii) exemption from payment of excise duty on pre-recorded video cassettes may be given with retrospective effect;
 - (iv) excise duty on compact discs be waived as in the case of pre-recorded cassettes in order to deprive manufacturers of pirated CDs of an unfair price advantage
 - (v) benefits of the new section 80HHF of the Income Tax Act, 1961 to be made applicable to proprietors, individuals etc. engaged in the export of entertainment software as well and with retrospective effect from 1.4.89.