

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

UNSTARRED QUESTION NO:2414  
ANSWERED ON:06.03.2003  
FINANCIAL ASSISTANCE TO FILM INDUSTRY  
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**Will the Minister of INFORMATION AND BROADCASTING be pleased to state:**

- (a) whether the Government have examined the benefits coming after declaring film making as an industry;
- (b) the extent to which this new Industry has been freed from the grip of under world mafia and black money and the extent to which it is attracting better and progressive talents;
- (c) whether the Government have provided any facilities and relaxations for the film producers to produce motion pictures;
- (d) if so, the details thereof;
- (e) the steps taken by the Government to promote and project Film Industry in the country ; and
- (f) the details of the amount allocated, disbursed and utilised for the development of cinema industry in the last three years?

**Answer**

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION & BROADCASTING (SHRI RAVI SHANKAR PRASAD)

(a) to (d) In order to facilitate a greater flow of institutional finance to the film industry a notification dated 16.10.2000 was issued by the Ministry of Finance, whereunder 'Entertainment Industry including films' has been specified as an approved activity for extending loans under the Industrial Development Bank of India (IDBI) Act. The Reserve Bank of India has also evolved guidelines to enable commercial banks to fund film production. These steps have eased the flow of institutional finance into film production. In addition, the FDI regime for films has been further liberalised.

(e) Apart from the above, some other initiatives that have been taken by the Government to promote the film industry are as follows:

- (i) Good cinema is encouraged through the medium of National Film Awards.
  - (ii) During 2002 along with the International Film Festival of India a Film Bazaar was set up by the Government to provide a platform for interaction between Indian film industry and international buyers and sellers.
  - (iii) A special Plan scheme has been included in the 10th Plan, the Ministry of Information and Broadcasting has been allocated a budget of Rs.5 crores to participate in film markets in India and abroad.
  - (iv) In the budget for 2002-03 a five-year tax break was given to multiplexes set up outside municipal limits.
  - (v) Customs duty rates for import of film equipment are also rationalised from time to time.
  - (vi) The best cinema in any year is selected as part of the 'Indian Panorama'. These films are especially shown to audiences on the festival circuit.
  - (vii) Students are trained to be film professionals in the Film and Television Institute of India, Pune and the Satyajit Ray Film and Television Institute, Kolkata.
  - (viii) The National Film Development Corporation and the Children's Film Society of India finance film production.
  - (ix) Three International Film Festivals are organized by the Government of India to promote cinema.
- (f) 'Cinema' except 'Certification of films' is a State subject and the Central Government does not maintain any statistics regarding amount spent for its development. However, under the IDBI Film Financing Scheme for production of films, which has become operational from 1st April 2001, the details of the assistance sanctioned and disbursed during the two year period is given below:

Period	Sanctioned	Disbursed
April`01-	72.72	21.50
March`02		
April `02-	31.73	34.40
Feb. 03		
Total	104.45	55.90

Children's Film Society of India, an autonomous society under this Ministry produces children's films and the details of amounts allocated and spent by the Society in the last three years are as follows:

Year	Grant for production	Expenditure
Of films		Rs. lakhs
1999-2000	336	232.16
2000-2001	361	332.42
2001-2002	326	271.95

National Film Development Corporation Ltd., a public sector undertaking under the administrative control of this Ministry is also engaged in the promotion of good quality cinema in the country and extends loans for producing films upto Rs. 25 lakhs or 75% of cost and full finance upto Rs. 40 lakhs to any director to make a film. During the last three years an amount of Rs. 548.33 lakhs has been spent for financing and producing films in various languages.