

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

UNSTARRED QUESTION NO:3332
ANSWERED ON:05.02.2004
CRISIS IN FILM INDUSTRY
PRABODH PANDA;RUPCHAND MURMU

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

- (a) whether Indian cinema industry is in a deep crisis;
- (b) if so, the reasons therefor;
- (c) whether more than 90 per cent of films made last year lost money;
- (d) if so, the reasons therefor;
- (e) the number of films made last year; and
- (f) the steps taken by the Government to stop such losses?

Answer

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

(a) to (f) The film industry in India is in the private sector. Data regarding the returns on investment of the films produced by the industry are not centrally maintained.

According to information received from the Central Board of Film Certification, 877 Indian feature films were certified during the last year.

Several initiatives have been taken up by the Government for the overall development of the film industry:

- 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. Consequently, Industrial Development Bank of India has been facilitated to advance film finance. Reserve Bank of India has formulated guidelines for financing film production.
- The Foreign Direct Investment Policy of the Government in the film sector was liberalized in 2002 with FDI now being permissible on the automatic approval route up to 100%, without any other conditions. This has been done to encourage foreign firms to enter into the production, distribution, exhibition sector of the film industry.
- During the years 2001, 2002 and 2003, Indian industry participation in the Cannes Film Market was facilitated by setting up a pavilion / stalls in a common area.
- A large delegation of Indian Film Exporters were facilitated by National Film Development Corporation Ltd. to participate in the film market in Hong Kong, which took place in 2002 and 2003.
- A package of 30 Indian films called `Indian Summer` was shown as part of the prestigious Locarno International Film Festival held in Switzerland in August 2002.
- During the last two years 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.
- A special Plan scheme has been included in the 10th Plan, and the Ministry of Information and Broadcasting has set aside a budget to participate in film markets in India and abroad.
- In order to bring about a receptive investment regime in the entertainment sector, within India, which would in turn allow for better corporate practices in the sector, a Committee has recently been set up to suggest strategies to facilitate the flow of venture capital into the sector.