

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

STARRED QUESTION NO:257
ANSWERED ON:22.07.2004
FILM INDUSTRY
Babbar Shri Raj

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

- (a) whether the Government has recognized the film industry as an Industry;
- (b) if so, whether this industry is facing problems for not getting financial assistance from the banks and other institutions;
- (c) if so, the reasons therefor; and
- (d) the steps taken/ proposed to be taken by the Government for getting substantial relief to the said industry?

Answer

THE MINISTER OF INFORMATION AND BROADCASTING AND CULTURE (SHRI S.JAIPAL REDDY)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 257 FOR REPLY ON 22.7.2004

(a): Yes, Sir.

(b) 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, where under `Entertainment Industry, including films` has been specified as an approved activity for extending loans under the Industrial Development Act 1964 (IDBI Act). The Reserve Bank of India has also evolved guidelines to enable commercial banks to fund film production. Loans are extended by IDBI and commercial banks in accordance with the scheme/guidelines for financing film production. These steps have eased the flow of institutional and bank finance into film production.

Apart from these initiatives, the Government have also allowed 100% Foreign Direct Investment into the sector. Further, in order to bring about a receptive investment regime in the entertainment sector, within India, a Committee has been set up to suggest a strategy to facilitate the flow of venture capital into the sector. National Film Development Corporation, a public sector undertaking under the administrative control of this Ministry, also inter alia, finances, produces and co produces good quality films.