

**PUBLIC ACCOUNTS COMMITTEE
(1975-76)**

HUNDRED AND EIGHTY-SECOND REPORT

FILMS DIVISION

MINISTRY OF INFORMATION AND BROADCASTING

**[Paragraph 49 of the Report of the Comptroller &
Auditor General of India for 1972-73, Union Govern-
ment (Civil)]**



**LOK SABHA SECRETARIAT
NEW DELHI**

September, 1975/Bhadra, 1897 (Saka)

Price : Rs. 3.20

336.39516
L5

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH		MAHARASHTRA	
1.	Aandhra University General Cooperative Stores Ltd., Waltair (Visakhapatnam).	10.	M/s. Sunderdas Gianchand, 601, Girgaum Road, New Princess Street, Bombay-2.
2.	G. R. Lakshmiapaty Chetty and Sons, General Merchants and News Agents, Newpet, Chandragiri, Chittoor District.	11.	The International Book House, (Private) Limited, 6, Ash Lane, Mahatma Gandhi Road, Bombay-1.
ASSAM		12.	The International Book Service, Deccan Gymkhana, Poona-4.
3.	Western Book Depot, Pan Bazar, Gauhati.	13.	Charles Lambert & Company, 10, Mahatma Gandhi Road, Opposite Clock Tower Fort, Bombay.
BIHAR		14.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.
4.	Amar Kitab Ghar, Post Box 78, Diagonal Road, Jamshehpur.	15.	Deccan Book Stall, Fergusson College Road, Poona-4.
5.	M/s. Crown Book Depot, Upper Bazar, Ranchi.	16.	M. & J. Services, Publishers Representatives, Accounts & Law Book Sellers, Bahri Road, Bombay-15.
GUJARAT		MYSORE	
6.	Vijay Stores, Station Road, Anand.	17.	People Book House, Opp. Jaganmohan Palace, Mysore.
7.	The New Order Book Company, Ellis Bridge, Ahmedabad-6.	RAJASTHAN	
HARYANA		18.	Information Centre, Government of Rajasthan, Tripolia, Jaipur City.
8.	M/s. Prabhu Book Service, Mal Subzi Mandi, Gurgaon.	19.	M/s. Usha Book Depot, 585/A, Chitra Bazar, Tripolia, Jaipur.
MADHYA PRADESH		UTTAR PRADESH	
9.	Modern Book House, Shiv Vilas Palace, Indore City.	20.	Law Book Company, Sardar Patel Marg, Allahabad-1.

CORRIGENDA TO THE 18TH REPORT OF THE PUBLIC ACCOUNTS
 COMMITTEE (FIFTH LOK SABHA) PRESENTED TO THE LOK SABHA
 ON 9.1.1976.

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
19	2.30	13	surveyed	purveyed
19	2.31	9	interests	interest
20	2.32	11	appears	appear
	2.33	2	Films Division	Films Division
	2.34	1	systemative	systematic
21	2.35	(Heading)	Films	Films
40	3.1	(Heading)	URCHASE	PURCHASE
43	4.1	2	Films Division	Films Division
51	4.16	8	it appears of	it appears, of
53	4.21	9	procedures	procedures
63	4.45	6	reflects	reflects
73	5.9	3	Rs. 33.90 lakhs	Rs. 33.90 lakhs,
		3-4	45.15 lakhs	Rs. 45.15 lakhs
75	6.1	8	(ii) There is no system of making film- wise/activity- wise	(iii) The cost of six films produced by the Defence Film Wing
77	10.10	14	disdemeanour	wisdemeanour
79	10.13	4	Rs. 15,006, 15	Rs. 15,006.15
	10.14	3	clear of fraud	clear case of fraud
27	2.31	14	mor	more
28	2.32	10	that the some	that some
		10-11	appears	appear
40	4.16	4	v film	raw film

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
142	4.43(column 1)		2	27
143	4.44	5-6	control yer	con troller
145	5.10	4	'national revenue'	'notional revenue'
147	5.13	3	Tht Committee desired that	The Committee desire that
148	6.20	3-4	4 per cent	42 per cent
152	9.4	2	establishments	establishment
154	10.13	6	amount Rs. 15,006.15	amount of. Rs. 15,006.15
155	10.15	1	stock shorts	stock shots

CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE	(iii)
INTRODUCTION	(v)
REPORT :	
CHAPTER I Introductory	1
CHAPTER II Production Planning	2
CHAPTER III Purchase of a Ready-made Film	40
CHAPTER IV Raw stock of films	43
CHAPTER V Working Results	70
CHAPTER VI Costing System and Cost Control	75
CHAPTER VII Idle Time	85
CHAPTER VIII Non-utilisation of equipment	87
CHAPTER IX Internal Audit	90
CHAPTER X Losses by fraud/misappropriation	92
APPENDICES :	
I. List of socially-significant Films	100
II. List of films dubbed in Indian languages other than those mentioned in the Eighth Schedule	102
III. Statement showing reasons for abandonment of 16 films	105
IV. List of films which have lost their topicality	108
V. Statement showing the Laboratories and the processing charges paid to them	111
VI. Proforma Accounts for 1971-72	113
VII. Statement showing cost of production of films	117
VIII. Summary of main conclusions/recommendations	125

*PART II

Minutes of the sittings of the Committee held on 28-9-1974 and 28-8-1975.

*Not printed (one cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

PUBLIC ACCOUNTS COMMITTEE

(1975-76)

CHAIRMAN

Shri H. N. Mukerjee

MEMBERS

2. Shri T. Balakrishniah
3. Shri Chandulal Chandrakar
4. Shri Chandrika Prasad
5. Shri Darbara Singh
6. Shri C. C. Gohain
7. Shri Pampan Gowda
8. Shri Raja Kulkarni
9. Shri Shyam Sunder Mohapatra
10. Shri Priya Ranjan Das Munsi
11. Shri Narendra Singh
12. Shri Noorul Huda
13. Shri Shibban Lal Saksena
14. Shri N. K. Sanghi
15. Shri Somchand Solanki
16. Shri Mohammed Usman Arif
17. Shrimati Pratibha Singh
18. Shri V. B. Raju
19. Shri Gulabrao Patil
20. Shri T. K. Srinivasan
21. Dr. K. Mathew Kurian
22. Shri Rabi Ray

SECRETARIAT

Shri H. G. Paranjape—*Chief Financial Committee Officer.*
Shri N. Sunder Rajan—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Eighty-second Report of the Public Accounts Committee (Fifth Lok Sabha) on paragraph 49 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil) relating to the Ministry of Information and Broadcasting on the Films Division.

2. The Report of the Comptroller and Auditor General of India for the year 1972-73—Union Government (Civil) was laid on the Table of the House on the 30th April, 1974. The Public Accounts Committee (1974-75) examined the paragraph relating to the Films Division at their sitting held on 28th September, 1974. The Public Accounts Committee (1975-76) considered and finalised this Report at their sitting held on the 28th August, 1975 based on the evidence taken and further information furnished by the Ministry of Information and Broadcasting. Minutes of the sitting form Part II* of the Report.

3. A statement containing the summary of the main conclusions/recommendations of the Committee is appended to the Report (Appendix VIII). For facility of reference these have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the commendable work done by the Public Accounts Committee (1974-75) in taking evidence and obtaining information for this Report.

5. The Committee place on record their appreciation of the assistance rendered to them in the examination of the Audit Report by the Comptroller and Auditor General of India.

*Not printed. (One cycl-styled copy laid on the Table of the House and five copies placed in Parliament Library).

(vi)

6. The Committee would also like to express their thanks to the officers of the Ministry of Information and Broadcasting for the co-operation extended by them in giving information to the Committee.

NEW DELHI;
September 18, 1975.

Bhadra 27, 1897 (Saka).

H. N. MUKERJEE,
Chairman,
Public Accounts Committee.

REPORT

MINISTRY OF INFORMATION AND BROADCASTING

FILMS DIVISION

CHAPTER I

INTRODUCTORY

Audit Paragraph

1.1. The main work of the Films Division is production and distribution of newsreels and documentary films. About 25 per cent of the total production of documentaries is assigned to private producers on contract. In order to encourage the documentary movement in India, the Division also buys readymade films from private producers. Two separate production units of the Division have been set up in Delhi in July, 1968 and August, 1968 to undertake production of documentary films required by the Ministry of Agriculture and Family Planning and Ministry of Defence respectively.

1.2. All cinema houses are obliged to exhibit at each performance approved newsreels and short films which are supplied by the Films Division on payment of rental. Documentary films and newsreels are also supplied free of cost and on sale basis to the Central and State Government Departments and private parties.

1.3. The working of the Films Division upto 1966-67 was reviewed in Section XVII of Audit Report (Commercial), 1968 and was discussed by the Public Accounts Committee *vide* paras 1.1. to 1.143 of their 120th Report (4th Lok Sabha—April, 1970). The action taken by Government on the Committee's recommendations has been indicated in their 48th Report (5th Lok Sabha—April, 1972). The present review covers the period from 1st April, 1967 to 31st March, 1973.

[Paragraph 49.1 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

CHAPTER II

PRODUCTION PLANNING

(i) Selection of subjects:

Audit Paragraph

2.1. (a) *Documentaries*.—The selection of subjects for production of documentary films was made upto 1966 on the basis of the suggestions received from different Ministries, Departments, State Governments, etc., and during 1967-68 to 1969-70 on the basis of the suggestions made by the Films Division. On the basis of these suggestions, the final list of subjects to be included in the production programme of documentary films for next year was drawn upto 1969-70 before the beginning of each year by the Ministry of Information and Broadcasting in consultation with the concerned Ministries of the Government of India, Planning Commission, etc. The number of subjects included in the production programme of each year was always in excess of the capacity of the Films Division which enabled the Films Division to have option to take up subjects for production of documentaries within the targets set for each year. For the years 1970-71 to 1972-73, however, no selection of subjects was undertaken but the subjects carried over numbering 139 as on 31st March, 1970 were supplemented by the Ministry of Information and Broadcasting by *ad hoc* additions made from time to time of 112 subjects in 1970-71, 141 subjects in 1971-72 and 214 subjects in 1972-73.

2.2. (b) *Newsreels*.—The Films Division has Newsreel Officers posted at different places, who collect material for the newsreels either on their own initiative or under the direction of the Films Division or on the request of the Ministries, Government Departments, State Governments and Information Officers. The selection of the material to be included in the newsreels is made at the Headquarters of the Films Division.

[Paragraphs 49.2(i) (a) and (b) of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

2.3. According to the Audit Paragraph, the selection of subjects for production of documentary films was made upto 1966 on the

basis of suggestions received from different Ministries, Departments, State Governments, etc. and during 1967-68 to 1969-70 on the basis of the suggestions made by the Films Division. The Committee desired to know the basis of selection of subjects for documentary films and the considerations on which consultations with the concerned Ministries, etc. was dispensed with in the matter of selection of subjects after 1966 and in the matter of drawing of annual production programmes after 1969-70. The Secretary, Ministry of Information and Broadcasting stated during evidence:

“... the object of the Films Division is to educate public opinion in regard to what Government is doing. For example, if the Chairman of the Board of Direct Taxes wants a film to be made on public cooperation in payment of income tax, telling them, what are their rights *vis-a-vis* the income tax officers, what are their duties *vis-a-vis* the income tax department etc. then, we make a film like that.”

As regards the consultation with the concerned Ministries, Departments, etc. before selection of subjects, the witness stated that the practice was discontinued in 1968-69 and ‘fell through by neglect’. He added that the practice had been revived.

2.4. A representative of the Ministry of Information and Broadcasting stated in this connection:

“The number of films which were pending in the production programme of the Films Division at that point of time was found to be quite large. Therefore, in the Ministry they thought that, instead of undergoing an exercise afresh every year of making a programme which ultimately may not actually get included because of pending films, it would be better if we waited so that the balance of the films were made. Of course, during that period, the Ministry kept on writing to us and whenever we felt that a particular film could not or should not wait, we did include that. So, it was essential because of our difficulties about backlog; no other policy considerations were involved.”

2.5. Since it had been stated that there had been an accumulation of pending films, the Committee asked whether every film that was included in the production programme had been so included on the basis of consultation with different Ministries or the Ministry of Information and Broadcasting had taken arbitrary decisions.

A Joint Secretary of the Ministry of Information and Broadcasting replied during evidence:

"The Films Division is the principal film-maker of the Government of India as a whole. Therefore, every Ministry, every Department, as a part of its information activity, used to suggest the area where they wanted the film support to be mobilised. The ideal thing was to consult, but it was discovered by the technicians working on the programme that there were many new topics coming year after year... all through this period, it was not, a firm procedure, but the practice of consultations continued to take place. This year we brought an innovation inasmuch as we earmarked the areas of priority."

2.6. On the question of consultations with the concerned Ministries, in a note furnished to the Committee subsequently, the Ministry of Information and Broadcasting informed the Committee as follows:

"In 1966 it was felt that the procedure for finalising the production programme of the Films Division resulted in presenting a fragmentary picture instead of a comprehensive, correlated and coherent picture. It was, therefore, felt that the Films Division should taking into consideration the priorities of the Fourth Five Year Plan and the need of the nation, prepare an overall consolidated plan for the next 2-3 years giving a balanced picture keeping in view the needs of the various sectors. The production programme for 1967-68 was prepared on this basis by the Films Division and it was later discussed with the representatives of the Ministries, Departments concerned before being finalised. This procedure was followed during the years 1968-69 and 1969-70 as well.

For finalisation of the production programmes for the years 1970-71 to 1971-72, no such meetings were held as the number of films carried over from the previous years was quite large and sufficient to keep the Films Division film production units busy. The question of reviewing procedure for finalisation of annual production programmes of the Films Division was started in 1972, but could be finalised only in 1974. A letter to the Secretaries of Ministries/Departments and others was issued on the 8th February, 1974 inviting suggestions/ideas. A meeting with representatives of the Ministries/Departments etc.

was held on the 9th May, 1974 and the production programme for the year 1974-75 was finalised on the basis of the discussions held at the meeting."

2.7. Explaining the procedure that had been introduced in this regard recently, the Secretary, Ministry of Information and Broadcasting stated during evidence:

"The new system that we have developed and that came into force from February this year is that we have a meeting of all the Ministries concerned and we invite them to tell us what films they would like to be made during the year. Naturally, the demand is far higher than our financial or man-power capacity to make them and then we make a selection depending on social and economic priorities. That gives us a final list of films to be made. We have had this meeting in this January and we have finalised a number of films to be made."

2.8. The Committee on Broadcasting and Information Media (Chanda Committee) had examined the working of the Films Division in 1966. Dealing with the problems of the Films Division in Part III of their Report on Documentary Films and Newsreels, the Committee, in paragraphs 47 and 48 of their Report, had observed as follows:

"We have heard a great deal of criticism of the organisation and working of the Films Division and we have received many worthwhile suggestions for improvement. The focal point has been the quality of the films produced. We deal first with this basic question, around which all others revolve.

The main points made were: First, the documentaries contain largely propaganda material for Government and its activities. Secondly, they do not pose faithfully the problems and needs of the country and provoke constructive thinking. Thirdly, the films are conceived poorly and executed indifferently; they bear the impress of films made in the thirties. Fourthly, they lack value and interest as those making them do not feel involved in their ideology and purpose. Fifthly, because of the imperfection of their visual treatment there is undue reliance on the commentary to explain what is being portrayed. And, sixthly, sufficient importance is not given to music

and sound and to their harmonisation with the picture itself."

2.9. The Committee desired to know how far the criticisms made about the quality of films produced by the Films Division contained in the Report of the Chanda Committee had been kept in view while selecting subjects for the production of films by the Division. The Secretary, Ministry of Information and Broadcasting stated:

"What we undertake in most of our films is the task of education and exposition of what the Government is doing; that is the *raison de' etre* of the Films Division. We are not there to do any political or party propoganda for the Government. If you see the film on the food take-over which has been made by Mr. Sukdev, you will find that, preponderantly, opinion is expressed for the food take-over. It cannot be the duty of the Films Division run by the Government to make a film which will defeat the food take-over. We made a film."

2.10. The Committee enquired into the specific steps taken by the Ministry and the Films Division, on receipt of the Report of the Chanda Committee, to see that such opinions were not justified. The Joint Secretary of the Ministry of Information and Broadcasting replied:

"This opinion was naturally based on the record of evidence of people in the business of films-making and viewers. We show great respect to any opinion expressed in a report like that. But, I would, with your permission, like to take you over the last few years and try to prove that the spirit of the recommendation has actually been translated in the films making programmes. I shall name a few landmarks. You might remember that in 1966-67 we had the Bihar drought situation. I think our Films Division in our Ministry was uniformly praised by all for the factual and truthful reporting as to what had happened. Similarly, during the war or when there was shortage and other problems, you might recall several films like 'I am Twenty' in which a cross-section of the young people expressed opinions against the established order or against various things which they think were inhibiting them and in the newsreel we have faithfully reported the problems where a free opinion had been allowed to be expressed."

2.11. Subsequently, in a note furnished to the Committee in this regard, the Ministry of Information and Broadcasting stated:

“Films Division produces films on subjects approved by the Ministry of Information and Broadcasting. Within this framework the Division has been trying to produce films which pose faithfully the problems and the needs of the country and provoke constructive thinking. With this end in view, the following steps have been taken:

- (i) A greater use is being made of creative talent available in this country in the field of writing, directing and producing films;
- (ii) The technique of depth reporting, etc., is now being used in our films on a larger scale;
- (iii) Seminars on “the role of documentary films in developing society” and ‘the role of films as a medium of education and communication in India’ were organised. Many eminent communication experts, documentary films producers and film critics participated in these seminars and the suggestions made by them are kept in view while undertaking production of films; and
- (iv) Since the Chanda Committee made its observations, the Division has produced a number of socially significant films. (A list of some such films produced by the Division since 1967, furnished to the Committee by the Ministry, is reproduced in Appendix I).”

2.12. Dealing with the selection of subjects, the Chanda Committee, in paragraph 53 of their Report, had also observed as follows:

“It is also necessary to distinguish between audiences and audiences. While there should be films for general showing, such as films relating to national integration and others questions of general importance and interest, other documentaries should be designed separately for urban and rural audiences. For example, a film on road sense and traffic problems can be of little value to rural viewers; conversely, a film on the use of fertilizers would be of little interest to urban audiences.”

The Estimates Committee (1973-74), in their 59th Report (Fifth Lok Sabha) on the Ministry of Information and Broadcasting—‘Films’, had recommended a systematic evaluation of the impact of

the films produced by the Films Division and the audience reaction thereto and had *inter alia*, observed as follows, in paragraph 1.24.1.72 of the Report.

“However, it is generally noted that the documentary films produced by the Films Division do not evoke much response from the cinema going public and many of the cinema goers avoid the documentaries by coming late to the cinema houses. While it is admitted that the documentary films cannot be as popular and entertaining as the commercial feature films, because the documentary films are related to the real facts of life, while the feature films are most of an escapist character, still there is much scope for improving the documentary films by making them more entertaining and easy to comprehend so as to make them attractive for the cinema goers. The Committee need hardly emphasise that the success of the documentary films and their impact on the people will be ultimately judged by the fact that they are able to attract and sustain the attention of the cinema-goers and are actually seen by them. The Committee, therefore, recommend that suitable steps should be taken by the Films Division to make documentary films more audience-oriented and attractive for the cinema-goers.

The Committee note that the Films Division have no machinery to assess the impact of the films produced by the Films Division on the common people with the result that the popularity or otherwise of the documentary films and their educative value cannot be assessed. In view of the fact that Films Division is producing films for other Ministries also like films on Family Planning, Agriculture, etc., and large sums of money are being spent for the production of these films, it is necessary that there should be suitable arrangements to assess whether these films are serving the purpose for which they are intended. The Committee recommend that a suitable machinery should be evolved by the Ministry of Information and Broadcasting to conduct a survey of the impact of the films and newsreel produced by the Films Division on the people. The proposed machinery should be set up in the Machinery of Information and Broadcasting and should develop a system of feedback to the Films Division, so that improvements may be made in the films of the Films Division in the light of the studies made. The Committee feel that this system of feedback

is all the more necessary when the Films Division is going to farm out increasing number of films to outside producers."

2.13. In the light of these observations and recommendations, the Committee desired to know the steps taken or envisaged to make the films produced by the Division more attractive and audience-oriented. The Secretary, Ministry of Information and Broadcasting stated during evidence:

"You are quite right. This is where professional success or professional failure lies. If a film is not able to attract the audience, then that film is either a failure or a partial failure. But, if a film is very popular then we get various kinds of feedback about what the impact of that film is. One is of course the film critics. They are writing in the papers all the time when a final documentary is released. This is how we get the kind of feedback about what the reaction of informed people is about the quality of films we have made. Recently, we have gone further and we have just started a survey in all the cinemas in Jullundur for finding out what is the reaction of the audience to our documentaries.

This is a compulsory cinema circuit in the sense that when a film feature is shown, a documentary film is also shown along with it. But, then, we have tried to find out how many people go after the documentaries have been shown and the feature film is started."

2.14. The Committee drew the attention of the Secretary, Ministry of Information and Broadcasting to a recent documentary on the use of proteins in childhood and observed that the film had failed to create the desired impact on the audience. The Secretary, Ministry of Information and Broadcasting stated in this connection:

"A didactic film will not be so interesting as an entertaining film. This is a natural limitation it has. Protein is certainly not a very interesting subject, but even so it is a professional challenge. If it was boring, then it is a professional failure. No one has the right to bore anybody else. Teaching is an art and even when one is teaching, one has got to be interesting in the class. If this film about protein is not interesting, then we have failed."

When the Committee pointed out that if the documentaries were neither educative nor entertaining to the audience and the audience

liked to miss them and see only the feature films, the money spent on the documentaries would be wasted, the witness replied:

“May I say that we are not ourselves assuming that we are perfect, that we are entertaining. For the first time, during this Plan the Planning Commission has given us some money. We are interested in a popular feedback of whatever we are doing in the area of mass communication. I talked about the Jullundur survey. We have worked out a scientific questionnaire. Our people are going round asking all cinema audiences: what did you think of this documentary? Can you recall it after having seen it a week ago or three days ago? Did the message come across to you? These are the things we are doing. We have just done a survey.”

2.15. Since the Estimates Committee had commented upon the absence of a machinery in the Films Division to assess the impact of the films, the Committee desired to know how the popularity or otherwise of the documentaries and their educative value could be assessed. The Secretary, Ministry of Information and Broadcasting stated:

“We got this in the Fifth Plan for the first time, for making these evaluation and impact studies. We thought instead of creating equal number of posts, creating a department and bureaucracy proliferating, we could get at some large number of agencies which could study its impact on various areas. For example in UP there is a study of ORG of Ahmedabad which is going to do study of documentaries of Song & Drama Division, of plan publicity, agricultural programmes, and Family Planning Programmes of AIR etc.”

He added:

“It is a fact that the Films Division has no such machinery and if I have a choice, I would not create such a machinery within the Films Division. I want the impact and evaluation study to be quite independent of the Films Division. If it is a part of the Films Division, probably there will be a tendency on the part of evaluators to say that everything is very fine. I quite agree and I am very enthusiastic about setting up an evaluation cell, but I would not create it within the Films Division.”

2.16. The Committee asked whether by this statement, the Government meant that there should be no evaluation machinery. The witness replied:

"I am in favour of an evaluation machinery, but what I want is that it must be independent of these media. We have made some beginning in this respect. We have taken a top man for impact and evaluation study in the Indian Institute of Mass Communication, which is an autonomous body. We want him to be a visiting professor at the Institute. We want him to build up an evaluation and impact team in the Indian Institute of Mass Communication which can be used for evaluation of all media of I & B Ministry. We want documentaries also to be evaluated from time to time. I am not very proud of what is being done now. But if you go through it, you will know, what kind of scientific precision is required for such a study."

2.17. Subsequently, the Ministry of Information and Broadcasting furnished to the Committee two notes outlining the steps taken to evaluate audience reaction in the light of recommendations of the Chanda Committee and the Estimates Committee. These are reproduced below:

"Until recently, the Ministry of Information & Broadcasting and its Media Units had no worthwhile evaluation agency to assess the reach, cost and impact of the programmes put out by the Media Units with the exception of the Audience Research Wing of All India Radio. A Directorate of Evaluation has been set up this year (1974) under the 5th Plan to undertake evaluation studies of all the media, through professional agencies already existing in the country including the Indian Institute of Mass Communication.

Under the auspices of the Directorate, a study to assess the impact and viewing of films including documentaries/newsreels in one city, Jullundur, has already been undertaken. The first and second phases of the study, viz., preparation of data and field operations have been completed. The third phase of the study, viz., tabulation of statistics obtained, is expected to be completed shortly. After the findings of this study become available, action will be taken to see how best these could be utilised for improvements in the production of documentaries.

It is also proposed to undertake a study on the impact of the various media including films produced by the Films Division in the rural areas of U.P. The study is to begin shortly.

In addition to the above studies, the following studies regarding films are under consideration:

- (i) Study of films for agricultural innovation in rural India,
- (ii) Project to evaluate audience reactions at Poona to documentaries and newsreels produced by the Films Division.
- (iii) Project proposal for an evaluation of documentary films at several centres throughout the country.

The recommendation of the Chanda Committee that there is need for proper evaluation for the films produced by the Films Division in terms of audience reaction was accepted in principle by the Government. However, it was felt that a systematic evaluation cannot be made through random questioning of viewers and that only a scientific survey would yield real results. Accordingly, a sample survey on a few selected films was assigned to the Indian Institute of Mass Communication. The survey included the following films:

- (i) All God's Children
- (ii) My Wise Daddy
- (iii) Dreams of Maujiram
- (iv) Cloven Horizon
- (v) Paddy High Yielding Variety

The final report of the Indian Mass Communication was received by the Films Division by the end of September, 1969. One more film 'Actual Experience' was also field-tested in July by the Indian Institute of Mass Communication and the Institute's report was received by the Films Division.

The Films Division had also suggested for inclusion in the Fourth Five Year Plan the creation of an Audience Reaction Research Section in the Films Division, but the proposal was not approved by the Government.

In May 1970, the Directorate of Field Publicity undertook the pre-testing of the Films "Umbrella" and "Danger-Signal". In consequence some changes were made in the film "Umbrella".

However, the above measures can only be treated as *ad hoc* measures and cannot be a substitute for a well organised and scientific evaluation of the Films Division's films and their impact. A systematic evaluation study is possible only if proper machinery for the purpose is available. With this end in view, a proposal was made by the Films Division for inclusion of a scheme for creation of an Evaluation Cell in the Films Division in the 5th Five Year Plan. Consequently the Government has set up an Evaluation Directorate in the Ministry to evaluate the impact of the products of all the Media Units."

In this connection, the Committee were informed by Audit on the 5th August, 1975 that the report on the study of field operations undertaken at Jullundur was awaited from the Audience Research Officer, All India Radio.

2.18. In a memorandum submitted to the Estimates Committee (1973-74), a leading organisation of films producers in the country had, *inter alia*, stated as follows:

"Despite the advantage of a virtual monopoly enjoyed by the Films Division, it cannot be said that the quality and standard of its films has reached the expected levels. Perhaps the monopoly enjoyed by it may itself be one reason for its failure to raise this medium to a high standard."

2.19. When the Committee drew attention to this criticism, the Secretary, Ministry of Information and Broadcasting stated:

"There can be a rare unanimity about the quality of a picture. I would like to submit one thing. In every international film festival, to which we sent our documentary films, we have won a number of prizes. We have won 600 international prizes."

2.20. The Committee desired to know whether the prizes won by Films Division documentaries in international competitions were for the excellence of performance or because of the availability of a virgin field and the peculiar Indian heritage which generally attracts foreigners. The witness stated:

"Even at the cost of being immodest I would say that our documentary films compare favourably in their technical excellence with the best films in the world."

He added:

"I would make no absolute claim for the quality of our excellence in international terms. This only shows that we are not doing badly in international terms because we have won international recognition. What you say is also correct. Here is a picturesque land of great diversities, which is our asset. If a documentary is very charming and startling, probably the defects of film-making are a little clouded. But, then, there is a panel of judges to view it. Further, we are not the only people who have got virgin land. There are still virginal lands like Bali which are more picturesque."

2.21. The Committee asked whether, out of the documentaries produced every year by the Films Division, at least 10 to 20 films could be considered attractive to the audience. The Secretary, Ministry of Information and Broadcasting replied:

"I would say more. But the proof of the pudding is in the eating. You kindly see some of our films."

2.22. According to the Audit Paragraph, the Ministry of Information and Broadcasting made *ad hoc* additions to subjects from time to time and such additions were 112 in 1970-71, 141 in 1971-72 and 214 in 1972-73. The Committee were also informed by Audit that the number of subjects added by the Ministry on *ad hoc* basis during 1973-74 was 128. The Committee desired to know the reasons for such *ad hoc* additions of subjects not initially included in the production programme. The Chief Producer of the Films Division stated during evidence:

"Suggestions come from various quarters to meet special situations. For example, you may have a drought situation in a particular year or a war in a particular year."

The Committee pointed out that such *ad hoc* additions had been continuing for three years and asked whether the war and drought had been responsible for these additions in all the years. The witness replied:

"That was only one of the factors. The actual position is that demand for films from various Ministries is far more than

the capacity of the Films Division and the resources of the Films Division, with the result that the demands keep on coming. In a particular year we may receive twenty suggestions; so a selection has to be made for making films on the subject."

The Secretary, Ministry of Information & Broadcasting stated in this connection:

"...there are a number of situations which we have to tackle quite unexpectedly. For example, a few days ago I received a letter from Mr.saying that there is a master of an old dance form in Kerala who is 70 years old and if we do not make a film on this dance form and the master dies, some part of our artistic history may perish with him."

2.23. The Committee asked whether such contingencies could account for such a large number of *ad hoc* additions. The Secretary, Ministry of Information and Broadcasting replied:

"If one splits this in terms of themes, I can give you many examples. We have been very keen that our past must be preserved. Taking the case of Scientist Bose, for instance, we were in a hurry to make a film about him but by the time we made three-fourths of the film he died. You may call it arbitrary, but one has to take certain decisions. We have to use our professional judgment. The Controller of the Films Division is an old professional person and he makes certain judgments himself and we make certain judgments. The only thing is that we have to take care that our judgments are not stupid."

2.24. Referring to the Newsreels produced by the Films Division, the Committee pointed out that the newsreels concentrate more on political events and the VIPs featuring in them. The Secretary, Ministry of Information and Broadcasting stated that the Films Division tries to maintain editorial objectivity. According to the Audit paragraph, the Newsreel Officers collect materials for the newsreels either on their own initiative or under the direction of the Films Division or on the request of the Ministries, Government Departments, State Governments and Information Officers. The Committee asked whether any specific directions were given to the Newsreel Officers that they must be dispassionate and objective in collecting material for the newsreels. The Secretary, Ministry of Information and Broadcasting stated:

"There is a directive to them to be objective, to be impartial and to have news sense. A newsreel is not different from a newspaper; the editor of the newsreel is expected to have a news sense. He cannot make directives every day. For instance, take the smuggling cases. We want to get there when a smuggler is caught. We want to see his treasures or booty laid out before our camera. Now sometimes we cannot get there because the police operations are carried on with a certain secrecy, and that would be violated, but on this kind of things we give instructions. We have never said to them to only cover the ministers, but ministers are news, whether they are Central ministers or State ministers. Suppose they are inaugurating a cattle fair, then they got covered; because we want to cover the cattle fair we cover the minister."

2.25. Pointing out that the emphasis of the newsreels and newspapers had been misplaced more on statements by Ministers, etc. instead of on hard news, the Committee asked whether there were any specific guidelines in this regard. The Secretary, Ministry of Information and Broadcasting replied:

"What our Minister has said and what we have said at various times is that when you are covering an occasion, you should get your camera focussed on the people. "Look at the audience and look at what is happening." I have had occasions to criticise various coverages in this respect. For instance, take the occasion when a Minister inaugurates a bridge or lays the foundation-stone of a bridge. There, I have said to my people, "Here you have gone and you have shown the Minister making his speech with a lot of people sitting there. You should have shown the span of the bridge or if the bridge does not exist the span of the unbridged river." There is a certain psychology which we have to get over professionally also, in the sense that there is not also a concentration on the VIP but a concentration on the event on the national scene."

2.26. The Ministry of Information and Broadcasting subsequently furnished to the Committee a note in this regard, which is reproduced below:

"There are no rigid directives and codes regarding the editorial policy of the Indian News Review. However, the

following directives are the guiding principles in this matter:

1. The purpose of the Indian News Review is to present a pictorial review of the Current events in a factual and objective manner without bias or prejudice.
2. The totality of the newsreel, over a period of time, should be in sympathy with the main stream of national life and national aspirations.
3. The newsreels should avoid featuring events or presenting them in a way that may—
 - (a) embarrass relations of the Government of India with foreign countries;
 - (b) go contrary to accepted policies of Government such as the secular nature of Government or prohibition; or
 - (c) encourage linguistic or regional fanaticism or untouchability; or
 - (d) create discord, ill-feeling, hatred or enmity between different classes of the population; or
 - (e) promote disorder or violence or breach of law or disturbance to public tranquility.
4. The activities of recognised political parties may be covered objectively. The newsreel should not become a vehicle for propaganda.
5. Meetings and ceremonial functions are 'poor copy' for newsreels and should be avoided. Emphasis should be more on events, than on individual personalities.
6. Items like demonstrations and agitations have news value and may, therefore, be included in the newsreel, whenever necessary. They should be presented in a cool objective manner with a restrained commentary.
7. The Controller, Films Division, will be the final authority to decide the contents of the Indian News Review. He will however, consult the Ministry whenever he is in doubt."

2.27. The Committee desired to know the number of films in which VIPs and Government Officers had appeared, during the period from

January 1971 to June 1974. In a note, the Ministry of Information and Broadcasting stated:

"During the period January, 1971 to June, 1974 the Films Division had produced 429 documentaries and 380 newsreels. Of these, 145 documentaries and 102 newsreels showed senior Government Officials and Government VIPs.

In this connection it is relevant to mention that not all the films which show VIPs highlight the VIPs. In many cases their appearance is only incidental. In some cases (e.g. in films on visits of Dignitaries) such appearances are unavoidable."

2.28. The Committee note that the selection of subjects for production of documentary films was made up to 1966 on the basis of suggestions received from different Ministries, Departments, State Governments, etc. and during 1967-68 to 1969-70 on the basis of an over-all two-to-three-year plan made by the Films Division. The practice of consultations with the concerned Ministries, Departments etc. is stated to have been discontinued in the years 1970-71 and 1971-72 as the number of films carried over from the previous years was sufficient to keep the production units of the Films Division busy. The Committee, however, observe that the subjects carried over numbering 139 as on 31st March 1970 were supplemented by the Ministry of Information and Broadcasting by ad hoc additions made from time to time of 112 subjects in 1970-71, 141 subjects in 1971-72, 214 subjects in 1972-73 and 128 subjects in 1973-74. While the Committee concede that it may be necessary to make an ad hoc selection of subjects to meet unexpected special situations, they are of the view that ad hoc selections, being by their very nature exceptional, should not be as numerous as they have been.

2.29. Since the prime objective of the Films Division is to educate public opinion in regard to the activities of Government and the concerned Ministries and Departments would therefore be the better judges of the areas in which film support is to be mobilised, the Committee feel that it would be a better arrangement if the annual production programme of the Films Division is prepared after extensive mutual consultations rather than merely relying on the sole judgment of the Ministry of Information and Broadcasting. Consultations would assist the process of earmarking the areas of priority and presenting a more comprehensive picture of national requirements. The Committee have been informed that consulta-

tion with the Ministries have now been revived and are of the opinion that this is a healthy practice which should be put on a firm and regular basis.

2.30. In the matter of selection of subjects for documentaries, the Committee feel that there is greater scope for care and discrimination. A common complaint against the documentaries produced by the Films Division, as has been pointed out by the Committee on Broadcasting & Information Media, is that they confine themselves largely to publicising the activities of Government. No doubt, the main raison d'être of the Films Division is to focus before the people the objectives, the activities and achievements of the State. The Committee, however, are of the view that positive results can only ensue from technically competent, aesthetically satisfying, thematically non-partisan and patriotically evocative work. The constant aim of the Films Division should be to make sure that socio-economic subjects beneficent to the country are adequately surveyed and fundamental problems faced by the masses of our people are projected in a thoughtful, constructive and yet attractive manner. The Committee feel that the Films Division requires a more disciplined and sensitive and mass-oriented approach than at present.

2.31. The same observation would apply to the newsreels produced by the Films Division. In the opinion of the Committee, the emphasis of the newsreels appears often to be misplaced being more on personalities and events of limited importance rather than on what is 'hard' news. In the absence of editorial finesse and objectivity, the newsreels are frequently little more than a dull chronicle of arrivals and departures of dignitaries, inauguration ceremonies, etc. To those with a predilection for statistics, it would be of interests to learn that 102 of the 380 newsreels produced from January 1971 to June 1974 featured VIPs and senior Government officials. It has been conceded by the Ministry of Information and Broadcasting that meetings and ceremonial functions are 'poor copy' for newsreels and should be avoided. A guiding principle is also said to have been enunciated that the emphasis of the newsreels should be more on events than on individuals. However, the over-emphasis of the newsreels on personalities rather than on 'happenings' lead the Committee to the conclusion that the Newsreel Officers of the Films Division suffer from a kind of routine complex which, understandably, perhaps, they find difficult to overcome. In the result, unhappily, most of the newsreels fail to hold the attention of the audience.

2.32. The quality of the films produced by the Films Division merits special attention. Much has already been said on this subject both by the Committee on Broadcasting & Information Media and the Estimates Committee (1973-74). The Secretary, Ministry of Information & Broadcasting, told the Committee during evidence that documentaries produced by the Films Division compare favourably in their technical excellence with the best films in the world and have won repeated international recognition. While this is, of course, a matter of pleasure, the Committee have regretfully to point out that some documentaries produced by the Films Division appears from all accounts to lack subtlety, imagination and audience-appeal. Particular care should be taken over, for example, films on Family Planning whose message has imperatively to reach the masses. The general impression seems, however, to be that such films are made mechanically and with a peculiar naivete that provokes the wrong kind of reaction from the audience. The Committee stress that Films Division production, apart from technical competence which is a must, should also make sure of the impact on the audience whose interest has to be sustained and the desired responses secured.

2.33. In the opinion of the Committee, the malady of the films produced by the Films Division appears to be basically a lack of realisation, on the part of the producers, of what would hold the attention of the audience. Unfortunately, a wide communication gap appears to exist at present between the conception of an idea by the Films Division and its transmission in celluloid. Even a didactic film can be made visually effective and exciting, but instead of it, excessive reliance is often put on the spoken word to communicate the message. The very fact that many cinema-goers prefer to come late to the theatre so as to avoid the documentary films would indicate that there is something vitally lacking in these films and that there is ample scope for improvement. The Committee consider it essential that greater stress should be laid on the quality of films produced by the Films Division.

2.34. In this context, the need for a systematic evaluation of the impact of the films produced by the Films Division and the audience reaction thereto assumes special significance. The Committee are concerned to note that even though the Committee on Broadcasting & Information Media had pointed out the need, as early as 1966, to distinguish between different kinds of audiences and recommended that while there should be films for general showing, such as films relating to national integration and other questions of general public importance and interest, other documentaries should be

designed separately for urban and rural audiences, very little appears to have been done in this regard so far. Whatever measures that have been taken so far to evaluate audience reaction can, as admitted in evidence, be treated only as ad hoc measures and cannot be a substitute for a well-organised and scientific evaluation of the films produced by the Films Division. The Committee have been informed that an Evaluation Directorate has been set up in the Ministry, in the Fifth Plan, to assess the impact of the products of all the Media Units. The Committee desire that this evaluation should be done on scientific principles by truly sensitive and professionally competent people and there should be meaningful feedback of the information to those who decide the theme and contents of films to be produced at public expense. The Committee await with interest the work of this evaluation machinery which will be judged by results. The Committee wish to stress the high significance of that work. It is no less than that of bringing about in Films Division productions such changes, in thematic character and technical quality, as would communicate convincingly to the masses of our people an inspiring summons to build a new India and would at the same time satisfy the artistic criteria of good film making.

Production of Films in other languages

2.35. The Committee desire to know whether the original documentaries were produced only in English. The Secretary, Ministry of Information & Broadcasting stated in evidence that they were produced either in English or in Hindi, and that they were subsequently dubbed in all the fifteen languages of India.

2.36. When the Committee observed that there were no films in Dogri, a language commonly spoken in Himachal Pradesh and Jammu & Kashmir, the Secretary, Ministry of Information and Broadcasting stated that Dogri was not included in the Constitution. The Committee pointed out in this connection that since films were concerned with the people, merely confining oneself to the languages included in the Constitution would not suffice and that the films should reach people of all languages. The Secretary, Ministry of Information and Broadcasting replied:

“It is a question of resources. If we had resources, for example, I would like the films to be dubbed in my dialect, avadhi. When you have limited resources, the next best thing is to see that at least all the languages mentioned in the Constitution of India are not neglected. But I

quite agree with you that we must cover a number of rural dialects. Perhaps one day we will."

237. The Committee desired to know the policy of the Films Division in regard to the six other languages which were not recognised by the Constitution in the sense that they had not been included in the Eighth Schedule but which had been recognised by the Sahitya Academy and the approach of the Division to bring out films and newsreels in these languages. The Secretary, Ministry of Information and Broadcasting stated:

"We do not in principle shut out any language, and tomorrow, if there is a situation, say, a flood in some area of north-east India, for example, even if that language is not included in the Constitution of India, we would try to make a film in that language if that film can help the situation there."

When asked to cite instances of this nature the Chief Producer, Films Division replied:

"Konkani, Khasi, Ladakhi, etc. These are done from time to time depending on the demand. But generally we do only in the languages included in the Eighth Schedule to the Constitution."

The Secretary, Ministry of Information and Broadcasting stated in this context:

"As far as we are concerned, we are open to all suggestions. We ourselves very acutely feel the need for taking our film to the people in frontier areas. We have covered Ladakh. There is the problem of national integration of people in the plains with the people in the hills. You mentioned Pahari. There are a number of others. If our resources permit it we would do all that. Unfortunately, we have limitation on our resources. The Hindi film, even if it is a little imperfectly understood has a unifying role to play in spite of its other shortcomings. We should continue to use the Hindi documentary as much as possible because, it has a certain unifying role to play in the country. Simultaneously, as our resources permit, we should go into tribal languages, rural languages, other dialects, whatever we can. You know what the resources position of the country is. If you feel personally that

there is great need in some area, kindly let us know and we shall consider it."

2.38. The Committee called for the particulars of documentaries and newsreels produced in languages other than those mentioned in the Eighth Schedule to the Constitution of India. A list of such films dubbed in languages not included in the Eighth Schedule furnished by the Ministry to the Committee is reproduced in Appendix II.

2.39. The Committee observe that at present documentaries are produced by the Films Division either in Hindi or in English and subsequently dubbed in all the fifteen languages included in the Eighth Scheduled to the Constitution of India. Since the documentaries focus attention on important aspects of the country's life with a view to bringing about enlightened participation in the affairs of the nation and an objective appreciation of the national scene, and since in a way they also represent the hopes and aspirations of the people, the Committee are of the view that it is not sufficient for the Films Division to confine itself only to the languages included in the Constitution. It must be remembered that the Films Division has an important role in acquainting our people with the plans and projects undertaken in the country for the nation's welfare and progress. In this context, the Films Division should make an earnest attempt to ensure that its documentaries reach people everywhere, and specially in the comparatively retarded regions. Though some attempt has been made to dub a few films in Konkani, Khasi, Ladakhi, Nepali, Swahili, etc. the Committee are convinced that much more requires to be done in this regard.

2.40. The Committee have been informed that the production of films in a larger number of regional dialects, tribal languages, etc. has not been possible mainly because of the financial constraints of the Films Division. Nevertheless, the Committee feel that it should be possible for the Films Division to ensure, within the available resources, a larger investment in films in the languages and dialects of hilly, backward and frontier areas of the country, so that the people of these areas have a sense of involvement with the rest of India and do not feel neglected or ignored. Special efforts should be made to help them.

(ii) Targets and achievements.

Audit Paragraph

2.41. The annual quota of documentary films to be produced by each Director was reduced from 4 to 3 films in April, 1966. With

the reduction the capacity of the Films Division was fixed at 90 documentary films (inclusive of 24 documentaries through out-side producers) and 52 newreels per year from the year 1966-67. In addition, regional editions of newsreels were introduced from January, 1970 onwards. The targets and achievements of films production during the years 1967-68 to 1972-73 are tabulated below:

	1967-68		1968-69		1969-70		1970-71		1971-72		1972-73	
	T	A	T	A	T	A	T	A	T	A	T	A
I. Documentaries produced by Films Division	66	62	66	69	64	68	59	66	62	79	62	94*
Outside Producers	24	23	24	25	24	19	24	19	24	23	24	18
Defence Films Wing	—	—	—	—	—	—	4	4	9	11	9	8
TOTAL	90	85	90	94	88	87	87	89	95	113	95	120
II. Newsreels.												
National	52	52	52	52	52	52	52	52	53	53	52	51
Special	—	5	—	3	—	10	—	—	—	19	—	6
Regional	—	—	—	—	9	9	52	49	53	43	52	53
TOTAL	52	57	52	55	61	71	104	101	106	115	104	110
T : Target	A : Achievement.											

*Including 7 experimental films and 1 shorter version.

2.42. (a) The documentaries produced by the Films Division shown above include (i) compilation films on the visits of dignitaries, (ii) record films, produced specifically for archival or presentation purposes, and (iii) special newsreels issued as documentaries, as detailed below:

	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
(i) Compilation films on the visits of dignitaries.	10	6	9	6	3	9
(ii) Other Records films	2	6	4	5	6	4
(iii) Special Newsreels	1	..	..	7	..	..
	13	12	13	18	9	13

The record films produced have been classified as documentaries by the Films Division on the ground that their production requires pre-planning and regular shooting by film units. But the reasons for showing the Compilation Films (which are compiled from the stock shots available in the film library) and the special newsreels as documentaries produced, have not been stated.

2.43. (b) The short-fall in production of documentaries by outside producers during 1969-70, 1970-71 and 1972-73 has been attributed to (i) delays on the part of the sponsoring Ministries in furnishing the requisite line of approach, background material etc. and delay in conveying approval at various stages of production and (ii) non-availability of sufficient funds in the budgets of the Films Division.

[Paragraph 49.2(ii) of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

2.44. The Committee were informed by Audit as follows:

"It has now been intimated that although the capacity of the Division for the production of documentaries was fixed at 90 documentary films (inclusive of 24 documentaries through outside producers) per year from 1966-67, with the setting up of two separate production units at Delhi during the year 1968 and sanction of additional posts of Directors/Dy. Directors in 1969-70, 1971-72, 1972-73 and 1973-74, the overall annual capacity of the Division for the production of documentary films increased to 99 films, 111 films, 117 films and 125 films respectively.

2.45. The revised position of targets and achievements of documentary films as now intimated is tabulated below:

	1967-68		1968-69		1969-70		1970-71		1971-72		1972-73		1973-74	
	T	A	T	A	T	A	T	A	T	A	T	A	T	A
Documentaries produced by Films Division (including two production units at Delhi)	57	62	61	69	64	68	63	70	71	90	71	102	77	94
Out-side producers	24	23	24	25	24	19	24	19	24	23	24	18	24	32
TOTAL	81	85	85	94	88	87	87	89	95	113	95	120	101	126

*Including 7 experimental films and 1 shorter version.

2.46. The targets and achievements in respect of Newsreels during 1974 were as follows :—

	<i>Target</i>	<i>Achievements</i>
National	52	52
Special	—	1
Regional	52	42
	—	—
TOTAL	104	95
	—	—

Short-fall in production of regional news-reels has been attributed to acute shortage of raw stock during the period November 1973 to January 1974."

2.47. The Committee desired to know the break-up of the documentaries produced during 1973-74. In a note, the Ministry of Information and Broadcasting stated:

"The break-up of the documentary films produced by Films Division during the year 1973-74 is as under:

(1) Documentary films	126
(2) Compilation on the visit of Dignitaries	6
(3) Other record films	2
(4) Special Newsreels	6
TOTAL	140 ^a

The Committee were informed by Audit on 27th August, 1975 that the figure of '140' includes one experimental film and also I.T.T.V. films, which are equivalent to four documentaries.

2.48. The Committee found that the targets of production were invariably less than over-all capacity of the Films Division whereas the actual production of documentaries exceeded the over-all capacity of the Division in some years and desired to know the reasons for fixing targets below the capacity while the actual production exceeded the capacity. The Chief Producer, Films Division, stated in evidence:

"Targets are fixed on the basis of the norms laid down. The only thing is that we tried to achieve the maximum we could with the available staff. It also depends on the

nature of the subjects taken up for production during a particular year. For example in 1971-72 which was the year of the Bangladesh war we produced a large number of films which were needed for that particular situation. We made an honest effort and utilised our resources to the best possible advantage and thereby we succeeded in making a few more films. That actually goes to our credit."

2.49. Subsequently, in a note furnished to the Committee in this regard, the Ministry of Information and Broadcasting stated:

"The target of production of documentaries by the Films Division for any given year is arrived at on the basis of (a) the actual number of Directors, Deputy Directors and Director-Cameramen in position (at 3 films per Director); (b) the capacity of the Cartoon Film Unit (4 films); (c) the number of films to be produced through non-Directorial technical staff of the Films Division (5 films); (d) availability of funds for production of films through outside Producers; and (e) the number of films produced through Ad-hoc Directors on fee basis in order to make up for the short fall in production on account of directorial vacancies.

In view of the above, it is not correct to say that the targets are fixed below the capacity of the Films Division.

The target of production or the capacity of the Films Division is determined by the man-power and financial resources of the Division. The number of films arrived at as the target of production for any given year is not necessarily the minimum that must be produced by the Films Division nor the maximum that can be produced. It only indicates a reasonable level of production in given circumstances. The capacity of the Films Division for production of short films is far below the requirements of the country. It has, therefore, been the Division's endeavour not only to meet the target of production but also to exceed the target whenever possible without sacrificing quality and without exceeding the budget allocation. Besides, during the period of emergency like war, etc. when a larger number of films are required to be produced within the shortest possible time, the Division has to rise to the occasion."

2.50. While the achievements were more than the targets in certain cases, the achievements in respect of Regional Newsreels during 1972-73 were only 43 films as against the target of 53 films and the Committee desired to know the reasons therefor. The Chief Producer, Films Division stated:

“The reason was the shortage of raw stock available during that period. We discontinued production of films for a few weeks till the position of raw stock improved.”

2.51. The Committee asked whether the documentaries of the Films Division were produced only by staff of the Division or whether the services of private producers were also hired. The Secretary, Ministry of Information and Broadcasting stated in evidence:

“We make films both with our own staff and with the help of outside producers. In recent years we have been pushing for a higher and higher number of films to be made by outside talent, not so much because of the economics of it but because we want to harness the best talent in the country in the business of film-making. We do not want any documentary-maker to be kept out of this just because he is not a government servant.”

2.52. The Committee desired to know how the price of the films produced through private producers was fixed. The witness stated:

“We negotiate in each case. We have a cost accounts officer who has a set of standards for various types of films. Speaking from memory, for black and white we have paid as little as Rs. 20,000 or as high as Rs. 50,000. It depends upon the nature of the film. Some films have to be shot over two or three years or will have a number of locations, while another film will have only a single location. Then, cartoon films or animation films cost much more than live action films.”

2.53. The Committee desired to know the types of films that were not assigned to outside producers and were reserved for the Films Division units and the criteria for determining whether a film on a subject other than those reserved for the Division's units should be made by outside producers or departmentally. In a note furnished

to the Committee, the Ministry of Information and Broadcasting stated:

“There are no rigid guide-lines specifying the types of films that are not to be assigned to outside producers. However, the following types of films are not generally assigned to outside producers:—

- (a) films on long term projects and films involving shooting spread over a long period of time;
- (b) films involving shooting under arduous or adverse conditions or involving much travel;
- (c) films involving security risk;
- (d) films which might necessitate shooting in border areas or consultations with, or approval of, foreign governments;
- (e) films requiring permits|clearances for shooting etc. from several civil and defence authorities;
- (f) films requiring facilities and materials from foreign agencies|governments; and
- (g) films required to be produced on priority;
- (h) colour films due to difficulties of raw stock-inadequate processing facilities.

These are used as general guide-lines and not as rigid rules.”

2.54. The Committee enquired into the procedure prescribed for the preparation of a panel of approved private producers and the criteria adopted for the inclusion of a private producer in the panel. In a note, the Ministry of Information and Broadcasting stated:

“For the purpose of assigning films for production on contract through outside producers, the Films Division maintains a panel of outside producers duly approved by the Government.

The Panel is reviewed and revised every year with a view to eliminating producers whose performance has not been found satisfactory and for adding new producers if considered desirable. The period of validity of the panel is normally one year. The revision of the panel is done on the recommendations of a Committee set up by the Government for the purpose. This Committee consists of Chief Producer, Additional Chief Producer and three

eminent persons from the Films Industry one each from Bombay, Calcutta and Madras.

Every new applicant for inclusion in the panel of outside producers is required to submit an application in the prescribed form. The meeting of the Panel Committee is generally held in the beginning of the year. All the new applications received during the course of the year together with any other information|data, are compiled. Wherever possible the sample work of new applicants is obtained from them. After considering the applications and viewing the sample work of the applicants, the Committee recommends additions to the Panel. The recommendations are then forwarded to the Government for its approval.

As soon as the panel for the year is approved by the Government, the new applicants are informed as to whether they have been included in the panel or not. Similarly suitable intimation is also sent to the Producer who has been deleted from the panel.

No qualifications have been formally prescribed. However, the panel committee takes into consideration the following factors while recommending an applicant's name for inclusion in the panel.

- (a) experience in short film making; and
- (b) quality of the films produced by him."

2.55. After a perusal of the general guidelines governing the allocations of films to outside producers, the Committee desired to know whether it was a fact that in order to patronise private producers, the full capacity of the Films Division was not being utilised and that films which were easier and less expensive to produce and more profitable were being given to outside producers while the other varieties were being produced by the Films Division. The Secretary, Ministry of Information & Broadcasting stated in this connection:

"You may be right. But, if we are giving benefit to outside films producers, we are not ashamed of it because we are the biggest clients of documentary makers in the country."

2.56. The Committee desired to know the number of films purchased by the Films Division from producers who produced docu-

mentary films with loans from the Film Finance Corporation. In a note, the Ministry of Information and Broadcasting stated:

“The number of films purchased by the Films Division from outside producers where the productions were financed by the Film Finance Corporation is as given below:

<i>Name of the film</i>	<i>Name of the Producer</i>
1. City of the Sea	Shri Pradeep Kumar Paul, Film Forum, Bombay.
2. Khilonewalla	Shri S. Sukhdev, Bombay.
3. Khud Jiyo Auron Ko Bhi Jeene Do	M/s. Triveni Pictures, Bombay.
4. Root of Prosperity	M/s. Rahl John Productions, Bombay.
5. Tropical Wilderness	Shri Prem Sinh Verma, C/o M/s. F Minar, Bombay.

In a addition the following films have been/are being produced by private producers on contract to the Films Division with loans from the Film Finance Corporation:

1. Gaddis	M/s. Issar Films, Bombay.
2. Sree Swathi Thirunal Maharaja	M/s. Rahl-John Productions, Bombay.
3. Amrita Sher Gill	Shri B.D. Garga, Bombay.
4. Parliament of diseases	M/s. Cine Process Room, Bombay.
5. I Help Fight over Population	M/s. Sircar Productions, Calcutta.
6. Portrait of a Humanist	M/s. B.D. Garga, Bombay.
7. Dr. Salim Ali (Under production)	Shri Prem Sinh Verma, Bombay.
8. A Winter Holiday in Kashmir (Under production)	Shri Ashok Sagar, Bombay.”

2.57. The Committee find that the targets of production of the Films Division are invariably less than the overall capacity of the Division, whereas the actual production of documentaries exceed the overall capacity in some years. For instance, as against the capacity of 111, 117 and 125 films respectively in 1971-72, 1972-73 and 1973-74, the targets fixed during these years were respectively 95, 95 and 101 films. The actual achievements were, however, 113, 120 and 126 films respectively. It would, therefore, appear that the existing norms of production are loose and unrealistic. The Committee desire that the norms should be reviewed on a scientific basis and refixed so that the widening gap between capacity and targets and between targets and achievements is substantially reduced

so as to reflect more correctly the actual utilisation of the manpower resources of the Films Division.

2.58. The Committee observe from the Audit paragraph that the Films Division has not explained the rationale for showing the Compilation Films and the special newsreels as documentaries produced. Since compilation films are compiled from the stock shots available in the film library, the Committee would like to know the reasons for classifying such films as documentaries.

2.59. The Committee note that, on an average, the production of about 20 to 25 films are entrusted every year to outside producers from the approved panel maintained in the Films Division. The Committee have been informed that there are no rigid rules specifying the types of films that are not to be assigned to outside producers, though certain general guidelines have been laid down in this regard. From a perusal of these general guidelines, the Committee are led to the conclusion that films which are easier and less expensive to produce are farmed out to outside producers, while more difficult films, involving shooting under arduous or adverse conditions or involving must travel are retained by the Films Division. Later on in this Report, the Committee have commented upon the steady increase in the percentage of what are termed 'general hours' to 'purchase hours'. The Committee confess to being intrigued by a statement during evidence by the Secretary, Ministry of Information & Broadcasting, that the Films Division was not "ashamed" of offering benefits to outside film producers because it was the 'biggest client' of documentary makers in the country, Subjective reactions of that sort do not seem very relevant. What the Committee wish is that the guidelines for allocation of work to outside producers should be strictly reviewed and if the Films Division looks beyond itself it must make sure that only the finest talent in the country are drawn in and work as enthusiastically for the Films Division as for themselves.

2.60. In paragraph 1.71 of their 120th Report (Fourth Lok Sabha), the Committee had, inter alia, recommended that the safeguards to be adopted to protect Government's interests in their dealings with private producers to whom part of the production is farmed out and the measures to ensure better returns should be investigated. The Committee had then been informed by the Ministry of Information & Broadcasting in the Action Taken Note that in this regard a preliminary survey of the Films Division had already been carried out by the Administrative Staff College, Hyderabad and a proposal for a detailed study of the Films Division by them was under con-

consideration. The Committee would like to be apprised of the findings of the consultants and the remedial measures adopted by the Films Division in pursuance of these findings.

(iii) Abandonment of Documentaries.

Audit Paragraph

2.61. (a) During the six years ended 31st March, 1973 the Films Division abandoned 49 subjects after inclusion in the production programme. While no expenditure was incurred on 33 subjects, expenditure of Rs. 2.02 lakhs was incurred on 16 subjects. In respect of one of these films undertaken on behalf of the Ministry of Defence, the latter has accepted a debit of Rs. 1.47 lakhs out of the total expenditure of Rs. 1.49 lakhs on that film. The Films Division stated (December, 1973) that another film abandoned after incurring an expenditure of Rs. 22787 was proposed to be again included in the production programme and that three abandoned films on which no expenditure had been incurred, have also been included in the production programme.

(b) In April 1974, the Ministry of Information and Broadcasting suggested to the Films Division that a review should be made in order to weed out some of the subjects (due to lack of topicality etc.) carried over on the production programme for over 5 years. As on 31st March, 1972, there were 184 subjects on the production programme of the Films Division. Although those included 29 subjects carried over from 1966-67 and earlier, no review as such has been undertaken so far. The Films Division has stated (December 1973) that a cell was being set up in the Ministry of Information and Broadcasting to review and finalise the production programme of the Films Division.

Paragraph 49.2 (iv) of the Report of C&AG for the year 1972-73,
Union Government (Civil)]

2.62. During the six years ended 31st March 1973, 49 subjects had been abandoned by the Films Division after inclusion in the production programme. The Committee desired to know how many subjects had been abandoned or deleted upto 31st March 1974. The Ministry of Information & Broadcasting informed the Committee that 53 films had been abandoned or deleted upto 31st March 1974.

2.63. The Committee desired to know the reasons for abandoning films included in the production programme, with particular refe-

rence to the abandonment of a film after incurring an expenditure of Rs. 22,787, pointed out in the Audit paragraph. The Chief Producer, Films Division stated during evidence:

"The film mentioned here on which we spent Rs. 22,787 is "Fauna and Flora of Kashmir". The Director who was assigned that film did some shooting and came back feeling that he could not make a good film out of it, because he did not get enough material which he thought would be of interest. The film was therefore recommended for abandonment and was abandoned.

Later on we saw some film on the same subject "Flora and Fauna of Assam". These films were quite interesting. So another producer within the Films Division said he would like to make it. So we recommended that film for re-inclusion in the production programme of the Division. After it is approved, we will take it up for production."

2.64. The Committee asked whether this film had subsequently been included in the production programme. In a note, the Ministry of Information & Broadcasting replied:

"Films Division has consulted specialists on the subject and after ascertaining their views has proposed on 8th November, 1974 to re-include this subject in the production programme of the Films Division."

2.65. According to the Audit paragraph, an expenditure of Rs. 2.02 lakhs had been incurred on 16 subjects which were abandoned. The Committee asked why these films had been abandoned. The Chief Producer, Films Division, replied during evidence:

"It has been said later in the same paragraph that Rs. 1.49 lakhs was incurred on the production of one film and a sum of Rs 1.47 lakhs was recovered. So if we exclude this amount, the balance left is Rs. 32,000 on films which had lost topicality or were for other reasons abandoned."

He added:

"A film loses its topicality. Suppose we take up a film on foodgrains takeover and the situation changes. There is no point in completing it."

2.66. One of the abandoned films had been undertaken on behalf of the Ministry of Defence. The Committee desired to know why this film had been abandoned. The Chief Producer, Films Division stated:

“This is in two parts. One part was completed. The second was abandoned because the Defence Ministry said that they did not want it any more.”

2.67. Subsequently, in a note furnished to the Committee in this regard, the Ministry of Information and Broadcasting stated:

“The film was sponsored by the Ministry of Defence and included in the production programme of the Division for 1964-65. It was to be produced as a training film in two parts. The script was prepared by the Films Division on the basis of the background material supplied by the sponsors and after consultation and discussion with Service Consultant nominated by the sponsors, the script both for Part I and Part II was revised and the revised script was duly approved. Facilities for shooting were provided by the Ministry of Defence and accordingly the Films Division took up the shooting of the film on the basis of the approved script. On completion of the shooting, the rough-cut of Parts I & II was shown to Service Consultant and was duly approved by him on 6th September, 1967. In this connection, reproduced below is the note recorded by the service consultant:

‘I have seen the rough-cut of the film and gone through the commentary text. The film and the text have my approval. The film can be finalised after the commentary text has the approval of MT-8, to whom the copy of the commentary text may be sent at the earliest’.

Sd: (Lt. Col. S. K. Srivastava)

Subsequently, as desired by the Ministry of Defence, the rough-cuts were sent to Delhi for final approval by the Ministry of Defence. Some modifications were suggested. In June, 1968, the service consultant saw the film again and it was decided that the changes suggested by the Engineer-in-Chief Branch should be carried out in order to meet the requirements of Military Training Directorate. These suggestions were conveyed to Armed Forces Film & Photo Division for final clearance by the authorities concerned and in July, 1968, the Armed Forces Film and Photo Divi-

ision conveyed to Films Division, the final approval for changes in the film. One of the suggestions finally approved by the Ministry of Defence was to cut out the part dealing with Bank Control and to shorten the film to approximately 30 minutes. This amounted to abandonment of Part II of the film as Part II was on Bank Control. The Part I was finally completed and approved by the Ministry of Defence.

In this connection it is relevant to point out that:

- (a) the shooting of the film was taken up only after the script was approved by the Service Consultant and other concerned authorities of the Ministry of Defence;
- (b) the arrangements for shooting were made by the Army authorities;
- (c) the film both Parts I and II was directed by the same Director of the Films Division.
- (d) the film both Parts I & II was at one stage approved by the Service Consultant.

The Films Division feels that the abandonment of second Part of the film came about mainly as a result of the following two factors:

- (i) the Ministry of Defence did not appoint a fairly senior Officer at least of the rank of a Brigadier as the Service Consultant;
- (ii) the magnitude of the facilities provided by the Ministry of Defence was much less than the magnitude of the part which the Army authorities were wanting to see in the film.

According to the Ministry of Defence, the 2nd Part of the film on 'Bank Control' was not accepted by Army Headquarters due to the following reasons:

"The approved script was not projected into the film satisfactorily. The staged scenes shot for the Bank Control part of the film looked very artificial. We feel that this happened because the film unit did not understand the services requirements fully. To avoid such mistakes in future it is recommended that properly equipped and staffed film

units alone should be assigned the production of Defence Services training films'."

2.68. A statement furnished by the Ministry indicating the reasons for the abandonment of the 16 films is reproduced in Appendix III.

2.69. The Committee enquired into the latest position of weeding out of subjects which had lost their topicality.* In a note, the Ministry of Information & Broadcasting replied:

"The Films Division have recommended deletion of 18 subjects from its production programme. The recommendation of the Films Division is under consideration of Government."

The Committee were informed by Audit on the 5th August, 1975 that the recommendation of the Films Division had been approved by Government in December 1974.

2.70. According to the Audit Paragraph, the Ministry of Information & Broadcasting had informed Audit that a cell was being set up in the Ministry to review and finalise the production programme of the Films Division. The Committee desired to know whether this cell had been established and the nature of work done by the cell so far. The Secretary, Ministry of Information & Broadcasting stated in evidence that a meeting had been held in May (1974) and the programme had been finalised. Another representative of the Ministry stated in this connection:

"The Cell was never set up. On points of fact we must admit that. We could have corrected that information which was given by the Comptroller to the P.A.C. in his report. That was an informal decision of the Minister that we must have a kind of a working Cell."

The Committee asked whether any cell had been established and the witness replied that no cell had come into existence. The Secretary of the Ministry stated in this connection:

"Suppose a number of officers including the Controller of Films Division and Joint Secretary in charge of films, Deputy Secretary in charge of films, sit together and call

*A list of such subjects which had lost their topicality, furnished to the Committee by the Ministry is reproduced in Appendix IV.

themselves a cell or do not call themselves a cell, it will not make very much of a difference."

2.71. The Committee asked whether the proposed cell to review and finalise the production programme of the Films Division had since been set up. In a note, the Ministry of Information & Broadcasting replied that the matter was still under consideration.

2.72. The Committee are concerned to find that one part of a training film produced on behalf of the Ministry of Defence was abandoned after incurring an expenditure of Rs. 1.49 lakhs. What surprises the Committee is that both the Films Division and the Ministry of Defence should blame each other for the abandonment of the film. The Committee would like to know if the first part of the film which was completed and found acceptable was screened extensively and with satisfactory results. They would like further to know the exact amount of expenditure that had proved infructuous over the second discarded part of the film. The Committee note that shooting of the film was taken up only after the script had been approved by the Service Consultant and other appropriate Defence authorities and that the 'rough cut' of both the parts of the film had also been approved at one stage by the Service Consultant. The Committee would like to know if the Service Consultant was at fault in this matter or if the Ministry of Defence itself had made a wrong choice for the task. Since the Ministry of Information and Broadcasting appear to argue that the default took place on account of the Defence Ministry's error in not appointing an officer with the requisite standing, the matter especially requires to be thrashed out. The Committee desire that the entire position including appointment of the consultant approval of the script and 'rough-cuts' and the final abandonment of one part of the film should be investigated and responsibility for default, if any, determined with a view to appropriate action.

2.73. Another aspect which compels the attention of the Committee is the delays that have occurred at various stages of the production of the film and its subsequent abandonment. The rough-cuts of parts I and II of the film, which had been included in the production programme of the Films Division for 1964-65, was approved by the Service Consultant only on the 6th September 1967. Again, it was in June 1968 that the Service Consultant saw the film again and decided to incorporate the modifications suggested by the E-in-C Branch. These suggestions were communicated to the Films Division by the Armed Forces Film and Photo Division in July 1968. Had there been better coordination between the relevant authorities.

perhaps the expenditure incurred on the film would have been minimised. The Committee would like the reasons for the delays that occurred at various stages to be examined and remedial measures adopted to avoid the recurrence of such instances.

2.74. The Committee observe that no concerted attempt appears to have been made for almost a decade to weed out subjects that have lost their topicality and interest. As on 31st March 1972, of the 184 subjects on the production programme of the Films Division, 29 subjects had been carried forward from 1966-67 and earlier. Only in December 1974, Government have accepted the recommendation of the Films Division for the deletion of 18 subjects from its production programme. The evidence strangely reveals some kind of play since before December 1973, with the notion of a 'cell', sometimes apparently thought useful and sometimes superfluous to review and finalise the Films Division's production programme. This, it is stated, is still under consideration. Cell or no cell, however, the responsibility of the Films Division and of the Ministry remains and it is for them to decide on dropping out-dated titles and drawing up the full programme of production for the year.

CHAPTER III

PURCHASE OF A READY-MADE FILM

Audit Paragraph

3.1. In May, 1971, the sole distributors of a short colour cartoon film produced by the Family Planning Association of India (a private body in receipt of Government grant) offered 35 mm. and 16 mm. prints of the film to the Films Division at Rs. 1,425 and Rs. 900 per print respectively. The break-up of the price of Rs. 1,425 per print of the 35mm. film, as furnished by the distributors, was Rs. 849 per print towards recoupment of the cost of production of the film (Rs. 75,000), interest, handling charges, overheads, etc. and Rs. 576 each towards the cost of making one print of the film. The distributors did not indicate the number of prints on the basis of which they had worked out Rs. 849 per print towards reimbursement of the cost of production (Rs. 75,000), interest; handling charges; overheads, etc. in the break-up of the cost. The Films Division, however, accepted the offer of the distributors and placed two orders for 194 prints and 25 prints of 35 mm. of the total value of Rs. 3.12 lakhs in September, 1971 and April, 1972 respectively. In June, 1972, the Department of Family Planning of Government of India also indicated to the Films Division that it was likely to buy nearly eight hundred fifty 16 mm. prints of this film. The exact number of prints since purchased by the Department is not known. The purchase of 219 prints by the Films Division at the rate quoted by the distributor has, however, resulted in reimbursement of a sum of Rs. 1.86 lakhs towards the cost of production, interest, handling charges, overheads, etc. Although the distributors had indicated the cost of production of the film; interest; handling charges; overheads, etc. the Films Division did not consider it necessary to negotiate a reduction in the price of the film on the basis of the number of prints to be purchased by it.

3.2. In this connection the Films Division has stated (December, 1973) as follows:—

“.....However, fixation of fair price for purchase of films as well as prints of films from outside agencies is now being done by a committee constituted by the Government

(Documentary Films Purchase Committee) and while fixing fair price for prints, this Committee takes into account the number of prints also.....”

[Paragraph 49.4 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

3.3. In view of the large demand for the film, the Committee asked why outright purchase of the film had not been considered by the Films Division. In a note*, the Ministry of Information & Broadcasting replied:

“The film was produced by the Family Planning Association of India and the distribution of the film was given to a private distribution agency. The agency offered only the supply of the required number of prints and was not willing to sell the film outright, to the Films Division, and as such the question of outright purchase could not be considered by the Films Division. In this connection it is relevant to mention that producers/distributors of short films on Family Planning sell prints of their films to various agencies like the Films Division, State Governments, Directorate of Field Publicity, Educational Institutions and other interested agencies in India as well as agencies abroad, for commercial and non-commercial exhibition. In view of this, the producers/distributors of Family Planning films are generally unwilling to sell the films outright to a single agency. The purchase of prints of the films by State Governments, Directorate of Field Publicity, Films Division etc. are not centralised in the Films Division and as long as this practice prevails, it would not be possible for the Films Division to persuade the Producers/Distributors of such films to sell their films outright.”

3.4. In this case, the Committee are concerned to note that even though the distributors of the cartoon film on Family Planning had indicated the cost of production of the film, interest, handling charges etc., the Films Division had not considered it necessary to negotiate a reduction in the price of the film on the basis of the number of prints to be purchased by it. As a result of this lapse, the purchase of 219 prints resulted in reimbursement of a sum of Rs. 1.86 lakhs towards the cost of production, interest, handling charges overheads, etc., while the cost of production of the film itself

*Not vetted by Audit.

was only Rs. 0.75 lakhs. Since the transaction has apparently gifted an unintended windfall to the distributors the Committee desire that responsibility for the failure to safeguard Government's interests should be fixed for appropriate action.

3.5. The Committee would also like to be informed of the number of prints of the film purchased by the Department of Family Planning and the monetary benefit that accrued to the distributors on this account.

3.6. The Committee observe that producers/distributors of short films on Family Planning are generally unwilling to sell the films outright to a single agency but prefer to deal with various agencies like the Films Division, State Governments, Directorate of Field Publicity, educational institutions and other interested parties in India as well as agencies abroad for commercial and non-commercial exhibition. In view of the emphasis laid on the large demand for films on family planning, the Committee are of the view that it may be worthwhile to centralise the purchase of such films, on behalf of Government organisations, in the Films Division so that the existing unsatisfactory arrangement is not exploited by the producers and distributors to the detriment of Government's financial interests. The Committee desire that this suggestion should be examined in consultation with the user departments. To begin with a few films of proven merit and audience appeal on subjects of wide national interest may be purchased outright and the position reviewed in the light of the experience gained.

CHAPTER IV

RAW STOCK OF FILMS

(i) Storage

Audit Paragraph

4.1. Raw stock of films accounts for the largest item of expenditure of the Flms Division. During 1970-71, 1971-72 and 1972-73, the value of consumption of raw stock was Rs. 80.82 lakhs, Rs. 92.97 lakhs and Rs. 97.58 lakhs (provisional) respectively. The general policy of the Division is to keep in stock three to six months' requirements to avoid any breakdown in supplies. Raw stock purchased and paid for but not required immediately is stored at the risk of Films Division in the cold storage of suppliers who do not charge any storage rent. No agreements have been entered into with the suppliers detailing the terms and conditions of storage on Films Division's Account. Part of the raw stock remains issued to the processing laboratories. This arrangement of storage has been necessitated due to lack of requisite storage facilities with the Films Division.

[Paragraph 49.5(a) of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

4.2. The Committee desired to know the names of the suppliers of raw stock to the Films Division. The Secretary, Ministry of Information and Broadcasting stated in evidence:

"The suppliers are Kodak, Orwe, Agfa-Gaevart, Fuji and Hindustan Photo films. One Government, four private firms."

4.3. The Committee desired to know the motivation of the private firms to store the raw stock of the Films Division in their warehouses free of charge. The witness stated:

"This is what most dealers do in respect of these supplies. What is the alternative for us? It would be to set up an air conditioned room employing two or three stores officers and incurring all that expenditure. Instead, we

book the supply with the dealer and say 'Now, you hold it for us and as and when we want, you will say—so much stock has deteriorated; why? We will say two stores officers have been appointed. So this is the safest and the cheapest method of doing this.'

Subsequently, in a note furnished to the Committee in this regard, the Ministry of Information & Broadcasting stated as follows:

"Due to increasing demand and irregularity of shipments as well as difficulty in clearance on account of port congestion etc. the supplies are not available when required. It is, therefore, necessary to acquire the stock and keep it in the cold storage of suppliers so that it may be available when needed. The motivation of suppliers to store stock in their vaults appears to be as under:

- (i) Films Division is the largest individual customer and they would like to maintain good relations with the Division.
- (ii) The storage is done as a part of after sales service to the customer. If a defect is found in the stock, they can satisfy the factory that the stock was kept under proper conditions and replacement of stock is due to manufacturing defeat.

As regards the processing laboratories, they provide this facility to all their customers."

4.4 The Committee asked whether the comparative economics of the Films Division constructing its own storage facilities *vis-à-vis* storing the raw stock with the suppliers had been given due consideration. In a note, the Ministry of Information & Broadcasting replied:

"The Films Division does not pay any storage charges to the suppliers. Therefore the question of considering the comparative economics of constructing own storage facilities and storing the raw stock with the suppliers did not arise."

4.5 In reply to another question on the basis adopted for determining the stock limit, the Secretary, Ministry of Information & Broadcasting stated:

"We try to keep it in such a way that that 3-6 months stock is available. Suppose it is imported stock and it is avail-

able now, we buy it for six months to make sure that we do not run into difficulties because of the storage of stock."

4.6 The Committee note that in the absence of the requisite facilities in the Films Division for the storage of raw stock of films, the raw stock purchased and paid for by the Films Division but not required immediately is stored at the risk of the Films Division, in the cold storage of suppliers who do not charge any storage rent. The motivation of the suppliers to store Films Division stock, free of charge, has been explained by the Ministry as under:

- (a) Films Division is the largest individual customer and they would like to maintain good relations with the Division; and
- (b) the storage is done as a part of after sales service to the customer. If a defect is found in the stock, they can satisfy the factory that the stock was kept under proper conditions and replacement of stock is due to manufacturing defect.

4.7 The Committee, however, note that according to the Audit paragraph, the raw stock is stored by the suppliers at the risk of the Films Division and no agreements are entered into with the suppliers detailing the terms and conditions of storage on the Films Division's account. The Committee desire that the legal implications of this unusual arrangement should be examined immediately and the liability of the suppliers clearly spelt out in agreements between the Films Division and the suppliers, so as to avoid any ambiguity and complications.

(ii) Consumption of picture negative stock

Audit Paragraph

4.8 The Films Division has fixed the norms of consumption of picture negative in relation to the final length of the films as 4:1 for black and white films, 5:1 for colour films and 5:1 for newsreels.

The table below shows the ratio of picture negative exposed to final length of the film, year-wise and category-wise:—

Category	Ratio				
	1967-68	1968-69	1969-70	1970-71	April 1972 to Sept. 1972
(a) Documentaries					
(i) Black & White	5.0 : 1	5.6 : 1	5.9 : 1	4.9 : 1	3.48 : 1
(ii) Colour	4.7 : 1	3.0 : 1	8.2 : 1	5.6 : 1	8.31 : 1
(b) Newsreels (B & W)	9.4 : 1	9.0 : 1	12.2 : 1	8.2 : 1	N.A
(Ratios for 1971-72 are not available).					

4.9 It will be seen from the table above that the actual consumption of the negative stock has generally been higher than the norms fixed by the Films Division except the consumption of colour films in 1967-68 and 1968-69 and black and white films during April, 1972 to September, 1972. While the ratio of consumption in the case of Black and White Documentaries is showing an improving trend, in the case of colour documentaries the ratio is fluctuating.

[Paragraph 49.5(b) of the Report of the Comptroller & Auditor General of India for the year 1971-72. Union Government (Civil)]

4.10. The Committee desired to know the ratio of picture negative exposed to the final length of the film in the years 1971-72, 1972-73 and 1973-74. The information furnished in this regard by the Ministry of Information & Broadcasting is tabulated below:

Category	1971-72	1972-73	1973-74
			(Provisional)
(A) DOCUMENTARIES			
(i) Black & White	4.31 : 1	5.30 : 1	3.50 : 1
(ii) Colour	5.50 : 1	5.48 : 1	4.38 : 1
(B) NEWSREELS : (B & W)	10.10 : 1	7.71 : 1	8.40 : 1

4.11 The Committee enquired into the basis for arriving at the norms of consumption of picture negatives and the reasons for the excess consumption over the norms fixed. The Chief Producer, Films Division, replied:

"There are no rigid norms fixed for consumption of raw stock. I should only like to say that the consumption of raw stock is dependent upon the needs and complexities of each film. A constant watch is kept over the needs. I should also like to mention that the raw stock consumption ratio in the films division is considerably less than the raw stock consumption ratio in similar organisations elsewhere."

The Secretary, Ministry of Information & Broadcasting added in this connection:

"To verify what our Films Division say, on my own I sent two telegrams, one, to the Central Office of Information in Britain and another to the National Film Board of Canada who make documentaries and the replies they have given show in favourable light our Films Division. Their ratio is 10:1, 15:1, 20:1, in Britain and Canada."

When the Committee asked whether such a generalisation was correct, the witness replied:

"That is why it varies from 1:4; 1:5; 1:6; depending upon the complexities and sophistication of the film made."

Subsequently, in a note* furnished to the Committee in this regard, the Ministry of Information & Broadcasting stated:

"No norms have been or can be fixed for the consumption of the picture negative stock. The actual consumption of the picture negative stock for any film depends on the nature and complexity of the subject, the number of locations covered, the conditions in which shooting is done, the number of retakes that may be necessitated till the proper expression or action is forthcoming, changes required to be made to satisfy the sponsors, consultants etc. As no norms can be fixed, the question of excess consumption does not arise."

4.12 Since it had been stated that no rigid norms had been fixed for negative consumption, the Committee asked how monitoring or

*Not vetted by Audit.

consumption of negatives was done, in the absence of such norms. The Chief Producer, Flms Division replied:

"We exercise control this way. For a simple film, the ratio is 4:1. Up to 4:1, the Director is allowed to draw on the basis of the length of the film. If he wants more, say 5:1, he should take the approval of the producer. If he wants still more, he should take the approval of the Deputy Chief Producer. If he wants still more, he should take the approval of the Chief Producer. Our stock consumption varies from film to film. Raw stock constitutes only 4 to 5 per cent of the total cost of production of the film."

A note* furnished to the Committee subsequently by the Ministry of Information & Broadcasting is reproduced below:

"It is true that no rigid norms for consumption of picture negative stock have been laid down. However, for purposes of control and checks the following procedure has been prescribed:

- (a) The minimum requirement of picture negative stock at the ratio of 4:1 for Black and White and 5:1 for Colour may be requisitioned by the Director of the film without approval of any higher authority.
- (b) If the consumption is expected to exceed the ratio at (a) above, the sanction of higher authorities will have to be obtained as under:
 - (i) Upto 5:1 in case of black and white or 6:1 in the case of colour (—) of the producer of the film concerned who accords sanction only after full examination of the details of the case;
 - (ii) Upto 6:1 in case of Black and White or 7:1 in the case of Colour (—) of the Joint Chief Producer/Addl. Chief Producer through the Producer of the film after furnishing full justification for the excess requirements;
 - (iii) in excess of the ratios mentioned at (ii) above, the sanction of the Chief Producer has to be obtained through the Producer and Joint Chief Producer|Addl. Chief Producer.

*Not vetted by Audit.

Higher officers do not accord sanction for issue of raw stock in excess of the minimum ratios as a matter of course. They examine the requirements of the individual films according to the approved scripts or circumstances of the case and sanction additional stock to the extent they consider it necessary only when they are fully satisfied that the same is justified by the nature of the film and the circumstances of the case.

The check on the total consumption of picture negative stock is exercised taking into account the following factors:

- (a) extent of consumption of picture negative stock during preceding years;
- (b) trend in the ratio of consumption of stock;
- (c) provision for any special events that may be known before-hand or can be anticipated."

4.13. It had been stated that the consumption of negative varied from film to film and depended on the nature and complexity of subjects. In this connection, the Committee on Broadcasting & Information Media (Chanda Committee), in its Report on Documentary Films and Newsreels, had, *inter-alia*, suggested (September 1966) that the shooting team which effects economy in the use of scarce raw film and produces a film ahead of schedule should be given a cash prize as an incentive, provided, of course, that the quality of the film was upto the standard. Although Government had accepted this recommendation in principle, it had not been implemented. The Committee desired to know the reasons for the non-implementation of this recommendation. In a note, the Ministry of Information & Broadcasting stated:

"The Chanda Committee on Broadcasting and Information Media on Documentary Films and Newsreels had in para. 186 of their Report observed as follows:

'Both the Directors in the Division and those invited from outside complained that they were not given proper consideration and importance. A director is given no control over his material and there is constant interference in his technical work with the result that the director's concept of a film is very seldom realised. Because of these discouragements and impediments, the directors lose initiative and are content to work mechanically. Often they do not even study the subject of the film or take account of

the psychology of the audience. The monopoly which the Division enjoys is another factor, which unless controlled would make the directors indifferent to the quality of the films they produce. A substitute has to be found for the stimulus of competition. It had been suggested that this might be provided by instituting a scheme of cash awards. The shooting team which gives economy in the use of scarce raw film and produces a film on or ahead of schedule should be given a cash prize provided of course the quality of the film is fully up to standard. Such a scheme should also prove to be more economical in the long run.*

Government's decision on this recommendation is that the suggestion will be implemented with sufficient safeguards based on dual considerations of economy and quality. For providing incentive as far as quality of films is concerned, there is a scheme for distribution of cash awards won by the films of the Films Division at various Film Festivals etc. regarding cash prizes for economy in consumption of raw stock and for production of films ahead of schedule, at present there is no scheme in the Films Division. The consumption of raw stock and the time required for the production of a film depend upon various factors including the nature of the film, the facilities provided by the consultants, sponsors etc. The Films Division has no staff for budgetting of individual films. Only when the full fledged cost accounting set up, with necessary staff, is established in the Films Division, the implementation of the recommendation of the Chanda Committee will be possible."

4.14. The Committee are concerned to note that the consumption of negative stock for the production of documentaries has generally been higher than the norms fixed in this regard by the Films Division, except in the years 1967-68, 1968-69 and 1973-74 in respect of colour films and in the year 1973-74 in respect of black and white films. The Films Division, however, appears to derive comfort from the fact that the raw stock consumption ratio in the Division is considerably less than the raw stock consumption ratio in similar organisations elsewhere in the world. The consumption of raw stock may be dependent upon the needs and complexities of each film, but the Committee are doubtful whether this factor by itself could account for the wide fluctuations in consumption. For instance,

while the ratio of raw stock consumption of colour film was only 3:1 in 1968-69, the Committee find the ratio increased to 8.2:1 in 1969-70. The Committee would like to know the special circumstances that might have justified what, prima-facie, appears to be an abnormal increase in the consumption of expensive colour film.

4.15. While the excess consumption of raw stock could be understandable to an extent in respect of documentaries, since a number of variables like the nature and sometimes the complexity of the subject, the number of locations covered, the shooting conditions, the number of retakes that may be necessitated till the proper expression or action is achieved, etc. are involved in their production, the Committee feel that the same argument would not be equally applicable in the case of newsreels produced by the Films Division. It is observed that the actual consumption of black and white picture negative for the production of newsreels bears no relation whatsoever to the norm fixed. As against the prescribed ratio of 5:1 in respect of newsreels, the Committee find that the actual ratios of picture negative exposed to the final length of the film were 9.4:1 in 1967-68, 9:1 in 1968-69, 12.2:1 in 1969-70, 8.2:1 in 1970-71, 10.1:1 in 1971-72, 7.7:1 in 1972-73 and 8.4:1 in 1973-74. In view of such wide disparities in the consumption of negative stock, the Committee desire that the circumstances leading to such disproportionate increases should be gone into in detail and remedial measures taken to achieve economy in the consumption of picture negatives.

4.16. The Committee also observe that the Committee on Broadcasting & Information Media had, inter-alia, recommended, in September 1966, that the shooting team which effects economy in the use of scarce raw film should be given a cash prize as incentive, provided, of course, that the quality of the film was upto the standard. Although this recommendation has been accepted in principle by Government, the Committee find that it has not been implemented so far, in the absence, it appears of staff for the budgetting of individual films. However, since the monitoring of the consumption of negative film is apparently being done even now in the Films Division and the allocation of negatives is regulated according to the requirements of each individual film, the Committee are unable to understand the inability of the Films Division to implement this recommendation. The Committee are of the view that the incentive scheme, if implemented, is bound to pay dividends in the long run and desire that this should be given effect to without further loss of time.

(iii) Accounting of Picture negative*Audit Paragraph*

4.17. Out of 42 Cameramen and Newsreel Officers who were issued raw stock, it was seen (November, 1973) that

- (i) Accounts had not been rendered for more than two years by 5 officials (including one since 1968 and one since 1969).
- (ii) Accounts though rendered had not been finalised in respect of 29 officials; delay in finalisation ranging between 3 months and 55 months.
- (iii) Accounts had been finalised in respect of 3 officials only.

The Films Division has stated (December, 1973) that every endeavour is being made to finalise the raw stock accounts.

[Paragraph 49.5(c) of the Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil)]

4.18. According to the Audit Paragraph accounts of raw stock had not been rendered for more than two years by five officials. The Committee asked whether those officials had since rendered the accounts and, if not, what action had been taken against them. The Chief Producer, Films Division replied in evidence:

"The position is, raw stock is not drawn in one lump. It is being drawn as and when it is being consumed, which may be once in two weeks or three weeks. They go on giving the accounts as they consume, and the office keeps on reconciling the accounts. At the conclusion of the film, they give the full accounts. Then, they are reconciled. But I do confess that there has been an administrative inefficiency in allowing the accounts to drag on for such a long time. The situation has slightly improved and we are trying to see that the backlog is cleared."

He added:

"Out of the five, three have rendered the accounts; two have not. One of them has been charge-sheeted, and the other one has rendered the accounts for a major portion, and he has been asked to render it in full. He has been warned."

4.19. The Committee desired to know whether the Films Division does not ensure that the accounts are expeditiously rendered every year. The Chief Producer, Films Division stated that that was the aim.

4.20. The Committee enquired into the latest position of finalisation of the raw stock accounts rendered by 29 officials, referred to in the Audit Paragraph, and the reasons for the delay in accounting. The witness replied that the accounts in respect of 16 officials had since been finalised and that the delay was attributable to 'administrative inefficiency'.

4.21. The Committee take a serious view of the delays in the rendering of accounts of picture negatives and their finalisation, which have been attributed by the Chief Producer of the Films Division to administrative inefficiency. It is surprising and deplorable that the accounting of raw stock should have been allowed to fall into arrears for seven years in succession. In the opinion of the Committee, this is a very unsatisfactory state of affairs where misuse of stock becomes likely. The Committee desire that the existing procedures for the rendering of accounts and their reconciliation should be reviewed carefully and streamlined so as to allow no scope for malpractices and manipulations.

4.22 The Committee note that one of the officials who had not rendered accounts has been charge-sheeted and another who had rendered incomplete accounts for a major portion, has been warned and asked to render the accounts in full. The Committee would like to know whether any serious malpractice has come to notice in these two cases. The uncompleted disciplinary proceedings should also be expedited and the final outcome reported to the Committee. The accounts in respect of 13 other officials, which are still awaited, should be reconciled without further loss of time and finalised and deterrent action taken if any malpractice comes to light. The Committee ask for an early report in this regard.

(iv) Wastage allowance to Laboratories

Audit Paragraph

4.23. All films produced by the Films Division are processed in private laboratories. The laboratories are permitted an allowance for wastage of raw film on account of tests, cuttings, rejections, etc.

4.24. The cost of the wastage allowed and the processing charges paid during 1969-70 to 1971-72 are given below:

Year	Cost of Wastage allowed	Processing charges paid
	Rs.	Rs.
1969-70	3.10	15.27
1970-71	3.65	17.97
1971-72	4.33	22.65

(Rupees in lakhs)

4.25. The rates of wastage allowance permitted are as follows:

Black & White 35 mm. and 16 mm.	5% (since 1950-51)
Colour	10% (since 1957-58)
Colour Intermediate	20% (since 1957-58)

4.26. It is a moot point whether the rates of wastage allowance could have not been brought down in the wake of the steep increase in the number of prints taken out (from 6,968 prints in 1951-52 to 42,668 prints in 1971-72).

[Paragraph 49.5(d) of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)]

4.27. The Committee desired to know the basis on which the rates of wastage allowance were originally fixed and the reasons for not revising the rates fixed in 1950-51 for black & white films and in 1957-58 for colour films. In a note* furnished to the Committee, the Ministry of Information & Broadcasting stated:

"Initially the laboratories were allowed the same wastage allowance as they were charging to the other customers, i.e. 5 per cent on Black & White. In April, 1956 a cost study of the laboratories was undertaken by the Tariff Commission and thereafter the rates were negotiated with

*Not vetted by Audit.

the laboratories by a Committee which consisted of the following officers:

- | | |
|---|----------|
| (1) Shri M. D. Bhat, ICS, Chairman
Central Board of Films Censors. | Chairman |
| (2) Shri P. V. R. Rao, Deputy Secretary
(on Special Duty), Ministry of Infor-
mation & Broadcasting | Member |
| (3) Shri A. Krishnamurthy, Assistant
Financial Adviser, Ministry of Finance. | Member |
| (4) Controller of Administration, Films
Division: | Member |

Assisted by:—

- (1) Shri J. S. Bhowmagary,
Deputy Chief Producer, Films Division.
- (2) Shri N. Krishnan, Chief Cost Accounts
Officer, Tariff Commission.

The Committee after negotiation with laboratories decided that the wastage allowance at 5 per cent should continue.

Later on the Rates Committee which comprised of Controller of the Films Division, Chief Producer of the Films Division and Chief Cost Accounts Officer of the Ministry of Finance tried their best to persuade the laboratories to reduce the wastage allowance year after year but were not successful in persuading the laboratories to agree to a lower figure. It will be seen from the above that Chief Cost Accounts Officer of the Ministry of Finance was associated (either personally or through his representative) with the negotiations with the laboratories from 1956 to 1969 but even then it was not possible to secure better terms from the laboratories."

4.28. The Committee asked why the rate of wastage allowance had been kept uniform. The Chief Producer, Films Division, replied in evidence:

"It does not depend upon the number of prints. The Film industry allows a certain percentage of wastage for certain types of films. For some types it is 5 per cent and for some it is 10 per cent."

When the Committee asked whether the wastage allowance had been accepted by the Films Division on the basis of the trade practice adopted by private producers, the witness replied in the affirmative. The Committee pointed out in this connection that since the cost of production of private producers was always inflated and the trade was known to resort to manipulation of books of accounts, much reliance could not be laid on the norms of wastage worked out by the trade. The Secretary, Ministry of Information and Broadcasting replied that the wastage allowance had been reduced to 3 per cent. Another representative of the Ministry stated in this connection:

"It was not merely the trade practice, as our Chief Producer said. There is the Import Control Order issued by the Chief Controller of Imports and Exports which spells out wastage percentages. As the Secretary was saying, only about a week ago, we reduced it to 3 per cent."

The Committee desired to know when this decision had been taken. In a note,* the Ministry of Information & Broadcasting stated:

"As regards the reduction in wastage percentage, we had been examining whether the wastage claimed by laboratories was fair. When the colour processing or special processing was first established many years ago, we were told by the technicians, the percentage of wastage was higher. But now the process is well established. There is no case for a large wastage. So, we have reduced from 10 per cent to 3 per cent. A producer pays from his own pocket the cost of the raw stock and he also stands 150 per cent cash guarantee. The producers themselves have been saying that the wastage claimed by the laboratories was not equitable and fair. Therefore, the Government has taken a decision which comes into effect from 1st October."

In a note furnished subsequently to the Committee in this connection, the Ministry stated:

"The film processing laboratories are allowed a certain percentage of wastage allowance on positive raw stock for preparing prints to cover the factors like testing the short-ends and re-print. This allowance was 5 per cent and 10 per cent in the case of 35 mm and 16 mm black and white film, and colour film respectively.

*Not vetted by Audit.

This Ministry has been of the opinion that the aforesaid wastage allowance was very much on the high side particularly in view of the fact that there has been considerably advancement in the processing techniques for cutting down wastage. There could be some justification for a high percentage of wastage allowance in the initial stages of handling colour processing in this country which is no longer the case now. It was also felt that this high percentage of wastage allowance was indirectly assisting the smuggling as the raw stock-required for preparation of clandestine prints could be made available by the laboratories from out of the savings from this wastage allowance. Even otherwise, colour raw stock being precious commodity involving expenditure in foreign exchange, it was felt necessary to economise on its use. In view of this, it was decided on 21-9-1974 to reduce the existing percentage of wastage allowance to 3 per cent with effect from 1st October, 1974 both for colour and black and white raw stock."

4.29. The Committee desired to know whether the private laboratories had been taking advantage of the liberal attitude of the Ministry in this regard, prior to the reduction of the wastage allowance to 3 per cent. The Joint Secretary of the Ministry stated:

"That was based on the position taken by the laboratories. Having gone into that question, we were not satisfied and we reduced it to 3 per cent."

4.30. Since the wastage allowance had been reduced only on the 21st September 1974, the Committee pointed out that this had been done only a week prior to the examination of the Films Division by the Committee. The Secretary, Ministry of Information & Broadcasting replied:

"That is a coincidence. You will not believe me. I was hardly conscious of the Public Accounts Committee a week ago, when we discussed the raw stock situation.

There was a raw stock famine in Bombay, of colour films. We looked at it. We found that we were giving 10 per cent wastage allowance to the laboratories. So, we said, 'Why should we give 10 per cent?' We reduced it to 3 per cent. We have done the same thing about newsprint. We have the newsprint shortage. There were certain re-

jects from NEPA mills which the newspapers were not taking. We said, 'You have got to take them. This is a national crisis'. Otherwise, in previous years, they would have said, 'These are rejects; we will not take these rejects'. We have to conserve every bit of raw material."

4.31. The Committee were informed by Audit that a study of the processing costs of private laboratories had been undertaken by the Cost Accounts Branch of the Ministry of Finance (Department of Expenditure) in 1964-65 and that, in their Report on the Rates Payable to Processing Laboratories for Films Division work submitted in January 1965, the Cost Accounting Team had, *inter alia*, observed as follows:

"WASTAGE OF RAW FILMS:

Most of the laboratories could not produce any data to ascertain the actual wastage incurred on raw films. Bombay Film Laboratories and Ramnord Research Laboratories have made a saving of Rs. 1,20,526 and Rs. 71,685 respectively on their sale of surplus raw films. In Modern Sixteen Laboratory, the wastage was about 3 per cent. From these it would appear that the wastage margin of 5 per cent on raw films is more than adequate. In regard to colour films, no data was available to assess the wastage on raw films."

4.32. The Committee desired to know the action initiated on the Report of the Cost Accounting Team. The Chief Producer, Films Division stated:

"We brought it to the notice of the Committee which negotiates the rates and wastage allowance."

He added:

"The Chief Cost Accounts Officer who gave this report himself tried to negotiate, but did not succeed."

A representative of the Ministry of Information & Broadcasting stated in this connection:

"While I admit no specific action could be initiated according to this report, the question was a little larger. I am trying to bring to your notice what was the limitation on their negotiating power."

when the Committee pointed out that no question of negotiation was involved, the witness stated:

"This question was already before the Chief Controller of Imports and Exports and also the Customs people in the context of smuggling of films. Only about a week ago they finalised the report coming to the same conclusion. The point that I am trying to make is that the entire processing laboratories were allowed this very percentage under the Chief Controller's order. The constraint with them was, in the total context of the processing activity, till that order sustained itself, there was not much scope for them to get the terms changed."

4.33. Subsequently, in a note furnished to the Committee in this regard, the Ministry of Information and Broadcasting stated:

"The report of the Study Team was utilised for negotiating the best possible terms from the laboratories. In this connection extracts from the minutes of the meeting held with the laboratories relating to wastage are reproduced below:

Extracts from the Minutes of the meeting held on 25th and 26th February, 1965.

'It was pointed out to the representative of the Labs. that the wastage allowance of 5 per cent for black and white and 10 per cent for colour allowed to them left a surplus realisation due to some saving in the wastage margin. In offering the rates to the Labs. notice was taken of this fact and the rates offered by the Films Division could be viewed, if anything reasonable in the existing circumstances.'

Extracts from the minutes of the meeting held on 27th March, 1965.

'The question regarding the wastage allowance was discussed. The Controller of the Films Division pointed out that according to the costing report the present rate of 5 per cent wastage allowance was on the high and needs to be reviewed. To this the laboratories replied with one voice that the percentage of wastage is closely

linked up with the critical supervision of work performed in each laboratory and it cannot be same at every unit. If one or two laboratories have shown a lesser percentage of wastage, it cannot be taken to be a uniform one at each laboratory. Secondly, whenever the material prepared is rejected by the Films Division, the laboratories have to utilise their own raw stock for replacement. Thirdly, the laboratories are claiming from the industry the wastage allowance at 5 per cent and the same is admitted by the Industry. Under these circumstances, laboratories expressed their inability to reduce the allowance. In view of the position explained by the laboratories and because of their reluctance in reducing the allowance, it was agreed to retain the same rate of wastage allowance for the work to be done in 1965-66, primarily on the consideration that taking the costing consideration as a whole, the rates offered to the laboratories did not allow substantial profits on account of further liabilities that were expected to be imposed on the laboratories."

4.34. The Committee asked why it was not considered necessary to make a study of the actual wastage in processing, in the light of the observations of the Cost Accounting Team. In a note, the Ministry of Information and Broadcasting replied:

"Films Division is aware that as the actual cost of processing differs from laboratory to laboratory, similarly the wastage also differs from laboratory to laboratory depending on the condition of the equipment calibre vigilance and ingenuity of the staff employed in the laboratories. The reports of the Cost Study Team served only a limited purpose of enabling the Rates Committee (of which Chief Cost Accounts Officer of the Ministry of Finance was a member) to be in a position to negotiate with the laboratories the rates and allied matters, Films Division was not in a position to undertake the actual study. It could neither force the laboratories to maintain proper data nor it could force a lower percentage of wastage on the laboratories if it was not acceptable to them. Efforts in this direction have continued to be made during the negotiation. It may be mentioned that the Chief Cost Accounts Officer of the Ministry of Finance (who was a member of the Rates Committee which nego-

tiated the rates etc. with the laboratories) perhaps did not consider such a study feasible. Otherwise, he would have recommended such a study and suggested the methods by which it could be done either by this team or by some other agency. The Committee was satisfied that the terms negotiated were the best in the circumstances."

4.35. In reply to another question whether the Chief Controllor of Imports and Exports was consulted after the receipt of this Report, the Ministry of Information & Broadcasting stated in a note:

"No necessity was felt to refer the matter to the Chief Controllor of Imports and Exports. The data made available by the Cost Study Team was utilised at the time of negotiations with the labs. In this connection an extract from the minutes of the meeting held with the labs. on 18-5-1968 is reproduced below:

'Thread to thread work—Increase in threading allowance and wastage: It was explained that the proportion of this work was very little and the same practice was continuing for the last 15 years or so. Even assuming that the wastage was more in this item, it was more than compensated by the overall wastage allowance which was admittedly more than actual as revealed by the costing reports. After discussion the laboratories agreed to drop this demand. It was also agreed that in case laboratories agreed to reduce the overall wastage allowance in respect of the industry, the same will automatically apply to Films Division'.

Subsequently the question of allowance for wastage for processing colour as well as black and white films came up for discussion at the meetings of the consultative Committee on Film set up by the J.C.C.I. & E., Bombay. The minutes of the meetings are reproduced below:

Meeting held on 15-1-1970.

'It was explained to the members that at present an allowance of 10 per cent is being made towards wastage of raw film for processing colour as well as black and white films. This allowance was considered to be much more on the higher side and it was observed that nor-

mally the allowance should not exceed 5 per cent. After lengthy discussion it was agreed that the representatives of producers and the laboratory owners would discuss this issue and submit a report to the Chairman within a fortnight. A decision in the matter would be taken after examining the report in the next meeting to be held on 29-1-1970.'

Meeting held on 16-11-1970

'Wastage allowance for documentaries short films and trailers:

It was decided to allow wastage for the above mentioned type of films as follows:

- (a) Censor Certificate X ft.
- (b) Leader films 60 ft.
- (c) Wastage allowance 8% of the total of (a) and (b).

Again in 1972, when the question of review was under consideration, Films Division had written to JCCI & E, Bombay on 15-9-1972 and 13-12-1972 but no reply was received'."

4.36. The Committee desired to be furnished with details of the private laboratories entrusted with the processing of films and the processing charges paid to them, year-wise, during the period from 1969-70 to 1973-74. A statement furnished in this regard by the Ministry of Information and Broadcasting is reproduced in Appendix V.

4.37. The Committee asked whether the capacity of private laboratories entrusted with the processing of films by the Films Division had increased during the past three years. In a note, the Ministry of Information & Broadcasting replied:

"Films Division does not collect any statistics directly from the laboratories about their established capacities etc. However the Cost Study Teams of the Ministry of Finance collect this information during their visits to the laboratories for the purpose of cost study.

The following conclusions can be drawn from these statistics.

- (1) 35 mm B & W—The workable capacity of 7 labs has remained static. The capacity of one lab. has decreased

due to conversion to colour and one new lab. came into existence in 1971. The major portion of the work of the Films Division falls in this category.

- (2) 16 mm B & W—The workable capacity of 4 labs has remained static and in respect of 2, it has increased slightly. A substantial portion of Films Division work falls in this category.
- (3) 35 mm colour—The capacity of all the laboratories has gone up. This is mainly due to switch-over from Black and white to colour by the Feature Film Industry and advertisement shorts. The total work of the Films Division forms an insignificant portion of the total colour work in the country.
- (4) 16 mm colour—Formerly the prints were being prepared in kodachrome duplicating stock. This process has now been abandoned and hence the capacity has decreased to nil. The prints are now being prepared in 16 mm Orwo colour positive stock and 3 laboratories have established their facility and some more are in the process of installation etc. The capacity of this item has increased.

4.38. In reply to another question why the Films Division had not built its own processing laboratories, the Chief Producer, Films Division stated:

“There is surplus capacity available in the private sector. We are utilising that. If we set up a laboratory in Bombay, some laboratories in the private sector would have to close down.”

The Committee desired to know the amount paid to private laboratories during 1973-74 as processing charges. The witness stated that Rs. 25 lakhs were paid to about 10 laboratories of various types and that in the previous years it might have been a little less.

4.39. The Committee asked whether Government had examined the economics of establishing a government laboratory, instead of patronising the private sector. The Secretary, Ministry of Information & Broadcasting replied:

“Probably this kind of calculation we can make over a very wide field of governmental activity. For instance, we are having so many officers of government in rented buildings. We can say, we have paid so much rent per month

and surely in 5 or 6 years time we would have paid the whole cost of the building. Why not have our own buildings? For that the Finance Ministry will say, we do not have Rs. 2½ crores to give you now for having your own building."

The Chief Producer, Films Division added that this had been examined. When the Committee asked who had carried out the exercise, the witness replied:

"The Films Division. The Films Division gets the job done in 35 mm and 16 mm in colour and in black and white. Even if we set up one laboratory, it will not serve the purpose. It will have to be a laboratory which has all these components."

4.40 The Committee on Broadcasting and Information Media (Chanda Committee), in paragraphs 80 to 84 of its Report on Documentary Films and Newsreels, had observed as follows on the question of processing by private laboratories:

"*Laboratory:* The Films Division is one of the largest documentary units in the world. Yet, it is not equipped even to process its own films. Technical quality largely depends on the quality of processing. At present this work is farmed out to commercial laboratories at an expenditure of more than Rs. 10 lakhs a year.'

The selection of laboratories is made by inviting applications which are screened by a Committee. Those on the panel are invited for negotiations. Having regard to the volume of processing work involved, a reduction below the normal rates is usually secured. The laboratories, we were told, do not give sufficient care and attention to the Films Division's work, nor do they adhere to the time schedule when more remunerative commercial work eventuates. There is hardly any supervision and check by the Films Division; this is also a contributory cause for indifferent work. Action against them for delinquency involves litigation and is difficult to resort to.

Processing of certain types of films through private laboratories involves a security risk, particularly films relating to the Ministry of Defence. While the laboratories co-operate in completing the processing in good time in an emergency, the absence of a laboratory causes delay and during the Indo-Pak conflict, the inability to process

films necessitated a system of clearing films made by the foreign cameramen which involved considerable security risk. These drawbacks can be eliminated by having a laboratory and locating it conveniently at Delhi.

On all these counts, we recommend that the Division should be equipped with a laboratory of its own. The Controller estimates that the capital cost of a fully equipped laboratory would be approximately of the order of Rs. 65 lakhs. This is not a very large sum having regard to the benefits which would accrue. It would also make the Unit a self-contained one, embracing a function essential for making quality films.

A contrary view has been expressed by some witnesses. They consider that the establishment of a departmental laboratory would be uneconomic. As it would have to be equipped for peak-loading, it would necessarily have capacity to spare at other times and unless this is utilised the processing costs would rise. We do not, however, see any difficulty in accepting outside work on a commercial basis, whenever it is possible to do so."

4.41 The Committee drew attention to the recommendations of the Chanda Committee and desired to know why these had been ignored and patronage continued to be extended to the private laboratories. A representative of the Ministry of Information & Broadcasting replied:

"We did take this proposal to set up a processing laboratory in Bombay to the Planning Commission. We tried to meet this recommendation by submitting a proposal in our Fourth as well as Fifth Plan for a processing laboratory to be set up in Delhi. The hope was that as the Delhi processing laboratory comes up, we shall be able to divert as much of our work to the Delhi processing laboratory as we can. The reason for the preference for Delhi was the demand of the Ministry of Defence that the first priority should be from the security angle for processing their films. We were before the Planning Commission and they were aware of both the aspects—the recommendations of the Chanda Committee as well as the requirements of the Ministry of Defence. There was a discussion in the Planning Commission and they said that there is a constraint on our resources, especially of foreign exchange; at the same time, there is a surplus capacity

in the country. Then they sanctioned a truncated proposal and whittled down the proposal to a sum of Rs. 25 lakhs for a processing laboratory. Because of these considerations, the Planning Commission decided that we should go in for a small processing laboratory in Delhi."

A note furnished subsequently by the Ministry to the Committee in this regard is reproduced below:

"According to the rough estimates prepared by the Films Division before the beginning of the Second Five Year Plan, the estimated cost for setting up a film processing laboratory was Rs. 30 lakhs for the Second Five Year Plan period. The scheme was deferred on account of economy considerations. Subsequently the estimates were revised to Rs. 51.72 lakhs for inclusion in the Third Five Year Plan. The break up of the estimate was as under:

	Rs.
(i) Building	6.00 lakhs
(ii) Equipment	24.00 lakhs
(iii) Recurring expenses	21.72 lakhs
TOTAL	51.72 lakhs

No provision was made for the land as it was expected that it would be possible to take over a portion of the plot at Worli which was in the possession of A.I.R. and was earmarked for TV studios etc. It was proposed to obtain the services of some expert who after necessary examination, would draw up plans, prepare detailed estimates and help in setting up the laboratory. However, the scheme was kept in abeyance on account of emergency due to Chinese aggression and later on it was decided to keep the matter further in abeyance.

The Chanda Committee in its Report on Documentary Films and Newsreels (1966) recommended that the Films Division should have processing laboratory of its own located in Delhi. This recommendation was accepted and it was proposed to set up a Processing Laboratory at New Delhi as part of the Regional Office of the Films Divn. at New Delhi. This proposal for setting up a Film Production Unit and a Film Processing Laboratory at Delhi was agreed to

in principle by the Expenditure Finance Committee of the Ministry of Finance in June, 1967. The Committee agreed to a provision of Rs. 30 lakhs for both the production unit and the processing laboratory and suggested that a revised proposal giving details might be prepared. The total outlay on the processing laboratory as suggested by the Ministry was Rs. 103.6 lakhs. The details of expenditure on staff, equipment etc., were submitted to Government on 4th September, 1970. According to this scheme, the total outlay involved during the Fourth Plan was Rs. 25 lakhs of which Rs. 18.5 lakhs was non-recurring expenditure and Rs. 6.5 lakhs recurring expenditure. This scheme involved foreign exchange expenditure of Rs. 5.70 lakhs. This scheme has been under examination in the Ministries of I. & B. and Finance in consultation with the Films Division since September, 1970. In February, 1973 the Ministry of Finance agreed to the establishment of a film processing laboratory at a capital cost not exceeding Rs. 10 lakhs with a foreign exchange component of Rs. 5 lakhs, subject to staff proposals being scrutinised by them. Since the scheme could not be implemented in the Fourth Plan, the question of its inclusion in the Fifth Plan was taken up with the Planning Commission."

4.42. When the Committee pointed out that a laboratory with an investment of Rs. 25 lakhs would be an uneconomic unit and that the Ministry should have been in a position to convince the Planning Commission of the benefits likely to accrue from a good-sized economic unit, the representative of the Ministry stated:

"It was arbitrary on the part of the Planning Commission. But we could not carry conviction with them."

He added that a unit costing Rs. 25 lakhs was not uneconomic.

4.43. In the opinion of the Committee, the handling by Government of the question of revision of the rates of wastage allowance allowed to private processing laboratories has been thoroughly unsatisfactory and unbusiness like. What is more distressing is the apparent attitude of helplessness adopted by the Films Division. It has been evident from a cost study of the rates payable to processing laboratories for Films Division work conducted in 1964-65 that the existing wastage allowance of 5 per cent for black and white films and 10 per cent for colour films was abnormally high and left a surplus realisation to the laboratories with the result that clandest-

tine prints could be made available by the laboratories from out of the savings from this wastage allowance thus indirectly assisting the smuggling of films. However, precious little appears to have been done, till September, 1974, to revise the rates of wastage allowance, apart from holding a few fruitless negotiations with the laboratories and discussions at the meetings of the Consultative Committee on Films set up by the Joint Chief Controller of Imports and Exports.

4.44. It would appear that the Films Division had virtually been held to ransom by the private laboratories for over two decades in respect of black and white films and for well over 15 years in respect of the processing of colour films while it remained content with falling in line with the 'trade practice' and the directives of the Chief Controller of Imports and Exports. It is also strange that even though the Films Division had addressed the Chief Controller of Imports and Exports in September and December 1972 when the question of review of the rates of wastage allowance was under consideration, no reply came from the JCCI&E. Admittedly, other private producers themselves had been representing that the wastage claimed by the laboratories was not equitable and fair. In these circumstances, the Committee deplore the peculiar reluctance on the part of the Chief Controller of Imports and Exports to revise the orders prescribing the rates of wastage allowance for processing activity.

4.45. It would appear that the officials of the Chief Controller of Imports and Exports had chosen to continue to allow the private processing laboratories such unconscionably high margin of wastage to the detriment of public interest. The Committee utterly disapprove of the manner in which this entire question has been handled by all concerned giving rise to suspicion which reflects badly on the administration. The Committee desire that the circumstances leading to the non-revision of the rates of wastage allowance for well over two decades should be investigated in detail by Government with a view to fixing responsibility for serious default.

4.46. The Committee also find that during the period from 1969-70 to 1973-74, the Films Division has paid about Rs 1.15 crores as processing charges to laboratories. The Committee consider it strange that the Films Division should have preferred to patronise the private laboratories all these years instead of establishing a processing laboratory of its own. There seems to have been a misplaced concern for safeguarding the interests of the private sector, on the ground that some laboratories in the private sector would have to close down if a laboratory was set up by the Films Division in Bombay. Judging from the observations of the Committee on Broad-

casting and Information Media, the performance of the private processing laboratories has not been above reproach and leaves much to be desired. The Committee are, therefore, distressed that nothing tangible has been done so far to establish a processing laboratory for the Films Division, despite the fact that the Committee on Broadcasting and Information Media had recommended, as early as 1966, that the Films Division should have a processing laboratory of its own located at Delhi. Now that the Planning Commission has approved a modified scheme costing Rs. 25 lakhs for a small processing laboratory at Delhi in the Fifth Plan period the Committee trust that this laboratory would be established expeditiously so as to reduce the dependence of the Films Division on private processing laboratories.

4.47. While the Committee are keen that the laboratory should be set up as early as possible, they would, however, like the economics of the project to be adequately examined. Since a small unit costing Rs. 25 lakhs does not apparently meet the optimum requirements of the Films Division, the setting up of a more viable, even if it means a larger outlay, unit can be considered even at this late stage. The Committee wish to be disabused of the fear that the smaller unit, while costing less at the moment, might in the long run prove a bad investment.

CHAPTER V
WORKING RESULTS

Audit Paragraph

5.1. The working results of the Films Division for the period 1967-68 to 1971-72 are given in the following table. Simplified proforma accounts for 1971-72 are given in Appendix VI.

	1967-68	1968-69	1969-70	1970-71	1971-72
	(Rupees in lakhs)				
(a) Govt. Capital at the close of the year					
(i) Head Office	31·55	70·30	58·32	58·97	76·83
(ii) Defence Films Wing	—	—	3·17	9·51	16·74
TOTAL	<u>31·55</u>	<u>70·30</u>	<u>61·49</u>	<u>68·48</u>	<u>93·57</u>
(b) Revenue					
(i) Rental	75·95	97·57	85·43	104·79	115·57
(ii) Sale of prints	19·50	13·20	21·94	25·72	42·91
(iii) Miscellaneous	19·53	9·64	11·16	20·34	8·12
TOTAL	<u>115·38</u>	<u>120·41</u>	<u>118·53</u>	<u>150·85</u>	<u>166·60</u>
(c) Expenditure	149·28	169·49	177·68	196·00	196·29
(d) Excess of expenditure over income	33·90	49·08	59·15	45·15	29·69
(e) Notional revenue from films released for free exhibition	84·52	118·84	79·89	108·28	65·58
(f) Surplus after taking into account Notional revenue at (e) above	50·62	69·76	20·74	63·13	35·89

5.2. It may be seen that the major source of revenue of the Films Division is the rental for the supply of films to cinema licensees, which is assessed at 1 per cent of their collections (excluding entertainment tax) subject to a minimum of Rs. 2.50 per week. This in-

come has no direct relation to the expenditure incurred or number of films produced, and is solely dependent on the box office collection of the exhibitors.

5.3. In para 1.8 of their Forty-Eighth Report (Fifth Lok Sabha—April, 1972) the Public Accounts Committee observed as under:—

“The Committee are not still convinced of the reasonableness of the credit taken for ‘Notional Revenue’ in view of its rapid multiplication during the period 1964-65 to 1968-69 in comparison with the revenue actually realised. They would, therefore, suggest that a more realistic basis should be evolved in consultation with Audit to reckon ‘notional revenue’ in respect of films distributed for screening free of charge.”

5.4. The suggestion of the Public Accounts Committee has since been examined by the Ministry of Information and Broadcasting in consultation with the Ministry of Finance (Cost Accounts Branch). The latter suggested (September, 1973) that instead of taking credit for ‘notional revenue’ in respect of films released for free exhibition, the form of the Proforma Accounts should be revised to show separately (i) the working results of the production and distribution of films released through the theatrical circuit and (ii) the actual cost of production and distribution of films released for free exhibition. The approval of the Ministry of Information and Broadcasting to the above proposal is awaited (January 1974).

[Paragraph 49.6 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

5.5. In respect of the credit taken by the Films Division for notional revenue, the Committee drew attention to paragraph 1.8 of their 48th Report (Fifth Lok Sabha) and desired to know the action taken by the Ministry on the suggestion of the Committee that a more realistic basis should be evolved to reckon notional revenue in respect of films distributed for screening free of charge. The Secretary, Ministry of Information and Broadcasting stated in evidence:

“Personally, I see a great deal of weight in the criticism of the Committee. We feel that almost every activity must be quantified and costed. It is like this. Though Air India is a Government organisation, none of the Government servants just takes a free ride on it. Even though we pay from the Government funds, we buy a ticket. Therefore, I am going to take up with Finance that though the net result of Government expenditure will be the same, it will

be a much tidier arrangement if instead of keeping this as notional revenue, it is provided in the budget of I&B Ministry and I&B Ministry pays it to the Films Division. The Films Division provides films for our field publicity, but they do not charge us. This comes under notional revenue. I am going to suggest to my colleagues in Finance that it would not make any difference to them, but it makes for a tidier budget if they give us the money for buying the films."

The witness added that the above recommendation of the Committee had been accepted and would be introduced with effect from the proforma accounts for 1972-73.

5.6. The Committee asked whether the proposal for the revision of the form of the proforma accounts of the Films Division had since been approved by the Ministry of Information and Broadcasting. In a note, the Ministry replied in the affirmative and added that the revised forms for preparation of the distribution accounts would be introduced with effect from the accounts for the year 1972-73.

5.7. The Committee desired to know the reasons for the delay in the finalisation of the proforma accounts for the years 1972-73 and 1973-74. In a note the Ministry stated:

"Regarding Proforma accounts for 1972-73, the reasons for delay are given in Ministry's letter No. G.25017/1/73-FA addressed to the Chief Auditor. The first draft of the proforma accounts for 1972-73 was prepared on 4th October, 1974, and audit was duly informed. Review of this draft by the Audit is awaited.

Action has already been initiated to collect basic information relating to the compilation of Proforma Accounts for the year 1973-74. In the meantime Cost Accountant from the Finance Ministry has joined the Films Division on 30th October, 1974."

A copy of the letter addressed to Audit explaining the reasons for the delay in the finalisation of the accounts, furnished to the Committee by the Ministry is reproduced below:

"Please refer to your d.o. letter No. D. 9|PF|72-73|2028, dated the 6th August, 1974 to Shri....., Secretary, regarding the Proforma Accounts of the Films Division, Bombay for the year 1972-73. The reconciled figures of expenditure for 1972-73 were made available to the Films Division only

on 6th April, 1974. You would kindly agree with me that it normally takes at least 2 months then to prepare the proforma accounts. While in this view of the matter, the accounts should have been ready by early June, our Cost Accounts Officer had a severe heart attack. Also we had to relieve our Cost Accountant. Therefore it was unfortunate that the proforma accounts have not been finalised so far. However, the Films Division is trying its utmost to finalise them now at their earliest. Let me hope that in a very reasonable future, we shall be able to furnish these accounts to you."

The observations of Audit, furnished to the Committee in this regard were as follows:

"The Proforma Accounts for 1972-73 were checked by Audit and certain discrepancies were pointed out on 7th February, 1975. The Division proposes to revise the accounts setting right the discrepancies."

5.8. The Committee asked whether the trading account would be plus or minus, if both the actual and notional incomes were taken into account. The Secretary, Ministry of Information and Broadcasting replied in evidence:

"If this notional figure of 69 were not put down on the expenditure, we would be a little surplus. That is, our income would be higher than the expenditure. But, if Rs. 69 lakhs is included the notional revenue that we should have received is Rs. 65.58 lakhs. But we did not receive it."

5.9. The Committee are concerned to find that the excess of expenditure over income during the five year period from 1967-68 to 1971-72 was Rs. 33.90 lakhs, Rs. 49.08 lakhs, Rs. 59.15 lakhs, 45.15 lakhs and Rs. 29.69 lakhs for the respective years. Though the final accounts disclose a surplus every year, after taking credit for the 'notional revenue' from films released for free exhibition which was as much as 73 per cent of the actual revenue realised during 1967-68, 98 per cent in 1968-69, 67 per cent in 1969-70 and 71 per cent in 1970-71, this surplus is illusory, as has been already pointed out by the Committee in paragraph 1.68 of their 120th Report (Fourth Lok Sabha).

5.10. The Committee, however, note that in pursuance of the recommendation contained in paragraph 1.8 of their 48th Report (Fifth Lok Sabha) that a more realistic basis should be evolved, in consultation with Audit, to reckon 'notional revenue' in respect of films dis-

tributed for screening free of charge, the Ministry of Information and Broadcasting proposes to make payments to the Films Division for films provided in the Budget of the Ministry for this purpose. The Committee are of the view that such an arrangement would more realistically reflect the working results of the Films Division.

5.11. The Committee would also like Government to examine whether the number of prints released for free exhibition could be restricted with advantage to the Films Division. The reasons for the steady increase in the excess of expenditure over income should also be investigated in detail so as to identify areas in which economies could be effected and to take remedial measures. The Committee are of the view that, without detriment to the quality or presentation of the films produced, it should be possible for the Films Division to devise ways and means to control costs and expenditure at several stages and render a better account of itself financially.

5.12. The Committee observe from the Audit paragraph that the income realised from the rental for the supply of films to cinema licensees, which is assessed at 1 per cent of their collections (excluding entertainment tax) subject to a minimum of Rs. 2.50 per week, has no direct relation to the expenditure incurred or number of films produced and is solely dependent on the box office collection of the exhibitors. The Committee feel that the minimum rental of Rs. 2.50 per week is a ridiculously low figure and would like to know how this has been arrived at. Considering the fact that exhibition of commercial, feature films by theatre owners is a lucrative business, particularly in the metropolitan cities where feature films are screened on a fixed rental basis and not on a percentage basis, the Committee would suggest that Government should explore the possibility of recovering rent from the exhibitors for films produced by the Films Division at a fair and reasonable fixed flat rate which should be worked out on a scientific basis, after taking into consideration the normal elements of cost on account of raw stocks production and processing expenses, overheads, etc.

5.13. The Committee note that the proforma accounts of the Films Division for the years 1972-73 and 1973-74 have not been finalised so far for one reason or the other. The Committee desire that these accounts should be finalised without any loss of time. The Committee further stress that Government should ensure that at least in future the proforma accounts are prepared in time. The Committee would also like the accounts to be so compiled and analysed as to assist the management in watching and improving performance.

CHAPTER VI

COSTING SYSTEM AND COST CONTROL

Audit Paragraph

Costing system

6.1. A system of costing was introduced in June, 1957. The following deficiencies have been noticed in the costing system:—

- (i) The cost of production as per cost ledgers has not been reconciled with the figures booked in the Financial Accounts except for 1971-72.
- (ii) There is no system of making film-wise/activity-wise budgets/estimates to keep control on actual costs.
- (ii) There is no system of making film-wise/activity-wise of the Division for the Ministry of Defence during July, 1970 to March, 1972 has not been recovered from the Ministry so far (August 1972) for the reason that the cost of these films could not be worked out for want of requisite staff.

6.2. In this connection, the Films Division has stated (December, 1973) as follows:—

“Cost of films produced by Defence Film Wing has been worked out for and up to the year 1971-72 and claims for film-wise cost for instructional films is being preferred for effecting recovery from Ministry of Defence.”

6.3. Pursuant to the recommendations of the Public Accounts Committee contained in paras 1.70 and 1.71 of their 120th Report (Fourth Lok Sabha—April, 1970), Government appointed (December 1970) the Administrative Staff College of India as Consultants and one of the terms of reference was to develop a sound and scientific cost accounting system. The report of the Consultants was received in October, 1971. The Films Division stated (May, 1972) that “a Senior Cost Accounts Officer has been deputed by Government to look into the costing system in vogue in the Films Division and to suggest its revision in the light of the recommendations made by the Administrative Staff College and also to assess the staff requirements for effecting improvement.”

6.4. The Films Division has further stated (December, 1973) as follows:—

“Cost Accounts Officer of the Ministry of Finance joined this organisation on 1-3-1973. He has made the assessment of staff requirement in Costing Wing. His proposal is now under examination by the Ministry.”

Cost of Films

6.5. In para 1.70 of their 120th Report (1969-70), the Public Accounts Committee had observed that the large disparity between the cost of production of Films in Films Division and by private producers left the Committee with the impression that the optimum use was not being made of the talent recruited by the Division. The Films Division stated (August, 1972) that it would be unrealistic to compare the cost of production of films by Films Division with that of outside producers. On the basis of this information collected from the Films Division, the cost of average films produced departmentally and those produced by private producers (viz., the price paid per metre plus Rs. 5 per metre upto 1970-71 and Rs. 9 per metre thereafter taken to cover overheads) during the five years ended 31st March, 1972 is indicated in the table below:—

(Cost per metre in Rs.)

Year	Black & White		Colour		Colour Carton	
	Films Division	Outside Production	Films Division	Outside Production	Films Division	Outside Production
1967-68	118.00	67.25	153.15	177.23	777.53	—
1968-69	126.35	88.70	175.70	139.27	169.25	306.20
1969-70	149.30	93.70	307.45	140.45	810.65	195.00
1970-71	123.30	77.55	206.50	130.30	779.90	223.75
1971-72	80.50	81.00	149.60	146.15	Not produced	297.28

6.6. The higher cost of production in the earlier years by the Films Division has been attributed to maintenance of large establishments and incurring of expenditure on several items unrelated to making of films, such as holding of Films Festivals, Seminars, publicity, training, technical advice to Ministries and State Governments, processing of subjects which are eventually dropped, developmental activities etc. The scrutiny of cost figures indicated that the reasons

for lower cost in 1971-72 were due to the nature of subjects chosen, the extent of raw stock used as opposed to incorporation of stock shots, location of shooting, number of films produced etc. Accordingly the average cost per meter does not provide a realistic yardstick for making any meaningful comparison.

Production of 16 mm. Films.

6.7. In January, 1970, the Public Accounts Committee was informed by the Ministry of Information and Broadcasting that one of the measures of economy adopted in the Films Division in pursuance of the recommendations made by the Committee in Para 155 of their 23rd Report (1963-64), was that documentary films were produced by Films Division in 16mm. where the prints were required only in 16 mm. A review of the films produced during 1967-68 to 1971-72, however, showed that films made specifically for non-theatrical release, for which prints were required only in 16 mm. were initially made in 35 mm. and later converted into 16mm. The extra expenditure on rawstock and on conversion of such films from 35 mm. to 16mm. has not been quantified. The Films Division stated (July, 1972) that it was not possible to produce films directly in 16 mm. as 16 mm. processing facilities available in India were not satisfactory and it was expected that it would be possible to adopt 16 mm. films technology for the production of films in the next 2 or 3 years with the expansion of television in India and availability of better 16 mm. facilities. It was stated (June, 1973) that one Black and White film in 16 mm. was completed recently as an experimental measure and the results were just acceptable.

6.8. It was further stated (December, 1973) that:

“In keeping with the policy of gradual switch over to 16 mm. production, Films Division has since completed 5 more Films in 16 mm. As the 16mm. processing facilities improve, the Division should be able to take up the production of more and more films in 16 mm.”

[Paragraph 49.7 of the Report of the Comptroller & Auditor General of India for the year 1972-73. Union Government (Civil)].

6.9. The Committee enquired into the reasons for the non-reconciliation of the cost of production as per cost ledgers with the figures booked in the financial Accounts and the action proposed to be taken to expedite the reconciliation for years other than 1971-72. In a note, the Ministry of Information & Broadcasting replied:

"Reconciliation of Cost Ledger with Financial Accounts was not possible in the earlier years for want of adequate staff in the Costing Section. The accounts were reconciled for the year 1971-72. It will not be possible to reconcile the figures for the earlier years at this stage."

6.10. In the absence of film-wise activity-wise budgets and estimates, the Committee desired to know how control was exercised by the Films Division on the cost of production. In a note, the Ministry of Information and Broadcasting stated:

"Although the Films Division does not have any film-wise budgeting system, the control of expenditure on production of films is exercised through various procedural checks, e.g. watch on the consumption of raw stock, drawing up of time bound schedules for completion of films, continual watch on the progress of different stages of films, prior sanction and approval of expenditure to be incurred on various items etc.

Quarterly and annual checks are made on the progress/completion of films with reference to the annual targets.

Expenditure incurred on various activities is also reviewed periodically with reference to the sanctioned budget grant."

6.11. The Committee asked whether the claims for the six films produced for the Ministry of Defence upto March 1972, referred to in the Audit Paragraph, had since been preferred and recovery effected and also enquired into the position relating to the raising of debts in respect of films produced for the Ministry of Defence after March 1972. In a note*, the Ministry of Information & Broadcasting replied:

"Invoices for recovering cost of films produced and completed by the Defence Films Wing upto 31-3-1972 were preferred on the Ministry of Defence on 17-7-1974. (Acceptance of debits is awaited).

For the years 1972-73 and 1973-74 the cost of production of the films have not yet been finalised. Memos. would be issued to Ministry of Defence after the costs have been worked out."

***Not vetted by Audit.**

6.12. The Committee desired to know the final outcome of the staff proposals made by the Cost Accounts Officer and the revision of the existing costing system in vogue in the Films Division in the light of the observations of the Committee contained in paragraphs 1.70 and 1.71 of their 120th Report (4th Lok Sabha). In a note, the Ministry of Information and Broadcasting stated:

“The staff proposals made by the Cost Accounts Officer have not yet been approved by Government. The question of the revision of the existing Costing System is being examined by a Committee set up by the Government for advising them about management and accounting procedure to be adopted in the Films Division.”

6.13. The Committee asked whether the Films Division prepared estimates of the probable cost of a film or only carried out post-completion costing. The Secretary, Ministry of Information and Broadcasting replied that no estimation of the cost was done and only the post-completion cost of a film was worked out.

6.14. On the question of costing of films produced by the Films Division, the Secretary, Ministry of Information and Broadcasting stated during evidence:

“We have put up a cost accountant there. Now, I would like to say something about this concept of cost accounting. Here, I think the Public Accounts Committee will be doing a great service and the Auditor General will also be doing a great service. Our concept of cost accounting is a post mortem. Cost accounting in all the advanced countries is monitoring. While you are doing a job, it is being monitored. Cost accounting is a creative concept in the West. You have a cost accountant who is not merely a kind of disciplined cost accountant, but, who is also familiar with the profession, who watches the whole process and who puts questions ‘Why are you increasing here? Why are you increasing there?’ etc. If this kind of monitoring, instead of Financial checking or post mortems, is done, the task of the Public Accounts Committee will be easier; the task of the Auditor General will be easier and Government activities will be carried on on cost benefit basis.”

6.15. When the Committee asked why this concept of a concurrent evaluation and monitoring of the cost had not been attempted so far, the witness replied:

“We have put a cost accountant there. The cost accountant now has been busy making post mortem of films since 1971. I am going to approach the Auditor General and the Finance Ministry. Let us not worry about what has happened. What we should do now is, we should make best use of the cost accountants. We can start from the year 1973-74 or 1974-75. From now onwards, we should go on monitoring these activities from cost angle, from the professional angle, in regard to every film that is being made. If this is done, the work of the Public Accounts Committee will be easier and the work of the Auditor General will also be easier.”

He added:

“I think ours must be a combination of cost accounting and performance auditing. But this requires a very different kind of personnel in Government. Today cost accountants and auditors come from one single discipline. In advanced countries, there is an induction at the middle level of professionals. Take the British treasury; Britain is a country I know of, not that I admire very much what they do, but I know what they do. To supervise auditing of scientific expenditure, which is a very large amount in Britain today, they are taking in scientists in the Treasury. They monitor scientific expenditure. So I think our audit, performance audit, or whatever it is must not be a business of people who are trained in finance or accounts alone but people who have had some exposure to other professional disciplines in which they are going to do performance auditing.”

6.16. The Committee called for the details of the post-completion cost of films made by and on behalf of the Films Division during the period from 1970-71 to 1973-74. A statement furnished by the Ministry indicating the cost of production of films produced by the Films Division and outside producers during 1970-71 and 1971-72 is reproduced in Appendix VII. As regards the cost of films produced during 1972-73 and 1973-74, the Ministry stated in a note as follows:

“As regards the films completed during 1972-73 the Films Division has completed the first draft of the proforma

Accounts for the year 1972-73. This will require to be confirmed by the Audit before review of departmental rates are undertaken. To complete the cost of production of films completed in any year, it is relevant to adopt the departmental rates for that particular year. The initial vetting of the Proforma Accounts for 1972-73 is therefore awaited.

Regarding cost of production of films completed during 1973-74, the Films Division is still awaiting the final reconciled figures for preparation of Proforma Accounts for 1973-74."

The observations of Audit in this regard were as follows:

"Audit is not required either to confirm the first draft of proforma accounts nor to vet the proforma accounts initially."

6.17. The Committee enquired into the costing system followed by other countries. In a note, the Ministry of Information & Broadcasting replied:

"The Films Division do not have detailed information on costing system followed in other countries. However, some general information is available. This is reproduced below:

The National Film Board of Canada has an elaborate system of Cost Accounting. It has a full fledged Costing Section. In addition it has a staff of about 20 people for interpreting the data handled by a computer. The section calculates the expenditure incurred on every single production every month and also the total expenditure incurred on each and every production. The system is quite comprehensive.

Central Studio of Documentary Films in Moscow has also got an elaborate costing system and a large staff for collection and interpretation of costing data."

6.18. The Committee desired to know the details of the films produced, between 1967-68 and 1972-73, initially in 35mm. but subsequently converted into 16 mm. In a note* the Ministry stated:

"No film produced by the Films Division in 35 mm. is converted as such into 16 mm. Prints in 16 mm. can be taken out from

*Not vetted by Audit.

35mm. negative by reduction printing. Films Division prepares 16mm. prints of all films produced by it by this method. The number of prints taken out depends upon the requirement of non-commercial exhibition through the mobile vans of the Directorate of Field Publicity, State Governments, Indian Missions abroad, for sale, etc. In this connection, it may also be mentioned that Films Division generally produces films in 35mm. because this enables the Division to obtain both in 35mm. and 16mm. If films are produced directly in 16mm it will not be possible to obtain 35mm. prints unless the negative is blown up to 35mm and this process will entail loss of quality in prints and additional expenditure. However, Films Division is gradually switching over to production of films directly in 16mm. in selected cases where the films are not intended for theatrical release and/or prints are required only in 16mm."

6.19. In reply to another question on the number of films produced directly in 16 mm. after December, 1973, the Ministry, in a note,* stated as follows:

"After December, 1973, the following films have been produced directly in 16mm.

1. Ek Doodh Yatra
2. Prince Tuku at IMA
3. Floods in Bihar

The following 9 films are now under production directly in 16mm.

1. Backwardness of Bihar
2. Political situation in Bihar
3. How to Rear Duckling
4. Grading for profit
5. Land Development for Irrigated area
6. Students Participation
7. Social Welfare
8. Conducted Tour Party from Cachar, Mibir Hills.
9. Conducted Tour Party from Andaman & Nicobar."

*Not vetted by Audit.

6.20. In paragraph 1.70 of their 120th Report (Fourth Lok Sabha), the Committee had occasion to comment on the wide variation between the cost of films produced by the Films Division and the cost at which films were produced by private producers on behalf of the Films Division. The Committee are concerned to find that, except in one or two years, there was no perceptible improvement in this regard. The cost of Films Division productions has been exorbitant, and the gulf between films produced by and on behalf of the Films Division continued paradoxically to widen. For instance, the cost of production of black and white films produced by the Films Division was 42 per cent to 75 per cent higher than the cost at which films were produced by private producers during the four-year period ending 1970-71. The position was still worse in respect of colour films and colour cartoons in as much as during 1969-70 and 1970-71, the cost of colour films produced by the Films Division was respectively higher by 118 per cent and 59 per cent and the cost of colour cartoons by as much as 316 per cent and 248 per cent. There appears to have been little improvement in 1971-72, and unfortunately, statistics for later years are not yet available. This in the opinion of the Committee is a thoroughly unsatisfactory state of affairs.

6.21. Notwithstanding the fact that generally more difficult types of films are taken up for departmental production by the Film Division, the Committee are of the view that the cost of departmental production is far too excessive and that there is ample scope for controlling costs, especially overheads which should be amenable to economy. The Committee desire that this matter should be gone into in detail with a view to identifying areas in which economies could be effected and costs reduced.

6.22. The Committee note that the higher cost of production by the Films Division has been, inter alia, attributed to the incurring of expenditure on several items unrelated to the making of films, such as holding of film festivals and seminars, publicity, training, technical advice to Ministries, developmental activities, etc. In this connection, the Committee would like to reiterate another recommendation of the Committee on Broadcasting & Information Media that the Films Division should not be loaded with functions and activities unconnected with its responsibility for producing and distributing documentaries and newsreels. While the responsibility for arranging film festivals and seminars should more appropriately be entrusted to a centralised agency like the Ministry of Information and Broadcasting, the task of publicity could be handled by the

already well-established and equipped Directorate of Advertising and Visual Publicity and training by the Film Institute of India at Poona which has now come to occupy the position of a premier film training institution in the country.

6.23. The Committee are also concerned to note that at present there is no system in the Films Division of making film-wise or activity-wise budgets and estimates to exercise effective control on actual costs. The Committee consider that the concept of a concurrent evaluation and monitoring of the cost, suggested during evidence by the Secretary, Ministry of Information and Broadcasting, is a sound one that deserves to be given a fair trial. The Committee are, however, distressed that the existing costing system in the Films Division has not been revised so far, despite the observations of the Committee some years back in paragraphs 1.70 and 1.71 of their 120th Report (Fourth Lok Sabha). In view of the importance of a sound and scientific cost accounting system, the Committee desire that the agency set up by Government for advising them about the management and accounting procedure to be adopted in the Films Division would complete their task expeditiously and that Government would take conclusive action to improve the management of accounting procedures in the Films Division.

6.24. The Committee note that the claims for recovering the cost of six films produced by the Defence Film Wing of the Ministry of Defence during July 1970 to March 1972 have been preferred on the Ministry of Defence only on 17th July, 1974 and that the acceptance of debits by the Ministry is awaited. The Committee take a serious view of such delays and desire that the reasons therefor should be examined and remedial measures adopted.

CHAPTER VII

IDLE TIME

Audit Paragraph

7.1. The table below indicates the total purchase hours, total general hours and total idle hours in respect of the ten productive departments, studio and Cameramen's Department of the Films Division during the five years ended 31st March, 1972:

Category	1967-68	1968-69	1969-70	1970-71	1971-72
(i) Purchase hours*	5,03,624	4,65,282	5,13,695	5,20,127	5,42,833
(ii) General hours*	1,11,933	1,09,520	1,28,427	1,30,613	1,47,115
(iii) Idle hours	28,718	21,500	26,439	14,706	16,844
(iv) Percentage of :					
(a) (ii) to (i)	22.2	23.5	25.0	25.1	27.1
(b) (iii) to (i)	5.7	4.6	5.1	2.8	3.1

*Purchase hours' is the product of the strength of establishment and total working hours and 'General Hours' is the productive hours of general nature which cannot be specifically charged to any particular film.

7.2. It will be seen from the above table that while the percentage of idle hours to total purchase hours has been fluctuating and has come down from 5.7 in 1967-68 to 3.1 in 1971-72 to percentage of general hours to total hours has been on the increase and has gone up from 22.2 in 1967-68 to 27.1 in 1971-72.

[Paragraph 49.8 of the Report of the Comptroller & Auditor
General of India for the year 1972-73 Union Government
(Civil)].

7.3. The Committee desired to know the reasons for the continuous increase in the percentage of 'general hours' to 'purchase hours'. In a footnote, the Ministry informed the Committee as follows:

"The travelling time spent by the productive personnel of the Films Division for shooting work is being classified under general hours. With the gradual shift of emphasis to location shooting, it involves more travelling which

†Not vetted by Audit.

in turn accounts for the increase in general hours. The question as to whether such journey time should be more appropriately identified as purchase hours is under examination."

7.4. At the instance of the Committee, the Ministry furnished the corresponding figures of purchase and general hours for 1972-73, which are reproduced below:

(i) Purchase hours	5,30,156 hours
(ii) General Hours	1,34,043 hours
(iii) Idle Hours	12,109 hours
(a) (ii) to (i)	25.3%
(b) (iii) to (i)	2.3%

7.5. The Committee are concerned to note the steady increase in the percentage of 'general hours' to total 'purchase hours' in the ten productive departments, Studio and Cameraman's Department of the Films Division. The rise registered has been from 22.2 per cent in 1967-68 to 27.1 per cent in 1971-72. The Committee are not unaware that in the field of creative arts, accounting or arithmetical concepts often need to be applied with some caution and that, for instance, increase in travelling time for location-shooting may account for an increase in the "general hours". However, the Committee are of the opinion that there is considerable scope for improvement so that the man-power resources of the Films Division are utilised to the optimum extent.

7.6. The Committee also note that the question whether the time spent in travelling by the productive personnel of the Films Division for shooting work should be more appropriately identified as 'purchase hours' is under examination. The Committee would like to be informed of the final decision in this regard. The Committee would, however, utter a word of caution that the decision on this question should not be arrived at on a haphazard basis but on sound, scientific principles of costing.

CHAPTER VIII

NON UTILISATION OF EQUIPMENT

Audit Paragraph

8.1. Government approved a scheme (September, 1967) to switch-over from the use of optical film to magnetic tapes for the preparation of sound tracks in order to improve quality and simultaneously effect recurring annual saving of Rs. 3.43 lakhs. Although the equipment required for the change-over was purchased during the period from February, 1969 to April, 1969 at a cost of Rs. 7, Lakhs, complete switch-over has not been effected so far (December, 1973) and the equipment has by and large remained unutilised.

8.2. The Films Division stated (July, 1972) as follows:

- (i) The first step for the switch-over i.e. purchase and installation of equipment has already been implemented and in some cases, editing of commentary was also done on magnetic tape. Complete switch-over will, however, be achieved after the staff required is in position.
- (ii) ".....when the scheme was first drawn up it was estimated that the edited tape could be used 5 times but practical experience has shown that it cannot be used more than 2 times. The saving will, therefore, be considerably reduced."

[Paragraph 49.9 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)]

8.3. The Committee desired to know the present position of utilisation of the equipment required for the change-over from the use of optical film to magnetic tapes for the preparation of sound tracks. The Chief Producer, Films Division stated in evidence:

"Today the position is that, for newsreels, we have switched over hundred per cent to the use of magnetic tapes instead of optical track. In the case of documentaries, the staff required has been sanctioned. We expect that in the course of the next few months, in the case of docu-

mentaries also, there will have been hundred per cent switch-over to the use of magnetic tapes."

In a note furnished to the Committee subsequently, the Ministry of Information and Broadcasting stated:

"The Films Division has now completely switched over to magnetic tapes for preparation of sound tracks. All the equipment imported for this purpose is now being utilised."

8.4. When the Committee pointed out that the equipment purchased at a cost of Rs. 7 lakhs in 1969 had practically remained unutilised for five years, the Chief Producer, Films Division stated that it was utilised to the extent possible with the existing staff.

8.5. The Committee asked how far the economics of installing this equipment had been affected by the reduction in the number of times the tapes could be used. In a note*, the Ministry of Information and Broadcasting replied:

"Initially when the Films Division started editing magnetic tape, they were utilising ordinary splicers. Films Division have since acquired special tape splicers which have improved the utilisation of edited tapes.

While for certain operations an edited tape cannot be utilised more than two times, for some other operations a tape can be used for a much larger number of times. On the whole the average utilisation is not less than five times as originally anticipated."

8.6. The Committee are concerned to note that an equipment procured in 1969, at a cost of Rs. 7 lakhs for the preparation of sound tracks on magnetic tapes had by and large remained unutilised till 1974, except for the editing of commentary in some cases. The reason for the incomplete switch-over to magnetic tapes and consequent under-utilisation of the equipment seems to have been non-availability of requisite staff. The Committee are unable to understand why it took five long years to sanction the requisite staff when the need for the purchase of the equipment had been recognised and approved as early as September 1967. This needs to be explained.

*Not vetted by Audit.

8.7. The Committee would also like the revised economics of installation of this equipment to be gone into carefully, now that practical experience has shown that the edited tape cannot be used for more than twice as against the initial estimation of five times. The Committee are not satisfied with the explanation, almost as an after-thought now offered by the Ministry of Information and Broadcasting that on the whole the average utilisation of the magnetic tapes is not less than five times as originally anticipated. In view of the fact that certain additional expenditure appears to have been incurred in the acquisition of special tape splicers to improve the utilisation of the magnetic tapes, the Committee would like to be satisfied that the actual recurring annual savings effected by the installation of the equipment is commensurate with the capital investment.

CHAPTER IX

INTERNAL AUDIT

Audit Paragraph

9.1. The Films Division Manual (issued in December, 1957) envisages an internal audit cell and lays down its set-up and broad functions. No such cell has been set up so far (December, 1973).

9.2. In this connection, the Films Division has stated (December 1973) as follows:—

“On the proposal submitted by the Films Division in January, 1973 for creation of additional staff for Internal Audit Cell, Government has asked for some additional justification in August, 1973 for further examination of the proposal.”

[Paragraph 49.10 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)]

9.3. The Committee desired to know the present position in regard to the establishment of an Internal Audit Cell in the Films Division. In a note, the Ministry of Information and Broadcasting stated:

“Internal Audit of the Distribution Branch Office is being conducted with the existing staff.

As regards internal audit of the main office and the New Delhi set up, a proposal was received in the Ministry in January, 1973, but it was not approved as it involved creation of additional staff. It was suggested to the Films Division that with the appointment of Internal Financial Adviser, he should keep vigilance on the accounting procedure and undertake occasional tours to ensure that accounts are maintained properly and financial irregularities are avoided. It was also mentioned that since there was ban on creation of non-plan posts.

no additional staff could be made available to the Films Division for internal audit.

The Internal Financial Adviser, who was consulted in the matter by the Films Division expressed his inability to undertake the work without additional staff, for which a proposal was received in the Ministry in June, 1973. Ministry did not approve the proposal but suggested that fuller justification should be given for setting up of an Internal Audit Cell in the Films Division, which is awaited."

The Committee were informed by Audit on 5th August, 1975 that the proposal for the internal Audit Cell had since been received in the Ministry and had been referred to the Internal Work Study Unit for their recommendation.

9.4. The Committee are surprised to learn that though the Films Division Manual, issued in December 1957, envisages the establishment of an internal audit cell, no such cell has been set up so far, even after the lapse of 18 years. The Committee need not waste words to emphasise the importance of an effective organisation to ensure that accounts are maintained properly and financial irregularities avoided. The Committee, therefore, desire that the cell should be established without any loss of time. The Committee would also like an explanation why the question of setting up the cell had not even been considered prior to January 1973, despite a clear provision in this regard in the Manual.

CHAPTER X

LOSSES BY FRAUD/MISAPPROPRIATION

Audit Paragraph

10.1. The following cases of losses were noticed in the Distribution Head Office, Bombay.

(i) In January, 1966, stock shots valued at Rs. 65,075 were supplied on credit to a private party without observing the prescribed formalities and raw stock valued at Rs. 4,148 was loaned to the same party, although the rules of the Division did not permit giving raw stock on loan. The party who is stated to have obtained the material by impersonation as a representative of a State Government Company has not paid the cost of the stock shots and has also not returned the raw stock so far. A final decision on legal proceedings against the party was awaited (December, 1973). According to information available with the Films Division, the party has no tangible assets.

(ii) In twelve cases of sales of waste film, the first page of the two paged letters addressed to the successful tenderers was substituted fraudulently by another page containing lower rates, thereby enabling the successful tenderers to pay less amount to the Films Division. The loss of revenue on this account amounted to Rs. 46,063 during the period from November, 1969 to March, 1971. In this connection, the Films Division has stated (December, 1973) as follows:—

“...Steps were taken to contact the party and to arrange recovery of the amount in instalments. By now, Rs. 9,000 has been recovered.....”

(iii) Five cases of misappropriation of sale proceeds of stock shots involving Rs. 7,983.40 were reported during the period November, 1970 to May, 1971. In one case, a sum of Rs. 2,639.80 was subsequently (June 1971) refunded.

10.2. An official of the Distribution Head Office, Bombay who was allegedly responsible for the cases mentioned at (ii) and (iii) above was placed under suspension on 8th June, 1971. Criminal proceedings were instituted against the official by the Special Police Estab-

ishment in respect of cases mentioned at (iii) above. According to the Films Division (December, 1973) the Court is understood to have awarded the punishment of fine|imprisonment to the official. The services of the official have, however, not been terminated so far (January, 1974) pending receipt of copy of the Court's judgment.

[Paragraph 49.11 of the Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil)]

10.3. With reference to the first case of fraud cited in the Audit Report, the Committee desired to know the action taken by the Films Division. The Chief Producer, Films Division, stated during evidence:

"The position is, a representative brought a letter from Rajasthan Government to the then Administrative Officer of Films Division and Film Library, one saying he wants a loan of raw film and the other saying the State Government would like stock shots to be supplied. Under the impression that this was a genuine letter from the State Government, the loan of raw stock was given and stock shots were also supplied. This was in keeping with the long standing practice that we do meet requests from the State Government. But it turned out to be a fraudulent letter. An enquiry for disciplinary action has been held and the matter has been taken up legally with the court."

10.4. Since the case apparently involved a criminal offence, forgery, the Committee asked whether the Films Division was satisfied that the normal precautions to be taken in such a case were, in fact, taken by the officers concerned. The witness replied:

"...an enquiry has been held and action will be taken by the disciplinary authority. About civil action to recover the money, the party has no tangible assets. The party has also disappeared."

10.5. Explaining the facts of the case, the Secretary, Ministry of Information Broadcasting stated in evidence:

"There was Mr. Agarwal, who approached the Films Division, ostensibly on behalf of the Rajasthan Government in January 1966. He got this loan and he defrauded us."

He added that there had been an enquiry into the case by the CBI and opinions had also been expressed by the Ministry of Law.

10.6. The Committee asked whether the Films Division had taken any steps to verify whether Shri Agarwal was really a representative of the Government of Rajasthan. The witness replied that he had brought a letter of introduction from the Rajasthan Government which turned out to be fraudulent. Another representative of the Ministry stated in this connection:

"The relevant facts in the background are, ostensibly, Mr. Agarwal was in correspondence with the Films Division much before he appeared on the scene. Before this, letters were exchanged between the Films Division and Mr. Agarwal, who, in that correspondence, obviously was writing to the Films Division as an Officer of the Rajasthan Government. That was the atmosphere prevailing. Then, he came and did this fraudulent act. After this, the matter was entrusted to the CBI who have conducted an enquiry. Now, the report of the CBI says that the facts are not such as would conclusively prove the culpability of Mr. Agarwal."

He added:

"... the CBI, who were entrusted with this matter, held an enquiry now they have submitted their report recommending that only civil action should be taken against Mr. Agarwal and our officer who was departmentally responsible for issuing the stock shots. The facts do not prove any culpability on his part. The Vigilance Commission agreed with that. But, the Law Ministry did not. The CBI report is now under the consideration of the Law Ministry and we are actually awaiting their orders for taking a final decision whether the officer should be prosecuted or not and even for civil action, whether we should start it now or not. The moment we know from the Ministry of Law, we will take a final decision. It is because of this conflict of opinion between the investigating agency and the Law Ministry, we had not taken any concrete step as yet."

10.7. A note* on the case, indicating the sequence of events, subsequently furnished to the Committee by the Ministry of Information and Broadcasting is reproduced below:

"In January, 1966, one Shri M. M. Agarwal approached the Films Division, Bombay for supply of certain stock

*A (vanc: Copy furnished by the Ministry.

shots and raw films for use in a film 'Rajasthan Handicrafts' which he claimed was being produced by the Rajasthan Small Industries Corporation Ltd., Jaipur—a Government of Rajasthan Undertaking. He further claimed to be the representative of the Rajasthan Government and produced a copy of a letter purporting to be from the General Manager of the Corporation addressed to the Controller of the Films Division Bombay. On the basis of this authorisation, the Films Division Librarian issued to him stock-shots and raw films worth Rs. 65,000/-. Later on, on enquiry, it came to light that Shri Agarwal was never authorised to procure the raw film on loan basis and that he had fraudulently misrepresented himself as Production-in-Charge of the Corporation. As there appeared to be a *prima facie* evidence of mala fide intentions to defraud Government on Shri Agarwal's part the case was referred to CBI for enquiry. The advice of the Ministry of Law (Bombay Branch) on the legal issues involved in the case was also sought. CBI Bombay, in their letter No. 3805/3/71/67-Bombay dated 4-5-68 advised as under:

"During the course of investigation of the above noted case it was disclosed that Shri Agarwal was actually introduced to the authorities of Films Division, Bombay by an Officer of Rajasthan Government and as a result of this Shri Agarwal was given the raw material. Taking into consideration these facts it has been decided to close the case as the allegations have not been substantiated against Shri Agarwal".

The Ministry of Law at Bombay, were, however, of the opinion that there was sufficient material for both civil suit and criminal prosecution against Shri Agarwal.

Both the CBI and the Law Ministry have maintained their respective stand even after re-consideration of the case on numerous occasions. More recently the meetings were arranged in the Ministry of Law which were attended by Shri.....Solicitor to the Government of India and senior CBI Officers. In their latest reference dated the 3rd April, 1974, CBI has reiterated their stand and the relevant extracts of the letter are reproduced below:

The Senior Public Prosecutor of CBI, Bombay who examined the case came to the conclusion that there is no

criminal case against Shri Agarwal. In his comments the Sr. Public Prosecutor has *inter alia* mentioned that "as regards the forgery and cheating, I feel that there is no evidence. I do not find any mis-representation which led the Films Division to part with their raw material. Regular correspondence was going on between Shri Agarwal and Controller of Films Division as also with Director of S.I. Corporation and Director of Public Relations, Jaipur and led the Films Division to form an opinion that Agarwal was the representative of the Rajasthan Government. He further added that 'in fact if the raw material had been returned by Agarwal to the Controller of the Films Division there would have been no occasion to report the matter to the S.P.B. for investigation, and that this is a matter purely of civil nature and Films Division may recover the loaned material from Shri Agarwal. In any case, no offence seemed to have been committed and, therefore, the case may be closed.'

The aforesaid observations of the CBI were again brought to the notice of the Ministry of Law and they have now desired to see some original papers of the case before giving their final advice in the matter. CBI was asked to furnish the requisite information required by the Ministry of Law on 16-8-1974. They have since been reminded on 25th September, 1974 to expedite the information. It may be incidentally mentioned that some time after this case came to notice, the whereabouts of Shri Agarwal were not traceable. He was eventually traced in September, 1970 with the assistance of the CBI."

10.8. As regards the action taken against the officials of the Films Division responsible for this transaction, the Ministry, in a note, stated as follows:—

"The Film Librarian who supplied the stock shots was charge-sheeted and an inquiry has been held against him under disciplinary rules. The Inquiry Officer has submitted a report and a show-cause notice is being issued to the accused officer by the disciplinary authority.

Raw stock was supplied by the former Administrative Officer who retired from service on reaching the age of superannuation in October, 1967. The question of taking action against the Administrative Officer was considered but it was found that it was not possible to initiate disciplinary proceedings against him as the case was time barred."

10.9. The Committee are dissatisfied with the unconscionable tardiness of Government in the case of an established fraud, committed as early as January 1966. A final decision on the legal proceedings to be initiated against a private party, stated to have obtained stock shots worth Rs. 65,075 on credit and raw stock valued at Rs. 4,148 on loan from the Films Division by impersonating as a representative of the Rajasthan Small Industries Corporation Ltd., Jaipur, is yet to be taken even though the person who had perpetrated the fraud had been traced in September 1970, with the assistance of the CBI. What is even more perverse is that the legal proceedings should have been delayed for about 5 years because of a conflict of opinion between the investigating agency and the Law Ministry. The Committee desire that the dispute between the two governmental agencies normally an undesirable phenomenon, should be resolved without further loss of time and steps taken to initiate legal proceedings against the offender.

10.10. The Committee have been informed that the former Administrative Officer of the Films Division who had supplied the raw stock in defiance of clear rules of the Division against the lending out of raw stock, retired from service in October 1967 and that though the question of taking action against him had been considered, it was found that it was not possible to initiate disciplinary proceedings against him as the case was time-barred. Final action on the basis of an inquiry conducted, under the disciplinary rules, against the Film Librarian who supplied the stock shots is also stated to be pending still, in spite of the fact that the CBI report on the case was made available more than 7 years back. The Committee must express their extreme displeasure at the unduly long time that is taken in processing and finalising departmental proceedings even in established cases of mis-conduct or disdemeanour. Since delay of any significant magnitude detracts from the effectiveness of whatever disciplinary or exhortatory action that is subsequently taken, the Committee require that disciplinary proceedings should be completed with the utmost expedition and whatever punitive action is decided upon should be taken promptly and effectively.

10.11. In respect of the second case of fraud in the disposal of waste film, referred to in sub-para (ii) of the Audit Paragraph, the Committee desired to know whether any further recovery had been effected. In a note furnished to the Committee, the Ministry of Information and Broadcasting stated that upto 6th November, 1974, a total amount of Rs. 15,006.15 had been recovered from the waste film dealers.

10.12. As regards the misappropriation of sale proceeds of stock shots reported in the Audit paragraph, the Ministry, in a note* informed the Committee as follows:

"The official involved was prosecuted by the Special Police Establishment and was sentenced by the court to a rigorous imprisonment of 6 months and a fine of Rs. 5,000. On receipt of the copy of the judgement from the Central Bureau of Investigation on 25th February, 1974 and after due consideration of the judgement by the Disciplinary Authority, the accused officer was dismissed from service from 1st March, 1974. In regard to the question of recovery of the pecuniary loss caused to Government, Law Ministry's advice was sought. The advice of the Law Ministry is reproduced below:

'In the instant case, however, the Government servant having been dismissed from service, it is not possible to impose on him the penalty for recovery of loss suffered by the Government due to his fraud or negligence. The only way open to the Government in the circumstances of the case to recover the loss suffered due to the fraud committed by the Government servant appears to be to file a civil suit against him in parts.'

The question on filing a civil suit is still under consideration. Legal advice for recovery of the loss of sale-proceeds of stock shots would be considered further in consultation with the Law Ministry. Some dues on account of subsistence allowance of this employee have not yet been paid to him pending clarification on the point whether the loss could be recovered from the subsistence allowance."

10.13. In respect of the second case of fraud commented in the Audit paragraph, in which the successful tenderers who had bid for the waste film available in the Films Division had paid a lesser

*Not vetted by Audit.

amount to the Films Division by fraudulently substituting the first page of the two-paged letters by another page containing lower rates, the Committee have been informed that so far a total amount of Rs. 15,006.15 has been recovered from the waste film dealers as against Rs. 46,063. As this case is also now over four years old, the Committee desire that the balance due from the dealers should be recovered expeditiously.

10.14. The Committee consider it very surprising that instead of initiating action against the waste film dealers in a Court of Law for what is evidently a clear of fraud, the Films Division should have chosen to arrange recovery of the amount in instalments from the dealers. The Committee would like to know the reasons for extending so generous a concession which amounted to compounding a felony. Responsibility for the default should be ascertained and the Committee informed of steps taken.

10.15. As regards the misappropriation of sale proceeds of stock shots involving Rs. 7,983.40, the Committee call for an early decision on the question of filing a civil suit for the recovery of the loss of sale proceeds from the erring official.

NEW DELHI;
September 18, 1975.
Bhadra 27, 1897 (S)

H. N. MUKERJEE,
Chairman,
Public Accounts Committee

APPENDIX I

[Vide para 2.11 (iv)]

*List of Socially significant Films produced by the Films Division
after the Chanda, Committee Report*

1. I am 20 (Aspirations of Youth)
2. The Boy from the River Bank (Prevocational training)
3. Changing Face of India.
4. Moving Perspective (Indian Independence Movement)
5. Transition
6. Apathy (Civic Education)
7. Indian Youth—An Exploration
8. The Ancient Curse (Untouchability)
9. The Indian Women
10. Young Citizens (Youth Problems)
11. A Boundless Ideal (Gandhiji's idealism)
12. On the Move (Indian life)
13. Quest for a Nation (National Integration)
14. For them a Future (Health Hygiene)
15. We Want to Live (Prostitution)
16. A True Report (Paddy crop)
17. Frame-work of Famine (Relief & Rehabilitation)
18. Self-respect (Voting)
19. We (Modern social life)
20. An assessment (Industrial situation—Calcutta)
21. A Village Smiles (impact of Dams)
22. Transformation (Changing face of India)
23. Chain Reaction (Misuse of Alarm chain)
24. Anatomy of Bandh
25. India Today
26. Crisis in the Campus (Student Indiscipline)
27. The Ultimate Ruler (Franchise)

28. Victims of Tradition (Harijans)
29. A Probe (Student indiscipline)
30. Yes—It is On (Five Year Plans)
31. Transcendence (Aurobindo Ashram)
32. Anatomy of Fear (Communal Disharmony)
33. The Harijan
34. The Preamble (Constitution)
35. Freedom and the Family
36. Worth Waiting for (Government take over of Food grains)
37. You Must be Your Own Policeman (Hoarding)
38. It takes Two Hands to Clap (Food grain take over)
39. Short-cut (Hoarding)
40. Manavalakurichi My Village
41. This Only Earth (Pollution)
42. Chandalika (Untouchability)
43. The Flame Burns Bright (Netaji)
44. No Tree Grows (Generation gap)
45. The Burning Sun (Slum Improvement)
46. The Last Raja (Ex-Rulers)
47. Skin in the Bin (Cleanliness)
48. Who Pays the Price (Violence)
49. Violence—What Price? Who Pays (Five films in a series)
50. Seeing is Believing (Housing for labour)
51. Voice of the People (Railway Strike)
52. A Few More Questions (Railway Strike)
53. You the First Victim (Violence)
54. The Ugly Face (Riots)
55. I Found a Purpose (Youth in the Service of the country)
56. Parivartan (Bamboo Tube wells)
57. A Village called Dhani (Harijan welfare)
58. Kachra Mat Phainko (Cleanliness)
59. New Screen (National Film Awards)
60. The Heartless Breed (Food Adulteration)

APPENDIX II

(Vide Para 2.38)

List of films dubbed in Indian languages other than those mentioned in the Eighth Schedule to the Constitution of India.

LADAKHI:

1. Holiday in India
2. His Memory we Cherish
3. Panchayat Raj
4. Home Away from Home
5. In Defence of Freedom
6. Do You Know?
7. Gramdan
8. Buddhist Heritage of Orissa
9. Mountain Vigil
10. Immortal Stupa
11. Music of India (Inst.)
12. Music of India (Drums)
13. Kashmir Looks Ahead
14. Training for Defence
15. Cave Temples of India (Sr. I)
16. Pilgrimage to Freedom
17. Republic Day—1955
18. Nagarjun Konda
19. Road to Victory
20. Lahaul & Spiti
21. Frontier's of Freedom
22. Freedom's Challenge
23. Gautama the Buddha
24. Green Manure
25. Sawal Ka Jawab
26. Kalpadruma

NEPALI:

1. This Our India
2. Health For Millions
3. Rustic Delight
4. It's your vote
5. Bhakra Nangal
6. Kheti Ki Khurak
7. Bharat Natyam
8. Vadya Vrinda
9. Silent Revolution
10. Grow Rice the New Way
11. Better Breeds
12. Young Ambassadors
13. An Example to Follow
14. His Memory we cherish
15. The Dreaded Scourge
16. Saga of Service
17. People's Participation
18. Our Industrial Age
19. Himalayan Life Line
20. On the Air
21. Training for Defence
22. Search into Space
23. From Tiny Grains of Sand
24. The Daily Link
25. Their Highness Chogyal & Gyalmo of Sikkim visit to India.
26. Indian Festivals.
27. Planned Parenthood
28. Milky Way to Health
29. Scrub Typhus
30. Your Home Defence
31. A Day At the Zoo
32. A Great Problem
33. Hybrid Maize
34. U.S.S.R. President's visit to India

35. Immortal Stupa
36. Fire Fighting in Villages
37. Civil Defence
38. Bhutan Road
39. Darjeeling
40. Himalayan Heritage
41. Romance of Indian Coin
42. Rabindranath Tagore (S.V.)
43. Coronation in Nepal
44. King of Nepal's visit
45. You too can grow Grapes
46. Gautama—the Buddha
47. Badte Chalo
48. Modern Buddhist Pilgrimage
49. Invitation to Enchantment
50. Cave Temples of India
51. Call of the Mountain
52. Changing Landscape
53. Sukshma Vyayam
54. Nepal
55. Lahaul and Spiti

SWAHILI

1. Silent Revolution

KUMAYUNI

1. Accross India
2. Nefa—Then and Now
3. Chinese Threat

GARHAVALESE

1. Chinese Threat
2. Ladakh
3. Across India

APPENDIX III

(Vide Para 2-68)

Statement showing the reasons for Abandonment of 16 Films :

S. No.	Name of the film	Ministry and Department sponsoring it	Reason for abandoning the film
1	2	3	4
1.	Leather Manufacture	Ministry of Commerce.	The Export Promotion Council for finished leather and leather manufactures was making a film on the same subject, on their own. To avoid unnecessary duplication, the subject was dropped from the production programme in consultation with the sponsors namely Ministry of Commerce. The expenditure upto the date of abandonment of the film was Rs. 43.00 only.
2.	Trisuli Project	Ministry of Irrigation and Power	The subject was dropped in 1966-67 and the two films viz. 'Trisuli' and 'Indian Aid work in Nepal' were replaced by a new title "Nepal—Land and the People".
3.	Self Reliance	Ministry of Information and Broadcasting.	Films Division was producing a film on "New Swadeshi movement" sponsored by the Planning Commission and as the theme of this film was also "Self Reliance" it was not considered necessary to have another film on the same subject.
4.	Tarpore Atomic Energy Research Station.	Deptt. of Atomic Energy	The film was included in 1966-67. However, the subject was deleted alongwith some other subjects of the Department of Atomic Energy while finalising the Production Programme for 1967-68 and a new subject 'Space Research in India' was included in the Production Programme.
5.	Field Defence: Obstacles.	Ministry of Defence	As the entire concept of Field Defence was being subjected to basic charges the sponsors desired that the subject may be deleted.

- | | | | |
|-----|---------------------------|---|---|
| 6. | Training in Civil Defence | . . . Ministry of Home Affairs | . After the examination of the line of approach received from the Ministry of Home Affairs, Films Division felt that the subject matter was a duplication of Film Division's earlier films. The subject was, therefore, dropped from the production programme. The expenditure incurred on this film was only Rs. 299/-. |
| 7. | Film on Education | . . . Ministry of Information & Broadcasting. | Film was included in Production Programme for 1967-68 and it was assigned to a Director of Films Division. As the Director was busy with work on other priority films for showing in Expo '70 (Osaka), no action was taken in producing this film. |
| 8. | Film on Manipur | . . . Govt. of Manipur. | The subject was dropped as two other films viz. "Grandeur that is Manipur" and "Village Force in Manipur" were already on the production programme. The expenditure upto the date of abandonment was Rs. 161.00 only. |
| 9. | Ustad Ali Akbar Khan | . . . Ministry of I & B. | Dropped as no cooperation was forthcoming from the artist. |
| 10. | Indian Paintings (Mughal) | . . . Ministry of I & B. | Films Division by then had completed a film entitled Akbar. This film contains a large number of Mughal paintings and miniature. Besides, another film entitled the 'Mughals' was made by an outside producer. Since both these films contain a number of Mughal paintings it was felt that it would not be useful to go ahead with the production of another film of Indian paintings (Mughal School). |
| 11. | Butterfly | . . . Ministry of I & B | Due to large number of subjects which were to be carried forward to the production programme for the year 1966-67 it was decided that some of the cultural subjects which had not progressed beyond the script stage should be deferred for a year or so. At the time of finalisation of production programme for 1968-69, the sponsors dropped the subject from the production programme. |

12. Violence of Language Ministry of Information and Broadcasting The subject was dropped as it had become out of date.
13. Flora and Fauna of Kashmir Do. The shooting of the film was suspended due to acute shortage of colour stock. Films Division has consulted specialists on the subject and after ascertaining their views has now made a request to the Ministry of Information and Broadcasting vide their letter No. 2/5/62-FDP dated 8-11-74 to re-include this subject in the production programme of the Films Division.
14. Glimpses of India (Introductory Part (Ministry of External Affairs)) The film 'Land and People of India' entitled 'Glimpses of India' was to be produced in five parts representing the five regions in addition to these parts, it was considered necessary to produce a sixth film as an introductory part. Subsequently a film called 'India Today' was produced. This covered the subject matter which was originally intended to be included in the Introductory part.
15. The Great Betrayal Ministry of I & B. In view of the political repercussions that may flow from the wide and extensive showing and in the interest of normalisation of relations with China, the idea of releasing the film was dropped.
16. Assault River Crossing (Part II Ministry of Defence. The film was intended to be produced in two parts. One part was completed and approved by the sponsors namely.
- The second part was not approved by the sponsors and as such it was not completed. The expenditure of Rs. 1,49,299/- represents the cost of both the parts. An amount of Rs. 1,47,222/- has already been recovered from the sponsors. Correspondence to recover the balance of Rs. 2,077/- is going on with the sponsors.

APPENDIX IV

(Vide Para 2-69)

List of films which have not progressed beyond scripting stage and suggested for deletion from the production programme

Sr. No.	Name of the film	Sponsors	Stage of production	Expenditure incurred	Remarks
1	2	3	4	5	6
1.	Demobilised Soldier as Modernisation Force.	Ministry of Defence 1972-73 (B&W)	Line of approach and background material not received	Nil	May be deleted on account of sponsoring Ministry's lack of interest. Also, it is too late to handle this subject at this stage.
2.	Asia-'72 Fair (SV)	Ministry of Foreign Trade (1972-73 (Col.))		Nil	The shorter version of this film was included in the production programme at the instance of the Ministry of Foreign Trade but the sponsors have now decided that the shorter version need not be made.
3.	Officers/Jawans who won gallantry Awards in Indo-Pak War.	Ministry of Home Affairs 1972-73 (B&W)	Line of approach and background material awaited.	Nil	Lack of interest on the part of the sponsoring Ministry. Topical value is lost.
4.	From Birth to Death	Ministry of Home Affairs 1972-73 (B&W)	No progress. Proposed to be dropped.	Nil	The subject deals with the idea of national integration and was suggested by Shri K.A. Abbas. Several films have already been made by the Films Division on National Integration.
5.	Bandh III	Ministry of I&B 1971-72 (B&W)	No progress	Nil	Two films on the subject was earlier were not approved by the Films Advisory Board. Ministry had wanted these films produced so that they could be released

6. Bandh IV	Do.	Do.	Nil	} on the eve of Bandhs. However, the cinema houses have expressed their reluctance to screen these films on the eve of bandhs for fear of lawlessness inside the cinema houses.
7. Bandh V	Do.	Do.	Nil	
8. Bandh VI	Do.	Do.	Nil	
9. Biographical film on Nehru	Ministry of I&B 1971-72 (B&W)		Nil	Film is being made by Nehru Memorial Fund and all available material has been supplied to the Fund.
10. Songs for the Youth	Ministry of I&B 1972-73 (B&W)	Final decision for approval of songs not taken.	Nil	The implementation of the concept behind the idea of this film would mean a great deal of effort and expenditure which the Division can ill-afford at the moment. Besides, a film on the theme of national integration and based on songs in regional languages has already been made by the Films Division recently (This My Land).
11. Afforestation	Ministry of I&B 1972-73 (B&W)	Deferred	Nil	Tata are making a film on this subject to donate it to Films Division.
12. Housing for Landless labour	Ministry of I&B 1972-73 (B&W)	Proposed to be deleted.	Nil	Another film under the title "Seeing is Believing" on the 'One Lakh Housing Scheme for Kerala' has been completed recently.
13. Why Art	Ministry of I&B 1972-73 (B&W)	Proposed to be deleted.	Nil	It was our own suggestion. On reconsideration it is felt that it need not be taken up for production.
14. Nutrition	Do.	Research paper being attempted.	Nil	It is understood that M/s Glaxo are making a film on this subject for possible donation to the Film Division when completed.

1	2	3	4	5	6
15.	A Face (Experimental)	Do.	Deferred	Nil	The subject was suggested by one Shri Chiru. He has left Bombay and his whereabouts are not known.
16.	Meghdoot (Experimental)	Ministry of I&B 1972-73 (B&W)	Deferred	Nil	This subject was suggested by Shri V. Shirali. Shri Shirali has since shifted his Headquarters to Gwalior and it would not be possible for him to devote much time for the production of this film.
17.	Vilayat Khan	Do.	No progress	Nil	No cooperation from the Artist.
18.	Communalism	Do.	Assigned to an outside producer	Nil	A similar subject (Neighbours) suggested by the producer to whom this film was assigned has since been included in the production programme of the Films Division in lieu of this subject.

APPENDIX V

(Vide Para 4-36)

Statement showing the Laboratories and Processing Charges paid to them during the period from 1969-70 to 1973-74.

S. No.	Name of the Labs.	1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7
1	M/s. Bombay Film Labs. Ltd. Bombay.	2,92,451.90	3,12,502.40	2,63,741.38	2,42,291.78	6,21,698.22
2	M/s. Ramnord Research Labs. Ltd. Bombay	2,99,177.55 + 5,870.45	3,59,319.15	2,22,955.95	4,88,174.60	4,15,792.20
3	M/s. Famous Cine Lab. Tardeo, Bombay	3,09,160.80	3,74,045.00	3,82,157.95	4,56,509.00	9,11,014.54
4	M/s. Famous Cine Labs. & Studios Ltd., Mahalaxmi, Bombay	1,46,457.80	1,53,024.75	2,04,918.35	1,91,327.70	1,98,498.75
5	M/s. Quantity Labs. Bombay	..	70,765.45	2,23,138.40	1,59,729.00	1,79,768.45
6	M/s. India Cine Lab., Bombay	..	4,564.35	1,31,782.95	1,54,108.70	2,28,874.70
7	M/s. Navrang Cine Centre Pvt. Ltd., Bombay	..	..	..	19,420.80	44,917.75
8	M/s. Film Centre, Bombay	95,280.40	46,358.50	40,768.20	10,433.80	..
9	M/s. Gemini Col. Lab., Madras	28,864.75	86,642.45	65,547.50	80,524.15	1,18,763.25
10	M/s. Modern Sixteen Cine Lab. Pvt. Ltd. Bombay	2,82,795.55	3,34,454.30	3,42,406.95	3,84,833.05	6,40,911.20
11	M/s. Kine Sixteen, Bombay	81,370.80	75,926.55	1,03,896.90	1,32,173.10	1,05,796.80
12	M/s. Spectrum and Tricolour Lab. Bombay	533.70	581.20	..	49.80	54.00

1	2	3	4	5	6	7
13	M/s. West Bengal Studios, Laboratories and Equipment & Owners Association, Calcutta	..	..	..	..	9,726.30
14	M/s. Perma Film of India, Bombay	..	1,359.70	94,838.70	92,626.50	35,945.75
15	M/s Prasad Production Pvt. Ltd., Bombay	..	1,739.45	..	..	2,997.45 (Optical work)
16	M/s. Kodak Ltd., Bombay	..	..	..	74.80	10.00
17	M/s. Ranko Effects, Bombay	..	..	7,790.55	19,342.85	998.65
TOTAL :		15,41,963.70	18,21,283.25	21,04,704.98*	24,71,620.33	35,15,708.01

*Includes an amount of Rs. 20,761.20 paid as processing charges to M/s. Hindustan Steel Ltd. due to purchase of 73 prints of a film.

	15,41,963.70
	18,21,283.25
	21,04,704.98
	24,71,620.33
1.15 (crores)	35,15,708.01
	<u>1,14,55,280.27</u>

APPENDIX VI

(Vide Para 5.1)

FILMS DIVISION

Balance Sheet as on 31st March, 1972

Liabilities	1970-71	1971-72	Asset	1970-71	1971-72
	Rs.	Rs.		Rs.	Rs.
<i>Government Capital</i>			<i>Fixed Assets (Net)</i>	34,17,278	28,53,528
Opening Balance	61,48,977	68,47,741	<i>Current Assets</i>		
Add : Net adjustments	52,13,955	54,78,746	Films completed (not released)	16,89,637	47,75,245
	1,13,62,932	1,23,26,487	Films in progress	26,17,766	35,94,444
Less : Loss (without national revenue)	45,15,191	29,69,386	Films deferred	6,996	6,996
	68,47,741	93,57,101	Films dropped	17,348	17,348
Capital Reserves	10,41,597	10,41,597	Preliminary expenses	5,97,008	1,11,199
Advances & deposits	25,70,778	30,51,814	<i>Closing Stock</i>		
Sundry Creditors	43,31,396	54,01,520	Raw stock	24,20,112	32,09,810
Undisbursed pay & allowances	39,029	88,755	Miscellaneous, stores & spares	57,331	15,448
Advance of revenue	11,65,668	11,35,644	Stamps	16,081	25,491
<i>Proforma adjustments</i>			Spools & Cans	1,58,140	1,09,838
Audit fee	4,65,923	5,56,100	Advances & deposits	25,70,778	30,51,814
Adjustment account (being difference in)			Sundry debtors	27,98,515	35,58,952
(i) Raw stock consumption		18,22,826	Imprest Account	35,000	35,000
(ii) Processing charges		60,736	Undisbursed pay	39,029	88,755
			Prepaid expenses	21,113	62,225
TOTAL	1,64,62,132	2,15,16,093	TOTAL	1,64,62,132	2,15,16,093

FILMS DIVISION

Production Account for the year ended 31st March, 1972

	1970-71	1971-72		1970-71	1971-72
	Rs.	Rs.		Rs.	Rs.
To :—			By :—		
(i) Films completed out not released (F.D.)	13,04,218	8,13,739	(i) Films completed but not released	16,89,637	47,75,245
(ii) Films completed but not released (O.P.)	8,34,294	8,75,898	(ii) Films completed and released transferred to Distribution account	76,39,990	57,53,978
(iii) Films in progress	22,61,753	26,17,766	(iii) Films in progress	26,17,766	35,94,444
(iv) Films dropped	5,483	17,348	(iv) Films dropped	17,348	17,348
(v) Films deferred	6,996	6,996	(v) Films deferred	6,996	6,996
(vi) Unallocated expenses	1,38,999	5,97,008	(vi) Preliminary expenses	5,97,008	1,11,199
	<u>45,51,743</u>	<u>49,28,755</u>	Transferred to DFW/Films Division	1,57,833	2,61,791
Raw stock consumed	15,45,098	17,28,594	Transferred to Distribution account—work done for publicity purposes		33,018
Processing charges	1,91,613	2,74,291			
Miscellaneous stores, spares and spools	1,32,075	1,32,076			
Salaries & allowances	37,77,665	40,75,105			
Cost of O.P.	7,23,952	12,85,971			
Rent including national rent.	1,43,026	1,28,894			
Maintenance charges	59,119	87,248			
Office & other miscellaneous expenses	3,83,177	3,10,247			
Miscellaneous production expenses	2,32,192	58,115			
Depreciation	5,94,276	5,97,776			
Share of H.O./DFW expenses	2,37,286	2,37,286			
Administration expenses	6,92,642	7,09,661			
TOTAL	<u>1,27,26,578</u>	<u>1,45,54,019</u>	TOTAL	<u>1,27,26,578</u>	<u>1,45,54,019</u>

FILMS DIVISION

Distribution Account for the year ended 31st March, 1972

Dr.			Cr.	
	1970-71	1971-72	1970-71	1971-72
	Rs.	Rs.	Rs.	Rs.
To:—				
Cost of films released (Transferred from Production account)	76,39,990	57,53,978		
Raw stock consumed	65,37,087	75,68,158		
Processing charges	18,74,438	21,11,859		
Salaries & allowances	14,01,699	13,19,566		
Rent (including notional rent)	49,058	62,418		
Maintenance charges	20,866	34,733		
Customs levy & Excise	3,59,972	4,56,999		
Publicity	13,080	142,116		
Censor fees	7,345	7,785		
Office and other miscellaneous expenses	3,93,191	5,84,314		
Spools, Cans & packing boxes	2,45,836	3,09,607		
Depreciation	16,882	17,539		
TOTAL	1,85,59,444	1,82,69,072		
			By:—	
			Net revenue from rentals, sale of prints etc.	1,50,85,266
			Gross loss transferred to Profit & Loss Account	34,74,178
			TOTAL	1,85,59,444
				1,82,69,072

FILMS DIVISION

Profit and Loss Account for the year ended 31st March, 1972

	1970-71	1971-72		1970-71	1971-72
	Rs.	Rs.		Rs.	Rs.
To:—			By:—		
Gross loss transferred from Distribution account	34,74,178	16,08,644	Net loss (Before crediting national revenue for free exhibition)	45,15,191	29,69,386
Interest	3,94,100	4,30,050			
Pension & gratuity	5,77,288	8,40,515			
Audit fee	69,625	90,177			
TOTAL	45,15,191	29,69,386	TOTAL	45,15,191	29,69,386
Net loss (Before crediting national revenue)	45,15,191	29,69,386	Notional revenue for free exhibition	1,08,27,938	65,58,107
Notional profit after crediting national revenue	63,12,747	35,88,721			
TOTAL	1,08,27,938	65,58,107	TOTAL	1,08,27,938	65,58,107

APPENDIX VII

(Vide Para 6-16)

Statement showing the cost of production of films produced by the film Division and outside Producers during 1970-71 and 1971-72.

Name of the Films Division's film		Total cost
1	2	3
		Rs.
1.	Magic of the Rails	87,196
2.	The Village I now	97,007
3.	Tomorrow may be too late	12,323
4.	The Circle	2,26,122
5.	Past in the Present	31,515
6.	A Means Not An End	23,409
7.	Koodal	58,705
8.	Folk and Tribal Images	46,142
9.	P.M. of India Visits Mauritius (1970)	20,874
10.	Moments with Maestro	52,789
11.	Ravi Shankar	12,075
12.	Non-alignment for Peace and Progress	39,180
13.	Zaharili Daal	41,790
14.	United Endeavour	29,769
15.	Water and the Land	8,969
16.	Delicate Designs	77,447
17.	Amir Khan	80,536
18.	Operation Census	53,975
19.	Ustad Allarakha	17,969
20.	Hamra Vichan (A Promise to Keep)	17,565
21.	Get Your Soil Tested	19,970
22.	Balanced Fertiliser . . . . .	..

1	2	3
		Rs.
23.	Pyar Ki Jeet Huyee	1,71,027
24.	Foot Ball	1,05,116
25.	Privilege to Share	21,421
26.	An Appeal	3,873
27.	A Symbol of Service	21,564
28.	Snows of Satopanth	37,447
29.	We want to Live	1,02,756
30.	Crystal Clear	2,81,607
31.	Calcutta a Doomed City	32,665
32.	Will to Success	65,767·00
33.	Tandava	1,22,616·00
34.	Towards Better Nutrition	20,726·00
35.	Trip	23,644·00
36.	Krish	65,345·00
37.	A True Report	17,932·00
38.	India at Expo'70	26,920·00
39.	Phosphate for Plenty	19,336·00
40.	Why Potash	13,559·00
41.	Fertiliser Mixture	9,488·00
42.	Pure Fertiliser	23,088·00
43.	President Giri Visits East Europe	14,348·00
44.	Your Vote	11,517·00
45.	Presentation of Colour to Bihar Regiment	29,971·00
46.	Non-Aligned Summit Lusaka	10,035·00
47.	Duty Bound }	
48.	Your Choice }	
49.	Self Respect }	25,575·00
50.	Voting—Doing it Right	12,576·00
51.	An Assessment	26,980·00
52.	The Folk Dances	1,05,735·00
53.	Space and India	3,40,265·00
54.	Return of Bhagirathi	21,088·00

1	2	3
		Rs.
55.	Canadian P. M. Trudeau in India	25,065.00
56.	New Goals (P. M. Visit to UNO)	22,399.00
57.	Ahmad Jan Thirakwa	68,063.00
58.	Transformation	26,920.00
59.	We	16,039.00
60.	Rhythm of Kerala	1,73,065.00
61.	Chain Reaction	1,98,667.00
62.	Mwalimu India	8,066.00
63.	P.M. of Guyana Visits India	13,713.00
64.	P.M. of Fiji Visits India	6,900.00

O.P. FILMS--1970-71

S.No.	Name of the Film	Total cost
1	2	3
		Rs.
1.	Behind the Red Signal Lurks Danger	28,000.00
2.	Journey of a Money Order	10,000.00
3.	Blast Disease of Rice	25,077.00
4.	Towards Healthy Motherhood	7,000.00
5.	Healthy Child	8,000.00
6.	Parliament of Diseases	75,000.00
7.	Keep an Eye	10,000.00
8.	Prosperity through Productivity	45,000.00
9.	Multiple Cropping in India	27,000.00
10.	Elephant Lore	45,000.00
11.	Village Smiles	65,000.00
12.	Festival Time	68,000.00
13.	Arteries of Bombay	25,000.00

1	2	3
14.	On Parallel Line	42,000 Rs.
15.	My Village My People	20,000·00
16.	I am Hungary	6,000·00
17.	Proper Food for Healthy Growth	6,500·00
18.	Wings of Fire	53,500·00
19.	Rats	28,500·00

1971-72

S. No.	Name of Films Division's film	Total Cost
1	2	3
		Rs.
1.	Yes Madam	31,993·00
2.	Refugees—1971	42,381·00
3.	A Human Tragedy	16,895·00
4.	Slaughter of a People	14,718·00
5.	Anatomy of Bundh	6,018·00
6.	Care a Little More	86,942·00
7.	In the Minds of Men	91,827·00
8.	Remember the Flag Day	9,793
9.	Towards Green Victory	10,020·00
10.	Now is the Time	4,385·00
11.	What Next	7,061·00
12.	Donate	2,860·00
13.	The Other Front	3,806·00
14.	Liberation of Khulna	4,920·00
15.	Line of Resistance	5,598·00
16.	Heroes of the Skies	23,977·09
17.	Time to Go Home (Ebar Ghare Ferrar Pals)	378·00

1	2	3
		Rs.
18.	The Ultimate Ruler	1,08,883.00
19.	Home Coming—1972	13,070.00
20.	Victims of Tradition	48,136.00
21.	Anywhere Anytime	37,950.00
22.	Bhutan (L.V.)	1,04,078.00
23.	The Quest	8,290.00
24.	Freedom	17,941.00
25.	Filfreemim	1,971.00
26.	Jawaharlal Nehru Award for Yahudi Menuhin	33,080.00
27.	Concentrate Feed for more milk	15,408.00
28.	A Sense of Oneness	1,05,985.00
29.	Incubation and Hatching	36,650.00
30.	Egg and You	27,356.00
31.	Chicken and Egg	15,507.00
32.	All about Arecanut	18,121.00
33.	The Golden Vine	20,680.00
34.	Power Tiller	5,884.00
35.	How to handle Fuel Oil & Lubricants	11,573.00
36.	Rearing Chicks	27,843.00
37.	Management of Layers	17,534.00
38.	Growing Layer	17,947.00
39.	Search for Ground Water	3,064.00
40.	General Election—1971	39,559.00
41.	Bangla Desh Foreign Minister in Delhi	3,958.00
42.	Nav Gash Nav Aash	55,193.00
43.	INR Diary on Bangla Desh	4,119.00
44.	Delhi Welcomes His Majesty the King of Bhutan	12,186.00
45.	Royal Visitors from Tonga	14,604.00
46.	New Wave Farmers	53,675.00
47.	No option but to Fight	4,852.00
48.	Shramik Vidyapith	2,30,034.00
49.	Firaq Gorakhpuri	78,764.00

1	2	3
		Rs.
50.	Sahayag	37,804.00
51.	Recollections	1,44,638.00
52.	We Remember	13,424.00
53.	Keep Going	4,029.00
54.	Be ever Alert	928.00
55.	One	11,725.00
56.	This My Land	49,316.00
57.	The Cheats	1,61,017.00
58.	Bhutan (SV)	51,762.00
59.	Sarya Meva Jayate	6,420.00
60.	Flying Sikh	38,481.00
61.	Lesson	29,598.00
62.	A Probe	20,477.00
63.	The Beas Project	62,598.00
64.	Fruits and Vegetables	15,236.00
65.	Agricultural Universities	34,521.00
66.	Search for Ground Water	61,509.00
67.	Search	78,103.00
68.	Zari	75,810.00
69.	Pandit V.D. Paluskar	92,882.00
70.	Search Goes On	73,923.00
71.	Vilsoo Jones	77,009.00
72.	Desh Bandhu C.R. Das	88,684.00
73.	This—No Sabre Rattling	6,056.00
74.	The World of Sound—Hallo Vadiraj	37,600.00
75.	For Freedom for Democracy	4,150.00
76.	Small Beginning— Change	58,356.00
77.	A rose called Zakir Hussain	96,307.00
78.	Sonar Bangla	37,192.00
79.	Mizo Memoirs	1,18,628.00

S. No.	Name of Films Division's film	Total cost
		Rs.
80.	Loot and Lust	21,915.00
81.	Time of Terror	20,171.00
82.	Indian Troops in Congo	1,21,325.00
83.	Markfed Marches Ahead	75,720.00
84.	More Food through Pigs	44,678.00
85.	Territorial Army	83,686.00
86.	You are not Alone	84,707.00
87.	Be a Partner in India's Defence	8,606.00
88.	Donate blood Today	1,642.00
89.	Mine Laying	1,85,698.00

O.P. FILMS—1971-72

S. No.	Name of the film	Total cost
1	2	3
		Rs.
1.	Ree the gal of Millions	9,113.00
2.	Begam Akhtar	38,939.00
3.	A Daughter is as good as a son	24,729.00
4.	Life and Leaf	8,773.00
5.	Crisis on the Campus	72,618.00
6.	Great Sports	43,465.00
7.	No Tree Grows	32,068.00
8.	Housing for the People	17,980.00
9.	Parent & Teacher— Better Education	20,374.00
10.	I help Fight over Population	42,223.00
11.	Nil Umang	22,000.00
12.	Thus Began the Tragedy	42,813.00
13.	Exodus and After	42,500.00

1	2	3
		Rs.
14.	Learn Devanagary	39,208 00
15.	Bhoo Samrakshan	28,010 00
16.	Delhi— Yesterday and Today	57,828 00
17.	India Today	70,000 00
18.	Mayora Our National Bird	55,179 00
19.	Beating Retreat	41,634 00
20.	Creations in Metal	54,180 00
21.	Indian Muslims and their religious observance	65,134 00
22.	Date Line Bangla Desh	3,88,983 00
23.	Cyclone and Precautions	5,000 00

APPENDIX VIII

Summary of main conclusions/Recommendations

S.No.	Para No.	Ministry/Department Concerned	Conclusion/Recommendation
1	2	3	4
1	2.28	Ministry of Information and Broadcasting	<p>The Committee note that the selection of subjects for production of documentary films was made upto 1966 on the basis of suggestions received from different Ministries, Departments, State Governments, etc. and during 1967-68 to 1969-70 on the basis of an over-all two-to-three-year plan made by the Films Division. The practice of consultations with the concerned Ministries, Departments, etc. is stated to have been discontinued in the years 1970-71 and 1971-72 as the number of films carried over from the previous years was sufficient to keep the production units of the Films Division busy. The Committee, however, observe that the subjects carried over numbering 139 as on 31st March, 1970 were supplemented by the Ministry of Information and Broadcasting by <i>ad hoc</i> additions made from time to time of 112 subjects in 1970-71, 141 subjects in 1972-73, 214 subjects in 1972-73 and 28 subjects in 1973-74. While the Committee concede that it may be necessary to make an <i>ad hoc</i> selection of subjects to meet unexpected and special situations, they are of the view that <i>ad hoc</i> selections, being by their very nature exceptional, should not be as numerous as they have been.</p>

1

2

3

4

2

2.29

Ministry of Information and
Broadcasting

Since the prime objective of the Films Division is to educate public opinion in regard to the activities of Government and the concerned Ministries and Departments would therefore be the better judges of the areas in which film support is to be mobilised, the Committee feel that it would be a better arrangement if the annual production programme of the Films Division is prepared after extensive mutual consultations rather than merely relying on the sole judgment of the Ministry of Information and Broadcasting. Consultations would assist the process of earmarking the areas of priority and presenting a more comprehensive picture of national requirements. The Committee have been informed that consultation with the Ministries have now been revived and are of the opinion that this is a healthy practice which should be put on a firm and regular basis.

3

2.30

—do—

In the matter of selection of subjects for documentaries, the Committee feel that there is greater scope for care and discrimination. A common complaint against the documentaries produced by the Films Division, as has been pointed out by the Committee on Broadcasting and Information Media, is that they confine themselves largely to publicising the activities of Government. No doubt, the main raison d'être of the Films Division is to focus before the people the objectives, the activities and achievements of the State. The Committee, however, are of the view that positive results can only

ensure from technically competent, aesthetically satisfying, thematically non-partisan and patriotically evocative work. The constant aim of the Films Division should be to make sure that socio-economic subjects beneficent to the country are adequately purveyed and fundamental problems faced by the masses of our people are projected in a thoughtful, constructive and yet attractive manner. The Committee feel that the Films Division requires a more disciplined and sensitive and mass-oriented approach than at present.

4

2.31

—do—

The same observation would apply to the news-reels produced by the Films Division. In the opinion of the Committee, the emphasis of the news-reels appears often to be misplaced being more on personalities and events of limited importance rather than on what is 'hard' news. In the absence of editorial finesse and objectivity, the news-reels are frequently little more than a dull chronicle of arrivals and departures of dignitaries, inauguration ceremonies, etc. To those with a predilection for statistics, it would be of interest to learn that 102 of the 380 news-reels produced from January 1971 to June 1974 featured VIPs and senior Government officials. It has been conceded by the Ministry of Information and Broadcasting that meetings and ceremonial functions are 'poor copy' for news-reels and should be avoided. A guiding principle is also said to have been enunciated that the emphasis of the news-reels should be more on events than on individuals. However, the over-emphasis of the news-reels on personalities rather than on "happenings" lead the Committee to the conclusion that the News-reel Officers of the Films

1	2	3	4
5	2.32	Ministry of Information and Broadcasting	<p>Division suffer from a kind of routine complex which, understandably, perhaps, they find difficult to overcome. In the result, unhappily, most of the news-reels fail to hold the attention of the audience.</p> <p>The quality of the films produced by the Films Division merits special attention. Much has already been said on this subject both by the Committee on Broadcasting and Information Media and the Estimates Committee (1973-74). The Secretary, Ministry of Information and Broadcasting told the Committee during evidence that documentaries produced by the Films Division compare favourably in their technical excellence with the best films in the world and have won repeated international recognition. While this is, of course, a matter of pleasure, the Committee have regretfully to point out that the some documentaries produced by the Films Division appears from all accounts to lack subtlety, imagination and audience-appeal. Particular care should be taken over, for example, films on Family Planning whose message has imperatively to reach the masses. The general impression seems, however, to be that such films are made mechanically and with a peculiar naivete' that provokes the wrong kind of reaction from the audience. The Committee stress that Films Division production, apart from technical competence which is a must, should also make sure of the impact on the audience whose interest has to be sustained and the desired responses secured.</p>

6 2 33

—do—

In the opinion of the Committee, the malady of the films produced by the Films Division appears to be basically a lack of realisation, on the part of the producers, of what would hold the attention of the audience. Unfortunately, a wide communication gap appears to exist at present between the conception of an idea by the Films Division and its transmission in celluloid. Even a didactic film can be made visually effective and existing, but instead of it, excessive reliance is often put on the spoken word to communicate the message. The very fact that many cinema-goers prefer to come late to the theatre so as to avoid the documentary films would indicate that there is something vitally lacking in these films and that there is ample scope for improvement. The Committee consider it essential that greater stress should be laid on the quality of films produced by the Films Division.

7 2 34

—do—

In this context, the need for a systematic evaluation of the impact of the films produced by the Films Division and the audience, reaction thereto assumes special significance. The Committee are concerned to note that even though the Committee on Broadcasting and Information Media had pointed out the need, as early as 1966, to distinguish between different kinds of audiences and recommended that while there should be films for general showing, such as films relating to national integration and other questions of general public importance and interest, other documentaries should be designed separately for urban and rural audiences, very little appears to have been done in this regard so far. Whatever measures

that have been taken so far to evaluate audience reaction can, as admitted in evidence, be treated only as *ad hoc* measures and cannot be a substitute for a well-organized and scientific evaluation of the films produced by the Films Division. The Committee have been informed that an Evaluation Directorate has been set up in the Ministry, in the Fifth Plan, to assess the impact of the products of all the Media Units. The Committee desire that this evaluation should be done on scientific principles by truly sensitive and professionally competent people and there should be meaningful feedback of the information to those who decide the theme and contents of films to be produced at public expense. The Committee await with interest the work of this evaluation machinery which will be judged by results. The Committee wish to stress the high significance of that work. It is no less than that of bringing about in Films Division productions such changes, in thematic character and technical quality, as would communicate convincingly to the masses of our people an inspiring summons to build a new India and would at the same time satisfy the artistic criteria of good film making.

130

The Committee observe that at present documentaries are produced by the Films Division either in Hindi or in English and subsequently dubbed in all the fifteen languages included in the Eighth Schedule to the Constitution of India. Since the documentaries focus attention on important aspects of the country's life with a

view to bringing about enlightened participation in the affairs of the nation and an objective appreciation of the national scene, and since in a way they also represent the hopes and aspirations of the people, the Committee are of the view that it is not sufficient for the Films Division to confine itself only to the languages included in the Constitution. It must be remembered that the Films Division has an important role in acquainting our people with the plans and projects undertaken in the country for the nation's welfare and progress. In this context, the Films Division should make an earnest attempt to ensure that its documentaries reach people everywhere, and specially in the comparatively retarded regions. Though some attempt has been made to dub a few films in Konkani, Khasi, Ladakhi, Nepali, Swahili, etc. the Committee are convinced that much more requires to be done in this regard.

131

9 2.40

—do—

The Committee have been informed that the production of films in a larger number of regional dialects, tribal languages, etc. has not been possible mainly because of the financial constraints of the Films Division. Nevertheless, the Committee feel that it should be possible for the Films Division to ensure, within the available resources, a larger investment in films in the languages and dialects of hilly, backward and frontier areas of the country, so that the people of these areas have a sense of involvement with the rest of India and do not feel neglected or ignored. Special efforts should be made to help them.

1**2****3****4**

10

2.57

Ministry of Information and
Broadcasting

The Committee find that the targets of production of the Films Division are invariably less than the overall capacity of the Division, whereas the actual production of documentaries exceed the overall capacity in some years. For instance, as against the capacity of 111, 117 and 125 films respectively in 1971-72, 1972-73 and 1973-74, the targets fixed during these years were respectively 95, 95 and 101 films. The actual achievements were, however, 113, 120 and 126 films respectively. It would, therefore, appear that the existing norms of production are loose and unrealistic. The Committee desire that the norms should be reviewed on a scientific basis and refixed so that the widening gap between capacity and targets and between targets and achievements is substantially reduced so as to reflect more correctly the actual utilisation of the manpower resources of the Films Division.

11

2.58

—do—

The Committee observe from the Audit paragraph that the Films Division has not explained the rationale for showing the Compilation Films and the special news-reels as documentaries produced. Since compilation films are compiled from the stock shots available in the film library, the Committee would like to know the reasons for classifying such films as documentaries.

12

2.59

—do—

The Committee note that, on an average, the production of about 20 to 25 films are entrusted every year to outside producers from the approved panel maintained in the Films Division. The Com-

mittee have been informed that there are no rigid rules specifying the types of films that are not to be assigned to outside producers, though certain general guidelines have been laid down in this regard. From a perusal of these general guidelines, the Committee are led to the conclusion that films which are easier and less expensive to produce are farmed out to outside producers, while more difficult films, involving shooting under arduous or adverse conditions or involving much travel are retained by the Films Division. Later on in this Report, the Committee have commented upon the steady increase in the percentage of what are termed 'general hours' to 'purchase hours'. The Committee confess to being intrigued by a statement during evidence by the Secretary, Ministry of Information & Broadcasting, that the Films Division was not "ashamed" of offering benefits to outside film producers because it was the 'biggest client' of documentary makers in the country. Subjective reactions of that sort do not seem very relevant. What the Committee wish is that the guidelines for allocation of work to outside producers should be strictly reviewed and if the Films Division looks beyond itself it must make sure that only the finest talent in the country are drawn in and work as enthusiastically for the Films Division as for themselves.

133

In paragraph 1.71 of their 120th Report (Fourth Lok Sabha), the Committee had, *inter-alia*, recommended that the safeguards to be adopted to protect Government's interests in their dealings with

private producers to whom part of the production is farmed out and the measures to ensure better returns should be investigated. The Committee had then been informed by the Ministry of Information & Broadcasting in the Action Taken Note that in this regard a preliminary survey of the Films Division had already been carried out by the Administrative Staff College, Hyderabad and a proposal for a detailed study of the Films Division by them was under consideration. The Committee would like to be apprised of the findings of the consultants and the remedial measures adopted by the Films Division in pursuance of these findings.

14 2.72 **Ministry of Information and
Broadcasting**

The Committee are concerned to find that one part of a training film produced on behalf of the Ministry of Defence was abandoned after incurring an expenditure of Rs. 1.49 lakhs. What surprises the Committee is that both the Films Division and the Ministry of Defence should blame each other for the abandonment of the film. The Committee would like to know if the first part of the film which was completed and found acceptable was screened extensively and with satisfactory results. They would like further to know the exact amount of expenditure that had proved infructuous over the second discarded part of the film. The Committee note that shooting of the film was taken up only after the script had been approved by the Service Consultant and other appropriate Defence authori-

ties and that the 'rough cut' of both the parts of the film had also been approved at one stage by the Service Consultant. The Committee would like to know if the Service Consultant was at fault in this matter or if the Ministry of Defence itself had made a wrong choice for the task. Since the Ministry of Information and Broadcasting appear to argue that the default took place on account of the Defence Ministry's error in not appointing an officer with the requisite standing, the matter especially requires to be thrashed out. The Committee desire that the entire position including appointment of the consultant, approval of the script and 'rough-cuts' and the final abandonment of one part of the film should be investigated and responsibility for default, if any, determined with a view to appropriate action.

15 2.73

—do—

Another aspect which compels the attention of the Committee is the delays that have occurred at various stages of the production of the film and its subsequent abandonment. The rough-cuts of parts I and II of the film, which had been included in the production programme of the Films Division for 1964-65, was approved by the Service Consultant only on the 6th September 1967. Again, it was in June 1968 that the Service Consultant saw the film again and decided to incorporate the modifications suggested by the E-in-C Branch. These suggestions were communicated to the Films Division by the Armed Forces Film and Photo Division in July 1968. Had there been better coordination between the relevant authorities, perhaps the expenditure incurred on the film would have been

135

1

2

3

4

minimised. The Committee would like the reasons for the delays that occurred at various stages to be examined and remedial measures adopted to avoid the recurrence of such instances.

16 2.74 Ministry of Information and Broadcasting

The Committee observe that no concerted attempt appears to have been made for almost a decade to weed out subjects that have lost their topicality and interest. As on 31st March 1972, of the 184 subjects on the production programme of the Films Division, 29 subjects had been carried forward from 1966-67 and earlier. Only in December 1974, Government have accepted the recommendation of the Films Division for the deletion of 18 subjects from its production programme. The evidence strangely reveals some kind of play since before December 1973, with the notion of a 'cell', sometimes apparently thought useful and sometimes superfluous to review and finalise the Films Division's production programme. This, it is stated, is still under consideration. Cell or no cell, however, the responsibility of the Films Division and of the Ministry remains and it is for them to decide on dropping out-dated titles and drawing up the full programme of production for the year.

100

17 3.4

-d-

In this case, the Committee are concerned to note that even though the distributors of the cartoon film on Family Planning had indicated the cost of production of the film, interest, handling charges, etc., the Films Division had not considered it necessary to

negotiate a reduction in the price of the film on the basis of the number of prints to be purchased by it. As a result of this lapse, the purchase of 219 prints resulted in reimbursement of a sum of Rs. 1.86 lakhs towards the cost of production, interest, handling charges, overheads, etc., while the cost of production of the film itself was only Rs. 0.75 lakh. Since the transaction has apparently gifted an unintended windfall to the distributors the Committee desire that responsibility for the failure to safeguard Government's interests should be fixed for appropriate action.

18 3.5 —do—

The Committee would also like to be informed of the number of prints of the film purchased by the Department of Family Planning and the monetary benefit that accrued to the distributors on this account.

19 3.6 —do—

The Committee observe that producers/distributors of short films on Family Planning are generally unwilling to sell the films out-right to a single agency but prefer to deal with various agencies like the Films Division, State Governments, Directorate of Field Publicity, educational institutions and other interested parties in India as well as agencies abroad for commercial and non-commercial exhibition. In view of the emphasis laid on the large demand for films on family planning, the Committee are of the view that it may be worthwhile to centralise the purchase of such films, on behalf of Government organisations, in the Films Division so that the existing unsatisfactory arrangement is not exploited by the producers and distributors to the detriment of Government's financial

interests. The Committee desire that this suggestion should be examined in consultation with the user departments. To begin with a few films of proven merit and audience appeal on subjects of wide national interest may be purchased outright and the position reviewed in the light of the experience gained.

20 4.6 Ministry of Information and
Broadcasting

The Committee note that in the absence of the requisite facilities in the Films Division for the storage of raw stock of films, the raw stock purchased and paid for by the Films Division but not required immediately is stored, at the risk of the Films Division, in the cold storage of suppliers who do not charge any storage rent. The motivation of the suppliers to store Films Division stock, free of charge, has been explained by the Ministry as under:

- (a) Films Division is the largest individual customer and they would like to maintain good relations with the Division; and
- (b) the storage is done as a part of after sales service to the customer. If a defect is found in the stock, they can satisfy the factory that the stock was kept under proper conditions and replacement of stock is due to manufacturing defect.

21 4.7

—do—

The Committee, however, note that according to the Audit paragraph, the raw stock is stored by the suppliers at the risk of the Films Division and no agreements are entered into with the suppliers detailing the terms and conditions of storage on the Films Division's account. The Committee desire that the legal implications of this unusual arrangement should be examined immediately and the liability of the suppliers clearly spelt out in agreements between the Films Division and the suppliers, so as to avoid any ambiguity and complications.

22 4.14

—do—

The Committee are concerned to note that the consumption of negative stock for the production of documentaries has generally been higher than the norms fixed in this regard by the Films Division, except in the years 1967-68, 1968-69, and 1973-74 in respect of colour films and in the year 1973-74 in respect of black and white films. The Films Division, however, appears to derive comfort from the fact that the raw stock consumption ratio in the Division is considerably less than the raw stock consumption ratio in similar organisations elsewhere in the world. The consumption of raw stock may be dependent upon the needs and complexities of each film, but the Committee are doubtful whether this factor by itself could account for the wide fluctuations in consumption. For instance, while the ratio of raw stock consumption of colour film was only 3: 1 in 1968-69, the Committee find the ratio increased to 8.2 : 1 in 1969-70. The Committee would like to know the special circumstances that might have justified what, *prime-facie*, appears to be an abnormal increase in the consumption of expensive colour film.

23 4.15 Ministry of Information and
Broadcasting

While the excess consumption of raw stock could be understandable to an extent in respect of documentaries, since a number of variables like the nature and sometimes the complexity of the subject, the number of locations covered, the shooting conditions, the number of retakes that may be necessitated till the proper expression or action is achieved, etc. are involved in their production, the Committee feel that the same argument would not be equally applicable in the case of newsreels produced by the Films Division. It is observed that the actual consumption of black and white picture negative for the production of newsreels bears no relation whatsoever to the norm fixed. As against the prescribed ratio of 5 : 1 in respect of newsreels, the Committee find that the actual ratios of picture negative exposed to the final length of the film were 9.4 : 1 in 1967-68, 9 : 1 in 1968-69, 12.2 : 1 in 1969-70, 8.2 : 1 in 1970-71, 10.1 : 1 in 1971-72, 7.7 : 1 in 1972-73 and 8.4 : 1 in 1973-74. In view of such wide disparities in the consumption of negative stock, the Committee desire that the circumstances leading to such disproportionate increases should be gone into in detail and remedial measures taken to achieve economy in the consumption of picture negatives.

24 4.16 —do—

The Committee also observe that the Committee on Broadcasting & Information Media had, *inter alia*, recommended, in September 1966, that the shooting team which effects economy in the use of scarce v film should be given a cash prize as incentive, provided, of course,

that the quality of the film was upto the standard. Although this recommendation has been accepted in principle by Government, the Committee find that it has not been implemented so far, in the absence, it appears of staff for the budgeting of individual films. However, since the monitoring of the consumption of negative film is apparently being done even now in the Films Division and the allocation of negatives regulated according to the requirements of each individual film, the Committee are unable to understand the inability of the Films Division to implement this recommendation. The Committee are of the view that the incentive scheme, if implemented, is bound to pay dividends in the long run and desire that this should be given effect to without further loss of time.

25

4.21

—do—

The Committee take a serious view of the delays in the rendering of accounts of picture negatives and their finalisation, which have been attributed by the Chief Producer of the Films Division to administrative inefficiency. It is surprising and deplorable that the accounting of raw stock should have been allowed to fall into arrears for seven years in succession. In the opinion of the Committee, this is a very unsatisfactory state of affairs where misuse of stock becomes likely. The Committee desire that the existing procedures for the rendering of accounts and their reconciliation should be reviewed carefully and streamlined so as to allow no scope for malpractices and manipulations.

26

4.22

—do—

The Committee note that one of the officials who had not rendered accounts has been charge-sheeted and another who had rendered

incomplete accounts for a major portion, has been warned and asked to render the accounts in full. The Committee would like to know whether any serious malpractice has come to notice in these two cases. The uncompleted disciplinary proceedings should also be expedited and the final outcome reported to the Committee. The accounts in respect of 13 other officials, which are still awaited, should be reconciled without further loss of time and finalised and deterrent action taken if any malpractice comes to light. The Committee ask for an early report in this regard.

2 4.43 Ministry of Information and
Broadcasting

In the opinion of the Committee, the handling by Government of the question of revision of the rates of wastage allowance allowed to private processing laboratories has been thoroughly unsatisfactory and unbusinesslike. What is more distressing is the apparent attitude of helplessness adopted by the Films Division. It has been evident from a cost study of the rates payable to processing laboratories for Films Division work conducted in 1964-65 that the existing wastage allowance of 5 per cent for black and white films and 10 per cent for colour films was abnormally high and left a surplus realisation to the laboratories with the result that clandestine prints could be made available by the laboratories from out of the savings from this wastage allowance, thus indirectly assisting the smuggling of films. However, precious little appears to have been done, till September 1974, to revise the rates of wastage allowance, apart from holding a

few fruitless negotiations with the laboratories and discussions at the meetings of the Consultative Committee on Films set up by the Joint Chief Controller of Imports and Exports.

28 4.44

—do—

It would appear that the Films Division had virtually been held to ransom by the private laboratories for over two decades in respect of black and white films and for well over 15 years in respect of the processing of colour films, while it remained content with falling in line with the 'trade practice' and the directives of the Chief Controller of Imports and Exports. It is also strange that even though the Films Division had addressed the Chief Controller of Imports and Exports in September and December 1972, when the question of review of the rates of wastage allowance was under consideration, no reply came from the JCCI & E. Admittedly, other private producers themselves had been representing that the wastage claimed by the laboratories was not equitable and fair. In these circumstances, the Committee deplore the peculiar reluctance on the part of the Chief Controller of Imports and Exports to revise the orders prescribing the rates of wastage allowance for processing activity.

143

29 4.45

—do—

It would appear that the officials of the Chief Controller of Imports and Exports had chosen to continue to allow the private processing laboratories such unconscionably high margin of wastage to the detriment of public interest. The Committee utterly disapprove of the manner in which this entire question has been handled by all concerned giving rise to suspicion which reflects badly on the administration. The Committee desire that the circumstances leading to

the non-revision of the rates of wastage allowance for well over two decades should be investigated in detail by Government with a view to fixing responsibility for serious default.

30 4.46

Ministry of Information and
Broadcasting

The Committee also find that during the period from 1969-70 to 1973-74, the Films Division has paid about Rs. 1.15 crores as processing charges to private laboratories. The Committee consider it strange that the Films Division should have preferred to patronise the private laboratories all these years instead of establishing a processing laboratory of its own. There seems to have been a misplaced concern for safeguarding the interests of the private sector, on the ground that some laboratories in the private sector would have to close down if a laboratory was set up by the Films Division in Bombay. Judging from the observations of the Committee on Broadcasting and Information Media, the performance of the private processing laboratories has not been above reproach and leaves much to be desired. The Committee are, therefore, distressed that nothing tangible has been done so far to establish a processing laboratory for the Films Division, despite the fact that the Committee on Broadcasting and Information Media had recommended, as early as 1966, that the Films Division should have a processing laboratory of its own located at Delhi. Now that the Planning Commission has approved a modified scheme costing Rs. 25 lakhs for a small processing laboratory at Delhi in the Fifth Plan period the Committee trust that this la-

boratory would be established expeditiously so as to reduce the dependence of the Films Division on private processing laboratories.

31 4.47

—do—

While the Committee are keen that the laboratory should be set up as early as possible, they would, however, like the economics of the project to be adequately examined. Since a small unit costing Rs. 25 lakhs does not apparently meet the optimum requirements of the Films Division, the setting up of a more viable, even if it means larger outlay, unit can be considered even at this late stage. The Committee wish to be disabused of the fear that the smaller unit, while costing less at the moment, might in the long run prove a bad investment.

32 5.9

—do—

The Committee are concerned to find that the excess of expenditure over income during the five year period from 1967-68 to 1971-72 was Rs. 33.90 lakhs, Rs. 49.08 lakhs, Rs. 59.15 lakhs, Rs. 45.15 lakhs and Rs. 29.69 lakhs for the respective years. Though the final accounts disclose a surplus every year, after taking credit for the 'notional revenue' from films released for free exhibition, which was as much as 73 per cent of the actual revenue realised during 1967-68, 98 per cent in 1968-69, 67 per cent in 1969-70 and 71 per cent in 1970-71, this surplus is illusory, as has been already pointed out by the Committee in paragraph 1.68 of their 120th Report (Fourth Lok Sabha).

33 5.10

—do—

The Committee, however, note that in pursuance of the recommendation contained in paragraph 1.8 of their 48th Report (Fifth Lok Sabha) that a more realistic basis should be evolved, in consultation with Audit, to reckon 'national revenue' in respect of films distributed

for screening free of charge, the Ministry of Information and Broadcasting proposes to make payments to the Films Division for films provided in the Budget of the Ministry for this purpose. The Committee are of the view that such an arrangement would more realistically reflect the working results of the Films Division.

34 5.11 Ministry of Information and
Broadcasting

The Committee would also like Government to examine whether the number of prints released for free exhibition could be restricted with advantage to the Films Division. The reasons for the steady increase in the excess of expenditure over income should also be investigated in detail so as to identify areas in which economies could be effected and to take remedial measures. The Committee are of the view that, without detriment to the quality or presentation of the films produced, it would be possible for the Films Division to devise ways and means to control costs and expenditure at several stages and render a better account of itself financially.

35 5.12 —do—

The Committee observe from the Audit paragraph that the income realised from the rental for the supply of films to cinema licensees, which is assessed at 1 per cent of their collections (excluding entertainment tax) subject to a minimum of Rs. 2.50 per week, has no direct relation to the expenditure incurred or number of films produced and is solely dependent on the box office collection of the exhibitors. The Committee feel that the minimum rental of Rs. 2.50 per week is a ridiculously low figure and would like to know how this

has been arrived at. Considering the fact that exhibition of commercial, feature films by theatre owners is a lucrative business, particularly in the metropolitan cities where feature films are screened on a fixed rental basis and not on a percentage basis, the Committee would suggest that Government should explore the possibility of recovering rent from the exhibitors for films produced by the Films Division at a fair and reasonable fixed flat rate which should be worked out on a scientific basis, after taking into consideration the normal elements of cost on account of raw stock, production and processing expenses, overheads, etc.

36 5.13 —do—

The Committee note that the proforma accounts of the Films Division for the years 1972-73 and 1973-74 have not been finalised so far for one reason or the other. The Committee desired that these accounts should be finalised without any loss of time. The Committee further stress that Government should ensure that at least in future the proforma accounts are prepared in time. The Committee would also like the accounts to be so compiled and analysed as to assist the management in watching and improving performance.

147

37 6.20 —do—

In paragraph 1.70 of their 120th Report (Fourth Lok Sabha), the Committee had occasion to comment on the wide variation between the cost of films produced by the Films Division and the cost at which films were produced by private producers on behalf of the Films Division. The Committee are concerned to find that, except in one or two years, there was no perceptible improvement in this regard. The cost of Films Division productions has been exorbitant, and the

gulf between films produced by and on behalf of the Films Division continued paradoxically to widen. For instance, the cost of production of black and white films produced by the Films Division was 42 per cent to 75 per cent higher than the cost at which films were produced by private producers during the four-year period ending 1970-71. The position was still worse in respect of colour films and colour cartoons inasmuch as during 1969-70 and 1970-71, the cost of colour films produced by the Films Division was respectively higher by 118 per cent and 59 per cent and the cost of colour cartoons by as much as 316 per cent and 248 per cent. There appears to have been little improvement in 1971-72, and unfortunately, statistics for later years are not yet available. This, in the opinion of the Committee, is a thoroughly unsatisfactory state of affairs.

38 6.21 Ministry of Information and
Broadcasting

Notwithstanding the fact that generally more difficult types of films are taken up for departmental production by the Films Division, the Committee are of the view that the cost of departmental production is far too excessive and that there is ample scope for controlling costs, especially overheads which should be amenable to economy. The Committee desire that this matter should be gone into in detail with a view to identifying areas in which economies could be effected and costs reduced.

39 6.22 —do—

The Committee note that the higher cost of production by the Films Division has been, *inter alia* attributed to the incurring of expenditure on several items unrelated to the making of films,

such as holding of film festivals and seminars, publicity, training, technical advice to Ministries, developmental activities, etc. In this connection, the Committee would like to reiterate another recommendation of the Committee on Broadcasting and Information Media that the Films Division should not be loaded with functions and activities unconnected with its responsibility for producing and distributing documentaries and newsreels. While the responsibility for arranging film festivals and seminars should more appropriately be entrusted to a centralised agency like the Ministry of Information and Broadcasting, the task of publicity could be handled by the already well-established and equipped Directorate of Advertising and Visual Publicity and training by the Film Institute of India at Poona which has now come to occupy the position of a premier film training institution in the country.

40 6.23

—do—

The Committee are also concerned to note that at present there is no system in the Films Division of making film-wise or activity-wise budgets and estimates to exercise effective control on actual costs. The Committee consider that the concept of a concurrent evaluation and monitoring of the cost, suggested during evidence by the Secretary, Ministry of Information and Broadcasting, is a sound one that deserves to be given a fair trial. The Committee are, however, distressed that the existing costing system in the Films Division has not been revised so far, despite the observations of the Committee some years back in paragraphs 1.70 and 1.71 of their 120th Report (Fourth Lok Sabha). In view of the importance of a sound and scientific cost accounting system, the Committee desire

that the agency set up by Government for advising them about the management and accounting procedure to be adopted in the Films Division would complete their task expeditiously and that Government would take conclusive action to improve the management of accounting procedures in the Films Division.

41 6.24 Ministry of Information and
Broadcasting

The Committee note that the claims for recovering the cost of six films produced by the Defence Film Wing of the Ministry of Defence during July 1970 to March 1972 have been preferred on the Ministry of Defence only on 17th July 1974 and that the acceptance of debits by the Ministry is awaited. The Committee take a serious view of such delays and desire that the reasons therefor should be examined and remedial measures adopted.

42 7.5 —do—

The Committee are concerned to note the steady increase in the percentage of 'general hours' to total 'purchase hours' in the non-productive departments, Studio and Cameraman's Department of the Film Division. The rise registered has been from 22.2 per cent in 1967-68 to 27.1 per cent in 1971-72. The Committee are not unaware that in the field of creative arts, accounting or arithmetical concepts often need to be applied with some caution and that, for instance, increase in travelling time for location-shooting may account for an increase in the 'general hours'. However, the Committee are of the opinion that there is considerable scope for improvement so that the man-power resources of the Films Division are utilised to the optimum extent.

43 7.6

—do—

The Committee also note that the question whether the time spent in travelling by the productive personnel of the Films Division for shooting work should be more appropriately identified as 'purchase hours' is under examination. The Committee would like to be informed of the final decision in this regard. The Committee would, however, utter a word of caution that the decision on this question should not be arrived at on a haphazard basis, but on sound, scientific principles of costing.

44 8.6

—do—

The Committee are concerned to note that an equipment procured in 1969, at a cost of Rs. 7 lakhs for the preparation of sound tracks on magnetic tapes had by and large remained unutilised till 1974, except for the editing of commentary in some cases. The reason for the incomplete switch-over to magnetic tapes and consequent under-utilisation of the equipment seems to have been non-availability of requisite staff. The Committee are unable to understand why it took five long years to sanction the requisite staff when the need for the purchase of the equipment had been recognised and approved as early as September 1967. This needs to be explained.

45 8.7

—do—

The Committee would also like the revised economics of installation of this equipment to be gone into carefully, now that practical experience has shown that the edited tape cannot be used for more than twice as against the initial estimation of five times. The Committee are not satisfied with the explanation, almost as an after-thought, now offered by the Ministry of Information and Broadcasting that on the whole the average utilisation of the magnetic tapes

is not less than five times as originally anticipated. In view of the fact that certain additional expenditure appears to have been incurred in the acquisition of special tape splicers to improve the utilisation of the magnetic tapes, the Committee would like to be satisfied that the actual recurring annual savings effected by the installation of the equipment is commensurate with the capital investment.

9.3
46 9.4 Ministry of Information and Broadcasting

The Committee are surprised to learn that though the Films Division Manual, issued in December 1957, envisages the establishments of an internal audit cell, no such cell has been set up so far, even after the lapse of 18 years. The Committee need not waste words to emphasise the importance of an effective organisation to ensure that accounts are maintained properly and financial irregularities avoided. The Committee, therefore, desire that the cell should be established without any loss of time. The Committee would also like an explanation why the question of setting up the cell had not even been considered prior to January 1973, despite a clear provision in this regard in the Manual.

47 10.9 —do—

The Committee are dissatisfied with the unconscionable tardiness of Government in the case of an established fraud, committed as early as January 1966. A final decision on the legal proceedings to be initiated against a private party, stated to have obtained stock shots worth Rs. 65,075 on credit and raw stock valued at Rs. 4,148

on loan from the Films Division by impersonating as a representative of the Rajasthan Small Industries Corporation Ltd., Jaipur, is yet to be taken even though the person who had perpetrated the fraud had been traced in September 1970, with the assistance of the CBI. What is even more perverse is that the legal proceedings should have been delayed for about 5 years because of a conflict of opinion between the investigating agency and the Law Ministry. The Committee desire that the dispute between the two governmental agencies, normally an undesirable phenomenon, should be resolved without further loss of time and steps be taken to initiate legal proceedings against the offender.

48 10.10

—do—

The Committee have been informed that the former Administrative Officer of the Films Division who had supplied the raw stock in defiance of clear rules of the Division against the lending out of raw stock, retired from service in October 1967 and that though the question of taking action against him had been considered, it was found that it was not possible to initiate disciplinary proceedings against him as the case was time-barred. Final action on the basis of an inquiry conducted, under the disciplinary rules, against the Film Librarian who supplied the stock shots is also stated to be pending still, in spite of the fact that the CBI report on the case was made available more than 7 years back. The Committee must express their extreme displeasure at the unduly long time that is taken in processing and finalising departmental proceedings even in established cases of mis-conduct or misdemeanour. Since delay of any significant magnitude detracts from the effectiveness of whatever

disciplinary or exhortatory action that is subsequently taken, the Committee require that disciplinary proceedings should be completed with the utmost expedition and whatever punitive action is decided upon should be taken promptly and effectively.

49 10.13 Ministry of Information and
Broadcasting

In respect of the second case of fraud commented in the Audit paragraph, in which the successful tenderers who had bid for the waste film available in the Films Division had paid a lesser amount to the Films Division by fraudulently substituting the first page of the two-paged letters by another page containing lower rates, the Committee have been informed that so far a total amount Rs. 15,006.15 has been recovered from the waste film dealers as against Rs. 46,063. As this case is also now over four years old, the Committee desire that the balance due from the dealers should be recovered expeditiously.

50 10.14 —do—

The Committee consider it very surprising that instead of initiating action against the waste film dealers in a Court of law for what is evidently a clear case of fraud, the Films Division should have chosen to arrange recovery of the amount in instalments from the dealers. The Committee would like to know the reasons for extending so generous a concession which amounted to compounding a felony. Responsibility for the default should be ascertained and the Committee informed of steps taken.

51 IC.15

—do—

As regards the misappropriation of sale proceeds of stock shorts involving Rs. 7,983.40, the Committee call for an early decision on the question of filing a civil suit for the recovery of the loss of sale proceeds from the erring official.

155

