

**PUBLIC ACCOUNTS COMMITTEE
1977-78**

(SIXTH LOK SABHA)

SIXTEENTH REPORT

FIFTH INTERNATIONAL FILM FESTIVAL

MINISTRY OF INFORMATION & BROADCASTING

[On paragraph 32 of the Report of the Comptroller and Auditor General of India for the year 1974-75, Union Government (Civil)]



Presented in Lok Sabha on 097 NIV

Laid in Rajya Sabha on 097 NIV

**LOK-SABHA SECRETARIAT
NEW DELHI**

September, 1977/Asvina, 1899 (S)

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

PUBLIC ACCOUNTS COMMITTEE
(1977-78)

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21. Shri Bezawada Papireddi
22. Shri Zawar Hussain

*Ceased to be a Member of the Committee on his appointment as Minister of State
w.e.f. 14-8-1977.

(iv)

SECRETARIAT

Shri B. K. Mukherjee—*Joint Secretary.*

Shri T. R. Ghai—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Sixteenth Report of the Public Accounts Committee (Sixth Lok Sabha) on paragraph 32 relating to Fifth International Film Festival included in the Report of the Comptroller and Auditor General of India for the year 1974-75, Union Government (Civil).

2. The Report of the Comptroller and Auditor General of India for the year 1974-75, Union Government (Civil) was laid on the Table of the House on 26th March, 1976. The Public Accounts Committee (1976-77) obtained the information relating to Fifth International Film Festival, but could not finalise the Report on account of the dissolution of the Lok Sabha on 18th January, 1977. The Public Accounts Committee (1977-78) considered and finalised this Report at their sitting held on the 12th September, 1977 based on the written information furnished by the Ministry of Information and Broadcasting. The Minutes of the sittings form Part II* of the Report.

3. A statement containing main conclusions/recommendations of the Committee is appended to this Report (Appendix). 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 Chairman and the Members of the Public Accounts Committee (1976-77) in obtaining information for this Report.

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

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 30, 1977
Asvina 8, 1899 (S).

C. M. STEPHEN,
Chairman,
Public Accounts Committee.

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

FIFTH INTER-NATIONAL FILM FESTIVAL

Audit Paragraph

1.1. Forty-six countries including India participated in the fifth international film festival held in New Delhi from 30th December, 1974 to 12th January, 1975.

1.2. Ten cinema halls owned by private exhibitors were hired (nine in the first week and ten in the second) on weekly rental basis for exhibition of the films. In addition, films were also exhibited in Vigyan Bhavan, Mavalankar Hall, Indian Institute of Technology and Delhi University.

1.3. The private exhibitors, in response to an enquiry, sent quotations for exhibition of films on income sharing basis. It was, however, decided (16th September 1974) by Government to hire the halls on weekly rental basis as "that would result in greater profit to Government". The exhibitors were invited on 17th September, 1974 to specify the rentals. At a meeting held on 10th December, 1974 with the representatives of the cinema halls it was agreed that rentals quoted by them would be acceptable subject to an *ad hoc* rebate of 10 per cent; representatives of four private exhibitors did not attend this meeting. The minutes of this meeting containing the above decision were sent on 12th December, 1974 to the private exhibitors. According to the Ministry, the rental quoted by each exhibitor was the same as usually charged by him from private distributors.

1.4. The agreements executed with the private exhibitors, however, did not specify the rental payable by Government to them. The Ministry stated (September 1975) that "actual rental of each cinema house was not specifically mentioned in the agreement for the reason that the rentals were earlier decided with cinema owners during the discussions held on 10th December, 1974. No formal letter accepting the rental quoted by the cinemas was issued as it was not considered necessary in view of the decision taken and communicated to cinema owners on 12th December, 1974". The form of the agreement was stated to have been finalised in consultation with the Ministry of Law.

1.5. While arrangements for printing and sale of tickets for Vigyan Bhawan and Mavalankar Hall were made by the Directorate, the responsibility for printing and sale of tickets for cinema halls was left to the private exhibitors and for Delhi University and

Indian Institute of Technology, Delhi to the authorities of those institutions. The Ministry stated (September, 1975) that its representatives "were present in the booking offices on each day when advance and current bookings of tickets took place."

1.6. The rates for tickets were Rs. 15, Rs. 10, Rs. 7.50 and Rs. 5 for each show in the private cinema halls. The rates for season tickets (for seven days) were seven times the daily rates. Daily collection reports signed by the representatives of the Ministry were stated to have been received for each cinema hall. During test check counter-foils of tickets were called for by Audit on 15th March 1975 for checking the daily collection reports. The Department intimated on 21st March 1975 that a letter had been issued to the private exhibitors for the counter-foils and their replies were awaited. The daily collection reports could not, therefore, be test checked with reference to the counter-foils of tickets.

1.7. The table below shows actual occupancy of the private cinema halls for the 28 shows each week:—

	First week	Second week
Full house	84 shows	107 shows
Above 80% capacity ↓	58 shows	47 shows
Between 61% and 80% capacity	100 shows	57 shows
Between 20% and 60% capacity	10 shows	53 shows
Less than 20% capacity . . . . .	..	16 shows
TOTAL	252 shows	280 shows

1.8. According to the number of seats in different classes as shown in the daily collection reports the total collection due for full occupancy for all the shows in the two weeks from the ten cinema houses was about Rs. 37 lakhs. The gross collection by the cinema halls as per daily collection reports was Rs. 29.27 lakhs; of this Rs. 24.67 lakhs were remitted to Government and Rs. 3.47 lakhs were retained as rentals. The balance of Rs. 1.13 lakhs was withheld by the private exhibitors; this included the 10 per cent rebate (Rs. 0.38 lakh) on rent which Government expected. Government stated (September 1975) that 'the amount withheld by the cinema owners represented the disputed 10 per cent of the weekly rentals plus the amount shown as outstanding due to

various discrepancies in the Daily Collection Reports". Of this, Rs. 0.36 lakh were stated to have since been recovered (September 1975). Government further stated (December 1975) that "we are issuing legal notices to the defaulting cinema owners for making the payment due to the Government immediately".

1.9. Test check in Audit disclosed that Rs. 20,250 were realised less as indicated below:—

- (a) According to the agreement, the cinema owners were entitled to ten complimentary passes of Rs. 10 denomination for each show. Three exhibitors deducted Rs. 100 for ten seats for each show from the gross collection irrespective of the fact whether all the tickets of Rs. 10 denomination were sold or not. This resulted in short receipt of Rs. 9,050.
- (b) Two exhibitors utilised twenty complimentary passes against ten. This resulted in short receipt of Rs. 11,200.

1.10. Government stated (September 1975) that steps were being taken to recover the amounts pointed out at (a) and (b) above.

[Paragraph 32 of the Report of the Comptroller and Auditor General of India for the year 1974-75, Union Government (Civil)].

HIRING OF PRIVATE THEATRES

1.11. The Audit paragraph states that in response to an enquiry from the Government for exhibition of festival films, private exhibitors of films had sent quotations on an income-sharing basis. The Ministry, however, decided on 16 September, 1974 to hire the halls on weekly rental basis on the ground that this would result in greater profit to Government. The Committee desired to know the basis on which the Ministry decided that hiring the Cinema halls on a weekly rental basis would result in greater profit than on an income-sharing basis. The Ministry of Information and Broadcasting in a note stated:

"The high-powered Managing Committee which was constituted with Secretary, Ministry of Information and Broadcasting as the Chairman for giving guidelines in regard to conducting of the festival, took a decision in their meeting held on 16th September, 1974 that theatres for showing Festival Films should be hired on weekly rental basis as that would result in greater profit to Government. Since the weekly rentals remained constant and the rates of admission were enhanced, it was envisaged

that hiring on weekly rental basis would result in greater profit."

1.12. The Committee enquired whether the Ministry had made any assessment as to how far the hiring of private cinema halls on a weekly rental basis really proved to be more profitable than on income-sharing basis. The Ministry in a written note* stated:

"....., the hiring of the private theatres really proved to be more profitable, as would be clear from the under-mentioned data. If the theatres had been taken on collection sharing basis, the income to Government would have been less."

(Figures in thousands)

Name of Theatre	1st week's Collection	2nd week's Collection	Weekly Rentals†
Sapna	129	116	13·50
Uphaar	153	83	16·65
Archana	160	147	17·20
Eros	170	175	18·00
Chanakya	193	195	19·80
Delite	188	187	20·70
Payal	..	135	11·70
Regal	116	127	16·88
Plaza	164	178	22·50
Odeon	179	144	22·50

†after deducting 10% rebate.

1.13. The Committee enquired whether the initial enquiries calling for quotations on an income-sharing basis had been addressed to all the cinema houses in Delhi or the enquiry was limited only to a few cinema houses. The Committee also wanted to know the basis on which the halls were selected. The Ministry in a note stated:

"Initial enquiries were addressed only to those theatres which were considered suitable for screening of festival films.....The nine commercial cinemas were selected keeping in view their location, quality of architecture,

*Not vetted in Audit.

furnishings, popularity, availability of parking space etc. In the 2nd week "PAYAL" cinema was added to provide a centre in North-West areas of Delhi/New Delhi and Delhi Cantonment."

1.14. The Committee further desired to know the basis on which the cinema houses at Bombay, Calcutta, Bangalore and other places where the festival films were screened were selected and hired. The Ministry in a note replied:

"At Bombay, Calcutta and Madras theatres were hired on income-sharing basis, the ratio of takings being 50:50 between the Government and the exhibitor. However, at Bangalore, arrangements were made with Karnataka Film Chamber of Commerce on 50:50 basis between the Chamber and the Government. The selection of the theatres were made on the basis of their location, quality of architecture, furnishings, popularity, availability of parking space etc."*

1.15 Pointing out the fact that the Managing Committee in its meeting held on 16th September, 1974 had decided that cinema houses for showing festival films should be hired on weekly rental basis as that would result in greater profit to Government, the Committee enquired as to why Cinema houses at Bombay, Calcutta, Madras and Bangalore were not hired on rental basis. In reply, the Ministry of Information and Broadcasting have stated:

"....While the suggestion of the Managing Committee referred to above was given effect to in respect of hiring of theatres in Delhi the usual practice of hiring theatres on income sharing basis was not reviewed at that time as far as the other cities were concerned. The usual practice of hiring theatres on 50:50 income sharing basis was followed in having financial arrangements with the theatre owners for holding 'film weeks' at Calcutta, Bombay and Madras in January, 1975. At Bangalore, the 'film week' was arranged through the Karnataka Film Chamber of Commerce on the same usual 50:50 income sharing basis."†

1.16. The Committee enquired if in the light of experience gained during the earlier film festivals, any general or special

*Information regarding Bombay not vetted in Audit.

†Not vetted in Audit.

guidelines for the exhibition of festival films were laid down by the Ministry. The Ministry of Information and Broadcasting in reply stated:

“A high-powered Managing Committee was constituted with the Secretary, Ministry of Information and Broadcasting as the Chairman for giving guidelines in regard to conducting of the festival. This Committee included representatives of the various sections of the film industry like producers, exhibitors and distributors. The Managing Committee provided guidelines for the organisation of the festival by the organisers of the 5th International Film Festival. Relevant copies of the instructions issued in this connection are enclosed.”* (Appendix I).

1.17. The Committee drew the attention of the Ministry to the observations made in the Audit Paragraph that the representatives of the four private cinema houses did not attend the meeting held on 10th December, 1974 when the rentals quoted by them were accepted subject to an *ad hoc* rebate of 10 per cent and desired to know how it was presumed that the four private exhibitors who did not attend the meeting would also agree to this *ad hoc* rebate. The Ministry in a note stated:

“Since majority of the exhibitors participated in the meeting had accepted for the *ad hoc* rebate of 10 per cent, it was presumed that the remaining three exhibitors would also follow suit.”

(A copy of the minutes of the meeting held on 10th December, 1974 is reproduced at Appendix II).

1.18. Asked how it was verified that the rentals quoted by each exhibitor was the same as usually charged by him from private distributors, the Ministry of Information and Broadcasting in a note stated:

“This was verified from the actual DCRs maintained at each of the theatres in respect of films hired by the private parties. The officers of the Directorate, verified this by personal visits at each theatre by going through papers connected with the previous arrangements and DCRs.”*

*Not vetted in Audit.

1.19. The Ministry informed Audit in September, 1975 that the impression gained by them in the course of negotiations with the private exhibitors was that they did not react to this as a business proposition, but as a matter of 'prestige' that their cinema halls had been selected for the exhibition of festival films. The Committee desired to know whether in view of the prestige lent to the exhibitors by entrusting the exhibition of festival films any concession in the rentals was demanded from the exhibitors, the Ministry stated:

"All the exhibitors were requested to grant 10 per cent rebate which six exhibitors present in the meeting agreed to give."

The Ministry further stated:

"Though the rentals quoted were the same as those charged by the exhibitors from private distributors, the theatre owners made a few notable concessions. The festival opened on Monday and ended on Sunday while the actual week in cinema houses changes on Friday. This is considered a concession given by cinema owners to the government by permitting the government to open the festival on Monday instead of their normal changing day i.e., Friday."*

1.20. The Committee learnt from Audit that the agreement entered into with the private exhibitors by the Ministry did not specify the rentals payable by the government. Asked about the reasons for not doing so, the Ministry of Information and Broadcasting in a note stated:

"Agreement signed with the theatre owners were those agreements which were duly vetted by the Law Ministry. It is felt that the amount of rental payable should have been specified in the agreement."

1.21. The Committee further learnt that the original draft of the agreement executed with the private exhibitors and vetted by the Ministry of Law had been lost. In May 1975, the Directorate of Film Festival informed the Audit:

"Ministry of I&B have been requested to trace the original draft duly vetted by the Ministry of Law."

*Not vetted in Audit.

1.22. Asked if the draft agreement has since been traced, the Ministry stated:

“The responsibility for custody of such important documents rests with the Directorate of Film Festival. It is regretted that inspite of best efforts made by the Directorate of Film Festival, it has not been possible for them to lay their hand on the original draft agreement as vetted by the Ministry of Law.”

1.23. The Committee wanted to know the circumstances in which this important document was lost. The Ministry in a note stated:

“It is proposed to investigate the circumstances in which this important document was lost, with a view to fix responsibility therefor.”

PRINTING AND SALE OF TICKETS

1.24. The Committee learnt from Audit that on 26 November 1974, the Ministry of Information and Broadcasting took a decision to print tickets for all cinema houses preferably at a reliable press outside Delhi. On the subsequent day i.e., 27 November 1974, this decision was modified to the effect that if there were difficulties in getting all the tickets printed outside Delhi, they might be printed at Delhi but maximum care taken to see that malpractices did not take place. While arrangements for printing and sale of tickets for Vigyan Bhawan and Mavalankar Hall were made by the Directorate, the responsibility for printing and sale of tickets for cinema halls was left to the private exhibitors and for Delhi University and Indian Institute of Technology to the authorities of these Institutions. The Committee enquired where these tickets were actually got printed and what steps were taken to see that malpractices did not take place in the printing and sale of tickets. The Ministry of Information and Broadcasting stated:

“As regards sale of tickets, the Directorate had arranged for representatives being present at the Cinema houses to supervise the sale of tickets at the booking offices. Representatives from the Ministry were also to visit the cinema houses to verify the number of tickets sold and the number of persons actually witnessing the film shows. The Cinema owners were to provide every facility to these representatives in their work. Since the printing of tickets was entrusted to the cinema theatre

owners themselves, no further precautions were taken except for supervision of the sale of the tickets as mentioned above."

1.25. The Committee wanted to know the considerations on which the printing of tickets was left to the private cinema owners. The Ministry in a note stated:

"The selection of theatres could be finalised only about a few days before the commencement of the festival, and it was felt unmanageable to centralise the printing of tickets. Besides, it was thought that the cinema owners have the expertise in this line and would act with responsibility. This is why the responsibility for printing of the tickets was left to the private cinema owners."

1.26. The Committee asked that if the Directorate could print and sell tickets in respect of Vigyan Bhawan and Mavalankar Hall, what prevented it from doing so in respect of the commercial cinema halls, especially when these halls were hired on a weekly rental basis. The Ministry replied:

"Two dissuading factors compelled the Directorate of Film Festivals not to print tickets for all the private theatres. These were paucity of time and volume of work involved."

1.27. When asked to indicate the procedure followed in this regard during the earlier festivals held in India, the Ministry stated:

"The same procedure was followed in this regard, during the 4th International Film Festival of India. The theatres which were hired got the tickets printed through their own resources"*

DUTIES OF GOVERNMENT REPRESENTATIVES AT PRIVATE CINEMA HOUSES

1.28. Government had informed Audit in September, 1975 that its representatives were present in the booking offices on each day when advance and current bookings of tickets took place. The Committee desired to know whether any checks were prescribed to be exercised by these representatives. The Ministry in a note stated:

"Two representatives of the Government were on duty at each of the cinema houses. They were given detailed written

*Not vetted in Audit.

instructions before they were sent for this special duty. They were particularly asked to supervise the sale of tickets and ensure that no malpractices are indulged by cinema management."

1.29. When asked to state the criteria for selection of representatives to supervise cinema halls, the Ministry replied:

"These officers were selected on the basis of their previous experience in supervising Festival Film shows at commercial cinemas."

1.30. The Committee pointed out that according to para 2 of the Ministry's instructions contained in their Memo. No. 19(2) 74-F(I) dated 26-12-1974, Ministry's representatives were required to send a report in regard to the sale of daily tickets in each cinema house to the Ministry giving details of the number of tickets sold, collection made and the way in which tickets were actually sold by each cinema management. However, in April, 1975 the Ministry could not produce to Audit any report submitted by its representatives. Explaining the position the Ministry in a note stated:

"The officer-in-charge of the commercial cinemas submitted a report on conclusion of the festival indicating *inter alia* that the representatives of the Government posted in various cinema houses showed exemplary sense of duty and actually performed their functions assigned to them to ensure that no malpractices were indulged in by the cinema management. It is regretted that a copy of this report could not be produced by the Ministry at the time of the audit. However, copies of the reports received in this regard are enclosed."—(Appendix III)

1.30A. It would be seen from Appendix III that one of the cinema houses (Odeon) exhausted all the tickets of popular films on the opening day itself and neither the proprietor nor the officials of the Ministry deputed to supervise the sale of tickets informed the officer-in-charge of private cinema houses about this when he visited the cinema on the following day. Some other cinema managements (Delite, Uphaar) also reported having sold all tickets on the opening day. The management of yet another cinema (Archana) withheld tickets for a film from the public saying that all tickets had been sold out. However, on persuasion of the officer-in-charge, the management "agreed to release a few more tickets" for that particular film.

RATES OF ADMISSION

1.31. The Audit paragraph points out that the rates for tickets were Rs. 15, Rs. 10, Rs. 7.50 and Rs. 5 for each show in the private cinema halls. The Audit further informed the Committee that the normal rates of cinema tickets (without entertainment tax) in Delhi were Re. 1.00, Rs. 1.50, Rs. 2.00 and Rs. 2.50 at the time when the fifth film festival was held. The Committee desired to know the reasons for fixing considerably higher rates than the normal rates of cinema tickets in Delhi. The Ministry in a note stated:

“The festival films being prized films, it was considered necessary to fix higher rates of admission.”*

1.32. The Audit paragraph further states that the daily collection reports signed by the representatives of the Ministry which were stated to have been received from each cinema hall could not be test checked with reference to the counterfoils of tickets as the same were not obtained from the exhibitors. The Department intimated Audit on 21 March, 1975 that a letter had been issued to the private exhibitors calling for these counterfoils. The Committee enquired whether these counterfoils have since been received from the private exhibitors and the daily collection reports checked with reference to these counterfoils. The Ministry stated:

“The counterfoils were not produced by the cinema houses. The owner of the Odeon Cinema wrote that they had destroyed the counterfoils. The others also gave similar reply (on telephone).”*

EXHIBITION OF FILMS

1.33. Referring to the information furnished to Audit that no extra Commercial show in addition to the advertised shows was held at any of the commercial cinema house, the Committee enquired whether any non-commercial show of the films included in the film festival were held at places other than commercial cinema houses. The Ministry in a note stated:

“Only 3 non-commercial shows were organised for each film— one for the press preview of films at Maharashtra Rangan, the second pre-selection preview by the Selection Committee at the Films Divisions Auditorium and the

*Not vetted in Audit.

third for the M.Ps. at Pyare Lal Bhawan and Maharashtra Rangayan.”*

1.34. Details of actual occupancy of the private cinema houses given in the Audit paragraph indicate that out of 532 shows held in these halls during the two weeks of the festival, only 191 shows (84 in the first week and 107 in the second week) ran to full capacity. The Committee, in this connection drew the attention of the Ministry to the Press reports that appeared during that period to the effect that all the tickets for all the shows had been sold-out immediately after the plans opened and that there was blackmarketing in tickets especially in respect of more popular films. The Committee enquired about the reasons for only 36 per cent of the shows running to “Full House” capacity and the steps taken by Government to prevent black-marketing in tickets. The Ministry in a note stated:

“The press reports were not based on firm facts. There were some films which were artistic but not very popular . . . These films have received world acclaim for their artistic quality, but did not attract their Indian audience and so the theatres were not full to the capacity. Such condition does prevail in every festival and so it was not considered something unusual.

No complaint was received by the government about the black-marketing of the tickets. At each of the theatres, besides Government representatives, there were persons from Delhi Police to see that there was no black-marketing in the sale of tickets.”*

1.35. The Committee asked why the seating plans were not made part of the agreement executed with private exhibitors. The Ministry replied:

“It was not considered necessary to incorporate this in the agreement.”*

RECOVERY OF GOVERNMENT DUES

1.36. The Audit paragraph points out that a sum of Rs. 1.13 lakhs including the 10 per cent rebate (Rs. 0.38 lakh) on weekly-rental and the amount outstanding on account of various discrepancies in the daily collection Reports, had been withheld by the private exhibitors. Out of this an amount of Rs. 0.36 lakh was stated to have been recovered till September, 1975. The Ministry of In-

*Not vetted in Audit.

formation and Broadcasting had also stated (December, 1975) that legal notices to the defaulting cinema owners for making the payments due were being issued. The Committee desired to know the grounds for dispute in regard to the rebate on weekly rentals. The Ministry in a note stated:

“The main grounds of dispute are as under:

- (i) As per minutes of 10 December, 1974, the theatre owners were to make a voluntary cut of 10 per cent on the rentals quoted by them. This is being disputed as all the theatre-owners contend that the minutes were not based on the actual deliberations of the meeting. The theatre-owners contended that they had agreed for a voluntary rebate of 5 per cent and not for 10 per cent.
- (ii) Chanakya, Sapna and Payal had quoted for 3 shows. Uphar did not mention anything but this theatre also asserted that its quotation was for 3 shows as the specific enquiry was for 3 shows only. The Minutes of the meeting of 10-12-1974 suggest:

There shall be a rebate of 10 per cent on all the rates quoted for the hire of the cinema halls. The rates thus reduced shall, notwithstanding anything to the contrary expressed earlier, be in respect of four shows daily.

On this basis the rental quoted by the four theatres—Sapna, Uphar, Chanakya and Payal were considered to be as applying for four shows even though the offer was for 3 shows. This has been disputed by the four theatre owners on the ground that in the meeting on 10-12-1974, they did not agree to this. They contend that this portion of the minute is not based on actual discussions.

- (iii) As per agreement, ten complimentary passes of Rs. 10 denomination were allowed to all the theatres for each show. Eros, Archana and Payal deducted Rs. 100/- for ten seats for each show from the gross collection irrespective of the fact whether all the seats of Rs. 10/- denomination were sold out or not. These theatres contended that this deduction was not unauthorised as

by 'complimentary passes', they understood that they would have such a right.

These are the main subjects of dispute generally applicable to more than one theatre. Besides, these there are certain disputes which are of individual nature like calculating the percentage of season and daily tickets after deducting the ten complimentary seats from the total capacity (Regal), deducting 20 complimentary passes instead of ten (Plaza), wrong statement in DCR of 4-1-1975 in respect of seats of Rs. 10 denomination (Chanakya)."

1.37. At the instance of the Committee, the Ministry of Information and Broadcasting furnished details* of the defaulting cinema houses, amount recovered from them since the conclusion of the festival and the present state of recovery. It is seen therefrom that out of Rs. 1,34,883 outstanding against the theatre owners, Rs. 94,360.50 had been recovered till 30 July, 1976 and Rs. 40,522.50 were outstanding against five cinema owners on that date.

1.38. The Committee enquired whether any legal steps were contemplated to recover the balance outstanding. The Ministry of Information and Broadcasting in a note stated:

"All the theatre-owners in a meeting with the Director of Films have now agreed to clear off the dues on the condition that they would be entitled to refund from the Government later in case their claims.....are decided in their favour.*

1.39. In a subsequent note dated 10 March, 1977, the Ministry of Information and Broadcasting have informed that the entire amount of Rs. 40,522.50 outstanding against the various cinema owners has since been fully realised.

1.40. The Committee drew the attention of the Ministry to the observations made in the Audit paragraph that according to the agreement entered into with the cinema owners, the latter were entitled to ten complimentary passes of Rs. 10 denomination for each show. However, three exhibitors had deducted Rs. 100 for ten seats for each show from the gross collection irrespective of the fact whether all the tickets of Rs. 10 denomination were sold or not. This resulted in short receipt of Rs. 9050. Two exhibitors utilised twenty complimentary passes against ten and this resulted in short

*Not vetted in Audit.

receipt of Rs. 11,200. The Committee asked the reasons for these instances not coming to the notice of the representatives of the Ministry who were stated to have been present in each cinema house. The Ministry in a note stated:

“Explanation of the officials concerned have been called for this lapse.”

1.41. In reply to a further question if any other cases of deviations/irregularities had come to the notice of Directorate/Ministry, the Ministry stated:

“No other deviation/irregularities have come to the notice of the Directorate.”*

INCOME FROM FILM FESTIVAL

1.42. The Ministry of Information and Broadcasting also furnished at the instance of the Committee the following statement indicating the expenditure* incurred and income* earned from the film festival by the Government:

EXPENDITURE		Rs.	P.
<i>Sub-head</i>			
1. Boarding and Lodging	. . . . .	5,00,292	03
2. International Travel	. . . . .	1,74,033	55
3. Internal Travel	. . . . .	1,00,583	75
4. Printing Charges	. . . . .	73,894	40
5. Film Market	. . . . .	199	05
6. Entertainment Charges	. . . . .	35,978	22
7. Cost of Medals and Gifts	. . . . .	50,294	93
8. Fee to interpreters	. . . . .	17,888	60
9. Insurances of Prints & Freight Charges	. . . . .	36,256	65
10. Miscellaneous	. . . . .	43,563	42
11. Design Charges	. . . . .	7,000	00
12. Telephone Charges	. . . . .	13,250	00
13. Transport Charges	. . . . .	2,31,993	60
14. Meal Charges	. . . . .	26,204	60
15. Equipment and Cinema Hire Charges	. . . . .	39,624	25
TOTAL	. . . . .	13,51,057	05†

*Not vetted in Audit.

†A bill for Rs. 45,000 is still pending for payment.

INCOME

<i>Sub-head</i>	Rs. P.
1. Advertisement in Festival Bulletin	20,551.20
2. Box-office receipts from theatres in Delhi	28,43,188.50
3. Box-office receipts in Bombay	8,764.11
4. Box-office receipts in Calcutta	26,100.70
5. Box-office receipts from theatre in Madras	80,685.62
6. Box-office receipts from theatre in Bangalore	92,535.41
TOTAL	30,71,825.54

OBJECTIVES OF FILM FESTIVAL

1.43. When asked to indicate the objectives of the Film Festival and how far these were achieved, the Ministry of Information and Broadcasting in a note stated:

"The primary objective for organising the International Festival was:

- (a) providing a common platform for the cinematographies of the world to project the excellence of their film art;
- (b) contributing to the understanding and appreciation of the film cultures of different nations in the context of their social and cultural ethos;
- (c) promoting the International film trade through film market; and
- (d) promoting friendship and cooperation among different peoples of the world.

The Fifth International Film Festival was successful in achieving the aforesaid objectives. The Indian viewers were provided the opportunity of seeing some of the best films produced abroad. Similarly, the festival also provided an opportunity to the Indian producers/directors to meet their counterparts in the various countries and exchange ideas on the latest techniques for the production of films. The festival was also a success so far as the marketing of our films abroad was concerned. 50 feature and 15 short films were received for the Market Section from 14 foreign countries and 84 feature and 82 short films

from Indian producers, thus making a total of 134 feature and 97 short films for the film market.

The country benefited to the extent of earning of about Rs. 60 lakhs by way of foreign exchange and new markets for Telugu and Tamil films were opened. The Film Finance Corporation were also able to acquire the rights of some of the films and Regional pictures made a good breakthrough in UK, USA, and Gulf countries mainly as a result of the film market. Similarly, the SOVEXPORT FILMS, besides purchasing the selected films from the producers directly, also agreed to sign an exclusive agreement with the IMPEC thereby providing a bulk business with USSR for the export of Indian films. On account of the visit of the Iraqi film delegates to the film market, an agreement was signed with them by IMPEC for supply of films totalling to about Rs. 8 lakhs. Again, many regional films that were contracted for North Africa, Algeria and Nigeria, are being exported to these countries. The F.F.C. were also successful in acquiring the rights of the Indonesian film (entitled WHERE ARE YOUR MOTHER) and their film was sold for the foreign territories of West Indies, North Africa, West Africa and some of the Middle-East countries, for an amount of \$ 10,000.

Useful discussions were held with the representatives of Contemporary Films, London, for utilisation of the Young Indian Cinema on the art circuits and television networks. Their proposal on the following points is also under consideration:

- (1) Taking selected films including those financed by F.F.C. on royalty basis;
- (2) Others on percentage basis; and
- (3) Making available certain selected foreign films to the FFC for circulation to the film societies, universities and for the film archives. Negotiations for exploitation of some of the FFC's films in France, particularly in the field of T.V. were opened with M/s. Paris Asia Films, who are also considering the possibility of utilisation of some of the films in the commercial field. Thus, the Film Market Section was very successful in achieving its objectives."

ACHIEVEMENTS

1.44. The Committee further desired to know whether after the Festival had concluded, any detailed assessment of its impact, both on the Indian and the International scene, had been attempted by the Ministry and if so; what were the possibilities of exchange of films both on a commercial and non-commercial basis; between India and other countries. The Ministry in a note stated:

"An assessment has been made of the festivals impact, both on the Indian and International scene. According to this assessment the 5th International Film Festival in general and the Film Market Section in particular was by all accounts subjective and objective, one of the most successful festivals organised in India. Admittedly some mistakes were made but the heartening fact remains that all concerned would have learnt from these mistakes and it would be possible to rectify these and improve still further on the performance of the next International Film Festivals of India scheduled to be held in January, 1977.

On Indian scene, the producers and directors of the films became aware of the new techniques and outlook in the production of films abroad. It also became clear to the organisers the type of films which the viewers generally like. This further helps in the selection of films for the forthcoming Sixth International Film Festival scheduled to be held in January, 1977.

The foreign producers and directors were also able to see the quality and theme of the Indian films. They also had the opportunity of discussing the production of films in India with Indian producers and directors. Most of the countries evinced interest in importing these films for exhibition in their countries, resulting in the increase in the export of Indian films, notable, in countries like Iraq; Afghanistan, Algeria, Nigeria, Indonesia, U.K., U.S.A., and U.S.S.R. In fact, the export of Indian films had indicated increased earnings from a little over Rs. 5 crores in 1973-74 to about Rs. 8 crores in 1975-76.

All F.F.C.'s exports have been both commercial and non-commercial on either outright purchase/profit-sharing basis but not on exchange basis. A number of cultural exchange programmes have also been signed with the various countries abroad which provide for organisation of film festivals in other countries which help in promot-

ing friendship and cooperation among peoples of the world besides providing them opportunities of understanding and knowing cultural heritage of each other."

1.45. The Committee note that ten cinema halls were hired by the Directorate of Film Festivals, Ministry of Information and Broadcasting for a fortnight (30th December, 1974 to 12th January, 1975) on a weekly rental basis for exhibition of films from forty-six countries that participated in the Fifth International Film Festival held in New Delhi. The Audit paragraph and further material gathered by the Committee have brought to light a number of procedural and other lapses in the conduct of the Festival which, apart from causing some loss of revenue to Government, have given rise to avoidable criticism from the public.

1.46. Some of the disquieting aspects of the case are:

- (i) The original draft of the agreement executed with the private exhibitors and vetted by the Ministry of Law had been lost and inspite of best efforts made by the Directorate of Film Festivals who were responsible for custody of such important documents, it has not been possible to locate it.
- (ii) Representatives of four out of the ten cinema houses hired by the Ministry did not attend the meeting held on 10 December, 1974 when the rentals quoted by them were stated to have been accepted subject to an ad-hoc rebate of 10 per cent. The cinema houses withheld a sum of Rs. 1.13 lakhs out of the daily collections on the ground that the minutes of the meeting were not correctly recorded. They contended that they had agreed only to a 5 per cent rebate and not to 10 per cent. The managements of four of the cinema houses also contended that the rental quoted by them was in respect of three shows daily and not for four shows as recorded in the Minutes. Disputes also arose regarding the daily collection reports, number of complimentary passes allowed to the cinema house owners etc.
- (iii) One of the cinema houses exhausted all the tickets of popular films on the opening day itself and neither the proprietor nor the officials of the Ministry deputed to supervise the sale of tickets informed the officer-in-charge of private cinema houses about this when he visited the cinema on the following day. Some other cinema managements also reported having sold all tickets on the opening day. The management of yet another cinema withheld

tickets for a film from the public saying that all tickets had been sold out. However, on persuasion of the officer-in-charge, the management "agreed to release a few more tickets" for that particular film.

- (iv) A report in regard to the sale of tickets in each cinema house was required to be sent by the officer of the Directorate posted there giving details of the number of tickets sold, collections made and the way in which tickets were actually sold by each cinema management. None of these Reports were made available to Audit. It is a moot point whether these Reports contained pertinent information about the difficulties of public who desired to purchase tickets etc. and the action, if any, which was taken in pursuance thereof.
- (v) The responsibility for printing and sale of tickets for cinema halls was left to the private exhibitors concerned even though a decision was taken earlier that "tickets for all cinema houses were to be printed preferably at a reliable Press outside Delhi." No counterfoils of the tickets actually sold were made available by any of the private exhibitors when the matter was raised by Audit with the Ministry.
- (vi) The submission of seating plan showing the actual occupancy which could be checked up vis-a-vis the sale of tickets was not made a part of the agreement.

1.47. The Committee fail to understand how inspite of their experience of having held four International Film Festivals in the country, the Ministry of Information and Broadcasting allowed such serious lapses to occur and invited public criticism.

1.48. The Committee are surprised to learn that the original draft agreement with the private exhibitors has been lost. The Ministry has contended that the agreement signed with the cinema house owners were those agreements which were duly vetted by the Law Ministry. The Committee consider that the investigation into the loss of such an important document should be carried out conclusively and deterrent action taken against the defaulting officials and the Committee informed.

1.49. It was a serious lapse on the part of the Ministry not to have specified in the agreements the amount of rental payable by Government and the rebate allowed by the cinema house owners—an omission which gave rise to many difficulties as mentioned in the Audit paragraph. The Committee have been informed on 10 March,

1977 that Government have since realised the amount of Rs. 40,552/- which was due from the private exhibitors on 30 July, 1976.

1.50. The Committee further hope that Government have drawn necessary lessons from their experience of the Fifth Film Festival and that care would be taken in future to specify the rentals payable by Government to the managements of cinema houses in the agreements arrived at with them and also to specify in unambiguous terms the concessions such as rebate etc. allowed by the exhibitors to Government.

1.51. The Committee regret to note that while at Delhi the cinema houses were hired on rental basis, the usual practice of hiring theatres on income sharing basis was not reviewed at that time in the case of those at Bombay, Calcutta, Madras and Bangalore. As, according to the Ministry, hiring of cinema houses on a rental basis proved to be quite profitable to Government, the Committee need hardly point out that the same system may be followed in other cities also where the films of the Film Festival are exhibited.

1.52. The Committee further stress that the seating plans of each cinema house should be invariably incorporated in such agreements and in no case extra seats should be permitted to be provided without specific permission in writing of the Directorate/Ministry.

1.53. The Committee note that the officer-in-charge of the commercial cinema houses made the following observations in the note submitted to the Ministry after the Festival was over:

“The Duty Officers posted in various cinema houses showed exemplary sense of duty and actually performed their functions assigned to them to ensure that no mal-practices were indulged in by the cinema management.”

1.54. The Committee are not able to share this unqualified praise for the Duty Officers posted in various cinema houses, for the inspection by the officer-in-charge of commercial cinema houses had earlier revealed that the management of one of the cinema houses had incorrectly informed the customers that the tickets had been sold out and it was only on the intervention of the officer-in-charge that some more tickets were made available. In another case it was found by the officer-in-charge that the sale of tickets for individual picture shows had been started much earlier than the specified date with the result that there were protests and demand for sale of more tickets for a popular picture by large number of customers, who had gathered there.

1.55. Besides, the Committee find that the Audit were not made available the individual reports which were required to be given by each of the officers posted at the cinema houses. The Committee

would like the Ministry to review the performance of each of these officers critically and take suitable action for the lapses which are found.

1.56. The Committee stress that in future the duties and responsibilities of the officers posted to commercial cinema houses should be set-out in greater detail and it should be obligatory for the officer-in-charge of the commercial cinema houses to see that the officers posted to various cinema houses in fact perform their duties meticulously and strictly so as to obviate complaints. In particular, they should check the counterfoils of tickets sold the same day and record a certificate to that effect in the daily collection statements to be furnished to the Directorate. The Committee need hardly point out that deterrent and strict action should be taken against any officer found to be deficient in the performance of the duties entrusted to him. The Committee feel that if the duties are properly set-out and performed, it would not only obviate complaints from the public but also make for proper and timely rendering of accounts and avoid any financial or other irregularities.

1.57. The Committee are not convinced that due to paucity of time and the volume of work involved, it was not possible for Government to get the tickets for the Festival films shown in private cinema houses printed under their own supervision. The Committee consider that with all the experience gained over the years, it should have been possible for the Ministry to get this work done either in Government Press or any other Press of proven standing and experience, preferably outside Delhi, to obviate any complaints.

1.58. The Committee find that out of 532 shows held in the private cinema halls during the two weeks of the Festival, only 191 shows (84 in the first week and 107 in the second week) ran to full capacity. This has been sought to be explained by the Ministry as due to some films being artistic but not very popular. It would appear that the publicity given to such films was not very adequate or properly directed. The Committee would like the Ministry to analyse the matter in detail and prepare guidelines about the manner in which authentic information about the background and artistic merit of each of the entered films is arranged to be published well in advance and suitably through leaflets, press, radio, television etc. so as to reach the potential audience.

NEW DELHI;

September 30, 1977

Asvina 8, 1899 (S)

C. M. STEPHEN,

Chairman.

Public Accounts Committee.

APPENDIX I
(Vide para 1.16)

Instructions issued by the High-Powered Managing Committee

No. 19(1)/74-F(I)

GOVERNMENT OF INDIA

MINISTRY OF INFORMATION & BROADCASTING

New Delhi, the 21st December, 1974.

CIRCULAR

SUBJECT.—*Fifth International Film Festival of India—Distribution of work.*

In continuation of Secretary's Order No. 19(1)/74-FI, dated the 7th December, 1974 the following officials are placed on duty for the different items of work in connection with the forthcoming International Film Festival of India to be held from the 30th December, 1974 to the 12th January, 1975.

Name of the Unit	Names of Officer-in-Charge
1	2
1. Press & Publicity Unit	Shri S. Prasad, DPIO, PIB.
2. Tickets Sale Unit and Issue of Invitation for the Inaugural Day.	S/Shri R.S. Sharma, S.D. Kumar and K. S. Venkataraman. The duties of Booking Clerks in regard to sale of tickets and the names of persons on duty are indicated in Annexure 'A'.
3. State functions (Reception, lunch and dinner).	Shri K. P. K. Nayar, US (F) assisted by S/Shri J.D. Bhatia, N. Krishnan and Shri C. R. Lekhara, P.I.B.
4. Reception & Hospitality Unit (At airport & Hostels)	Shri S. Ghose DS (F) (Details of duties, posting of staff etc. are indicated in Annexure 'B'.)
5. Transport Unit	Shri A. D. Malik, SO, TV, M/I&B. (List of persons on duty is given in Annexure 'C').
6. Inaugural function—Stage Management etc.	Shri S. M. Murshed, Director (F) Assisted by Shri R. S. Pillai and C. I. H. V. Gupte, Director, S&D.
7. Radio & TV Unit	Shri S. C. Prashar, DDG(I).

1	2
8. Telephone, Security, medical facilities & Visas.	Shri N. Krishnan, M/I&B.
9. Accommodation Unit	Shri V. P. Sud, M/I&B.
10. Staff requirements and Coordination Unit.	Shri K. P. K. Nayar, M/I&B.
11. Commercial/Press Exhibition etc.	Shri S. M. Murshad, Director (F) assisted by S/Shri K.P.K. Nayar US (F), C. S. Savoor and R.S. Sharma.
(a) Vigyan Bhavan	
(b) Mavalankar Hall	Capt. U. Narsingh, Facilities Officer.
(c) University Auditorium	Shri Inder Mohan, Facilities Officer, Assisted by : <ol style="list-style-type: none"> 1. Shri G. D. Gulathi, SO, DG, AIR. 2. Shri Ishwar Chandra, A.B.M., DPD.
(d) I.I.T. Auditorium	Shri Inder Mohan, Facilities Officer. Assisted by Shri S. M. Saxena, Asstt., PIB. Shri Saxena will collect the money and deposit in the Bank as early as possible.
(e) Private theatres :	
	(Plaza, Regal, Odeon, Delite, Shri R. K. Gupta US (T), M/I&B. Uphar, Sapna, Chanakya, Eros and Archana).

2. A list of ushers alongwith others on duty at the entrance gates in Vigyan Bhavan and Mavalankar Hall is given in Annexure 'D'.

3. The staff on duty at the 9 commercial cinemas to supervise admission and to ensure that no mal-practices are allowed in the cinema houses is given in Annexure 'D'. The officers on duty will also be responsible to check the collections and to ensure the Government dues are paid in time. The Officer-in-Charge will also see that proper agreements duly vetted by Ministry of Law are entered into between the Government and the private cinema owners exhibiting festival films in their theatres.

4. There will be four commercial shows in Mavalankar Hall each day and three commercial shows in Vigyan Bhavan. Entry to the commercial shows will start half an hour earlier of each show. The staff on duty will man the gates and no person who is not in possession of admission ticket or letter of authority will be allowed to enter the hall. Any relaxation to this effect shall not be allowed.

5. The officers on duty other than ushers will be posted at the entrance to the halls and they will be checking the tickets. The

ushers will guide the ticket holders to their seats. Each usher will look after usually two blocks as may be assigned by the Officer-in-Charge. No usher will occupy any seat himself.

6. The staff on duty shall report to the Officer-in-Charge of the hall one hour before the start of the first show on each day and stay till the end of the last show. The Officer-in-Charge will also maintain attendance register of the staff on duty. No officer of the Ministry/Media Units bearing duty badges, who are not on duty at Vigyan Bhavan/Mavalankar Hall shall be permitted to enter the Hall.

7. On the inaugural and concluding day of the Film Festival 24 Usherettes will be engaged from outside. In addition ushers as indicated in Annexure 'F' will be on duty on these two days.

8. The functions of the Units will be coordinated by Shri S. M. Murshed, Director (Films) and assisted by Shri S. Ghose, Deputy Secretary (Films) and Shri K. P. K. Nayar. Under Secretary (Films). The Officer-in-Charge of these units will please contact Shri Ghose at 11.00 A.M. on Thursday, the 26th December, 1974, in his room for a preliminary briefing and will again meet their respective Officer-in-Charge in Room No. 711 at 11.00 A.M. on 27th December, 1974 for their respective duties, except officers on duty in the Press & Publications Unit.

9. The officers and members of the staff detailed for duty in these units will be relieved of their normal work for the period they are deployed in the Units. Their normal work will be distributed among other staff members. The Officer-in-Charge of the Units may utilise the services of their Stenographers and Messengers also for the Festival work.

Sd/-

(A. J. KIDWAI)

Secretary to the Government of India

Copy to:

1. Director (F), M/I & B
2. All persons on duty

APPENDIX II

(Vide para 1.17)

Minutes of the meeting held on 10-12-1974

MINISTRY OF INFORMATION & BROADCASTING

No. 19/2/74-FI

Dated the 12th December, 1974

PRESENT

1. Shri Rajeshwar Dayal—Regal Cinema.
2. Shri Shyam Sahni—Odeon Cinema.
3. Shri Mohan Sahni—Odeon Cinema.
4. Shri Jagdish Sood—Eros Cinema.
5. Shri Satish Sood—Eros Cinema.
6. Shri Chander Mohan Chadda—Archana Cinema.
7. Shri Sushil Ansal—Uphar Cinema.
8. Shri Rajesh Khanna—Chanakya Cinema.
9. Shri Rakesh Khanna—Chanakya Cinema.
10. Shri Sidheshwar Dayal—Regal Cinema.

NOT PRESENT

1. Representative of Plaza
2. Representative of Delite.
3. Representative of Sapna.

1. The following shall be the denomination of the tickets: Rs 5, Rs. 7.40, Rs. 10 and Rs. 15.

2. There shall be four shows daily, namely at 12.30, 3.30, 6.30 and 9.30 P.M.

3. 60 per cent of total seats may be sold through season tickets. A season shall consist of one week. Thus there will be two seasons.

Sale of season tickets will commence on the 23rd December, 1974. The sale of daily tickets will start immediately after the season tickets have been exhausted and in any case not later than the 27th December, 1974. Individual cinema houses will notify in advance in the press about the date of the commencement of the sale of daily tickets.

5. The management of every Cinema House shall get 10 complimentary seats in the Rs. 10/- denomination for every show.

6. The proceeds of the sale of tickets shall be given to the Ministry of I. & B. at the end of each week by cheque after deducting the rental for the cinema hall.

7. Statements will be sent to the Ministry of I. & B. daily about the sale of tickets and earnings.

8. The Ministry of I. & B. will take with the appropriate authorities the question of exemption of all shows from (a) Entertainment Tax, (b) Show Tax and (c) Advertisement Tax. All the taxes except the advertisement tax will be paid by Government. Regarding advertisement tax, a decision will be taken with reference to previous papers.

9. Suitable press publicity will be done by the Ministry of I. & B. Further publicity as and when necessary will be done by the Cinema owners.

10. Every endeavour will be made to furnish the programme for the film shows for the first week by the 16th instant.

11. Representatives of the Ministry of I. & B. carrying letters of authority signed either by me or by Shri S. Ghose, Deputy Secretary in the Ministry, may at any time visit Cinema Houses and verify the number of tickets sold and the number of persons actually witnessing film shows. Cinema owners will provide every facility to these representatives in this connection.

Sd/-

(S. M. MURSHED)

Director (Films)

Copy forwarded to all Cinema House Owners. The following decisions may be noted:—

- (a) There shall be a rebate of 10 per cent on all the rates quoted for the hire of the cinema halls. The rates thus reduced shall, notwithstanding anything to the contrary expressed earlier, be in respect of four shows daily.
- (b) Intimation has now been received from the Delhi Administration that all shows will be exempted from Entertainment and Show Tax. However, certain particulars will have to be furnished to the Delhi Administration. Suitable action regarding this is being taken separately.

Sd/--

(S. M. MURSHED)

Director (Films)

Copy forwarded to Shri Jagat Murari, Director (FFD)

APPENDIX III

(Vide Para 1.30)

Reports of the Officer-in-Charge of Commercial Cinema Houses.

I visited all the 9 Commercial Cinema houses engaged for International Film Festival this morning from 9.30 A.M. to 12.30 P.M. I found that our duty officers were present in all the cinema houses.

2. At Regal, about 2000 persons were standing in queue. The sale had started at 9.30 AM. The proprietor themselves were standing near the booking window and supervising the arrangements. The sale was quite orderly.

3. In Odeon, the sale had not yet started although it was about 10.00 AM. On enquiry, I found from the Manager that tickets for the picture 'How Tasty is Little French Man' had already been sold out on Dec. 24 1974. The public outside was agitating for purchase of tickets of this particular film and they would not allow the sale to commence unless the Manager agreed to sell tickets of this picture. I enquired from the Manager as to why I was not informed that the sale of individual tickets had already started in the cinema on Dec. 24, 1974, when I visited the cinema house on 25-12-1974. He had no reply to this, except saying that perhaps the man on duty on that day (the Manager was not available at that time) was not aware of the position. He has given me a letter explaining that he had started sale of individual tickets on 24-12-1974 according to the Ministry's circular. The letter in original is attached. I checked counterfoils of tickets of this picture. Only 16 tickets for each show, reserved for the Ministry remained unsold.

4. The Delite had already sold all tickets yesterday itself and there was no sale today in this cinema house.

5. The Eros and Sapna had no problems. The sale was going on in an orderly way.

6. 'Archana' was another problem theatre where people wanted tickets for 'Clockwork Orange' and the management had told the public that the tickets for this picture had already been sold out. On checking I found that this would not be correct and on my persuasion, the management agreed to release a few more tickets of this picture. There was huge rush outside the cinema house but

the police arrangement was also perfect and the police did not allow anybody to enter the gate of the cinema house. Only 5 persons in a group were admitted at a time.

7. In 'Uphar', the tickets for the film 'Sidhartha' had already been sold out and people were demanding more tickets for this picture. The management informed me that sale of other pictures was still open.

8. In 'Chanakya' there was no problem excepting that the tickets for the film 'Will O' the Wisp' had been sold out.

Sd/--

R. K. GUPTA

28-12-1974

I was appointed Officer-in-Charge of the nine commercial cinemas, which were engaged by the Directorate of International Film Festival for exhibition of Festival films *vide* the Ministry's circular No. 19(1)/74-F(I) dated the 21st December, 1974. At each cinema house, one Gazetted Officer assisted by a non-gazetted officer was posted whole-time to supervise admission and to ensure that no mal-practices were allowed in the cinema houses. The officers on duty were also responsible to check the collections and to ensure that the Govt. dues were paid in time.

2. I, accompanied by Shri K. P. K. Nayar, US(F), visited all the commercial cinemas on December 24, 1974 and found that all the season tickets for the first week had been sold out in the following cinemas on the opening day itself:—

Regal
Plaza
Odeon
Delite, and
Uphar

All the cinema owners were happy that the sale of season tickets was done without any difficulty and complaints from the public. Archana and Chanakya hoped to sell all the season tickets in a day or two. In Eros and Sapna, only 1/3rd of the full quota of season tickets was sold though the owners hoped that they might be able to sell the remaining tickets before the commencement of the sale of

daily tickets. We did not find any long queues at any of these cinema houses. One or two cinema owners complained to us about inadequate pre-publicity for films released for exhibition in the first week, which was perhaps responsible for low sale of season tickets in their cinema houses. We advised these cinema owners to advertise in the press that season tickets were still available in their cinemas because the public was under the impression that all the season tickets in all the cinemas had been sold out. They did this with good results.

3. To ensure orderly sale of daily tickets, which was to commence from December 28, 1974, the Directorate's circular No. 19/2/74-FI dated the 26th December, 1974 enjoined on all the officers on duty in the 9 commercial cinema houses to be physically present at the counters when the sale of daily tickets was to commence at 9.30 a.m. to supervise the sale of tickets and to ensure that no mal-practices were indulged in by cinema management and all the tickets available for sale were actually given to the public on demand. The officers on duty were also asked to give a daily report on the sale of tickets in each cinema house giving details of the number of tickets sold, collection made and the way in which tickets were actually sold by each cinema management.

4. I visited all the cinema houses between 9.30 a.m. to 12.30 P.M. on December 28, 1974 and found that all Duty Officers were physically present at the booking counters of the concerned Cinema houses before the sale of tickets had started. They had noted down the numbers of the tickets in each book before these were put on sale. They also ensured that the available tickets were sold to the public standing in the queue, and no tickets were sold in black market. There were minor problems of law and order in one or two theatres but these were handled tactfully by the police on duty, and nothing was allowed to go wrong.

5. The officers on duty also ensured that no additional chair was put in the Cinema Halls at the time of the shows. Also, no person was allowed to stand in the Hall to see the pictures. Some of the Cinema-owners were visibly very annoyed at this strictness. In fact, several of them complained to me to this effect on the ground that they had to oblige officials of the DESU, Entertainment Tax, Police etc. This strictness, however, proved very useful as the shows were orderly.

6. All the officers on duty in Cinema houses were asked to collect daily collection statements from the cinema houses. I had

issued a circular to this effect to all concerned on December 28, 1974 (copy enclosed). When collecting the daily statements, the Duty Officers were asked to check the statements with the counterfoils of the ticket books to ensure that the tickets sold were correctly entered in the statement. The Duty Officers also checked from time to time the actual occupancy of the seats inside the cinema houses, Shri K. P. K. Nayar, Under Secretary (Films) himself accompanied me two-three times to check the collection statements of the cinema houses personally.

7. The sale of tickets in some of the cinema houses was low as compared to others. It was mostly due to the difference in quality of pictures which a cinema house received. The taste of the public was normally to go in for 'adult' films as reflected in the Press reports. I had kept the Directorate informed of this with the result that in some theatres a few pictures were replaced at the last moment by more popular films. In conclusion, I would only like to add that the Duty Officers posted in various cinema houses showed exemplary sense of duty and actually performed their functions with meticulous care to ensure that no mal-practices were indulged in by the cinema management.

Sd/--

R. K. GUPTA

15-1-75

APPENDIX IV

Main Conclusions/Recommendations

Sl. No.	Para No. of Report	Ministry/Department concerned	Conclusions/Recommendations
1	2	3	4
1	1.45	Ministry of Information & Broadcasting	<p>The Committee note that ten cinema halls were hired by the Directorate of Film Festivals, Ministry of Information and Broadcasting for a fortnight (30th December, 1974 to 12th January, 1975) on a weekly rental basis for exhibition of films from forty-six countries that participated in the Fifth International Film Festival held in New Delhi. The Audit paragraph and further material gathered by the Committee have brought to light a number of procedural and other lapses in the conduct of the Festival which, apart from causing some loss of revenue to Government, have given rise to avoidable criticism from the public.</p>
2	1.46	Do.	<p>Some of the disquieting aspects of the case are:</p> <p>(i) The original draft of the agreement executed with the private exhibitors and vetted by the Ministry of Law had been lost and in spite of best efforts made by the Directorate of Film Festivals who were responsible for custody of such important documents, it has not been possible to locate it.</p>

- (ii) Representatives of four out of the ten cinema houses hired by the Ministry did not attend the meeting held on 10 December, 1974 when the rentals quoted by them were stated to have been accepted subject to an ad-hoc rebate of 10 per cent. The cinema houses withheld a sum of Rs. 1.13 lakhs out of the daily collections on the ground that the minutes of the meeting were not correctly recorded. They contended that they had agreed only to a 5 per cent rebate and not to 10 per cent. The managements of four of the cinema houses also contended that the rental quoted by them was in respect of three shows daily and not for four shows as recorded in the Minutes. Disputes also arose regarding the daily collection reports, number of complimentary passes allowed to the cinema house owners etc.
- (iii) One of the cinema houses exhausted all the tickets of popular films on the opening day itself and neither the proprietor nor the officials of the Ministry deputed to supervise the sale of tickets informed the officer-in-charge of private cinema houses about this when he visited the cinema on the following day. Some other cinema managements also reported having sold all tickets on the opening day. The management of yet another cinema withheld tickets for a film from the public saying that all tickets had been sold out. However, on persuasion of the Officer-in-charge, the management "agreed to release a few more tickets" for that particular film.
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- (iv) A report in regard to the sale of tickets in each cinema house was required to be sent by the officer of the Directorate posted there, giving details of the number of tickets sold, collections made and the way in which tickets were actually sold by each cinema management. None of these Reports were made available to Audit. It is a moot point whether these Reports contained pertinent information about the difficulties of public who desired to purchase tickets etc. and the action, if any, which was taken in pursuance thereof.
- (v) The responsibility for printing and sale of tickets for cinema halls was left to the private exhibitors concerned even though a decision was taken earlier that "tickets for all cinema houses were to be printed preferably at a reliable Press outside Delhi." No counterfoils of the tickets actually sold were made available by any of the private exhibitors when the matter was raised by Audit with the Ministry.
- (vi) The submission of seating plan showing the actual occupancy which could be checked up vis-a-vis the sale of tickets was not made a part of the agreement.

country, the Ministry of Information and Broadcasting allowed such serious lapses to occur and invited public criticism.

- 4 1.48 Do. The Committee are surprised to learn that the original draft agreement with the private exhibitors has been lost. The Ministry has contended that the agreement signed with the cinema house owners were those agreements which were duly vetted by the Law Ministry. The Committee consider that the investigation into the loss of such an important document should be carried out conclusively and deterrent action taken against the defaulting officials and the Committee informed.
- 5 1.49 Do. It was a serious lapse on the part of the Ministry not to have specified in the agreements the amount of rental payable by Government and the rebate allowed by the cinema house owners—an omission which gave rise to many difficulties as mentioned in the Audit paragraph. The Committee have been informed on 10 March, 1977 that Government have since realised the amount of Rs. 40,552/- which was due from the private exhibitors on 30 July, 1976.
- 6 1.50 Do. The Committee further hope that Government have drawn necessary lessons from their experience of the Fifth Film Festival and that care would be taken in future to specify the rentals payable by Government to the managements of cinema houses in the agreements arrived at with them and also to specify in unambiguous terms the concessions such as rebate etc. allowed by the exhibitors to Government.

1	2	3	4
7	1.51	Ministry of Information & Broadcasting	The Committee regret to note that while at Delhi the cinema houses were hired on rental basis, the usual practice of hiring theatres on income sharing basis was not reviewed at that time in the case of those at Bombay, Calcutta, Madras and Bangalore. As, according to the Ministry, hiring of cinema houses on a rental basis proved to be quite profitable to Government, the Committee need hardly point out that the same system may be followed in other cities also where the films of the Film Festival are exhibited.
8	1.52	Do.	The Committee further stress that the seating plans of each cinema house should be invariably incorporated in such agreements and in no case extra seats should be permitted to be provided without specific permission in writing of the Directorate/Ministry.
9	1.53	Do.	The Committee note that the Officer-in-charge of the commercial Cinema Houses made the following observations in the note submitted to the Ministry after the Festival was over: "The Duty Officers posted in various cinema houses showed exemplary sense of duty and actually performed their functions assigned to them to ensure that no mal-practices were indulged in by the cinema management."
10	1.54	Do.	The Committee are not able to share this unqualified praise for the Duty Officers posted in various cinema houses, for the ins-

pection by the Officer-in-charge of commercial cinema houses had earlier revealed that the Management of one of the cinema houses had incorrectly informed the customers that the tickets had been sold out and it was only on the intervention of the Officer-in-charge that some more tickets were made available. In another case it was found by the Officer-in-charge that the sale of tickets for individual picture shows had been started much earlier than the specified date with the result that there were protests and demand for sale of more tickets for a popular picture by large number of customers who had gathered there.

11 1.55

Do.

Besides, the Committee find that the Audit were not made available the individual reports which were required to be given by each of the officers posted at the cinema houses. The Committee would like the Ministry to review the performance of each of these officers critically and take suitable action for the lapses which are found.

12 1.56

Do.

The Committee stress that in future the duties and responsibilities of the officers posted to commercial cinema houses should be set-out in greater detail and it should be obligatory for the officer-in-charge of the commercial cinema houses to see that the officers posted to various cinema houses in fact perform their duties meticulously and strictly so as to obviate complaints. In particular, they should check the counterfoils of tickets sold the same day and record a certificate to that effect in the daily collection statements to be furnished to the Directorate. The Committee need hardly point out that deterrent and strict action should be taken against any officer

found to be deficient in the performance of the duties entrusted to him. The Committee feel that if the duties are properly set-out and performed, it would not only obviate complaints from the public but also make for proper and timely rendering of accounts and avoid any financial or other irregularities.

13

I.57

Ministry of Information
& Broadcasting

The Committee are not convinced that due to paucity of time and the volume of work involved, it was not possible for Government to get the tickets for the Festival films shown in private cinema houses printed under their own supervision. The Committee consider that with all the experience gained over the years, it should have been possible for the Ministry to get this work done either in Government Press or any other Press of proven standing and experience, preferably outside Delhi, to obviate any complaints.

38

14

I.58

Do.

The Committee find that out of 532 shows held in the private cinema halls during the two weeks of the Festival, only 191 shows (84 in the first week and 107 in the second week) ran to full capacity. This has been sought to be explained by the Ministry as due to some films being artistic but not very popular. It would appear that the publicity given to such films was not very adequate or properly directed. The Committee would like the Ministry to analyse the matter in detail and prepare guidelines about the manner in which authentic information about the background and artistic merit of

each of the entered films is arranged to be publicised well in advance and suitably through leaflets, press, radio, television etc. so as to reach the potential audience.
