

PUBLIC ACCOUNTS COMMITTEE
(1977-78)

(SIXTH LOK SABHA)

FORTIETH REPORT

FILMS DIVISION

MINISTRY OF INFORMATION AND BROADCASTING

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 182nd Report (Fifth Lok Sabha)]

Presented in Lok Sabha on 23 DEC 1977
Laid in Rajya Sabha on 23 DEC 1977



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CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations that have been accepted by Government.	23
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in the light of the replies received from Government.	66
CHAPTER IV Recommendations/Observations replies to which have not been accepted by the Committee and which require reiteration.	81
CHAPTER V Recommendations/Observations in respect of which Government have furnished interim replies.	95
APPENDICES :	
I. Report on a field survey of newsreels and documentaries shown in various Cinema Houses in six towns conducted by the Indian Institute of Mass Communications.	85
II. Recommendations of the Consultant from the Administrative Staff College of India, Hyderabad, on the working of the Films Division and Action Taken thereon.	94
III. Consolidated Statement of Conclusions Recommendations.	103

PUBLIC ACCOUNTS COMMITTEE
(1977-78)

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

INTRODUCTION

1, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Fortieth Report on the action taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Eighty-Second Report (Fifth Lok Sabha) on Films Division relating to the Ministry of Information and Broadcasting.

2. On 10 August, 1977, an 'Action Taken Sub-Committee' (1977-78), consisting of the following Members, was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports.

1. Shri C. M. Stephen—Chairman
2. Shri Asoke Krishna Dutt—Convener
3. Shri Gauri Shankar Rai }
4. Shri Tulsidas Dasappa }
5. Shri Kanwar Lal Gupta } —Members.
6. Shri Zawar Hussain }
7. Shri Vasant Sathe }

3. The Action Taken Sub-Committee of the Public Accounts Committee (1976-77) considered and approved the Report at their sitting held on 30 December, 1976. The Report could not be adopted by the Public Accounts Committee (1976-77) due to dissolution of Lok Sabha on 18 January, 1977. The Action Taken Sub-Committee of the Public Accounts Committee (1977-78) considered and adopted the Report at their sitting held on 18 October, 1977. The Report was finally adopted by the Public Accounts Committee (1977-78) on 16 November, 1977.

4. For facility of reference the conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. For the sake of convenience, the conclusions/recommendations of the Committee have also been appended to the Report in a consolidated form (Appendix III).

5. The Committee place on record their appreciation of the commendable work done by the Action Taken Sub-Committee of the Public Accounts Committee (1976-77) in considering and finalising this Report.

6. The Committee place on record their appreciation of the assistance rendered to them in this matter by the Comptroller and Auditor General of India.

NEW DELHI;
November 18, 1977.
Kartika 27, 1899 (S).

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

CHAPTER I

REPORT

1.1. This Report of the Committee deals with the action taken by Government on the Committee's recommendations/observations contained in their 182nd Report (Fifth Lok Sabha) on 'Films Division', commented upon in 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.

1.2. The Committee's 182nd Report was presented to the Lok Sabha on 9 January, 1976 and contained 51 recommendations/observations. Action Taken Notes in respect of all these recommendations/observations have been received from Government and these have been broadly categorised as follows:

(i) *Recommendations/observations that have been accepted by Government:*

Sl. Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 16, 19, 20, 21, 24, 25, 26, 30, 34, 36, 38, 39, 41, 42, 43, 46, 48, 49 and 51.

(ii) *Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from Government:*

Sl. Nos. 11, 14, 15, 18, 22, 23, 27, 28, 29, 31, 44, 45 and 50.

(iii) *Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration:*

Sl. Nos. 17, 32, 33 and 37.

(iv) *Recommendations/observations in respect of which Government have furnished interim replies:*

Sl. Nos. 35, 40 and 47.

1.3. **The Committee expect that final replies, duly vetted by Audit, to those recommendations/observations in respect of which only interim replies have so far been furnished will be submitted to them expeditiously.**

1.4. The Committee will now deal with the action taken by Government on some of their recommendations/observations.

Selection of subjects for documentaries and newsreels. (Paragraphs 2.30 and 2.31—Sl. Nos. 3 and 4).

1.5. Dealing with the approach of the Films Division in selecting subjects for the production of documentaries and newsreels, the Committee, in paragraphs 2.30 and 2.31 of their 182nd Report, had observed, *inter alia*, as follows:

“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 interest 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 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."

1.6. In their Action Taken Note dated 17 July 1976, furnished in response to the observations contained in paragraph 2.30 of the Report, the Ministry of Information and Broadcasting have stated:

"Government fully agree to the approach suggested by the Committee. A Seminar on the subject consisting of such eminent people in the documentary films as S/Shri James Baveridge, S. Sukhdev, Mrinal Sen, S. Krishnaswamy, M. G. Kamath, N. V. K. Murthy and Dr. Bhaskar Rao and Kumari S. Rahman, was held at Bombay on 4th and 5th June 1976 to consider how to make technically competent, aesthetically satisfying, thematically relevant and patriotic films. The recommendations of the Seminar will provide further guidance to the films Division for the production of documentaries."

1.7. With reference to the Committee's observations, contained in paragraph 2.31 of their Report, in regard to the newsreels produced by the Films Division, the Ministry, in their Action Taken Note dated 9 June 1976, have stated:

"The observations of the Committee have been noted. Efforts will be made by the Division to improve the content of the Indian News Review, by giving more emphasis on events than on individuals."

In a subsequent Note dated 17 July 1976 furnished in this regard, the Ministry have informed the Committee as follows:

"The entire approach to the newsreels has been revised in the light of the observations of the Committee. This was also the theme of the Seminar held at Bombay on 4th and 5th June 1976. It has been impressed upon the Films Division that more emphasis should be on hard news and less on personalities and events of limited importance. Comprehensive guidelines based on the observations made by the Committee and the various recommendations of the Seminar are being drawn up for future guidance of the Films Division. These guidelines will be followed on a firm and regular basis."

In a further Action Taken Note dated 4 August 1977, the Ministry of Information and Broadcasting have informed the Committee as follows:

“Government have reconsidered the question of issuing guidelines for the coverage of events for newsreels. Films Division have been informed *vide* copy of the attached communication (Appendix) to follow these guidelines for future coverage.”

1.8. The Committee are glad that the Ministry of Information and Broadcasting share their views in regard to the selection of subjects for documentaries and newsreels produced by the Films Division and realise the need for a change in their emphasis. It is also heartening to note that guidance of renowned experts in the field of documentary production had been sought with a view to achieving better results and the Ministry of Information and Broadcasting have issued guidelines to the Films Division for future coverages of events for newsreels. Government have *inter alia* impressed upon the Films Division that emphasis should be more on events than on individual personalities. The Committee trust that these measures would bring about the desired changes and improvements in Films Division production. They would be watching with interest the impact of these measures on the future performance of the Films Division.

*Quality of films produced by Films Division, (Paragraphs 2.32 and 2.33--
Sl. No. 5 and 6)*

1.9. Commenting on the quality of films produced by the Films Division, the Committee, in paragraphs 2.32 and 2.33 of the Report, had gone on to observe as follows:

“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 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 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 message. 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 cinemagoers 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."

1.10. Conceding the Committee's criticism, the Ministry of Information and Broadcasting, in their Action Taken Note date 24 May, 1976 furnished in pursuance of the observations contained in paragraph 2.32 of the Report, have stated:

"The observations of the Committee have been noted. Efforts will be made by the Films Division to improve the quality of its films."

In another Note dated 17 July, 1976 furnished in this connection, the Ministry have stated:

"It is conceded that there is no systematic evaluation of the films of the Films Division. However, a Directorate of Evaluation has been set up under Dr. Bhaskar Rao, Consultant, Indian Institute of Mass Communications. He has carried out studies on the impact of the films made by the Films Division on the people and their reactions. This kind of feed-back will be continued on a regular basis."

1.11. The Action Taken Note dated 22 May 1976, furnished by the Ministry in response to the Committee's criticism contained in paragraph 2.33 of the Report, is reproduced below:

"The observations of the Committee have been noted. Efforts will be made by the Films Division for improving the quality of its documentaries. In this connection, mention may be made of

an all-India Seminar on 'Documentaries as medium for motivation—Improvement in techniques and contents' proposed to be held in June 1976 in the Films Division's office at Bombay. In the light of the discussions at the Seminar, the Films Division will take appropriate action in the matter."

Subsequently, in another Note dated 15 July, 1976, the Ministry have added:

"Besides, the Committee of Experts from the officials and non-officials, being set up to oversee the production of documentaries, will also look after the requirements of quality."

1.12. The Committee have been informed that efforts would be made by the Films Division to improve the quality of its films and that appropriate action in the matter would be taken in the light of the discussions at an all-India Seminar where the question of improvement in techniques and contents of documentaries was to be considered. Besides, Government also propose to set up a Committee of Experts, consisting of officials as well as non-officials to oversee documentary production by the Films Division and to look after the requirements of quality. Now that considerable time has elapsed since the proposed seminar was held (June 1976), the Committee would like to be apprised, in some detail, of the specific steps taken in this direction. They also expect that the Committee of Experts would utilise the talent available in the Films Division, of which there is no dearth, in a more meaningful and effective manner than at present.

Evaluation of audience responses to Films Division productions (Paragraph 2.34—Sl. No. 7).

1.13. Dwelling further on this question, the Committee, in paragraph 2.34 of the Report, had observed:

"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."

1.14. In their Action Taken Note dated 1 July 1976 relevant to these observations, the Ministry of Information and Broadcasting have replied:—

"Government agree that the work of evaluation is very important. Some beginnings in this direction have already been made. Some studies have already been completed and some are in progress to assess *inter alia* the impact of films made by the Films Division on the audiences. These are as follows:—

I. *Studies completed.*

1. Study on viewing and impact of documentaries/newsreels at Jullundur.
2. Study of films for griculture innovations in rural India.
3. Study by Operations Research Group on mass communication in U.P.

II. *Studies in Progress.*

1. Multi-media study in U.P.
2. The IIMC has been asked to undertake a study of evaluation of selected documentary films produced by the Films Division.

The findings of the studies are communicated to the Films Division for further action.

It has also been recognised that different films need to be made for rural and urban audiences. The future programming of films by the Films Division will be done with this point of view."

1.15. The Ministry also furnished subsequently, on 9 September 1976, copies of a report on a field survey of newsreels and documentaries shown in various cinema houses in six towns, conducted by the Indian Institute of Mass Communications, which is reproduced in Appendix I. Some of the more important findings of the survey are briefly indicated below:—

Though the towns covered by the survey (Jaipur, Meerut, Gorakhpur, Hyderabad, Vijayawada and Rajahmundry) are centres of commercial cinema theatres in their respective regions, the latest, Indian News Review (No. 1428) was being screened only in Hyderabad, Jaipur and Meerut.

Most of the documentaries being shown in these towns were not directly or indirectly connected with any of the current campaigns in progress.

Several instances had come to notice when Films Division documentaries/newsreels were either not exhibited at all or shown only partly.

The present routing system of prints of Films Division productions needs to be studied so as to make optimum use of the available prints, the theatres being used in each city town, etc.

Some formal arrangement should be worked out to supervise/inspect screening of Films Division documentaries/newsreels on a regular basis.

1.16. The Committee find that even a limited field survey, undertaken in six towns by the Indian Institute of Mass Communications has brought into focus certain deficiencies in the existing arrangements for the screening of documentaries and newsreels, which underscores the need for a constant evaluation of the audience responses to Films Division productions. While the Films Division and the Ministry of Information and Broadcasting will, no doubt take such action as may be found necessary in the light of the findings of this survey, the Committee feel that a lot still requires to be done to sustain audience interest and secure the desired responses. Now that an Evaluation Directorate has also been set up, on a firm basis, in the Ministry, the Committee look forward to a significant improvement in the approach of the Films Division and in the content of its films. Since the studies and

surveys undertaken so far largely appear to have been confined to urban and semi-urban areas, the Directorate should also set in motion similar studies in the rural areas, so that the feed-back obtained from such studies could be meaningfully utilised for designing films exclusively for our rural masses.

Assignment of films to outside producers: (Paragraph 2.60—Sl. No. 13)

1.17. Films are produced by the Films Division both with their own staff and with the assistance of outside producers. Dealing with the question of assignment of films by the Films Division to outside producers, the Committee, in paragraph 1.71 of their 120th Report (Fourth Lok Sabha) had recommended, *inter alia*, that a detailed investigation should be undertaken with a view to determining what safeguards should be adopted to protect Government's interest in their dealings with the private producers to whom part of the production is farmed out and how better returns could be ensured. Reverting to this issue, in paragraph 2.60 of their 182nd Report (Fifth Lok Sabha), the Committee had observed as follows:—

"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."

1.18. The Action Taken Note dated 9 July, 1976 furnished in response to these observations by the Ministry of Information & Broadcasting is reproduced below:—

"A consultant from the Administrative Staff College of India, Hyderabad, examined the working of the Films Division. The terms of reference for the study were as under:—

- (a) Develop a sound and scientific cost accounting and information system which would provide timely information to management.

- (b) Examine the working with a view to bring out scope for economy in the use of material and manpower resources and for improving productivity.
- (c) Examine scope of reducing the number of prints released for free exhibition.

In his report, the Consultant has recommended (i) revision of the existing costing system introduction of a regular reporting system and budgetary control; (ii) methods for control of expenditure on raw stock for newsreel production, documentary production and distribution prints; (iii) methods for production optimisation and utilisation of equipment and facility; (iv) reduction in the footage of films and (v) reduction of the number of prints for free exhibition. The recommendations, when implemented, will lead to optimum utilisation of manpower and material resources of the Films Division with consequent reduction in cost of production. A summary of the consultant's recommendations and action taken/proposed to be taken thereon was enclosed with the Action Taken Report on para 1.70 and para 1.71 of the 120th Report of the Public Accounts Committee (Fourth Lok Sabha).

The report of the Administrative Staff College of India does not specifically deal with the safeguards to be adopted to protect Government's interests in their dealings with outside producers. The Administrative Staff College has since been asked to take up this particular point also for examination. In the meanwhile, the following steps have been taken by the Films Division for protecting Government's interests in their dealings with outside producers and for ensuring better returns:—

- (i) The contract entered into with the independent producers has been amended to provide that if the length of the film was less than the minimum specified, *pro rata* reduction could be made from the total amount of the contract.
- (ii) The Films Division are now obtaining surety bonds from the producers, endorsed by 2 sureties acceptable to the Films Division, when advance is paid to the producers.
- (iii) The I.F.A. and the Cost Accounts Officers of the Films Division are associated at the time of awarding the contract to ensure that the amount agreed upon is reasonable."

The Ministry of Information and Broadcasting in a further Action Taken Note furnished subsequently on 4 August, 1977 have stated:

"The Administrative Staff College of India have since completed their study on the safeguards in regard to outside production"

of films. The following recommendations made in the report have been accepted by Government:—

- (i) A Committee consisting of Chief Producer, Films Division, Chairman C.B.F.C., Chairman of Film Finance Corporation (the composition of the Committee is the same of the Tender Committee) may consider and decide whether a film should be produced by the Films Division or given to independent producers.
- (ii) All the empanelled independent producers should be classified and graded into three or four groups based on an assessment of their past performance, experience, skill and resources etc. This job will be entrusted to the Panel Committees whose normal function is to approve additions and deletions to the panel of independent producers. The films will be assigned to independent producers, after tender enquiry as per requirements etc.
- (iii) The floating of tenders should be restricted to the classified list based on type of film, skill of producers etc.
- (iv) The Tender Committee (comprising Chairman of Film Finance Corporation, Chairman C.B.F.C. and Chief Producer, Films Division) may award contracts as per classification/grading of producers, critical assessment of their past performance etc.

The following recommendations made in the report have not been accepted.

- (i) *At the time of floating of tenders, the Films Division to indicate the approximate cost for making a film (Para V of the report).* The reason for not accepting the recommendation is that the cost structure of a film depends upon many variable factors. The quality cannot be measured physically. It's assessment would vary from person to person and can become a debatable or a controversial issue. Again there are quite a few producers whose overheads are low. Indication of minimum amount may, in fact amount to getting higher quotations from them, even though they could produce at a lower cost.
- (ii) *Giving of advances to the independent producers as suggested in para VII of the report.* The reason for not accepting the suggestion is that giving of advances in the form of raw stock may ultimately become a binding upon the Films Division and may lead to difficult situation in times of shortages. This

may be a ready excuse for the producers to delay the production. Again sometimes the raw stock supplied by Hindustan Photo Films is not of consistent quality. In case such raw stock is supplied to an independent producer, the Films Division will be held responsible for the expenditure incurred by the independent producer on shooting and recording. This may lead to further complications. As for the equipment, Films Division have hardly sufficient equipment to meet its own requirements quite apart from the fact that excessive use of delicate and expensive equipment is not desirable.

- (iii) *Incentive/penalty measures as proposed in para VIII of the Report.* The reason for not accepting the suggestion is that it will not be desirable to grant a bonus to producers who may produce films of the required standard. If the films are not of required standard, they would not be accepted at all. Secondly the acceptance of suggestion would introduce a subjective element and may lead to avoidable controversies.

Relevant extracts from the Ministry's Action Taken Note* dated 15 May, 1976, furnished in continuation of their interim reply dated 28 November, 1970 to the Committee's recommendation contained in paragraph 1.71 of their 120th Report (Fourth Lok Sabha) are reproduced below:

"A consultant from the Administrative Staff College of India, Hyderabad, examined the working of the Films Division.

The terms of reference for the study were as under:

1. Develop a sound and scientific cost accounting and information system which would provide timely information to management.
2. Examine the working with a view to bring out scope for economy in the use of material and manpower resources"and for improving productivity.
3. Examine scope of reducing the number of prints released for free exhibition.

The consultant submitted his report in October, 1971. In his report, the consultant has, *inter alia*, recommended (i) revision of the existing costing system; introduction of a regular reporting system and budgetary control; (ii) methods for control of expenditure on raw stock for newsreel production, docu-

*Not vetted in Audit.

mentary production and distribution prints; (iii) methods for production optimisation and utilisation of equipment and facility; (iv) reduction in the footage of films and (v) reduction of the number of prints for free exhibition. The recommendations, when implemented, will lead to optimum utilisation of manpower and material resources of the Films Division with consequent reduction of costs of production.

Regarding (f) of the recommendations relating to what safeguards should be adopted to protect Government's interests in their dealings with private producers to whom part of the production is farmed out and how better returns could be ensured, it may be stated the Films Division are now obtaining surety bonds from the producers, endorsed by 2 sureties acceptable to the Films Division."

• The Ministry also furnished to the Committee a summary of the recommendations of the consultant and the action taken/proposed to be taken thereon, which is reproduced in Appendix II.

1.19. As early as in April, 1970, the Committee, in paragraph 1.71 of their 120th Report (Fourth Lok Sabha), had recommended, *inter alia*, that the safeguards to be adopted to protect Government's interests in their dealings with the private producers to whom part of the production of the Films Division is farmed out and how better returns could be ensured needed detailed investigation. The Committee are, however, concerned to find that though this suggestion had been accepted by the Ministry, in principle as far back as in November, 1970, the issue was referred to the Administrative Staff College after a lapse of nearly six years. In the meantime, apart from certain interim measures taken in this regard, this important issue remained unresolved. In the Committee's view, Government's own internal agencies should have been sufficient to overcome the problems encountered and to avoid the delays that have taken place. Since the Administrative Staff College of India, Hyderabad have now given their Report, on the safeguards in regard to outside production of films and Government have accepted some of their recommendations, the Committee hope that Government would ensure the best returns from the outside producers before assigning the work of production of films to them.

Purchase of a ready-made film (Paragraph 3.4—Sl. No. 17)

1.20. Examining an instance of purchase of a ready-made film on family planning by the Films Division, the Committee, in paragraph 3.10 of their Report, had recommended, *inter alia*, as follows:

"In this case, the Committee are concerned to note that even though the distributors of the cartoon film on Family Plan-

ning 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."

1.21. In their Action Taken Note dated 5 April, 1977, the Ministry of Information and Broadcasting have replied:

"The observations made by the Committee have been noted. The offer of the party was considered by a Committee consisting of senior officers of the Films Division who found the price demanded as reasonable. It is regretted that the Committee did not go into the overall economics of the deal keeping in view the number of prints of the film to be purchased. After going through the matter carefully, the Government have come to the conclusion that no individual officer could be held responsible for this, as the Committee was solely guided by the reasonableness of the price quoted by the party.

Under the present procedure, the Films Division invariably negotiates with the producers for the outright purchase of the master negative of the documentary films offered to it. Even where a specified No. of prints is to be purchased, the prices are based on a slab system after discounting proportionally the share of cost of production included in the price. The Internal Financial Adviser and the Cost Accounts Officer of the Films Division are associated with the Documentary Film Purchase Committee. The Cost Accounts Officer scrutinises the cost of production of every documentary film purchased by the Films Division."

1.22. Admittedly, though the distributors of the film had indicated the break-up of the various elements of the films cost, the Films Division had not considered it necessary to negotiate a reduction in price on the basis of the number of prints to be purchased by it. Neither the reasons therefor nor the basis on which the reasonableness of the price quoted by the distributors was determined by the Films Division have been intimated to the Committee. It would, prima facie, appear that the normal care and prudence which one

would legitimately expect in such transactions, had not been exercised in this case.

Working Results. (Paragraphs 5.9 and 5.10—Sl. Nos. 32 and 33)

1.23. Commenting on the working results of the Films Division for the period 1967-68 to 1971-72, the Committee, in paragraphs 5.9 and 5.10 of the Report, had made the following observations:

“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, Rs. 45.15 lakhs and Rs. 29.60 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 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.”

1.24. In their Action Taken Note dated 1 April, 1977, the Ministry of Information and Broadcasting have stated:

“The method of calculation of ‘Notional Revenue’ based on sale price of prints has been replaced by ‘actual cost’ basis after obtaining the approval of Comptroller and Auditor General of India. The revised procedure has been introduced in the Proforma Accounts commencing from 1972-73. The question of making payments to the Films Division from the budget of the organisations, like the Directorate of Field Publicity in respect of prints of films now supplied by the Films Division free of charge, is under consideration of Government. The decision taken in the matter will be intimated to the Committee in due course.”

1.25. The Committee note that the method of calculation of 'Notional Revenue' based on the sale price of prints has now been replaced by 'actual cost' basis. They also note that the question of making payments to the Films Division from the budget of the organisations like the Directorate of Field Publicity in respect of prints of films now supplied by the Films Division free of charge, is under consideration of Government. The Committee would like this matter to be expedited and they may be apprised of the decision taken.

Cost of films produced by Films Division and cost control (Paragraphs 6.20 and 6.23—Sl. Nos. 37 and 40).

1.26. Commenting on the cost of films produced by the Films Division, the Committee, in paragraphs 6.20 and 6.23 of the Report, had made, *inter alia*, the following observations:

“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 production 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.”

“6.23. 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 procedure in the Films Division."

1.27. The Action Taken Note dated 17 October, 1977 furnished by the Ministry of Information and Broadcasting in response to the Committee's observations contained in paragraph 6.20 of the Report, is reproduced below:

"Relevant statistics regarding average cost of production of documentary films produced by Films Division and average cost of production of films produced by private producers on behalf of Films Division for years 1971-72, 1972-73, 1973-74 and 1974-75 have been indicated in the succeeding paragraph.

For reducing the cost of production of films by the Films Division, the following steps have been taken or are being taken:

- (1) The Division proposes preparation of film-wise budget to have proper financial control over the expenditure. With this end in view, it has been decided to entrust the job of devising a suitable costing system for the Division to a cost accounting firm. Further action will be taken by the Division on receipt of the report of the cost accounting firm.
- (2) The Division has introduced stricter control on consumption of raw stock.
- (3) It has been decided to introduce an incentive scheme for the shooting team which effects economy in the use of raw stock.
- (4) The Division is now checking the lines of approach with an eye on limiting and reducing the number of locations to the barest minimum.
- (5) It has been decided to increase the quota of production of films for a director from 3 to 4 films per annum which will help to reduce the overhead expenditure in general."

1.28. The average cost of production of 35 mm B&W/colour films produced by Films Division/outside producers from 1971-72 to 1974-75, rate per metre is indicated in the following table:

Year	Black & White		Colour	
	Films Division	Outside Producers	Films Division	Outside Producers
1971-72	Rs. Ps. 80.50	Rs. Ps. 85.92	Rs. Ps. 149.60	Rs. Ps. 146.15
1972-73	93.74	92.25	126.73	164.23
1973-74	71.87	107.73	174.67	181.26
1974-75	133.49	128.81	183.06	211.27
<i>Cartoon</i>				
1971-72	381.95	—	298.00	—
1972-73	—	207.71	566.09	238.47
1973-74	672.44	247.83	376.09	249.90
1974-75	—	—	897.33	214.90

NOTE: The Audit have pointed out that as the treatment of expenses pertaining to Indian News Review has varied from time to time, the figures presented are not on a like to like basis and therefore do not correctly indicate the trend in the departmental cost of production. The Audit have added that the cost of outside production is also not on a like to like basis and that the figures are not comparable as the allocation of overheads for outside production is not on a scientific and consistent pattern. The Ministry of Information and Broadcasting feel that the revision will involve considerable clerical labour in re-working out the proforma account figures for the previous years. The remarks of Audit will be kept in view in preparing the proforma accounts for future years.

1.29. The Committee, however, learnt from Audit that upto 1972-73, the expenditure on the Newsreel Section of the Films Division was included as part of the overheads of the Films Division for the calculations of departmental rates and that from 1973-74, the basis of calculation of overheads was changed by exclusion of the expenditure of the Newsreel Section. As a result of this change, the statistics furnished by the Ministry for 1973-74 and 1974-75 were not comparable with those of the previous years. The Committee were also informed that the basis and rates adopted to cover the supervision charges allocable to the films produced by outside producers were not uniform during the four years and, therefore, not comparable.

1.30. In pursuance of the Committee's observations contained in paragraph 6.23 of the Report, the Ministry in their Action Taken Note dated 10 June, 1977 have stated:

"On the basis of the recommendations contained in paragraphs 1.70 and 1.71 of the 120th Report of the Public Accounts Committee (Fourth Lok Sabha), the Administrative Staff College of India was appointed as consultants with one of the tasks being to develop a sound and scientific cost accounting system in the Films Division. Following the report of the Administrative Staff College of India, the Cost Accounts Officer was appointed in the Films Division in March 1973.

After appointment of Cost Accounts Officer, the Films Division asked for additional staff in the costing section of the Division to assist the Cost Accounts Officer, first in June 1973 and again in May 1974. On both the occasions, Government did not agree to sanction additional staff, as the costing system for the Division had not yet been formulated.

It will be seen that the absence of a Cost Accounts Officer prior to March 1973 and absence of adequate supporting staff thereafter is a reason for the backlog in compilation of proforma accounts.

The Committee set up by the Ministry of Information and Broadcasting to advise Government about the revision of management and accounting practices followed in the Films Division considered the question of revising the cost accounting system in the Films Division, in consultation with the Chief Cost Accounts Officer of the Ministry of Finance. It was decided that a professional expert or agency should be commissioned for evolving a commercial system of accounting for the Films Division. For this purpose, the Chief Cost Accounts Officer suggested a firm of Chartered Accountants.

In December 1975 the Comptroller and Auditor General of India was approached with a request to suggest a qualified Chartered Accountant to go into the accounting system of the Films Division.

In January 1976 the Comptroller and Auditor General of India replied that if the particulars which are necessary for compilation of cost of film (e.g. raw stock consumed, time devoted by the Directors and other production staff, the professional

fees paid for a film, etc.) are available, it should be possible, with the figures of expenditure booked in Government accounts and communicated to each of the offices of the Films Division, to write up journal and other books of original entry and post the ledger contemporaneously and adjust the same when final annual figures are known. This should considerably reduce the time taken in preparation of the proforma accounts and working out the cost of films.

The Comptroller and Auditor General of India suggested that it might be useful for the Ministry to ascertain if the Films Division writes up the basic records on the basis of monthly reconciled expenditure and posts the entries in the ledger timely, and also ascertain the difficulties which the Films Division experiences in compiling the proforma accounts soon after the final figures are known by October each year. In view of this, the Comptroller and Auditor General requested the Ministry to consider whether a Chartered Accountant would still be required to look into the problem.

The point raised by the Comptroller and Auditor General of India was further examined in the Ministry. It was felt that a Senior Cost Accountant assisted by a junior colleague from the Cost Accounts Branch of the Ministry of Finance should be entrusted with the job of studying the various matters relating to film-making, processing, storage and distribution of films and devising a suitable costing system for the Films Division. This team would also be required to prescribe various forms which would provide necessary data for management purposes. For this purpose, the Chief Cost Accounts Officer of the Ministry of Finance was requested in June 1976 to depute a suitable Cost Accounts Officer to the Films Division. The Chief Cost Accounts Officer replied that it would not be possible to depute officers to the Films Division, as requested. He suggested that the job might be entrusted to a suitable firm of professional accountants.

The Films Division was asked in August 1976 to call for quotations from a few cost accounting firms and suggest a suitable firm for undertaking the work. Quotations from two firms received by the Films Division were forwarded to the Ministry in November 1976. In the meantime, Films Division had been asked to consider three more firms. The quotations from all the firms were forwarded to the Ministry by the Films Division in December 1976. These quotations could be examined in February 1977. The Films Division was asked to ascertain

the quantum of out-of-pocket expenses to be paid to the firm. On receipt of this information, orders entrusting the job to one of the cost accounting firms were issued on 24-3-77 to the Films Division. As soon as the report on the study undertaken by this cost accounting firm is received, the Films Division's cost accounting system will be revised."

1.31. The Committee understand from Audit that no rational conclusions can be arrived at regarding the cost of production by the Films Division and the cost of purchases made from outside producers on the basis of the figures given in this regard by the Ministry, since the working out of cost with reference to both seem to suffer from deficiencies. In working out the cost per metre in respect of production of films by the Films Division for the years 1967-68 to 1969-70 the expenses on the Indian News Review were treated as direct expenses of that Department. From 1970-71 to 1972-73, a portion of the expenses on Indian News Review was treated as overhead expenditure and allocated to all Departments including the production of documentaries. From 1973-74 onwards, the expenses on Indian News Review were again treated as direct expenses of that Department and no portion of the expenses had been treated as overheads. In the absence of reasons for such differing treatment, the scientific nature of the treatment accorded cannot be ascertained. In regard to working out the cost of production by outside producers, the supervision charges on behalf of the Department have been worked out at varying rates, varying from Rs. 5 per metre on ad hoc basis upto 1970-71, Rs. 15 per metre in 1972-73 again on ad hoc basis, to Rs. 6.57 per metre in 1973-74 on entirely different basis and to Rs. 12.20 per metre in 1974-75 on another basis without any specific tangible reasons.

1.32. The Committee feel that, for arriving at proper conclusions, one should have a proper method of working out cost of production in the department as well as by the outside producers. For this, the Committee are of the view that the Department should give the Committee break-up of working out their cost now, specifying clearly therein that all items that should go into the cost of production have been included and also explaining the reasons for adopting the various practices, clearly justifying the method that they are following now and propose following in the future.

1.33. As regards the steps taken to revise the cost accounting system and procedures in the Films Division, the Committee have been informed that the Committee set up by the Ministry to advise Government in regard to the management and accounting practices followed by the Films Division have suggested that a professional expert or agency should be commissioned for evolving a commercial system of accounting for the Films Division. The Committee have been informed on 10 June 1977 that the job of studying the various matters relating to film-making, processing, storage and distribution of films and devising a suitable costing system for the Films Division

was entrusted to a cost accounting firm on 24 March 1977. On receipt of the report on the study undertaken by this firm, the Films Division would revise their accounting system. The Committee desire that Government should impress upon the firm to complete the study at the earliest. The Committee would like to be apprised of the findings of the study undertaken by the cost accounting firm and the follow-up action taken in the matter.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

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 as 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 and 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.

[S. No. 1 (Para 2.28) of Appendix VIII, to 182nd Report
(Fifth Lok Sabha)]

Action Taken

The observations of the Committee have been noted.

[Ministry of Information and Broadcasting
O.M. No. 110/2/76-F(P) dated 7-4-1976]

Further Action Taken

The production programme of the Films Division for 1976-77 has been finalised in meetings held on 7th and 8th June, 1976 in which representatives of various Ministries participated. The subjects for production of films have been selected having regard to the 20-Point Economic Programme and other positive themes which are relevant to the present situation. Such topics as are not relevant to the present situation, have been deleted. In this exercise, the representatives of various Ministries have been involved and this procedure will continue to be followed in future.

[Ministry of Information and Broadcasting
O.M. No. 110/2/76-F(P) dated 17-8-76]

Recommendation

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 judgement 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.

[S. No. 2 (Para 2.29) of Appendix VIII to 182nd Report
(5th Lok Sabha)].

Action Taken

Government accept the recommendation.

[Ministry of Information and Broadcasting O.M. No. 110/2/76-F(P)
dated 7th April, 1976].

Further Action Taken

The production programme of the Films Division for 1976-77 has been finalised in consultation with the representatives of various Ministries. For this purpose, meetings were held in this Ministry on 7th and 8th June, 1976. The policy for selection of subjects for production of films has been guided by the following:

- (a) Relevance of the theme to the present situation;
- (b) Programmes and plans of Government that have been projected to the people;
- (c) Programmes which are now being re-oriented towards rural audience and poorer sections in urban and semi-urban areas; and
- (d) Priority in the context of national requirements. Films Division has been requested to put the practice of consultation with other Ministries on a firm and regular basis. A copy of the letter issued to the Films Division is enclosed. (Annexure)

[Ministry of Information and Broadcasting O.M. No. 110/2/76-F(P)
Dt. 17-8-1976].

ANNEXURE
No. 110/5/76-F(P)
GOVERNMENT OF INDIA
MINISTRY OF INFORMATION AND BROADCASTING
New Delhi, the 17 August, 1976

To

The Chief Producer,
Films Division,
24-Peddar Road,
Bombay-26.

Subject.—Consultation with other Ministries in preparing the annual production programme of the Films Division.

Sir,

I am directed to say that the Public Accounts Committee (5th Lok Sabha) in para 2.29 of their 182nd Report on Films Division have recommended that the annual production programme of the Films Division should be prepared after extensive mutual consultations with other Ministries. The PAC's recommendation is reproduced below :—

“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 judgement 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 consultations 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.”

Government have accepted the recommendation. Accordingly, meetings were held in June, 1976 with various Ministries for finalising the production programme of the Films Division for 1976-77.

2. In future, proposals for production of films will be called for in January of every year and meetings with representatives of various Ministries will be arranged in March to finalise the production programme of the next financial year. I am directed to request that necessary action may please be taken in the matter at your end so that the practice of consultation with other Ministries for selection of subjects is put on a firm and regular basis.

Yours faithfully,

Sd/-

S. GHOSE,

Dy. Secy. to the Government of India.

Recommendation

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 detre* 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 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.

[S. No. 3 (Para 2.30) of Appendix VIII to 182nd Report
(Fifth Lok Sabha)]

Action Taken

The observations of the Committee have been noted.

[Ministry of Information and Broadcasting O.M. No. 110/2/76-F(P)
dated 7-4-1976]

Further Action Taken

Government fully agree to the approach suggested by the Committee. A Seminar on the subject consisting of such eminent people in the documentary films as S/Shri James Baveridge, S. Sukhdev, Mrinal Sen, S. Krishnaswamy, M. G. Kamath, N. V. K. Murthy and Dr. Bhaskar Rao and Kumari S. Rahman, was held at Bombay on 4th and 5th June, 1976 to

consider how to make technically competent, aesthetically satisfying, thematically relevant and patriotic films. The recommendations of the Seminar will provide further guidance to the Films Division for the production of documentaries.

[Ministry of Information and Broadcasting O.M. No. 110/2/76-F(P)
dated 17-7-1976]

Recommendation

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 interest to learn that 102 of the 380 newsreels produced from January 1971 to June 1974 features 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.

[S. No. 4 (Para 2.31) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

The observations of the Committee have been noted. Efforts will be made by the Division to improve the content of the Indian News Review, by giving more emphasis on events than on individuals.

[Ministry of Information and Broadcasting O.M. No. 110/2/76-F(P)
dated 9th June, 1976]

Further Action Taken

I. The entire approach to the newsreels has been revised in the light of the observations of the Committee. This was also the theme of the Seminar held at Bombay on 4th and 5th June, 1976. It has been impressed upon the Films Division that more emphasis should be on hard news and less on personalities and events of limited importance. Comprehensive guidelines based on the observations made by the Committee and the various recommendations of the Seminar are being drawn up for future guidance of the Films Division. These guidelines will be followed on a firm and regular basis.

11. Government have re-considered the question of issuing guidelines for the coverage of events for newsreels. Films Division have been informed *vide* copy of the attached communication (Annexure) to follow these guidelines for future coverages.

[Ministry of Information and Broadcasting O.M. No. 110/13/76-F(P)
dated 4-8-77]

ANNEXURE

D. O. No. 109/47/76-F(P)

GOVERNMENT OF INDIA

MINISTRY OF INFORMATION AND BROADCASTING

A. V. Narayanan

Dy. Secretary (Films)

New Delhi, the 4th May, 1977

Tele : 384754

Dear Shri Mushir Ahmad,

Will you kindly refer to the correspondence resting with Shri Asthana's d.o. No. 10/4/77-FDP dated 15th March, 1977 regarding guidelines for coverage of events for newsreels.

2. This case has been reconsidered by Government. It is agreed that in so far as documentary films are concerned, no guidelines need be laid down in view of what has been stated in para 2 of Shri Asthana's d.o. and also the fact that the subjects of production are decided by the Ministry of I&B in consultation with the concerned Ministries/Agencies. As regards the guidelines for coverage of events for newsreels, Government have decided that we should revert to the 1969 guidelines. It has also been decided to omit guidelines No. 3(b) *i.e.* "go contrary to accepted policies of Government, such as the secular nature of Government or prohibition, or".

3. I am enclosing a copy of the guidelines as now approved by Government. These guidelines will substitute the guidelines sent alongwith d.o. of even number dated 31st December, 1976.

With regards,

Yours sincerely,

Sd./-

(A. V. Narayanan)

Shri Mushir Ahmad,
Chief Producer,
Films Division,
24-Peddar Road,
Bombay-400026.
Encl : As above.

GUIDELINES FOR COVERAGE FOR NEWSREELS

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 newsreels, 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; or
- (b) encourage linguistic or regional fanaticism or untouchability or
- (c) create discord, ill-feeling, hatred or enmity between different classes of the population; or
- (d) 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 good objective manner with a restrained commentary.

7. The Chief Producer, 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.

Recommendation

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 Divi-

sion 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.

[S. No. 5 (Para 2.32) of Appendix VIII to 182nd Report
(Fifth Lok Sabha)]

Action Taken

The observations of the Committee have been noted. Efforts will be made by the Films Division to improve the quality of its films.

[Ministry of Information and Broadcasting O. M. No. 110/2/76-F(P)
dated 24-5-1976].

Further Action Taken

It is conceded that there is no systematic evaluation of the Films Division. However, a Directorate of Evaluation has been set up under Dr. Bhaskar Rao, Consultant, Indian Institute of Mass Communications. He has carried out studies on the impact of the films made by the Films Division on the people and their reactions. This kind of feedback will be continued on a regular basis.

[Ministry of Information and Broadcasting O. M. No. 110/2/76-F(P)
dated 17-7-1976].

Recommendation

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.

[S. No. 6 (Para 2.33) of Appendix VIII to 182nd Report (Fifth Lok
Sabha)].

Action Taken

The observations of the Committee have been noted. Efforts will be made by the Films Division for improving the quality of its documentaries. In this connection, mention may be made of an all-India Seminar on "Documentaries as medium for motivation—Improvement in techniques and contents" proposed to be held in June, 1976 in the Films Division's office at Bombay. In the light of the discussions at the Seminar, the Films Division will take appropriate action in the matter.

[Ministry of Information and Broadcasting O. M. No. 110/2/76-F(P) dated 22-5-76)].

Further Action Taken

Besides, the Committee of Experts from the officials and non-officials, being set up to oversee the production of documentaries, will also look after the requirements of quality.

[Ministry of Information & Broadcasting O. M. No. 110/2/76-F(P) dated 15-7-76)].

Recommendation

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-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 Ministry, in the Fifth Plan to assess the impact of the products of all the Media Units. The Committee desire that this evolution 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 communi-

cate 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.

[S. No. 7 (Para 2.34) of Appendix VIII to 182nd Report (Fifth Lok Sabha)].

Action Taken

Government agree that the work of evaluation is very important. Some beginnings in this direction have already been made. Some studies have already been completed and some are in progress to assess *inter alia* the impact of films made by Films Division on the audiences. These are as follows:—

I. Studies completed

1. Study on viewing and impact of documentaries/newsreels at Jullundur.
2. Study of films for agriculture innovations in rural India.
3. Study by Operations Research Group on mass communication in U.P.

II. Studies in Progress

1. Multi-media study in U.P.
2. The I.I.M.C. has been asked to undertake a study of evaluation of selected documentary films produced by the Films Division.

The findings of the studies are communicated to the Films Division for further action.

It has also been recognised that different films need to be made for rural and urban audiences. The future programming of films by the Films Division will be done with this point in view.

[Ministry of Information & Broadcasting O. M. No. 110/2/76-F(P) dated 1-7-1976]

Further Action Taken

A Report on field surveys on newsreels and documentaries being shown in cinema theatres conducted by the IIMP, is enclosed for perusal of the Committee (Appendix I).

[Ministry of Information & Broadcasting O. M. No. 110/2/76-F(P) dated 9-9-76].

Recommendation

The Committee observe that at present documentaries are produced by the Films Division either in Hindi or in English and subsequently dub-

bed 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 bring 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.

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.

[S. Nos. 8 & 9 (Paras 2.39 and 2.40) of Appendix VII, to 182nd Report
(5th Lok Sabha)].

Action Taken

The recommendations of the Committee are accepted. However, these can be implemented progressively subject to necessary resources becoming available. Every effort will be made to improve the position.

[Ministry of Information & Broadcasting O. M. No. 110/2/76-F(P)
dated 9-6-76].

Further Action Taken

Instructions have since been issued to Films Division to make efforts to dub more films than at present in languages and dialects of hilly, backward and frontier areas with their existing resources. A copy of the instruction is enclosed. (Annexure).

[Ministry of Information & Broadcasting O. M. No. 110/2/76-F(P)
dated 15-7-76].

ANNEXURE

D.O. No. 208/6/76-F(P)

Government of India

Ministry of Information & Broadcasting

S. Ghose

Dated the 17th June, 1976

Dy. Secretary.

Dear Shri Khandpur,

Kindly refer to the correspondence resting with Films Division's d.o. letter No. 25015/2/76—Aud. dated 11-5-1976 regarding paras 2.39 and 2.40 of the 182nd Report of the Public Accounts Committee (5th Lok Sabha). I enclose a copy of Action Taken Report sent to the Lok Sabha Secretariat.

2. We feel that it is not perhaps necessary to set up more units in the Films Division for dubbing of films in various languages. With the existing staff and facilities the Films Division should make efforts to dub more films than at present in languages and dialects of hilly, backward and frontier areas. Only selected films should be dubbed in these languages and the writers and speakers of commentary may be engaged on *ad hoc* fee basis, as and when required. Regarding raw stock, processing, etc. funds should be found from the Plan Scheme regarding increase in number of prints.

3. I shall be grateful if action taken in the matter is intimated to us, in due course.

With regards,

Yours sincerely,

Sd/-

(S. Ghose).

Shri K. L. Khandpur,
Chief Producer,
Films Division,
24-Peddar Road,
Bombay-26.

Recommendation

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.

[S. No. 10 (Para 2.57) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The recommendation has been accepted. The norms will be reviewed and the decision taken will be intimated to the Committee in due course.

[Ministry of Information and Broadcasting O.M. No. 110/2/76—F(P) dated 1-7-1976].

Further Action Taken

The Films Division has been instructed to set up a Committee to review the norms and complete its report within three months. Further action will be taken on receipt of this report.

[Ministry of Information and Broadcasting O. M. No. 110/2/76—F(P) dated 15-7-76].

Further Action Taken

The norms of production have since been reviewed. It has been decided to revise the quota from three to four films per Director per year from 1-4-1977. A copy of the letter issued to the Films Division is enclosed. (Annexure).

[Ministry of Information and Broadcasting O. M. No. 110/9/1976—F(P) dated 2-3-1977].

ANNEXURE

D.O. No. 110/9/76-F(P)

**GOVERNMENT OF INDIA
MINISTRY OF
INFORMATION AND BROADCASTING
NEW DELHI.**

Dated the 2nd March, 1977

**A. V. NARAYANAN,
DEPUTY SECRETARY.**

Dear Shri Mushir Ahmad,

Kindly refer to your d.o. letter No. 10/10/76-FDP dated 21-10-1976 regarding Para 2.57 of the 182nd Report of the Public Accounts Committee, 1975-76 on the targets of production by the Films Division. Ministry agrees to the revision of the quota from 3 to 4 films per year per Director with effect from 1-4-1977.

With regards,

Yours sincerely,
Sd/-

(A. V. NARAYANAN).

Shri Mushir Ahmad,
Chief Producer,
Films Division,
24 Peddar Road,
Bombay-26.

Copy to Shri K. K. Kapil, Joint Chief Producer, Films Division,
Vandhana, 11 Tolstoy Marg, Sixth Floor, New Delhi-1.

Sd/-

(A. V. NARAYANAN)

Deputy Secretary to the Govt. of India

Recommendation

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. Form a perusal of those general

guidelines, the Committee are led to the conclusion that films which are easier and less expensive to produce are framed 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.

[S. No. 12 (Para 2.59) of Appendix VIII to 182nd Report (Fifth Lok Sabha)]

Action Taken

Government have accepted the recommendation. The general guidelines to be observed while assigning films to independent producers have since been reviewed.

The panel of independent producers is reviewed every year in order to eliminate producers, whose performance is not found satisfactory, add new producers, who are considered suitable and ensure that only capable producers are retained on the panel. The Committee for drawing up the panel of independent producers has been reconstituted by Government with the following members:—

1. Chief Producer, Films Division, Bombay.
2. Shri M. S. Sundara, Chairman, India Tourism Development Corporation Ltd., New Delhi.
3. Chairman, Indian Motion Pictures Export Corporation Limited, Bombay.
4. Shri Gerson da Cunha, M/S Lintas Limited, Bombay.
5. Smt. Amala Shankar, Uday Shankar India Culture Centre, Calcutta.
6. Prof. K. E. Eapen, Professor and Head of the Department of Communication, IISc College of Engineering, Bangalore.
7. Shri G. P. Sippy, President, All India Film Producers' Council, Bombay.

Apart from suggesting additions and deletions to the panel, the Committee will meet every quarter to have a qualitative assessment of the films produced by independent producers.

The following are generally the considerations leading to assignment of subjects to private producers:

- (i) Where not much co-ordination with Government agencies is required.
- (ii) Where facilities are not required from foreign Govts.
- (iii) Where production is on direct payment basis on behalf of sponsoring authority.
- (iv) When the hands of the Films Division are full and additional Commission cannot be undertaken.

It may be mentioned that it is one of the policies of the Ministry that creative talent in the country outside Government, in film production should be encouraged.

[Ministry of Information & Broadcasting O.M. No. 110/2/76—F(P) dated 26-6-1976].

Further Action Taken

The function of the Committee overseeing the formation of the panel of independent producers has now been enlarged to include overseeing functions on the quality of films produced by the Films Division also.

As a part of the policy of the Ministry to farm out projects to creative talent in the country a number of documentaries requiring sensitive treatment with regard to the 20-Point Programme are being farmed out to selected documentary makers in the private sector such as S/Shri S. Sukhdev, Krishnaswamy, B. D. Garga and Fali Billimoria.

[Ministry of Information & Broadcasting O. M. No. 110/2/76—F(P) dated 15-7-76].
dated 15-7-76)]

Recommendation

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 and 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.

[S No. 13 (Para 2.60) Appendix VIII to the 182nd Report of the Public Accounts Committee (Fifth Lok Sabha)].

Action Taken by the Ministry

A consultant from the Administrative Staff College of India, Hyderabad, examined the working of the Films Division. The terms of reference for the study were as under:—

- (a) Develop a sound and scientific cost accounting and information system which would provide timely information to management.
- (b) Examine the working with a view to bring out scope for economy in the use of material and man power resources and for improving productivity.
- (c) Examine scope of reducing the number of prints released for free exhibition.

In his report, the Consultant has recommended (i) revision of the existing costing system—introduction of a regular reporting system and budgetary control; (ii) methods for control of expenditure on raw stock for newsreel production, documentary production and distribution prints; (iii) methods for production optimisation and utilisation of equipment and facility; (iv) reduction in the footage of films and (v) reduction of the number of prints for free exhibition. The recommendations, when implemented, will lead to optimum utilisation of manpower and material resources of the Films Division with consequent reduction in cost of production. A summary of the consultant's recommendations and action taken/proposed to be taken thereon, was enclosed with the Action Taken Report (One copy enclosed for ready reference—Appendix II on para 1.70 and para 1.71 of the 120th Report of the Public Accounts Committee (Fourth Lok Sabha).

The report of the Administrative Staff College of India does not specifically deal with the safeguards to be adopted to protect Government's interests in their dealings with outside producers. The Administrative Staff College has since been asked to take up this particular point also for examination. In the meanwhile, the following steps have been taken by the Films Division for protecting Government's interests in their dealings with outside producers and for ensuring better returns:—

- (i) The contract entered into with the independent producers has been amended to provide that if the length of the film was less than the minimum specified, *pro rata* reduction could be made from the total amount of the contract.
- (ii) The Films Division are now obtaining surety bonds from the producers, endorsed by 2 sureties acceptable to the Films Division, when advance is paid to the producers.

- (iii) The I.F.A. and the Cost Accounts Officer of the Films Division are associated at the time of awarding the contract to ensure that the amount agreed upon is reasonable.

[Ministry of Information and Broadcasting O.M. No. H. 11013/2/76-F (A) dated 9-7-1976].

Further Action Taken Report

The Administrative Staff College of India have since completed their study on the safeguards in regard to outside production of films. The following recommendations made in the report have been accepted by Government:

- (i) A Committee consisting of Chief Producer, Films Division, Chairman C.B.F.C., Chairman of Film Finance Corporation (the composition of the committee is the same of the Tender Committee) may consider and decide whether a film should be produced by the Films Division or given to independent producers.
- (ii) All the empanelled independent producers should be classified and graded into three or four groups based on an assessment of their past performance, experience, skill and resources etc. This job will be entrusted to the Panel Committees whose normal function is to approve additions and deletions to the panel of independent producers. The films will be assigned to independent producers, after tender enquiry as per requirements etc.
- (iii) The floating of tenders should be restricted to the classified list based on type of film, skill of producers etc.
- (iv) The Tender Committee (comprising Chairman of Film Finance Corporation, Chairman C.B.F.C. and Chief Producer, Films Division) may award contracts as per classification/grading of producers, critical assessment of their past performance etc.

2. The following recommendations made in the report have not been accepted.

- (i) *At the time of floating of tenders, the Films Division to indicate the approximate cost for making a film (para V of the report).* The reason for not accepting the recommendation is that the cost structure of a film depends upon many variable factors. The quality cannot be measured physically. Its assessment would vary from person to person and can become

a debatable or a controversial issue. Again there are quite a few producers whose overheads are low. Indication of minimum amount may, in fact amount to getting higher quotations from them, even though they could produce at a lower cost.

- (ii) *Giving of advances to the independent producers as suggested in para VII of the report.* The reason for not accepting the suggestion is that giving of advances in the form of raw stock may ultimately become a binding upon the Films Division and may lead to difficult situation in times of shortages. This may be a ready excuse for the producers to delay the production. Again sometimes the raw stock supplied by Hindustan Photo Films is not of consistent quality. In case such raw stock is supplied to an independent producer, the Films Division will be held responsible for the expenditure incurred by the independent producer on shooting and recording. This may lead to further complications. As for the equipment, Films Division have hardly sufficient equipment to meet its own requirements quite apart from the fact that excessive use of delicate and expensive equipment is not desirable.
- (iii) *Incentive/penalty measures as proposed in para VIII of the report.* The reason for not accepting the suggestion is that it will not be desirable to grant a bonus to producers who may produce films of the required standard. If the films are not of required standard, they would not be accepted at all. Secondly the acceptance of suggestion would introduce a subjective element and may lead to avoidable controversies.

[Ministry of Information and Broadcasting O.M. No. H. 11013/25/76-FA dated 4-8-1977].

Recommendation

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 not 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.

[Sl. No. 16 (para 2.74) of Appendix VII, to 182nd Report (Fifth Lok Sabha)].

Action Taken

The production Programme for 1975-76 was drawn up after holding meetings with different Ministries/Departments of the Government of India. While drawing up the programme, 32 subjects which were not relevant to the present situation in the country were either dropped or deferred. The observations of the Committee will be kept in view while drawing up the annual production programme of the Films Division in future.

[Ministry of Information and Broadcasting O.M. No. 110/2/76-F(P) dated 7-4-76].

Further Action Taken

While considering the annual Production Programme for 1976-77, 13 subjects were deleted from the Programme.

[Ministry of Information and Broadcasting O.M. No. 110/2/76-F(P) dated 15-7-76].

Recommendation

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 exphasis 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.

[Sl. No. 19 (Para 3.6) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The Department of Family Planning has been consulted and it has been decided to accept the recommendation of the Committee in so far as the

purchase of films on family planning on behalf of the Departments and other agencies of the Central Government is concerned. This arrangement will be made applicable to other films of national interest, in the light of experience gained. However, in view of legal implications and other practical difficulties, it will not be possible for the Films Division to undertake the purchase of films on behalf of the State Governments or other non-Central Government institutions.

[Ministry of Information & Broadcasting O.M. No. 110|2|76—F(P)].
Recommendation

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.

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.

[Sl. Nos. 20 and 21 (Paras 4.6 and 4.7) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The Committee's observations have been noted. The legal aspect is being examined in consultation with the Ministry of Law and Justice, Bombay.

[Ministry of Information and Broadcasting O.M. No. H. 11013/2/76—F(A) dated 13-4-76].

Further Action Taken

The advice of the Ministry of Law, Bombay, was obtained. That Ministry has opined that as stock of raw films is not entrusted to the supplier for taking care thereof but he keeps the stock at the request of the Films Division, just to help the Division, he cannot be held responsible in case there is damage to the stock of raw films kept in the cold storage. It was, therefore, decided to get the raw stock kept with the suppliers insured against fire, riot, flood and burglary. Accordingly Films Division has obtained insurance policies in respect of raw stock kept with the following firms:—

- (1) M/s. Hindustan Photofilms Manufacturing Co. Ltd., Bombay.
- (2) M/s. Orwo Pvt. Ltd., Bombay.
- (3) M/s. Orwo Films Western Units Pvt. Ltd., Bombay.
- (4) M/s. Kodak Ltd., Bombay.

2. All the four suppliers mentioned above have agreed to the following terms and conditions:—

- (a) The stock would be kept free of charge.
- (b) Though the stock will be insured, adequate arrangements will be made to safeguard the stock from theft, pilferage etc.
- (c) The stock kept in the Godown/cold storage can always be inspected for verification by the Chief Producer or his authorised representatives.
- (d) In case of theft, fire etc. the intimation should be sent to the **Chief Producer in writing** within 24 hours of the event.
- (e) In case of theft, pilferage, fire etc. every assistance will be provided by the firm to the Insurance Company and other authorities.

3. Ministry of Law, Bombay, has advised that there is no need to make a formal agreement with the suppliers in this regard.

[Ministry of Information and Broadcasting O.M. No. H. 11013/13/76-F(A) dated 3-10-77].

Recommendation

The Committee also observe that the Committee on Broadcasting and 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 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 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 item.

[Sl. No. 24 (Para 4.16) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The recommendation of the Chanda Committee was considered earlier and the Government's decision was that the suggestion would be implemented with sufficient safeguards based on dual consideration of economy and quality. Films Division has suggested a scheme in this regard. It is under examination and the Committee will be apprised of the decision taken in due course.

[Ministry of Information & Broadcasting O.M. No. H. 11013/2/76-FA dated 1-7-1976)].

Further Action Taken by the Ministry

The scheme for award of cash prizes/certificates as an incentive to the shooting team effecting economy in the use of raw stock has been approved by Government. A copy of the letter issued to the Films Division in this regard is enclosed (Annexure).

[Ministry of Information & Broadcasting O.M. No. H. 11013/18/76-F.A. dated 3-6-1977)].

ANNEXURE*Immidiate*

No. H-11013/18/76-F(A)

Government of India

Ministry of Information and Broadcasting

New Delhi, the 25th May, 1977.

To

The Chief Producer,
Films Division,
24-Peddar Road,
BOMBAY-400026.

(With 10 spare copies)

SUBJECT.—Award of cash prizes/certificates as an incentive to the shooting team effecting economy in the use of raw stock.

Sir,

I am directed to say that the question of awarding cash prizes/certificates as an incentive to the shooting team of documentary films which effects economy in the use of raw stock has been under the consideration of Government for some time. The Public Accounts Committee in their 182nd Report on Films Division also recommended that such a scheme should be introduced. The President is pleased to decide that an incentive scheme as detailed in Annexure I may be introduced with effect from 1-4-1977 for a period of one year. A review will be conducted in January 1978 to see whether the ratio prescribed in this scheme requires revision.

2. The expenditure on award of cash prizes will be met from the Sanctioned Budget Grant of the Films Division under Major Head 285—'A' Information and Publicity A. 7 Films A. 7(1) Films Division A. 7(1) (13) Other Charges Non-Plan.

3. This sanction issues with the concurrence of Finance Branch *vide* their U.O. No. 6650/JS (Finance)/77, dated 11-5-1977.

Yours faithfully,

K. S. VENKATARAMAN,

Desk Officer.

Copy to:—

1. Accountant General, Central Revenues, New Delhi.
2. Accountant General Central, Bombay.
3. Joint Chief Producer, Films Division, 6th Floor, Vandhana, 11-Tolstoy Marg, New Delhi (with 2 spare copies).
4. Finance II Branch.
5. All Desk Officers of the Film Wing.
6. Spare copies.

K. S. VENKATARAMAN,
Desk Officer.

ANNEXURE—1

Incentive Scheme for awarding cash prizes/certificates to the shooting team of documentary films which effects economy in the use of raw stock.

1. *Constitution of a Committee.*—A Committee consisting of five persons including one outsider, constituted by the Chief Producer, Films Division and presided over by him, will examine each of the cases coming within the ambit of Rule 3(a) below to determine whether economy has been effected in the consumption of raw stock, without affecting the quality of the film. A person whose production is being considered by the Committee will not be a member of the Committee.

2. *Intimation regarding consumption of raw stock.*—Raw stock accounting section will prepare details of those films in which less than 1:4 raw stock has been consumed.

3. *Percentage of economy for entitlement of cash prizes/certificates.*—
(a) A minimum of 25 per cent of economy in the consumption of raw stock should have been effected (without affecting the quality of production) for entitlement of cash prizes. This percentage will be taken on an individual production basis and not on cumulative basis. The method of calculation of the economy effected in the consumption of raw-stock has been indicated in Annexure II.

(b) Persons who are responsible for effecting economy of more than 15 per cent may be given a letter of appreciation, if recommended by the Committee.

(c) Entries regarding award of cash prizes or letters of appreciation, will be made in the character rolls of the officers concerned.

4. *Persons entitled to receive the cash prizes/certificates.*—Persons directly responsible for effecting economy in the consumption of raw stock, namely; (i) persons responsible for actual production of the film i.e. Director/Dy. Director as the case may be and (ii) persons responsible for shooting the film, i.e. Cameraman/Assistant Cameraman as the case may be, will be entitled to receive the cash prize/certificate.

5. *Amount of cash prize.*—The amount of cash prize to be awarded to the shooting team effecting economy in the consumption of raw stock will be related to the savings accrued on this account. The Committee constituted as at (1) above will calculate the actual amount of saving (a) on account of the consumption of raw stock (b) on account of less positive printing of the entire shooting for the purpose of editing, and (c) on account of processing charges and such other allied factors, if any. The processing cost to be calculated will be on the basis of actual length pro-

cessed and not on the total raw stock consumed. The Committee will thus determine the actual savings accrued by consuming less raw stock. The method of calculation of the savings accrued has been indicated in Annexure II. 50 per cent of the savings on Black and White raw stock thus calculated will be shared in equal proportion by the shooting team. In the case of colour films, 40 per cent of the saving will be shared in equal proportion between the shooting team.

6. *Basic suggestion for effecting economy of a permanent nature.—*

(a) Any member of the staff may make a suggestion to the Chief Producer, giving necessary details which in his opinion will result in a saving of a permanent nature, in the consumption of raw stock.

(b) The Chief Producer will decide whether the basic suggestion for effecting economy in the consumption of raw stock received by him need be placed before the Committee constituted for the purpose of awarding cash prizes/certificates.

(c) The Committee will take into account the nature of recommendation made; the amount of economy that would be effected by adopting the suggestion and recommend a suitable cash prize not exceeding Rs. 500 or a certificate as the case may be.

7. The Incentive Scheme will be operative for a period of one year with effect from 1-4-77. A review will be conducted in January 1978 to see whether the ratio of consumption of raw-stock as prescribed in the scheme requires revision.

The economy effected in the consumption of raw stock will be calculated and the percentage worked out as indicated below:—

1.	TITLE OF DOCUMENTARY FILM	(Black & White)
(a)	Length of the documentary film produced	2,000 ft.
(b)	Normal entitlement of raw stock (in accordance with the ratio of 1 : 1)	8,000 ft.
(c)	Raw stock actually used by the shooting team	6,000 ft.
(d)	Economy effected	2,000 ft.

Since the economy effected in this case is 25 per cent, the production will be entitled to the award of cash prize, if recommended by the Committee.

2. The total saving accrued in the entire production on account of lesser consumption of raw stock will be calculated as under:—

(a) Cost of less consumption of raw stock (2,000 ft. in the present case).	Rs. 800
(b) Saving on account of less positive printing.	Rs. 600
(c) Saving on account of processing charges (at the rate of Rs. 15 for 100 metres) for 2,000 ft. The saving on account of processing charges will be Rs. 100 on account of negative processing and Rs. 100 on account of positive processing. The total saving on processing charges effected will be about Rs. 200 only. The processing charges are to be calculated on the basis of the actual economy effected as indicated in para 1(d) above.	Rs. 200
(d) Any other area of saving.	
Total saving.	Rs. 1600

3. 50 per cent of the total saving *i.e.* Rs. 800 will be shared in equal proportion by the shooting team.

Note.—This is only an illustrative example. The actual savings effected will be calculated by the Committee in each case as per actual rates for raw stock and processing charges etc.

Recommendation

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.

[S. No. 25 (Para 4.21) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

Government accept the recommendation. The existing procedure for rendering of accounts of picture negatives and their reconciliation is being reviewed. The Films Division has been asked to set up a review Committee which should submit its report within three months from the date of the Ministry's letter.

[Ministry of Information and Broadcasting O. M. No.
H. 11013/2/76-F(A) dated 1-7-76].

Further Action Taken Note*

A Committee consisting of (i) Assistant Administrative Officer, (ii) Chief Cameraman, (iii) Deputy Chief Producer, Films Division has considered the question of rendering/finalisation of raw stock accounts by Newsreel Officers/Assistant Newsreel Officers/Cameraman etc. and has recommended a revised procedure. A copy of the report of the Committee is enclosed (Annexure). The salient features of the procedure are as under:—

- (i) Regular maintenance of the Raw Stock Consumption Register by each documentary cameraman etc. and its submission in the first week of every month to the Raw Stock Accounting Section.
- (ii) Surprise checks by Senior Officers concerned.
- (iii) Physical verification by the Chief Cameraman with reference to the consumption register to be maintained by each documentary cameraman.
- (iv) Provision for initiating disciplinary action against Newsreel Officer/Assistant Newsreel Officer/documentary cameraman etc. for non-submission of raw stock account, and recovery from the salary.
- (v) Provision for initiating disciplinary action against the officials concerned for delay or default in finalisation of raw stock accounts in Raw Stock Accounting Section; and
- (vi) Provision for submission of quarterly return to the Administrative Officer, Additional Chief Producer and Chief Producer to ensure timely finalisation of raw stock accounts.

2. The recommendations of the Committee have been accepted by Government and Films Division have been asked to introduce this procedure with immediate effect and also to incorporate these provisions in the Films Division Manual.

[Ministry of Information and Broadcasting O.M. No. H. 11013/26/76-F(A) dated 29-11-1976].

ANNEXURE

PROCEDURE REGARDING RENDERING/FINALISATION OF RAW-STOCK ACCOUNTS OF NEWSREEL OFFICER/ASSISTANT NEWSREEL OFFICER/CAMERAMAN ETC.

Newsreel Officer's Ledger Account

38. The raw stock Accounting Section will maintain a separate ledger account for each Newsreel Officer and Assistant Newsreel Officer for the raw stock supplied to them by Stores Section. The stock consumed by them

should be recorded in this Register and the Register should be put up to the Assistant Administrative Officer once every month after the entries in the Register are reconciled with the monthly statements of consumption furnished by the Newsreel Officers/Assistant Newsreel Officers. This Register should be thoroughly checked by Superintendent and then submitted to Assistant Administrative Officer during the 3rd week of every month for further scrutiny.

39. *Issue of Rawstock to Documentary Cameraman.*—(a) Picture Negative stock required for shooting of documentary films is issued to Documentary Cameraman by the Raw Stock Accounting Section on the basis of the stock sanctioned for each film by the competent authority and on the basis of a requisition, (in duplicate) duly sanctioned by the Deputy Director/Director/Producer/Deputy Chief Producer, authorised to sanction the consumption of such stock.

(b) Where the requirement of rawstock is within or equal to the ratio of 4:1 in relation to the tentative length indicated at the time of the finalisation of the script, the requisition may be directly sent by Director/Deputy Director to the Rawstock Accounting Section. Similarly the Directors/Deputy Directors may send requisitions directly to Rawstock Accounting Section for still rolls (for publicity stills), not exceeding 4 in number for any one film.

(c) Where the requirement of rawstock is within or equal to the ratio of 5:1 in relation to the tentative length indicated at the time of finalisation of the script, the requisition may be sent by the Director/Deputy Director through the Producer concerned. Similarly the Director/Deputy Director may send requisitions for still rolls (for publicity stills) not exceeding 5 in number for any one film, through the Producer concerned.

(d) Where the requirement of rawstock is within or equal to the ratio of 6:1 in relation to the tentative length indicated at the time of the finalisation of the script, the requisition may be sent by the Director/Deputy Director through the Producer concerned to the Deputy Chief Producer/Joint Chief Producer or Additional Chief Producer. Similarly the Directors/Deputy Directors may send requisitions for still rolls (for publicity stills) not exceeding 6 in number for any one film through the Producer concerned to the Deputy Chief Producer or Chief Producer.

(e) Where the rawstock required exceeds the ratio of 6:1 the requisition with proper justifications should be sent through the Producer concerned/Deputy Chief Producer/Joint Chief Producer or Additional Chief Producer to Chief Producer for final sanction. A similar course should be followed where the number of still rolls (for Publicity stills) exceeds 6.

40. Inasmuch as the rawstock required for the inclusion of animation work, stock shots and titles in a film it should be issued separately and

consumed by the Cartoon Film Unit, the Editing Department and the Chief Cameraman. The ratio mentioned in para 39 above will apply only to the anticipated length expected to be made up of fresh shooting and not to the total length of the film. In other words, if the tentative length of the film is 400 metres and if this length is expected to be made up of 300 metres from fresh shooting and the remaining 100 metres from stock shots, animation footage title etc. rawstock should be requisitioned for on the basis of 300 metres and not on the basis of total anticipated length of the film. A break-down of the tentative length into fresh shooting, animation footage, stock shots etc. should invariably be given by the Deputy Director/Director in the requisition itself.

41. While issuing rawstock, still rolls etc. the Raw Stock Accounting Section should examine the requisition to ensure that it has been sanctioned by the competent authority. One copy of the requisition will be retained in the Raw Stock Accounting Section and the duplicate copy sent along with authority to Stores Section for the issue of stock. A Documentary Cameraman may not always draw all the stock sanctioned for a particular film at one time. As and when stock is actually drawn by the Cameraman, against these requisitions and the signature of the Cameraman obtained, in token of having received the stock, corresponding entries should also be made in the Raw Stock Issue Register by Stores Section. The requisition should not be entertained if it does not indicate the anticipated length of the film in metres.

42. Each Documentary Cameraman will maintain a Raw Stock Consumption Register with separate folios for each type of stock. The raw stock drawn from the Stores Section and raw stock consumed for shooting of different films should be recorded in this register. In the 1st week of each month Documentary Cameraman will send to the Raw Stock Accounting Section a Statement giving details of the raw stock received and exposed during the preceding month and the balance of stock available with them. If, however, the Cameraman is on tour or leave, the statement should be submitted within seven days on his return. This statement should be checked by the Raw Stock Accounting Section with reference to actual footage issued by the Stores Section and with the requisition received from Laboratory Section indicating Processed length for the relevant item and other records available in the Raw Stock Accounting Section. Any discrepancies between the consumption figures shown by the Cameraman and the figures arrived at by the Raw Stock Accounting Sector from the various records will be promptly reconciled by the Raw Stock Accounting Section in consultation with the Cameraman concerned.

43. The process of production of films involved certain amount of wastage of films due to camera threading, speed test camera checking etc. Documentary Cameramen are, therefore, allowed a maximum of $7\frac{1}{2}$ per cent of wastage on the footage supplied to them. This wastage may be calculated

on the basis of raw stock actually consumed during the particular month by the cameraman. Any excess wastage over and above the prescribed $7\frac{1}{2}$ per cent processed length should be regularised with the approval of Chief Producer on the basis of the justification furnished by the Cameraman concerned. The Newsreel Officers and Assistant Newsreel Officers are allowed a wastage of 5 per cent in respect of full rolls and 10 per cent in respect of cut-rolls.

44. On the last working day of each quarter the Chief Cameraman should physically verify the rawstock held by the Documentary Cameraman and certificate of verification with its results should be recorded in the rawstock consumption register maintained by Cameraman. Any discrepancies noticed during the such verification should be settled immediately and any shortage, damages etc. should be brought to the notice of the competent authority for write off. Chief Cameraman should send a certificate that he has conducted physical verification of the rawstock with each cameraman. A certificate in the rawstock consumption register should also be recorded by him. He should also report immediately the result of his verification to the Raw stock Accounting Section. In cases where cameramen are on leave or tour the physical verification report should be submitted after their return and submission of the monthly statement.

45. For purposes of verification and control, the Raw Stock Accounting Section will maintain a ledger Account with separate folios for each Documentary Cameraman. Suitable entries should be made in this register on receipt of the statement from the Stores Section. The details of stock consumed by the Documentary Cameramen during the month and balance of stock available with them at close of the month should be entered in this Register from the Information furnished by the Cameraman in the monthly consumption statement after such statements are reconciled by the raw Stock Accounting Section.

(A) In order to ensure that the information regarding physical verification is correct, surprise checks would be conducted by the Deputy Chief Producer twice in the year. In the care of Newsreel Officers such surprise checks would be conducted by Deputy Chief Producer (Newsreel).

(B) To obviate the occurrence of delays in submission of the Raw Stock Account on the part of any Newsreel Officer and Cameraman, disciplinary action will be initiated against the official concerned in accordance with rules, and the cost of unaccounted rawstock will be recovered from the salary of the officers concerned.

(C) Raw Stock Accounting Section will submit a quarterly return to Administrative Officer/Additional Chief Producer/Chief Producer regarding finalisation of rawstock accounts of Newsreel Officers, Cameramen etc. by

25th of the month following the quarter as prescribed *vide* circular No. A-11015/4/76-PI dated 9-4-1976.

(D) In case where rawstock accounts are not rendered, the raw stock accounting section will compile the accounts of each Cameraman or News-reel Officer as the case may be on the basis of processing requisitions and processing orders. Failure to finalise the accounts in time will render the official(s) concerned to disciplinary action.

Sd/-	Sd/-	Sd/-
N. N. Sharma	M. M. Vaidya	G. P. Asthana
Asstt. Administrative Officer	Chief Cameraman	Dy. Chief Producer

Recommendation

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.

[S. No. 26 (Para 4.22) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

One Officer had not rendered the raw stock accounts. He was charge-sheeted and one of the charges was non-submission of raw stock accounts. His pay was reduced by 3 stages as a measure of punishment. As the Officer did not render the accounts, his accounts were constructed from Films Division's records. The cost of the balance of raw stock was Rs. 2,882.95 for which the Pay and Accounts Officer, IRLA Group, Ministry of Information and Broadcasting, New Delhi has been requested to recover the above amount from his salary/payments due to him. This Officer has retired from service on 19-4-76 forenoon and demands other than raw stock by way of amounts due on account of licence fee for accommodation occupied by him, unadjusted contingent advance and cost of type-writer and telephone etc. aggregating to Rs. 20,866.15 are also outstanding against him. This

amount has also been intimated to the Pay and Accounts Officer, IRLA Group, New Delhi for recovery/adjustment from his retirement gratuity and other dues due to him.

The other Officer who had rendered incomplete accounts, settled the accounts completely in October 1974. No malpractice or shortages have come to notice in this case. The Officer concerned has been warned.

Raw Stock accounts of all other officers have been finalised and no malpractices have come to light.

Apart from the action taken against the officers who did not render the accounts, the concerned officials in the administrative section who were responsible for finalisation of accounts were also warned.

[Ministry of Information and Broadcasting
O.M. No. H11013/17/76-FA dated 30-2-77].

Recommendation

The Committee also find that during the period from 1969-70 to 1973-74, 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 laboratory would be established expeditiously so as to reduce the dependence of the Films Division on private processing laboratories.

[S. No. 30 (Para 4.46) of Appendix VIII to 182nd Report
(Fifth Lok Sabha)].

Action Taken

The observations of the Committee have been noted for compliance. Action to set up a film processing laboratory in Delhi is being expedited.

The necessary equipment has already been imported and accommodation for the laboratory has also been located. An Officer on Special Duty has also been appointed in September, 1976 to implement the project immediately.

[Ministry of Information and Broadcasting, O.M. No. H. 11013/35/76-F(A)/F(D) dated 31-8-1977].

Recommendation

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.

[S. No. 34 (Para 5.11) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The observations of the Committee have been noted. Because of the present Emergency and the increased consequential necessity to explain to the people through the medium of films the policies formulated and action taken thereunder, it has not been found advisable to effect any reduction in the number of prints released for free exhibition. Other factors, like increase in prices of raw material, service charges and pay and allowance of staff, which have mainly contributed to the increase in the excess of expenditure, are beyond the control of the Films Division. Nevertheless, the Films Division has been advised to undertake a periodic review of costs and expenditure with a view to effecting economies, wherever feasible. In order to augment the income of the Films Division, the question of revising the rates of rental charged to the exhibitors of the films released by the Films Division as also the sale price of prints is being considered.

[Ministry of Information and Broadcasting O.M. No. 110/2/76-F(P)-II Dated 1st July, 1976].

Recommendation

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.

[S. No. 36 (Para 5.13) of Appendix to 182nd Report
(5th Lok Sabha)].

Action Taken

Proforma Accounts for the year 1972-73, 1973-74 and 1974-75 were prepared and certified by audit on 7th July, 1975, 23rd January, 1976, and 27th July, 1976, respectively. The audit of Proforma Accounts for the year 1975-76 has been completed on 19th April, 1977, and the accounts are under certification.

With a view to avoiding delay in the preparation of final accounts in future, an outside agency (a firm of Cost Accountants) has since been appointed to study and suggest improvements in the existing accounting system.

[Ministry of Information and Broadcasting O. M. No.
H. 11013/21/76-FA dated 21-1-1977].

Recommendation

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.

[S. No. 38 (Para 6.21) of Appendix VIII to 182nd Report
(Fifth Lok Sabha)].

Action Taken

The study of Films Division conducted by the Administrative Staff College of India has suggested the introduction of film-wise budgeting in the Films Division. This is a system with which it will be possible to identify areas in which economies could be effected and consequently cost of production reduced. In view of the Public Accounts Committee's observation that there is ample scope for controlling costs, especially overheads, the Government is keen that film-wise budgeting is introduced in the Films Division. Since the introduction of this system involves sanc-

tion of additional staff and laying down a detailed procedure it may take some time before the system is actually adopted.

[Ministry of Information and Broadcasting O.M. No. H. 11013/2/76-FA dated 2-7-1976].

Recommendation

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.

[S. No. 39 (Para 6.22) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

The observations of the Committee have been noted. All efforts are being made to ensure that the Films Division is not entrusted with work not connected with the production or distribution of documentary films so that the cost of their production is not unnecessarily inflated. A copy of the instructions issued in this regard is enclosed (Annexure).

[Ministry of Information and Broadcasting O.M. No. H. 11013/14/76-F-(A) dated 21-7-1977].

ANNEXURE

No H. 11013/14/76-F(A)

Government of India
Ministry of Information and Broadcasting

To

The Chief Producer,
Films Division,
24-Peddar Road,
Bombay-400026.

New Delhi-1

Dated the 27th May, 1977.

(with 10 spare copies)

Subject: Handling of work by the Films Division unconnected with its responsibilities.

Sir,

I am directed to refer to the correspondence resting with Shri Mushir Ahmad's letter No. G. 25015.2/76-Aud. dated 18th November, 1976 and to say that as per recommendations made by the Public Accounts Committee in S. No. 39 Appendix VIII, Para 6.22 of their 182nd Report, it has been decided that no work, unconnected with the responsibilities of the Films Division, should be undertaken by the Films Division without the approval of the Ministry. Any request for training of personnel would normally be referred to the Film and Television Institute of India. Similarly, the work connected with publicity would be handled by the Directorate of Advertising and Visual Publicity. As regards Film Festivals, the work will be handled by the Directorate of Film Festivals. However, in the latter case, since Films Division is not altogether unconnected with the festivals, help sought from the Films Division (like the help from the other Media Units), will be provided by the Films Division and Films Division should charge the Directorate of Film Festivals for such of the specific services rendered by it which are not connected with its sphere of responsibility. The extent of help to be provided will be at your discretion. You will take into account the extent of help rendered by the Films Division in the case of festivals held in the recent past and obtain orders of Government in case of doubt. The Films Division will also maintain data regarding the extent of help rendered in connection with the Film Festivals, to the Directorate of Film Festivals. In all other cases, approval of the Ministry would be obtained before rendering any service to another Department in cases where equipment/personnel are required to be provided to any outside agency, charges will be made as per approved rates.

Yours faithfully,

Sd/-

(V. S. Katara).

Joint Secretary to the Govt. of India.

Copy to:

All Media Units of the Ministry/All officers and Sections/The Accountant General, Central Revenues, New Delhi/The C&A.G., New Delhi/The Member Audit Board and ex-officio Director of Commercial Audit, Bombay/The A.G. Central Bombay.

Sd/-

(A. V. Narayanan)

Dy. Secretary to the Govt of India.

Recommendation

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 takes serious view of such delays and desire that the reasons therefor should be examined and remedial measures adopted.

[S. No. 41 (Para 6.24) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

Two bills aggregating Rs. 146194/- were accounted for in 1974-75 accounts and the three bills amounting to Rs. 381880 - in 1975-76. Regarding the remaining one bill, the Ministry of Defence have stated that it would be cleared during 1976-77.

The delay in the preparation of bills was caused due to belated preparation of Proforma Accounts. The Films Division have since taken action to bill the Ministry of Defence on a provisional basis, pending finalisation of Proforma of Accounts. Action is also in hand to prepare the Proforma Accounts well in time.

[Ministry of Information and Broadcasting O.M. No. 110/
2/76-F(P)-Vol. II dated 19-1-1977]

Recommendation

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 Cameramen'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.

[S. No. 42 (Para 7.5) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The recommendation of the Committee has been noted for guidance by the Films Division. The percentage of 'general hours' to total 'purchase hours' in 1972-73 and 1973-74 were 25.3 and 22.5 respectively, showing a declining trend. Every endeavour will be made at all levels in the production wing of the Division to ensure that the man-power resources of the Division are utilised to the optimum level.

[Ministry of Information and Broadcasting O.M. No. H. 11013/2/76-FA dated 13-4-1976].

Recommendation

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.

[S. No. 43 (Para 7.6) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The observation was noted for guidance and the question whether the time spent in travelling by the productive personnel of the Films Division for shooting work should be identified as 'purchase hours' examined in detail. In order to reflect the realistic position in the compilation of 'purchase hours', it has been decided that the time spent in travelling, limited to the normal working hours of the day, should be included in the 'purchase hours'. This decision will be implemented with effect from 1-4-76.

[Ministry of Information and Broadcasting O.M. No. H. 11013/2 76-FA dated 6-5-76].

Further Action Taken

On further examination, it has been decided that the time spent in travelling by the productive personnel for shooting (limited to the

normal working hours of the days of travel) should be allocated to a particular film (for the shooting of which they might be travelling).

This will be implemented w.e.f. 1-1-77.

[Ministry of Information and Broadcasting O.M. No. H. 11013/
28/76-F(A) dated 21-7-77].

Recommendation

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.

[S. No. 46 (Para 9.4) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

Although no separate cell has been set up for internal audit of the Films Division, internal audit was being conducted in respect of Distribution Branch Offices and Films Division Auditorium. Initially, the Films Division was sanctioned one Chief Accountant and one Technical Assistant for the internal audit work. Later, the Films Division was subjected to work study and staff inspection by the Internal Work Study Unit of the Ministry of Information & Broadcasting in 1962 and S.I.U. of the Ministry of Finance in 1967. While the Internal Work Study Unit did not augment the staff for this purpose, the S.I.U. actually reduced the staff of the Internal Audit to only 1 UDC and 1 LDC. With this meagre staff, it was not possible to undertake internal audit of the Branch Offices as well as Main Office and its New Delhi set-up. Considering the importance of the revenue accounts, the available staff had to be utilised for the internal audit of the Distribution Branch Offices. Earlier, in 1964-65, internal audit of certain sections in the Main Office was also taken up but it had to be abandoned for want of staff. In fact, with the reduction of staff in the Accounts Section of the Films Division by the SIU it became rather difficult for those sections to function effectively and as a result the matter was taken up with the SIU for

reassessment of the staff of the Accounts Section. This was done in May 1970 and the SIU as a result of reassessment agreed only to restoration of one post of Accountant which they had reduced in 1968. The post of Accountant was restored by SIU in April 1972 and created in December 1973. The Films Division took up the matter for additional staff for the Internal Audit Cell with the Ministry in January 1973. This matter has been referred to the Internal Work Study Unit. The work study report on the Administration and Accounts Wing of the Films Division is being finalised by that Unit. The report will include a recommendation regarding Internal Audit Cell. As soon as the report is received, action will be taken to sanction the staff recommended. In the mean time, the Films Division has reorganised the Accounts Sections in the Films Division and centralised the accounts work (expenditure and revenue) under Internal Financial Adviser. Under this arrangement a nucleus cell has been set up with the following staff for undertaking internal audit on a limited scale with effect from 2nd Dec., 1975:—

Accountant	1
U. D. Clerk	1
L. D. Clerks	2

[Ministry of Information and Broadcasting O.M. No. H. 11013/
29 76-F(A) dated 1-7-1976].

Recommendation

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 in duly 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 com-

pleted with the utmost expedition and whatever punitive action is decided upon should be taken promptly and effectively.

[S. No. 48 (Para 10.10) of Appendix VIII to 182nd Report
(5th Lok Sabha)].

Action Taken

The Committee's observations have been noted for guidance.

As regards the instant case, the disciplinary proceedings against the Film Librarian were completed and the following order of penalty was passed on 15-3-1975.

"Reduction of pay to Rs. 500/- per month from Rs 560/- p.m in the scale of Rs. 380—12—440—EB—15—560—EB—20—640 for a period of five years; his pay to be restored to Rs. 560/- per month on the expiry of five years. During the period of punishment he shall not be entitled to draw any increment".

[Ministry of Information and Broadcasting O.M. No. H. 11013/
2/76-F(A) dated 13-4-1973].

Recommendation

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 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.

[S. No. 49 (Para 10.13) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

Out of the total amount of Rs. 47,642.04 recoverable from 5 waste film dealers, a sum of Rs. 24,316.05 has been recovered as on 10-2-1976. It may be stated that out of five dealers, three have paid the amount fully. The remaining two are paying the amount regularly by monthly instalment as agreed upon.*

[Ministry of Information and Broadcasting U.O. No. H. 11013/
2/76-F(A) dated 13-4-1976].

* The Audit have informed that the latest position as ascertained on local verification appears to be that an amount of Rs. 9,400/- has been recovered from the remaining two parties during the period October, 1974 to July, 1976.

Recommendation

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 recovery of the loss of sale proceeds from the erring officials.

[S. No. 51 (Para 10.15) of Appendix VIII to 182nd Report
(5th Lok Sabha)].

Action Taken

The case was referred to the Ministry of Law and Justice for advice about filing a civil suit against the erring official for recovery of the amount misappropriated by him. As advised by them the Collector, Belgaum District has been requested to make discreet enquiries to ascertain the solvency of Shri Hatipkar. On receipt of a reply from the Collector, necessary legal action would be taken by the Films Division.

[Ministry of Information and Broadcasting O.M. No. H. 11013/
2/76-F(A) dated 6-5-1976]

Further Action Taken

It has been reported by Films Division that civil suits have been filed against Shri Hatipkar for recovery of Rs. 5,343.65 in the Small Causes Court, Bombay. The balance of Rs. 2,639.80 has already been credited by him to Government.

[Ministry of Information and Broadcasting O.M. No. H. 11013/
24/76-F(A) dated 2-8-1977].

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

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..

[S. No. 11 (Para 2.58) of Appendix VIII to 182nd Report
(Fifth Lok Sabha)]

Action Taken

It is not correct to say that compilation films are made only but of stock shots. In almost all cases fresh shooting is done for various reasons, though some available stock shots may also be used. In most of the cases, more Cameramen, instead of the usual one, are assigned to do shooting for such films. As a large amount of footage is exposed for compilation films post-shooting work is much more than in the case of a normal documentary film. After the shooting is over and in some cases even during shooting, a Director and a Producer are assigned to work on such films. The only difference between a compilation film and a documentary film is that while a detailed script is prepared for every documentary film, no script is normally written for a compilation film. Further, a majority of documentary films are one-reelers, compilation films are generally more lengthy, usually two-reelers or three-reelers. As explained above, the time and effort spent on the production of a compilation film are not in any way less than those in the case of a documentary film. In view of this, a compilation film is considered as a documentary film.

[Ministry of Information and Broadcasting O. M. No. 110/2/76-F(P)
dated 10-5-1976]

Recommendation

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.

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.

[S. Nos. 14 and 15 (Paras 2.72 and 2.73) of Appendix VIII to 182nd Report (5th Lok Sabha)]

Action Taken

The matter has been taken up with the Ministry of Defence. The Committee will be informed of the action taken as soon as reply is received.

[Ministry of Information and Broadcasting
O.M. No. 110/2/76-F(P) dated 9-7-1976]

Further Action Taken

The training film is specifically meant for the Engineering Personnel of the Army. According to the Ministry of Defence, the first part of the film is in extensive use for educating the Units.

2. Out of the total expenditure of Rs. 1.49 lakhs, the cost of Part I consisting of three reels was Rs. 1.20 lakhs. Part II of the film was abandoned when it had reached about 20 per cent of its production. The expenditure incurred on Part II was of the order of Rs. 28,087.

3. The entire position regarding appointment of consultant, approval of script and rough-cuts and final abandonment of Part II of the film has been examined again by the Ministry of Defence. The conclusions that have emerged, are as follows :

- (i) The nominated Service Consultant was working as Senior Instructor in the College of Military Engineering, Pune and was competent for the assignment. The choice of the Service Consultant was, therefore, in order. No fault has been found in his performance.
- (ii) The script was worked out after due discussion in detail with all the concerned officers in a conference and was considered as most suitable by all concerned, including the Director of the film. It was at the rough-cut stage that the film was found to be inadequate to meet the training requirement as the visual effect lacked the required impact.
- (iii) The portion already shot on the subject of Bank control which formed Part II of the film looked artificial and was not very impressive. Shooting it again would have entailed additional expenses which were saved by abandoning that part of the film at that stage, when hardly 20 per cent of the portion was shot.
- (iv) The decision to abandon the second part of the film was taken at a higher level in the Army Headquarters. It is not possible to fix up responsibility on any individual for the abandonment of the film.

4. The script of the film was approved in April, 1965 but as the Director to whom the film was assigned was busy with other pressing assignments, the shooting could not start immediately. In September, 1965, the Ministry of Defence decided to defer the film indefinitely, on account of the situation in the country. The film was later revived in April, 1966. The film actually went into production in February, 1967. The first rough-cut was shown to the consultant in June, 1967. It will thus be seen that there was no avoidable delay in the production of the film.

5. The procedure regarding appointment of Service Consultant, approval of the script and rough-cuts etc. at appropriate levels has since been stream-

lined in the Ministry of Defence and clearly set out in Special Army Order No. 11/S/69. As laid down in para 5 thereof the Service Consultant (Subject Specialist) will now be an officer of the rank of Brigadier. Besides the issue of Special Army Order, a time schedule for completion of various stages of production of training films has been laid down in May, 1972 by the Ministry of Defence vide minutes of the meeting held in the Ministry of Defence on 15-5-72 issued under the Ministry of Defence U.O.No. 840/US(IS)/72 dated 17-6-1972.

[Ministry of Information and Broadcasting
O.M. No. 110/8/76-F(P) dated 23-10-1976]

Recommendation

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.

[S. No. 18 (Para 3.5) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

The Department of Family Planning purchased in only two prints of the film "BAAP RE BAAP" in 35mm size at Rs. 1425/- per print in 1972 for use at "Asia-1972" pavilion. It has been intimated by that Department that their proposal to buy 850 prints of the film for distributing to all mobile units has not materialised.

[Ministry of Information and Broadcasting
O.M. No. 110/2/76-F(P) dated 9-7-1976]

Action taken on the recommendation of the Public Accounts Committee Name of the Ministry/Department

Ministry of Information and Broadcasting

Recommendation

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.

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.

[S. No. 22 and 23 (Paras 4.14 and 4.15) of Appendix VIII to 182nd Report (5th Lok Sabha)]

Action Taken

The making of documentary film is specialised subject. Consumption of picture negative stock for shooting of documentary film differs from film to film due to the nature and complexity of the subject. The control in this regard is exercised at the time when sanction is accorded for the use of raw stock for each film and thereafter the average consumption is watched periodically. The Films Division has, therefore, a definite procedure to adopt for controlling consumption for individual films. The reason for abnormal increase in the ratio of raw stock consumption of colour films during 1969-70 was that during this year some such films were produced which were of peculiar and unusual nature and extensive shooting was absolutely necessary in those cases. Although the Films Division makes all possible efforts to exercise maximum economy in the use of raw stock under certain circumstances, as mentioned above, they have to liberalise the policy in order to obtain best results. To quote the result of such liberalisation it may be mentioned that as many as three colour films made during the year 1969-70 received recognition at National and International level.

It is rather difficult to observe any particular ratio between the negative exposed and the footage used in the case of newsreels. The consumption of raw stock for newsreels in a particular period of time depends on a number of factors *e.g.*—

- (i) Number of events which are obviously found to be news worthy;
- (ii) News items for which synchronous shooting is to be done and therefore, greater consumption of raw stock is necessary.

For the material required for the preparation of newsreel, the Newsreel Officers had to be given full freedom to use their own judgement and do coverage without waiting for any special instructions from the Films Division. They, therefore, do the coverages on their own judgement and it is for the Producer(Newsreel) to decide which of the coverage should be used and how much length/space should be allowed to each time. Sometime due to restriction on space/length of the newsreel, some items are used only as news flash although the coverage is done in detail and is found technically all right. As such the ratio between the exposed negative and the footage used is naturally high. This Ministry, therefore, feel that while it is possible to lay-down certain norms for use of negative for documentary films, and which infact the Films Division is already doing, it is difficult to implement any fixed ratio as far as newsreels are concerned.

[Ministry of Information and Broadcasting
O.M. No. H. 11013/16/76-F(A) dated 15-3-77]

Further Action Taken

► Films Division set up a Committee to go into the question of laying down the norms for issue of raw-stock. Taking into account the recommendations of the Committee, Films Division has prescribed, on an experimental basis, a norm of 4:1 for both black and white and colour films. The powers to issue raw-stock over and above this norm rest with Chief Producer, Films Division, or a senior officer authorised by him. The result of the experiment will be evaluated on a quarterly basis to come to the final norm.

Regarding newsreels, a circular letter has already been sent to all Newsreel Officers to exercise more economy in the use of raw-stock and cover items which are of national and regional importance and are likely to find a place in newsreels. The Newsreel Officers have been instructed to expose only adequate footage, avoiding wastage. A copy of the circular letter is attached (Annexure).

[Ministry of Information and Broadcasting
O.M. No. H. 11013/16/76-F(A) dated 18-3-1977]

ANNEXURE

D.O. No. A. 14016/31/76-N

Films Division
Ministry of Information and Broadcasting
Government of India

24-Peddar Road, Bombay-26.

Dated the 27th August, 1976

N. S. Thapa,
Dy. Chief Producer (NR)

My dear,

From time to time the need to observe economy in Government expenditure has been emphasised—expenditure on contingency, raw-stock telephone bills etc. Unfortunately, these instructions are not always observed. I would like you to observe the following :

(i) *Economy in raw-stock*

While it is necessary to give good coverages, it is not necessary to shoot extensive footage on each and every time. As you know, each time needs to be covered on its merit and the length of the footage should be according to the merit of the story. I do agree that sports and talkie items need extra footage but all other items, I am sure, you would be able to cover within less footage than is being done now. What is required is proper planning of each coverage in advance. I am not telling you for what sorts of items what should be the length of footage, but I am only requesting you to observe economy and ensure that no unnecessary shots are taken and stories are covered properly by advance planning without wastage of footage.

(ii) *Telephone*

You have been provided with telephone facility and I do want you to use this facility for effective functioning but please ensure that trunk calls or STD facility are not used merely to convey consignment note number of parcels or for requests for raw-stock etc. You should resort to these facilities in emergency and in case you want to consult headquarters urgently for routine work, you may use teleprinter or send telegrams.

Yours sincerely,

Sd/-

(N. S. Thapa)

Recommendation

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 normally 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.

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.

[S. Nos. 27 and 28 (Para 4.43 and 4.44) of Appendix VIII to 182nd Report of (5th Lok Sabha)]

Action Taken

The question of wastage allowance was discussed recently in New Delhi with representatives of Film Industry and the Processing Laboratories. As a result, the Government have decided that a team consisting of a Statistician, an Editor from Films Division and a Cameraman from Film Industry should examine the working of some of the laboratories and collect the basic data for scientific analysis of the use of raw-stock by the laboratories with a view to arriving at the minimum inescapable wastage allowance that should be authorised. Steps are being taken to conduct such a study.

[Ministry of Information and Broadcasting
O.M. No. H-11013/31/76-FA dated 26-6-1976]

3. It is requested that suitable instructions may be issued to the various licensing authorities under intimation to the Ministry.

Yours faithfully,

K. P. K. NAYAR, Under Secy. to the Govt. of India.

Copy forwarded to :—

1. The Chief Producer, Films Division, 24-Peddar Road, Bombay-400026.
2. Marketing Manager, Film Finance Corporation, D/5, Shiv Sagar Estate, Worli, Bombay-400018.
3. Hindustan Photo Films Manufacturing Co., Ootacamund.
4. The President, Cine Laboratories Association, 414/2, Vir Savarkar Marg, Prabhadevi, Bombay-400025.

K. P. K. NAYAR, Under Secy. to the Govt. of India.

Recommendation

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 unconsonably 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 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.

[Sl. No. 29 (Para 4.45) of Appendix VIII to 182nd Report (5th Lok Sabha)]

Action Taken

The matter has been taken up with the Office of the Chief Controller of Imports and Exports. The Committee will be informed of the action taken as soon as reply is received.

[Ministry of Information and Broadcasting O.M. No.
H. 11013/2/76-F(A) dated 2-7-1976]

Further Action Taken

The office of the Chief Controller of Imports and Exports with whom the matter was taken up have intimated as under:—

“The matter has since been enquired into in consultation with the Port Licensing Authorities. The position is that 10 per cent wastage was permitted according to the decision arrived at the 4th Meeting of the Central Raw Film Advisory Committee held in Madras on 30th January, 1958. An extract of the

minutes of the said Meeting is enclosed (Annexure). It may be observed therefrom that even at that time there was a representation from one of the Members representing the film industry that in certain cases the wastage was more than 10 per cent and the laboratories producing prints had to suffer on that account. However, the request to increase the wastage allowance was not agreed to by the Committee.

"Similarly, in Bombay region, the matter regarding wastage allowance was reviewed by the Regional Consultative Committee. In 1970 the Regional Consultative Committee decided to reduce the wastage allowance from 10 per cent to 8 per cent. Again at one stage in 1959 the wastage allowance was reduced to 5 per cent, but subsequently it was again raised to 10 per cent.

"In view of the above position, it will be observed that the wastage allowance had been determined from time to time by a duly constituted Committee functioning at Ports. The quantum of such allowance has also been reviewed by the Committee from time to time and at one stage the Committee at Bombay even came to the conclusion to reduce the wastage allowance but it was again raised. Apparently, the decisions were taken by the Committee which constitutes, apart from Government representatives, representatives from the film industry, after taking into account the facilities and expertise available for processing of films at laboratories. At no stage the decision to either fix the wastage allowance or revise the wastage allowance was taken by an individual officer. It is possible that with the progress made by the film industry specially in the technical field of processing films, it may now be possible to process films with a lesser wastage allowance."

The Office of the Chief Controller of Imports and Exports has therefore concluded that it is not possible to fix responsibility on any individual officer.

2. The position in regard to the wastage allowance has been reviewed with the help of a study team and the wastage allowance has been fixed as follows:—

(a) Wastage allowance for Black & White films	2.5 per cent
(b) Wastage allowance for colour films .	
(i) Colour connected with rush and first copy of answer print	20 per cent
(ii) Other copy work	5 per cent
(c) Wastage allowance should be based on printed length and not on censor length.	

[Ministry of Information and Broadcasting O.M. No. H. 11013/38/76-F(A) dated 31-3-1977].

ANNEXURE**EXTRACT FROM MINUTES OF THE 4TH MEETING OF THE
CENTRAL RAW FILM ADVISORY COMMITTEE AT MADRAS
HELD ON 30-1-58.**

* * * *

It was also represented by Shri Ramiah that although 10 per cent wastage was allowed, laboratories producing prints at times has to suffer wastage of a larger quantity i.e., over and above the 10 per cent due to unforeseen circumstances and in such cases permits should be issued for such wastage to make up the deficiency. Shri Bilimoria strongly objected to this as the 10 per cent concession for wastage, in his view, was more than enough and in most cases there would be stocks built up even in this 10 per cent which could be utilised for occasional excess wastages.

* * * *

Recommendation

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.

[Sl. No. 31 (Para 4.47) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The observations of the Committee have been noted. The film processing laboratory at Delhi is to be set up primarily to meet the requirements of the Films Division in Delhi which produces films for the Ministry of Defence and Ministry of Agriculture. The equipment for the laboratory has already been imported and indent for two developing machines which are to be procured indigenously has also been placed with the Director General, Supply and Disposals. These machines are likely to be received within a few months. Accommodation for the laboratory has already been located and as soon as possession of the accommodation is obtained by the Films Division, action will be initiated for installation of the equipment. It is expected that the laboratory may start functioning before the end of 1977. The proposal for expansion of the laboratory would be considered later after the laboratory has functioned for some time.

[Ministry of Information and Broadcasting O.M. No. H. 11013/35/76-F(D) dated 31-2-1977].

Recommendation

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.

[Sl. No. 44 (Para 8.6) of Appendix VIII to 182nd Report
(5th Lok Sabha).]

Action Taken

The scheme to switch-over from optical film to magnetic tapes was prepared by the Film Division in 1965. Apart from the import of equipment, the scheme envisaged appointment of additional staff.

2. In October 1966, Ministry of Finance agreed to provide Rs. 7.50 lakhs in the budget estimates for Films Division for 1967-68 for implementation of the scheme. This was communicated to the Films Division on 2-11-1966. Ministry of Finance then observed that availability of foreign exchange in 1967-68 could not be envisaged by them at that time. Films Division was, therefore, informed that provision should be included in the Films Division's requirements of foreign exchange for 1967-68 when it was called for by that Ministry. Subsequently, sanction for the release of foreign exchange for purchase of equipment required for the scheme was conveyed by the Ministry to the Films Division in September 1967. The scheme was thus approved in September 1967, with the release of foreign exchange.

3. The Films Division submitted proposal in November 1967 to the Ministry for creation of additional posts. The matter remained under correspondence between the Films Division and the Ministry. On 9-1-70 the matter was referred to the Internal Work Study Unit. Finally the proposal for additional staff was taken up for study by the Staff Inspection Unit of the Ministry of Finance in April 1970. The S.I.U. Report was finalised in July 1972. In the meantime Government had imposed a ban on creation of posts. The posts asked for were actually created with effect from 11-12-73 in relaxation of the ban with the concurrence of the Ministry of Finance. It will be noted that the delay in creation of posts has been mainly due to compliance of various procedural formalities and also to some extent due to the time taken in the finalisation of the

S.I.U. Report. The observations of the Committee have been noted for future guidance.

4. It may be added that though the scheme was estimated to cost about Rs. 7 lakhs, the Films Division has spent only Rs. 3.93 lakhs on purchase and installation of equipment.

[Ministry of Information and Broadcasting O.M. No. H. 11013/33/76-F(A) dated 27-2-77].

Recommendation

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 afterthought, 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.

[Sl. No. 45 (Para 8.7) of Appendix VIII to 182nd Report (5th Lok Sabha)].

Action Taken

The revised economics of installation of equipment required for Switch-over from optical to magnetic recording have been carefully gone into. Some items of equipment worth Rs. 2,81,831 were acquired between 10th January 1969 to 14th July 1969 and a few more items of equipment worth Rs. 1,10,765.39 were procured between 28th August 1973 and 12th November 1973. The total expenditure on purchase and installation of equipment was Rs. 3,92,596.39. Taking into account the life of equipment as 10 years, the total depreciation charge works out to Rs. 40,000 per annum and the interest at the rate of 6 per cent on the total investment of Rs. 4,00,000 works out to Rs. 24,000. Thus the total amount of depreciation and interest works out to Rs. 64,000 per annum. The annual savings on account of use of magnetic tapes are nearly Rs. 3 lakhs on account of the savings in the cost of raw stock and processing charges (sound and positive stock) as well as due to the increase in the cost of optical sound film which is now more costly than the magnetic tapes.

[Ministry of Information and Broadcasting O.M. No. H. 11013/32/76-F(A) dated 31-8-77]

Recommendation

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.

[Sl. No. 50 (Para 10.14) of Appendix to 182nd Report
(Fifth Lok Sabha)].

Action Taken

The fraud was committed in sale of stock shots and waste film by Shri K. B. Hatipkar, U.D.C., who was suspended on 8-6-71. The matter was also referred to C.B.I. The C.B.I. submitted two Reports. Accordingly, departmental action was initiated against Shri Hatipkar on 27-11-72 and a criminal case was also lodged against him for misappropriation of Government's money. He was convicted by Court and dismissed from service with effect from 1-3-74.

2. As regards the waste film dealers, the C.B.I. reported that there was not sufficient evidence to successfully prosecute them in the Court of Law. Hence they advised that department should handle the situation tactfully and try to recover the entire amount of fraud from them. The matter was also taken up with the Ministry of Law from time to time and from their advice, it became clear to Films Division that it would be in Government's interest to accept the money from them in instalments. It may be stated that out of five dealers, three have paid the outstanding amount fully and the remaining two parties are also gradually making the payment.

[Ministry of Information and Broadcasting O.M. No.
H. 11013/2/76-F(A) dated 2-6-76]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

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 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.

[Sl. No. 17 (Para 3.4) of Appendix VIII to 182nd Report
(Fifth Lok Sabha)].

Action Taken

The observations made by the Committee have been noted. The offer of the party was considered by a Committee consisting of senior officers of the Films Division who found the price demanded as reasonable. It is regretted that the Committee did not go into the overall economics of the deal keeping in view the number of prints of the film to be purchased. After going through the matter carefully, the Government have come to the conclusion that no individual officer could be held responsible for this, as the Committee was solely guided by the reasonableness of the price quoted by the party.

2. Under the present procedure, the Films Division invariably negotiates with the producers for the outright purchase of the master negative of the documentary films offered to it. Even where a specified No. of prints is to be purchased, the prices are based on slab system after discounting proportionally the share of cost of production included in the price. The Internal Financial Adviser and the Cost Accounts Officer of the Films Division are associated with the Documentary Film Purchase

Committee. The Cost Accounts Officer scrutinises the cost of production of every documentary film purchased by the Films Division.

[Ministry of Information and Broadcasting
O.M. No. 110/2/76-F(P) Vol. II dated 5-4-1977].

Recommendation

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. 29.60 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 percent of the actual revenue realised during 1967-68, 98 percent in 1968-69, 67 percent in 1969-70 and 71 percent 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).

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 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.

[Sl. Nos. 32 and 33 (Para 5.9 and 5.10) of Appendix VII to
182nd Report (5th Lok Sabha)].

Action Taken

The method of calculation of 'Notional Revenue' based on sale price of prints has been replaced by 'actual cost' basis after obtaining the approval of Comptroller and Auditor General of India. The revised procedure has been introduced in the Proforma Accounts commencing from 1972-73. The question of making payments to the Films Division from the budget of the organisations, like the Directorate of Field Publicity in respect of prints of films now supplied by the Films Division free of charge, is under consideration of Government. The decision taken in the matter will be intimated to the Committee in due course.

[Ministry of Information and Broadcasting O.M. No. H.
11013/20/76-F(A) dated 1-4-1977].

Recommendation

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 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 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.

[S. No. 37 (Para 6.20) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

Relevant statistics regarding average cost of production of documentary films produced by Films Division and average cost of production of films produced by private producers on behalf of Films Division for years 1971-72, 1972-73, 1973-74, and 1974-75 are furnished in the attached statement (Annexure).

For reducing the cost of production of films by the Films Division, the following steps have been taken or are being taken:—

- (1) The Division proposes preparation of filmwise budget to have proper financial control over the expenditure. With this end in view, it has been decided to entrust the job of devising a suitable costing system for the Division to a cost accounting firm. Further action will be taken by the Division on receipt of the report of the cost accounting firm.
- (2) The Division has introduced stricter control on consumption of raw stock.
- (3) It has been decided to introduce an incentive scheme for the shooting team which effects economy in the use of raw stock.

- (4) The Division is now checking the lines of approach with an eye on limiting and reducing the number of locations to the barest minimum.
- (5) It has been decided to increase the quota of production of films for a director from 3 to 4 films per annum which will help to reduce the overhead expenditure in general.

[Ministry of Information and Broadcasting O.M. No. H. 11013/9/76-F(A) dated 17-10-77]

ANNEXURE

Statement showing average cost of production of 35 mm B&W/colour films produced by Films Division/outside producers from 1971-72 to 1974-75, rate per metre

Year	Black & White				Colour				
	Films Division		Outside producers		Films Division		Outside producers		
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	
1971-72			80.50	80.92	149.60		146.15		
1972-73			93.74	92.25	126.73		164.23		
1973-74			71.87	107.73	174.67		181.26		
1974-75			133.49	128.81	183.06		211.27		
<i>Cartoon</i>									
1971-72			381.95	—	298.00		—		
1972-73			—	207.71	566.09		238.47		
1973-74			672.44	247.83	376.09		249.90		
1974-75			—	—	897.33		214.90		

Note:—The Audit have pointed out that as the treatment of expenses pertaining to Indian News Review has varied from time to time, the figures presented are not on a like to like basis and therefore do not correctly indicate the trend in the departmental cost of production. The Audit have added that the cost of outside production is also not on a like to like basis and that the figures are not comparable as the allocation of overheads for outside production is not on a scientific and consistent pattern. The Ministry of Information and Broadcasting feel that the revision will involve considerable clerical labour in re-working out the proforma account figures for the previous years. The remarks of Audit will be kept in view in preparing the proforma accounts for future years.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

The Committee observe from the Audit paragraph that the income realised from the rental for the supply of films to cinema licencees, 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.

[S. No. 35 (Para 5.12) of Appendix VIII to 182nd Report
(5th Lok Sabha)]

Action Taken

The existing rate of rental charged from the exhibitors for the films supplied by the Films Division was fixed in 1958, with the approval of the Ministry of Finance, after taking into consideration the various factors involved, including the possible reaction of the exhibitors. The Films Division has been asked to work out the basis for new rates. The Committee will be apprised of the revised rates in due course.

[Ministry of Information and Broadcasting
O.M. No. 110/2/76-F(P) dated 1-7-1976].

Recommendation

The Committee are also concerned to note that at present there is no system in the Films Division of making filmwise 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 the 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.

[S. No. 40 (Para 6.23) of Appendix VIII to 182nd Report (Fifth Lok Sabha)].

Action Taken

On the basis of the recommendations contained in paragraphs 1.70 and 1.71 of the 120th Report of the Public Accounts Committee (Fourth Lok Sabha), the Administrative Staff College of India was appointed as consultants with one of the tasks being to develop a sound and scientific cost accounting system in the Films Division. Following the report of the Administrative Staff College of India, the Cost Accounts Officer was appointed in the Films Division in March 1973.

After appointment of Cost Accounts Officer, the Films Division asked for additional staff in the costing section of the Division to assist the Cost Accounts Officer, first in June 1973 and again in May 1974. On both the occasions, Government did not agree to sanction additional staff, as the costing system for the Division had not yet been formulated.

It will be seen that the absence of a Cost Accounts Officer prior to March 1973 and absence of adequate supporting staff thereafter is a reason for the backlog in compilation of proforma accounts.

The Committee set up by the Ministry of Information and Broadcasting to advise Government about the revision of management and accounting practices followed in the Films Division considered the question of revising the cost accounting system in the Films Division, in consultation with the Chief Cost Accounts Officer of the Ministry of Finance. It was decided that a professional expert or agency should be commissioned for evolving a commercial system of accounting for the Films Division. For this purpose, the Chief Cost Accounts Officer suggested a firm of Chartered Accountants.

In December 1975 the Comptroller and Auditor General of India was approached with a request to suggest a qualified Chartered Accountant to go into the accounting system of the Films Division.

In January 1976 the Comptroller and Auditor General of India replied that if the particulars which are necessary for compilation of cost of film (e.g. raw stock consumed, time devoted by the Directors and other production staff, the professional fees paid for a film, etc.) are available, it should be possible, with the figures of expenditure booked in Government accounts and communicated to each of the offices of the Films Division, to write up journal and other books of original entry and post the ledger contemporaneously and adjust the same when final annual figures are known. This should considerably reduce the time taken in preparation of the proforma accounts and working out the cost of films.

The Comptroller and Auditor General of India suggested that it might be useful for the Ministry to ascertain if the Films Division writes up the basic records on the basis of monthly reconciled expenditure and posts the entries in the ledger timely, and also ascertain the difficulties which the Films Division experiences in compiling the proforma accounts soon after the final figures are known by October each year. In view of this, the Comptroller and Auditor General requested the Ministry to consider whether a Chartered Accountant would still be required to look into the problem.

The point raised by the Comptroller and Auditor General of India was further examined in the Ministry. It was felt that a Senior Cost Accountant assisted by a junior colleague from the Cost Accounts Branch of the Ministry of Finance should be entrusted with the job of studying the various matters relating to film-making, processing, storage and distribution of films and devising a suitable costing system for the Films Division. This team would also be required to prescribe various forms which would provide necessary data for management purposes. For this purpose, the Chief Cost Accounts Officer of the Ministry of Finance was requested in June 1976 to depute a suitable Cost Accounts Officer to the Films Division. The Chief Cost Accounts Officer replied that it would not be possible to depute officers to the Films Division, as requested. He suggested that the job might be entrusted to a suitable firm of professional accountants.

The Films Division was asked in August 1976 to call for quotations from a few cost accounting firms and suggest a suitable firm for undertaking the work. Quotations from two firms received by the Films Division were forwarded to the Ministry in November 1976. In the mean time, Films Division had been asked to consider three more firms. The quotations from all the firms were forwarded to the Ministry by the Films Division in December 1976. These quotations could be examined in February 1977. The Films^o Division was asked to ascertain the quantum of out-of-pocket expenses to be paid to the firm. On receipt of this information, orders

entrusting the job to one of the cost accounting firms were issued on 24-3-77 to the Films Division. As soon as the report on the study undertaken by this cost accounting firm is received, the Film Division's cost accounting system will be revised.

[Ministry of Information and Broadcasting O.M. No. H. 11013/30/76-FA, dated 10-6-1977].

Recommendation

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 C.B.I. 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.

[S. No. 47 (Para 10.9) of Appendix VIII to 182nd Report (5th Lok Sabha)]

Action Taken

The Ministry of Law have since advised that a civil suit against Shri M. M. Agarwal should be filed without further loss of time. This advice has been sent to the Films Division for necessary action. The Committee will be informed of the further progress in due course.

[Ministry of Information and Broadcasting O.M. No. H. 11013/2/76-F(A) dated 9-7-1976].

Further Action Taken

It has not so far been possible to ascertain the whereabouts of Shri M. M. Agarwal. The matter has been taken up with the Government of Maharashtra to ascertain the whereabouts of Shri Agarwal and also whether he has got any worthwhile assets. Necessary action will be taken by the Films Division on receipt of this information.

[Ministry of Information and Broadcasting O.M. No. H. 11013/11/76-F(A) dated 8-3-1977].

NEW DELHI;
November 18, 1977.
Kartika 27, 1899 (S).

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

APPENDIX I

(Vide Para 1.15 of the Report)

HIGHLIGHTS OF FIELD SURVEY ON NEWSREELS AND DOCUMENTARIES BEING SHOWN IN CINEMA THEATRES.

I

Newsreels

1. Anywhere between 12 per cent to 25 per cent of the film-goers are likely to miss fully or partly of the newsreels being shown at cinema theatres. The fact that between 75 per cent to 88 per cent of the film-goers do see these newsreels is significant.

2. The reasons for not seeing the newsreels fully or partly includes reaching theatres late, going out of cinema hall (for some reason or other including dislike in general of newsreels) and language problem.

3. Half or more of those who miss the newsreels fully or partly do so because they reach theatres late. The remaining could not see because they either have gone out of the hall or do not like the newsreels in general or in particular the one being shown or because there is a language problem.

Thus it could be observed that the percentage of those *who deliberately avoide seeing* the newsreels even after reaching the theatres would be less than 6 per cent of the film goers.

The general notion that bulk of the people go out while the newsreels are being shown is not substantiated even in cities like Vijaywada and Meerut.

3. The percentage of the film-goers who explicitly said that newsreels are 'not good' was insignificant—is not more than two per cent in any of the four cities where this study was conducted.

4. The percentage of those who could not understand the language and hence has come out of the hall or avoided seeing the newsreels is the same although insignificant as in the case of those, who in general, do not like the newsreels.

Nearly two per cent of those who go for English films have difficulty in understanding English newsreels being shown in those theatres, hence they avoide seeing fully or partly these newsreels.

5. Anywhere between 43 per cent to 76 per cent of the film-goers consider the newsreels as depicting "recent events". And only between 2 per cent to 11 per cent of the film-goers have explicitly said that newsreels depict "old events".

6. Between 6 per cent to 17 per cent of the film-goers consider the length of newsreels as "too long" while 8 per cent to 24 per cent consider them as "too short". The rest of them believe that the length is "alright". Of course, the newsreels shown in the theatres, where this study was conducted, were of only one reel length.

7. Between 40 per cent to 50 per cent of the film-goers believe that the newsreels should deal with only one or two aspects but thoroughly; while between 20 per cent to 40 per cent believe that newsreels should cover "more items in a general way". In big urban centres the trend was for "more items in general way".

8. Between 91 per cent to 93 per cent of film-goers have explicitly said that newsreels should be *continued* in theatres. And only between 3 per cent to 7.5 per cent of the film-goers have explicitly said that these newsreels should be *discontinued* from being shown in cinema theatres.

9. Nearly 30 per cent of those who want the newsreels to be continued think so because they look upon these newsreels as sources of information/knowledge.

10. Significantly, between 54 per cent to 67 per cent of those who want the newsreels to be continued think so because for them the newsreels are a source of "news"—thus confirming the fact that the contents of the newsreels are of recent nature from the point of viewing of the most of the film-goers.

11. Bulk of those who said that newsreels should be **discontinued** believe that these newsreels contain either "old news" or because that they are not interesting or because it is a waste of time watching them.

12. One-fourth of the film-goers prefer to see both documentaries and newsreels in the theatres; while between 30 per cent to 53 per cent prefer newsreels—as against between 21 per cent to 34 per cent who prefer documentaries over newsreels.

The theatre net work and the extent of over utilisation; some observations on the basis of visits to cinema theatres in six cities

During the last week of February an inventory of documentaries/newsreels being shown in various cinema theatres in six towns was attempted in an effort to find out what kind of films were being shown and their relevance to the current campaigns.

The towns covered in this exercise were Jaipur (17.96 lacs), Vijaywada (3.45 lacs), Rajahmundry (1.89 lacs), Meerut (2.68 lacs) and Gorakhpur (2.31 lacs). These towns are centres of commercial cinema theatres in their respective regions. They were covered because they were visited in connection with a survey on films or in some other connections.

Those towns represent different categories of cities/towns to which Films Division caters with their films.

Type of films being shown:

INRs:

Except in Hyderabad in all other towns covered all the cinema theatres are being supplied with Films Division documentaries/INRs. (In Hyderabad only 44 out of some 70 theatres are being covered).

Of the towns studied only in Hyderabad, Jaipur and Meerut and latest INR (No. 1428) was being screened. While in Gorakhpur the latest INR being screened in the town was No. 1428 (containing PM's visit to Hyderabad and "100 gains of Emergency") while in Vijaywada and Rajahmundry No. 1427 (President's rule in Tamilnadu) was being screened.

In Vijaywada, Gorakhpur and Meerut four or five different INRs were simultaneously being screened in one or other theatre. Theatres in Gorakhpur were showing INRs 1410, 1415, 1416, 1417 and 1418; while in Vijaywada INR 1422, 1423, 1425 and 1427 were being screened.

It could not be ascertained why in Vijaywada, Rajahmundry and Gorakhpur the latest INR was not being screened at all by any of the theatres.

While in Meerut, INR 1428 was being shown in one theatre, and the old ones like No. 1411, 1412 and 1423 were also being shown during the same period in other theatres.

Documentaries:

Except in Jaipur in all the other cities/towns "Decade of Achievement" documentary was being shown. In Vijaywada where 23 theatres are there only one cinema theatre was showing the "Decade of Achievement". In Hyderabad also, where there 44 theatres are being served, only one theatre was showing the "Decade of Achievement"; while in Meerut seven of some 19 theatres were showing this documentary.

While in Jaipur city none of the ten theatres were showing the "Decade of Achievements" documentary during the week February 27,—March 4.

The other documentaries being shown in these towns were: (1) Man being the Metal; (2) For a smile tomorrow; (3) A century of whether services; (4) Going to games; (5) To be a Doctor; (6) Full Steam Ahead; (7) Topsy, (8) Academy of Administration, (9) Safety from cooking gas; (10) We, people of India; (11) Come again; (12) Thunder of Freedom; (13) Indian Women; (14) Of the People; (15) Ik Hi Ilaj; (16) Self-Employment; (17) A New Era Begins and (18) Girdhar (Family Planning).

The documentary "A New Era Begins" was being shown only in Meerut (in two cinema halls) and in no other city it was being shown.

"We, People of India", "Thunder of Freedom" and "Indian Women" documentaries were being shown in one theatre each only in Hyderabad/Secunderabad.

One of the documentaries being shown (To be a Doctor) was that of UNICEM but apparently released/distributed through Films Division.

Thus most of the documentaries being shown in these towns were not directly or indirectly connected with any of the current campaigns in progress—except of course those INRs.

Continuation in screening:

Theatres are expected to show Films Division documentaries/INRs for one week each starting with either Tuesday or Friday—during all their film shows except the morning and special matinees.

But there are instances where because of some problem in the routing of the prints that theatres go on screening the same documentary or a same INR for more than a week on end sometimes did not even shown any waiting for the print to arrive.

This problem appears to be little more acute in UP. For example documentary entitled "Noble cause", was shown for 21 days in Jhankar theatre of Gerakhpur. Similarly Maya, Chhaya, Vijaya and Jubilee theatres in the same town also have shown documentaries or INRs for ten or more days recently.

Perhaps the recent change in the over all allocation of the number of prints between big towns, small towns and rural theatres perhaps might have caused this "dis-location" of prints. But this needs to be verified and checked before the whole system is paralysed. The present routing system of Films Division need to be studied to optimise the number of prints—the theatres being used in each city/town, the sequence and timing for the flow of prints, and the specific understanding between theatres to receive and pass on to the next. All these aspects need to be verified and ensured that we are getting most out of the documentaries and INRs.

Regularity in screening:

Commercial theatres under the law are supposed to screen a certain length of films supplied by Films Division as an obligation in every film show. The local entertainment departments are supposed to ensure continuity in screening FD films, but in practice this is a loose arrangement. Neither the local entertainment departments are taking any interest in ensuring the continuity of screening nor the local field units of State and

Central Information departments are taking any interest in ensuring the screenings regularly.

Several instances have been observed by the field staff during the visits to these six cities when Films Division documentaries/INRs were either not shown altogether or shown only partly.

During my own visit to two theatres—in Hyderabad and Vijaywada I have observed one theatre (Jaihind Talkies) not showing the documentaries/INRs at all. The local Field Publicity Officer also has mentioned such instances.

Phonix theatre in Meerut city has not shown the documentary during the last week of February presumably because of the print was not received.

In Vijaywada (Saraswati Talkies) the "Decade of Achievement" documentary was shown only partly—apparently only one of its two reels was shown. This has also happened in Gorakhpur.

In fact, in Gorakhpur a member of this study team has protested with the Maya theatre for showing the documentary "Decade of Achievement" partly and the theatre was forced to show it fully during the interval. Indralok theatre also was showing even INR only partly.

Perhaps it is time that some formal arrangement is worked out to supervise/inspect screening of FD documentaries/INRs on a regular basis. Theatres should have a feeling (fear of) such surprise checks. Perhaps a letter of appeal could be sent to all theatres by a Minister in the State Government—in each State.

Appendix II

(Vide Para 1.18 of the Report)

Statement showing the recommendations of the consultant from the Administrative Staff College of India, Hyderabad on the working of the Films Division and action taken thereon.

Recommendation	Action taken
<i>Costing system and Budgetary Control</i>	
1 The costing system that is prevailing needs to be revised, to provide more realistic and timely information on costs of various activities and cost centres. A regular reporting system is to be instituted to provide information to various levels of management on their activities, to enable them plan and direct future course of action. The reporting would be in identifiable broad cost groups, and would reflect the trend of working performance.	The Government welcomes the revision of existing system and is eager to introduce a revised system. The revised costing system suggested by the consultant will be introduced as soon as technical assessment is made of the additional man-power and equipment needed (This assessment does not form part of the Consultants report) and the required manpower and equipment are placed in position.
The Schedule for regular reporting would very briefly be:—	As a first step towards implementing this recommendation, the Ministry of Finance, at the request of this Ministry, deputed a Senior Cost Accounts Officer to the Films Division to make-on-the-spot study of the existing system of cost accounting and to assess the additional staff requirement to revise the existing procedure. The senior Cost Accounts Officer recommended the creation of a post, initially, of a cost Accounts Officer in the Films Division. The post of Cost Accounts Officer has since been created (with Cabinet's approval for relaxation of ban) and a Cost Accounts Officer from the Cost Accounts Pool has taken charge on 8-3-1973.
(a) The progressive costs on documentaries under production would be compiled each month for each director/producer under broad identifiable cost groups. Reporting on completed documentaries would be done at the beginning of each month. Cost information would be compiled separately for production, dubbing and release prints.	

- (b) Newsreels cost would be reported for each month, as well as progressive cost for the year.
- (c) Prints and stock-shot sales cost incurred to meet each order would be separately identified and reported.
- (d) Costs incurred on other activities viz., Public Relations, Films Library and others, would be reported for each month, as well as progressive totals for the year.
- (e) Information on utilised man-hours and raw-stock consumption would be reported each month.

The matter was further considered in consultation with CCAO, Ministry of Finance. CCAO was of the view that the present accounting system followed in the Films Division was not capable of providing the necessary data required for an effective costing system and that a commercial system of accounting should be evolved by a professional expert or a professional agency. CCAO has been asked to suggest the names of expert/agency. Further implementation of the recommendation will be taken up after the expert/agency gives the report.

2. A system of budgetary control over each production/activity need to be introduced. Before taking up the production of any documentary, the various costs that are required to be incurred needs to be budgeted. Cost reports would be compiled to show the actual progressive costs as against the budgeted figures, so that the officers responsible would exercise necessary control.

B. Raw Stock Control

Expenditure on raw stock accounts for as much as 40 percent (Rs. 70 lakhs) of the total expenditure of the Division, and is one of the major potential areas for cost reduction. If the processing charges are also included, the combined cost would account for 48 per cent (Rs. 85 lakhs) of the expenditure of the Division.

Films Division has evolved a procedure by which Newsreel Office and Assistant Newsreel Officers are called on tour to Films Division, Bombay and given guidelines about the judicious selection of news items and stories and to effect the utmost economy in the use of raw film while covering events. It is always not possible to impose a uniform ceiling on the length of a coverage for a particular story.

1 *Newsreels Production*

Raw stock used in the production of Newsreel account for 9 per cent of the total expenditure on raw-stock. During 1969-70, the cost on production and dubbing was around Rs. 4.3 lakhs and Rs. 1.9 lakhs respectively.

Analysis reveals that the actual length used for release in 1970-71 was about 11.75 per cent of the total length of films exposed. The percentage of stories that were actually utilised for final release was about 54 per cent of the stories shot, on the basis of figures analysed for 1970-71.

To Improve utilisation it is recommended:—

- (a) Better orientation and training to the field Newsreel Officers in selection of stories. Better coordination between Newsreel Producer and field Newsreel Officers.
- (b) Fixing of ceilings on film length to be exposed for different types of stories. Such restriction make the officers concerned more selective and may ensure better utilisation of raw stock.

2 *Documentary Production*

The raw-stock used in production of documentaries accounted for about 16 per cent (Rs. 11.3 lakhs) of the total expenditure on raw-stock in 1969-70.

Analysis reveals that actual length used for release on the average was around 24 per cent of the total length of film exposed.

It may be possible to improve the utilisation by taking the following steps :—

- (a) greater care be taken while estimating the tentative length of a film at the time of finalisation of script; and
- (b) shooting schedules, number of locations and other requirements be prepared and finalised with more careful planning.

Steps have been taken to ensure that the overall length of each film is decided upon at the time of examination of the proposal i.e. line of approach etc. and also at the time of writing the final script. Producers in the Films Division have been instructed to ensure that in every raw stock requisition, instead of approximate length of a film in reels, a firm indication whether the film is going to be 275 metres, 300 metres, 350 metres etc. is given to enable drawal of stock in proportion to the final length indicated in the final script. Number of locations and requirements at each location are also being worked out in advance to the extent possible with a view to economising not only the raw stock but also other items like TA/DA etc.

3 *Distribution of Prints*

The cost of making release prints for distribution accounted for 37 per cent (Rs. 65 lakhs) of the total expenditure of the Division in 1966-70.

In this connection reply to (1) and (2) above may please be seen. To the extent possible, the recommendation will be implemented.

The overall average length of each release is about 300 metres which would give about 10 minutes exhibition time.

By better control and closer study, it may be possible to reduce the final release length.

4 *Sound Recording*

Total change over to magnetic tapes to replace optical sound tapes should be effected as early as possible. After providing for the cost of magnetic tapes, this change over was estimated in 1966 to result to the Division in a saving of about Rs. 3 1/2 lakhs per annum. The necessary equipment for using the magnetic tapes is already with the Division, and is being used to some extent. The Division is keen on complete switch over to magnetic recording but has not been able to do so for want of adequate staff.

Films Division have now completely switched over to magnetic recordings. Hence the recommendation has been implemented.

5 *Dubbing*

At present for each language, a separate sound track is prepared on optical film. It is possible to have two different languages on the two edges of the optical film in some cases. It is suggested that this system should be adopted wherever possible.

Prima facie, Films Division feels that it cannot be implemented for 6 languages viz. Kashmiri, Punjabi, Urdu, Sindhi, Oriya, and Assamese where the number of prints required is small and when there is less likelihood of wear and tear of the final sound track. However, the question of final implementation of the recommendation is under examination by the Films Division.

97

C. PRODUCTION OPTIMISATION

The present production of documentaries per director is on an average 2.32 per year as against 3 laid down. About 75% of cost of production of documentaries is on account of staff salaries, depreciation, administration, overheads, etc. all more in the nature of fixed costs to the Division.

There is scope for improving the volume of production with some adjustment in manpower and facilities which may bring down the cost of production.

In order to improve the output, suggestions are made for some re-adjustment in working arrangements of producer/director vis-a-vis editor and Cameraman. Proposal are also made for instituting a system for planning and scheduling of key resources, by use of simple bar charts etc. It is also suggested that there should be a time bound schedule for completion of films as far as possible.

The recommendation has been implemented. The target of production for 1972-73 through Directorial Units including Directors in New Delhi works out to 61. Against this, the Films Division Units including New Delhi based Directors produced 90 films including 7 experimental films and 1 shorter version. The break-up of targets and achievements for 1972-73 is given below:

	Directorial units including Agrifap & Defence Film Wing	Ad hoc Directors	Non-directorial staff making films	Cartoon films	Total
Target	61	1	5	4	71
Achievements	90*	1	7	4	102

(*includes 7 experimental films & 1 shorter version)

D. EQUIPMENT AND FACILITY UTILISATION

I. Studio Facilities:

With the growing emphasis on location shooting, the use of studio is very limited and requirements of Films Division are estimated to be about 85 shifts of shooting in studio in a year. Therefore, in order to reduce losses on account of under-utilisation of studio, Films Division may consider hiring out surplus capacity to private producers or alternately, closing down its own studio and hiring some outside studio when required.

On further examination, it has been found that the utilisation factor was as high as 74% to 84% during the past 3 years. In view of this, it has been decided that the studio facilities should be retained in the Films Division.

2. *Re-recording Theatres*

There appears to be some possibility for improving the earnings of Films Division by hiring out surplus capacity of re-recording theatres as there is very high investment in its equipment and re-recording facilities are said to be in great demand by small private producers. This would, however, require some additional staff.

These facilities can be made available to outsiders whenever it is possible to do so without adversely affecting the Films Division work. The recommendation has therefore been accepted for implementation. Some additional staff is required by the Films Division. There is ban on creation of additional posts. Efforts will be made to find staff by reallocation of work in Films Division.

E. USE OF COMPUTER FOR DATA PROCESSING

The following two systems in Films Division can be computerised with advantage:—

1. Costing system.
2. Record keeping at Distribution Branch Offices. Involving Exhibitor's Ledger Accounting, Preparation of monthly bills, Maintenance of Circuit Charts and Accounting of Release Prints in circulation.

This is related to recommendation A—Costing System and Budgetary Control. Please see the remarks against Costing System and Budgetary control at page 1 of the statement, Modifications in the costing system has to be approved by the Chief Cost Accounts Officer, Ministry of Finance, before the question of using the computer for data processing can be considered.

66

F. PRODUCTION UNITS IN DELHI.

In order to ensure lower cost in production of films, it is necessary that the expensive facilities and equipments are utilised fully. It may be considered if only one set of sound and projection facilities would be adequate to meet the needs of both Defence Films Wing and Agrifap Units. Such an arrangement would also reduce the administrative expenditure in maintaining two sets and would result in reduced production cost. The Films Division has some difficulties in completely merging the two units. However, the Division is taking necessary action to avoid duplication to the extent possible.

Necessary action has already been taken by the Films Division's office in New Delhi to avoid duplication in the purchase of equipment required for different units stationed at New Delhi. For instance, one set of recording equipment has been ordered for use of both the Units in New Delhi. The recommendation has also been noted for future guidance. The recommendation thus stands implemented.

G. DISTRIBUTION PRINTS FOR FREE EXHIBITION:

The activities of Directorate of Field Publicity were studied to examine scope for reduction in supply of prints for free exhibition.

The system of rotation of prints amongst Field Publicity Units, has been recommended instead of the present system in which, by an large, every Field Publicity Unit gets one print of the documentary film. With efforts already initiated by Directorate, of Field Publicity and with the above recommendation, the supply of prints to Directorate of Field Publicity can be reduced from 10,000 to 3,400 per year, giving a net savings of about Rs. 9 lakhs in cost of making prints.

The recommendation contemplates the reduction in the annual number of 10,000 prints to 3400 prints to Field Publicity Units by a system of rotation and to increase the frequency of screening resulting in a saving to the order of Rs. 9.00 lakhs in making of prints. Having regard to all the relevant factors, it has been decided that the annual target for supply of prints required of a film be left to the Directorate of Field Publicity subject to the annual ceiling of 5000 prints. This would mean saving of 50 % resulting in economy to the extent of Rs. 7.50 lakhs per annum. The supply of prints to the Directorate of Field Publicity has been reduced accordingly and the recommendation has thus been implemented. The number of prints actually supplied was 4,649 during 1972-73 and 5941 in 1973-74. 941 prints supplied in excess during the year 1973-74 are to be adjusted against the supply of 5,000 prints for the year 1974-75.

APPENDIX III

Statement of Conclusions and Recommendations

Sl. No.	Para No. of the Report	Ministry/Department concerned	Conclusions/ Recommendations
1	2	3	4
1	1·3	Information and Broadcasting	The Committee expect that final replies, duly vetted by Audit, to those recommendations observations in respect of which only interim replies have so far been furnished will be submitted to them expeditiously.
2	1·8	-do-	The Committee are glad that the Ministry of Information and Broadcasting share their views in regard to the selection of subjects for documentaries and newsreels produced by the Films Division and realise the need for change in their emphasis. It is also heartening to note that guidance of renowned experts in the field of documentary production had been sought with a view to achieving better results and the Ministry of Information and Broadcasting have issued guidelines to the Films Division for future coverages of events for newsreels. Government have <i>inter alia</i> impressed upon the Films Division that emphasis should be more on events than on individual personalities. The Committee trust that these measures would bring about the desired changes and improvements in Films Division production. They would be watching with interest the impact of these measures on the future performance of the Films Division.

1	2	3	4
3	I'12	Information and Broadcasting	<p>The Committee have been informed that efforts would be made by the Films Division to improve the quality of its films and that appropriate action in the matter would be taken in the light of the discussions at an all-India Seminar where the question of improvement in techniques and contents of documentaries was to be considered. Besides, Government also propose to set up a Committee of Experts, consisting of officials as well as non-officials to oversee documentary production by the Films Division and to look after the requirements of quality. Now that considerable time has elapsed since the proposed seminar was held (June 1976), the Committee would like to be apprised, in some detail, of the specific steps taken in this direction. They also expect that the Committee of Experts would utilise the talent available in the Films Division, of which there is no dearth, in a more meaningful and effective manner than at present.</p>
4	I'16	-do-	<p>The Committee find that even a limited field survey, undertaken in six towns by the Indian Institute of Mass Communications has brought into focus certain deficiencies in the existing arrangements for the screening of documentaries and newsreels which underscores the need for a constant evaluation of the audience responses to Films Division productions. While the Films Division and Ministry of Information and Broadcasting will, no doubt, take such action as may be found necessary in the light of the findings of this survey, the Committee feel that a lot still requires to be done to sustain audience interest and secure the desired</p>

responses. Now that an Evaluation Directorate has also been set up, on film basis, in the Ministry, the Committee look forward to a significant improvement in the approach of the Films Division and in the content of its films. Since the studies and surveys undertaken so far largely appear to have been confined to urban and semi-urban areas, the Directorate should also set in motion similar studies in the rural areas, so that the feed-back obtained from such studies could be meaningfully utilised for designing films exclusively for our rural masses.

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As early as in April 1970, the Committee, in paragraph 1.71 of their 120th Report (Fourth Lok Sabha), had recommended, *inter alia*, that the safeguards to be adopted to protect Government's interests in their dealings with the private producers to whom part of the production of the Films Division is framed out and how better returns could be ensured needed detailed investigation. The Committee are, however, concerned to find that though this suggestion had been accepted by the Ministry in principle as far back as in November 1970, the issue was referred to the Administrative Staff College after a lapse of nearly six years. In the meantime apart from certain interim measures taken in this regard, this important issue remained unresolved. In the Committee's view, Government's own internal agencies should have been sufficient to overcome the problems encountered and to avoid the delays that have taken place. Since the Administrative Staff College of India, Hyderabad have now given their Report, on the safeguards in regard to outside production of films and Government have accepted some of their recommendations, the Committee hope the Government would ensure the best returns from the outside producers before assigning work of production of films to them.

1	2	3	4
6	1.22	Information and Broadcasting	Admittedly, though the distributors of the film had indicated the break-up of the various elements of the films cost, the Films Division had not considered it necessary to negotiate a reduction in price on the basis of the number of prints to be purchased by it. Neither the reasons therefor nor the basis on which the reasonableness of the price quoted by the distributors was determined by the Films Division have been intimated to the Committee. It would, <i>prima facie</i> , appear that the normal care and prudence which one would legitimately expect in such transactions, had not been exercised in this case.
7	1.25	-do-	The Committee note that the method of calculation of 'National Revenue' based on the sale price of prints has now been replaced by 'actual cost' basis. They also note that the question of making payments to the Films Division from the budget of the organisations like the Directorate of Field Publicity in respect of prints of films now supplied by the Films Division free of charge, is under consideration of Government. The Committee would like this matter to be expedited and they may be apprised of the decision taken.
8	1.31	-do-	The Committee understand from Audit that no rational conclusions can be arrived at regarding the cost of production by the Films Division and the cost of purchases made from outside producers on the basis of the figures given in this regard by the Ministry. since the working out of cost with reference to both seem to suffer from deficiencies. In working

out the cost per metre in respect of production of films by the Films Division for the years 1967-68 to 1969-70 the expenses on the Indian News Review were treated as direct expenses of that Department. From 1970-71 to 1972-73, a portion of the expenses on Indian News Review was treated as overhead expenditure and allocated to all Departments including the production of documentaries. From 1973-74, onwards, the expenses on Indian News Reviews were again treated as direct expenses of that Department and no portion of the expenses had been treated as overheads. In the absence of reasons for such differing treatment, the scientific nature of the treatment accorded cannot be ascertained. In regard to working out the cost of production by outside producers, the supervision charges on behalf of the Department have been worked out at varying rates, ranging from Rs. 5 per metre on *ad hoc* basis upto 1970-71, to Rs. 15 per metre in 1972-73 again on *ad hoc* basis, to Rs. 6.57 per metre in 1973-74 on entirely different basis and to Rs. 12.20 per metre in 1974-75 on another basis without any specific tangible reasons.

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The Committee feel that, for arriving at proper conclusion, one should have a proper method of working out cost of production in the department as well as by the outside producers. For this, the Committee are of the view that the Department should give the Committee break-up of working out their cost now, specifying clearly therein that all items that should go into the cost of production have been included and also explaining the reasons for adopting the various practices, clearly justifying the method that they are following now and propose following in the future.

1	2	3	4
10	1973	Information and Broadcasting	<p>As regards the steps taken to revise the cost accounting system and procedures in the Films Division, the Committee have been informed that Committee set up by the Ministry to advise Government in regard to the management and accounting practices followed by the Films Division have suggested that a professional expert or agency should be commissioned for evolving a commercial system, of accounting for the Films Division. The Committee have been informed on 10th June 1977 that the Job of studying the various matters relating to film-making, processing, storage and distribution of films and devising a suitable costing system for the Films Division was entrusted to cost accounting firm on 24 March, 1977. On receipt of the report on the study undertaken by this firm, the Films Division would revise their accounting system. The Committee desire that Government should impress upon the firm to complete the study at the earliest. The Committee would like to be apprised of the findings of the study undertaken by the cost accounting firm and the follow-up action taken in the matter.</p>

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
DELHI.					
24.	Jain Book Agency, Connaught Place, New Delhi.	11	33.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.	68
25.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3	34.	People's Publishing House, Rani Jhansi Road, New Delhi.	76
26.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	9	35.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	68
27.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	36.	Hird Book House, 82, Janpath, New Delhi.	95
28.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15	37.	Bookwell, 4, Sant Narakari Colony, Kingsway Camp, Delhi-9.	96
29.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20	MANIPUR		
30.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23	38.	Shri N. Chaoba Singh, News Agent, Ramtal Paul High School Annex, Imphal.	77
31.	Bahree Brothers, 188 Lajpatrai Market, Delhi-6.	27	AGENTS IN FOREIGN COUNTRIES		
32.	Jayana Book Depot, Chaparwala Kuan, Karol-Bagh, New Delhi.	66	39.	The Secretary, Establishment Department, The High Commission of India India House, Aldwych, LONDON, W. C.-2.	59

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