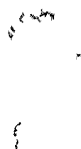


NINETY-NINTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1986-87)

(EIGHTH LOK SABHA)

NATIONAL BOOK TRUST

MINISTRY OF HUMAN RESOURCE DEVELOPMENT
(DEPARTMENT OF EDUCATION)



Presented to Lok Sabha on 30 April, 1987
Laid in Rajya Sabha on 30 April, 1987

LOK SABHA SECRETARIAT
NEW DELHI

April, 1987/Vaisakha, 1909 (Saka)

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**CORRIGENDA TO 99TH REPORT OF THE PUBLIC ACCOUNTS
COMMITTEE BY H. LOK SABHA ON NATIONAL BOOK TRUST**

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(1)	-	22	Exhibition	Exhibitions
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**29-1-1987
and
24-4-1987**

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

PUBLIC ACCOUNTS COMMITTEE

(1986-87)

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Shri E. Ayyapu Reddy

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1. **Shri K. H. Chhaya—*Joint Secretary***
2. **Shri S. M. Mehta—*Senior Financial Committee Officer.***
3. **Shri R. C. Gupta—*Financial Committee Officer.***

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this 99th Report of Public Accounts Committee (8th Lok Sabha) on Paragraph 4 of the Report of the Comptroller and Auditor General of India for the year 1984-85, Union Government (Civil), Volume III regarding National Book Trust.

2. The Report of the Comptroller and Auditor General of India for the year 1984-85, Union Government (Civil), Vol. III was laid on the Table of the House on 7 May, 1986.

3. In this Report, the Committee have found that despite 30 years of its existence National Book Trust has not been able to create perceptible impact on mass market in the country and in that context there is urgent need to revamp its structure and to make it function effectively so that it is in a position to achieve its objective of creating book mindedness in the country at a faster pace.

4. National Book Trust was examined by the Public Accounts Committee in 1964-65 and again in 1972-73. The Tarachand Committee which evaluated the work of the Trust upto 31 December, 1961 found that the scheme of production of literature by the Trust was almost too comprehensive and therefore neither useful nor practicable. That Committee had suggested streamlining the organisational set-up and recommended certain changes in the composition and functions of the Trust. The Public Accounts Committee (1964-65) were also not satisfied with the quality of literature produced by the Trust and desired that more thought should be given to this aspect. They also recommended that "it was necessary to keep a proper account of the expenditure on publications and their sale proceeds with a view to assessing the economics of pricing system and working of the Trust". However, the National Book Trust has not been able to furnish statement of total shortfall of revenue realised over cost since its inception. The Committee have, therefore, desired to know as to why the above recommendations have not been implemented so far. If the present state of affairs does not show any improvement, the Committee have recommended that the Government must devise some alternative to achieve the original objective by re-constituting National Book Trust and entrusting its management to committed persons with dedication.

5. The Public Accounts Committee (1986-87) examined this Paragraph at their sitting held on 29 January, 1987. The Committee considered and finalised this Report at their sitting held on 24 April, 1987 based on evidence taken and the written information furnished by the

Ministry of Human Resource Development. The Minutes of the sittings form Part II* of the Report.

6. A statement containing recommendations and observations of the Committee is appended to this Report at Appendix II. For facility of reference, these have been printed in thick type in the body of the Report.

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

8. The Committee would also like to express their thanks to the representatives of the Ministry of Human Resource Development (Department of Education) for the cooperation extended by them in giving information to the Committee.

NEW DELHI;
27 April, 1987
7 Vaisakha, 1909 (Saka)

E. AYYAPU REDDY,
Chairman,
Public Accounts Committee.

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

CHAPTER I

NATIONAL BOOK TRUST

1.1 Para 4 of the Report of the C&AG of India for the year 1984-85, Union Government (Civil), Vol. III on which this Report is based is re-produced as Appendix I to the Report.

I. INTRODUCTORY

1.2 The National Book Trust (Trust) was constituted in 1957 and registered as a Society in 1959 for producing and making available good literature in all Indian languages at moderate prices and fostering book mindedness in the country. For this purpose the Trust brings out book-lists, arranges exhibitions and seminars besides publishing books.

1.3 The trust is managed by a Board of Trustees under a Chairman appointed by the Government of India. It has, among its members, one representative each from the Sahitaya Akademi and the Ministries of Information and Broadcasting, Education and Finance and such other persons not exceeding 14 as the Government of India, may, from time to time, appoint. Besides its Head Quarters at New Delhi, the Trust has regional offices at Bombay and Bangalore and Book centres at Amritsar, Hyderabad, Mysore, Santiniketan and Calcutta. At present there are 17 members of the Board of the trustee including the Chairman and its Executive Committee consist of 6 members. The Trust was set up with the following objectives in view :

- (a) to produce, encourage the production of good literature and to make such literature available at moderate prices to the public;
- (b) in furtherance of the above objectives to public more particularly books of the following types of English, Hindi and other languages recognised in the constitution of India :
 - (i) The classical literature of India;
 - (ii) Outstanding works of Indian authors in Indian languages and their translation from one Indian language to another;
 - (iii) Translation of outstanding books from foreign languages;
 - (iv) Outstanding books of modern knowledge for popular diffusion;
- (c) to bring out book lists, arrange exhibitions and seminars and take all necessary steps to make the people book-minded;
- (d) to establish or promote the formation of regional Book Trusts in different parts of the country with objectives similar to those to the Trust.

1.4 Asked how far these objectives have been achieved, the Ministry of Human Resource Development stated :

“(a) The Trust has so far produced 3101 titles (2368 original Translation and 733 as reprints). The National Book Trust seek to fill the essential gaps in book publishing by producing a variety of books, with particular emphasis on the Indian Languages which may, otherwise not be published. The NBT's publishing programme cover books that are both informative and educative and are meant for the lay reader as well as specialists books under carefully planned series covering history, geography, culture, biographies of eminent Indians, creative works etc. Range of subjects covered in these series include Mythology, Religion, History, Folktales, Festivals, the country and its People, the Freedom Movement, the Birds and Animal, Science and Technology. The books published under Aadaan Pradaan and Nehru Bal Pustakalaya series stress on National Integration and foster a sense of unity and oneness by providing books in regional languages all over India. To ensure that the books are made available at moderate prices to the public, the prices of the Trust publications are kept quite low as compared to similar books published in the private sector. This is because the reading habits in the country have not yet been fully developed.

In order to make these books available throughout the country, the Trust has appointed 21 wholesale distributors and 23 stockists for its publications. Books are also made available through the sales emporia of the Publications Division and through the Book Centres set up by the Trust at Amritsar, Calcutta, Hyderabad, Santiniketan and Mysore and regional offices at Bombay and Bangalore.

(b) The Trust is operating the scheme of Aadaan Pradaan under which 10 outstanding works of Indian authors in another 11 Indian languages are translated from one language to another. About 630 titles have so far been published under the scheme. Some of the titles published under this scheme have been subsequently recognised and the authors of such titles awarded Jnanpith Award. The Trust also published 39 outstanding books of modern knowledge for popular diffusion. A few outstanding book(s) from foreign languages have been translated into Indian languages. The Trust has published very few books relating to classical literature of India because this work is being undertaken by the Sahitya Akademi. To ensure coordination between the two organisations, President Sahitya Akademi is a member of Board of Trustees of the National Book Trust.

(c) The Trust has been playing a pioneering role in organising book fairs and exhibitions at the International, National and regional levels. It has so far organised 7 World Book Fairs, 13 National Book Fairs and about 110 book exhibitions at the regional and semi-urban levels.

The Trust has also organised over 50 seminars, workshops writers camps etc. since 1975-76.

Recently the Trust has started organising book exhibitions in the rural and semi-rural areas. The first in the series of such exhibitions was held in Rajasthan followed by another held in Pauri Garhwal. The Trust has been participating in book exhibitions organised by other agencies also. The Trust has also been participating in various international book fairs and assisting the Indian Missions for organising special exhibitions of Indian Books abroad. The Trust produces catalogues of books entitled "Books from India" periodically. The major attraction at the World Book Fairs organised by the National Book Trust is the National Exhibit, a collective display of select titles on a wide variety of subjects published in the Indian languages and in English providing overall view of the progress made by the Indian publishing during the immediate past.

Considering the size of the country and the population of literate people, the number and volumes of books published by the National Book Trust is proportionately small. The Trust has, however, tried to cover a wide variety of subjects and areas of knowledge.

All these efforts of the National Book Trust have however, acted as a catalyst for the development of the publishing industry in the country. India now occupies 3rd position in the production of titles in English and 10th position in the field of publishing in the world. Our book exports have increased from the level of about 1 crore in 1972-73 to about 25 crore in 1985-86. India has been assigned the position of prominence in the international circle in the field of books and copyright. Representatives of India are invited by UNESCO and other international bodies for participation in their seminars, workshops, conference etc. on book publishing.

The Trust has set up regional offices in Bombay and Bangalore. The question of setting up regional office in Calcutta is under consideration."

II. FINANCE, ACCOUNTS AND AUDIT

(a) Finance, Accounts and Audit

1.5 The National Book Trust depends for its activities mainly on grants-in aid given to it by the Government of India, though it also earns revenue by sale of publications. In addition to its own schemes of publishing books (called Normal Activities) the Trust undertakes special schemes assigned to it by the Ministry of Education such as Nehru Bal Pustakalaya, Aadaan Pradaan, Subsidy Schemes and Core Books for which special grants are given by the Government. The Trust also implements schemes financed by the UNESCO, National Book Development Council, etc. The Accounts of the Trust are audited under Section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971. The annual receipts and payments of the Trust relating to these activities during the years 1980-81 to 1984-85 were as follows :

RECEIPTS :		(Rupees in Lakhs)				
Particulars	1980-81	1981-82	1982-83	1983-84	1984-85	
(1)	(2)	(3)	(4)	(5)	(6)	
1. Grant-in-Aid						
(A) From Government of India						
(i) Normal Activities including maintenance and building grant	35.51	40.98	54.04	72.03	84.30	
(ii) Exhibitions	5.46*	16.44	4.12	29.22	2.89	
(iii) Nehru Bal Pustakalaya	11.99	12.75	20.00	14.00	19.38	
(iv) Aadaan Pradaan	3.15	4.33	1.97	3.75	1.42	
(v) Subsidy Scheme	14.89	13.28	26.00	35.00	36.99	
(vi) Core Books	1.65	0.37	3.00	2.79	5.00	
(B) From Other Sources	—	0.52	0.23	3.17	2.14	
2. Sale of Publications	17.16	17.26	21.07	16.03	19.04	
3. Exhibition Receipts	9.36	23.09	10.10	29.23	8.71	
4. Miscellaneous Receipts	1.82	3.13	1.99	2.33	1.78	
Total Receipts	100.99	132.15	142.52	207.55**	178.65	

*Includes for World Book Fair also.

**Excluding a receipt of 70,000 dollars in foreign currency.

PAYMENTS :

Particulars	1980-81	1981-82	1982-83	1983-84	1984-85
1. Salaries and Office expenses etc.	35.93	45.70	58.46	60.17	79.46
2. Publishing :					
(a) Normal Activities	8.19	9.22	9.82	11.46	9.20
(b) Nehru Bal Pustakalaya	13.01	13.01	19.33	12.03	16.90
(c) Aadaan Pradaan	4.33	3.63	3.05	2.97	1.77
(d) Ad-hoc Schemes	0.05	0.23	0.28	0.34	0.29
3. Royalties	1.49	0.73	1.20	0.67	0.81
4. Subsidy Schemes	13.25	17.44	23.38	35.66	36.93
5. Core Book Programme	2.06	1.80	1.84	1.52	6.95
6. Exhibitions/Book Fairs	22.45	33.36	28.73	72.05	24.54
7. Seminars and Workshops	0.06	0.17	0.56	0.51	—
8. Other Schemes	0.05	—	—	1.74	2.58
Total Payments	100.87	125.28	146.65	19	1

1.6 The total grants-in-aid received by the Trust from the Government of India during the three years ending 31st March, 1985 were 50 per cent, 116 per cent and 106 per cent more as compared to the grants received during 1980-81. The Trust stated (February 1986) that for these calculations the grants received for subsidy books and core books needed to be excluded as these grants were to be paid away to authors and publishers as subsidies. Even if these grants were ignored percentage increase mentioned above came to 40, 112 and 93 respectively. Revenue earned from sale of publications, on the other hand, declined by 6.6 per cent during 1983-84 and 1984-85 as compared to 1980-81. This increased dependence on Government grants was mainly due to increase in salaries of staff, increased cost of production of Trust's publications and lesser revenue from sale of publications and lesser receipts from book Fairs and Exhibitions as compared to the expenditure thereon. The Trust stated (February 1986) that the decline in revenue was due to non receipt of bulk orders from State Governments during 1983-84 and the loss of substantial stock of books due to flooding of its basement godown during 1984-85.

1.7 From the annual Receipts and Payments of the Trust it is seen that the Payments are more than the Receipts during the years 1980-81, 1982-83 and 1984-85 and that there has been, on the other hand, decline in revenue earned from sale of Publications by 6.6 per cent during 1983-84 and 1984-85 as compared to 1980-81. When the Committee desired to know the measures taken by the Trust to increase its receipts so that it may become a viable unit, the Ministry stated :

"...NBT is not a commercial organisation and it does not work on profit and loss basis.....This is the only organisation which works to promote the reading habit in the country which is at present very low as compared to international standards. If the Trust increases the prices of its publications so as to increase its

revenue, the books would not reach the average reader who cannot afford to buy them. Similarly, in order to foster book-mindedness in the public, the Trust arranges book exhibitions periodically and the private publishers, specially the language publishers are encouraged to participate in these book exhibitions. If the Trust charges high rentals the publishers don't find it worthwhile to participate in these exhibitions as the sales do not commensurate with the expenses involved. The Trust, has, therefore, to subsidise the organisation of these book displays. Notwithstanding the above the Trust is taking various measures (such as negotiations with State/Central Government, supplying books in bulk to various Central Government Organisations, pursuance of School Organisation for prescribing Trust Publications as Text/Supplementary reading material, sales through wholesales and leading booksellers, publicity of Trust publications, Sales promotions through Regional Offices/mobile vans, etc.) to improve its sales. Further steps are also being taken to improve the sales of books in regional languages."

1.8 From its reply, the Committee find the Trust has been able to get orders only from 11 State Governments and 8 Union Territory Administration. The Committee therefore desired to know whether any efforts were made to get orders from other State Government's. The Ministry replied :

"Every State Govt. does not buy books from the National Book Trust every year because they also buy books from other publishers, both in the public and private sector, whose number is more than 7000.

During the year under review i.e. 1984-85 the Trust wrote to almost all the State Govts. and Union Territories for obtaining orders for their books."

1.9 In this connection, the Special Secretary, Department of Education informed the Committee as under :

"...the marketing or the sales side is not very active. That is the weakness in the organisation and perhaps this weakness has been there. I do not know whether there was a thought of linking the States to the stockists and make available the publications with the libraries, etc. I do recollect that we had discussions with the Divisional authorities concerned at one time and distribute them to the rural areas. But basically the policy of promoting the sales through selected stockists, wholesale agents and publication division had not been yielding the kind of results that one would expect."

1.10 In reply to a question about remedial steps taken by the Trust to reduce the overhead costs of publications of the Trust, the Ministry stated :

"In accordance with the existing formula for pricing the publications, the cost of paper and printing charges are taken as the prime cost of production. The prices are fixed at 2 to 2½ times the prime cost of production to partially cover the overhead expenses on cost and establishment of editorial and production sections, payment of royalties, cost of translation, publicity, commission and

distribution charges. All efforts are made to economise wherever possible but it is not feasible to reduce the overhead costs because the rates of wages and goods are bound to increase due to the inflationary trends....A detailed statement showing the sales of NBT publications language-wise since its inception is given at Appendix-II. The year-wise increase of sales of books is at Appendix-III. It will be seen therefrom that there has been steady increase in the sale of books from Rs. 6.66 lakhs in 1975-76 to Rs. 20.90 lakhs in 1982-83. Sales declined to Rs. 16.03 lakhs during 1983-84 and Rs. 16.04 lakhs during 1984-85 mainly because most of the books were damaged due to floods and Trust could not comply with all the orders as stocks were not available. In this connection, it may be further stated that the increase in sale proceeds during 198—283 was due to sale of larger number of copies of books and not merely because the price of books rose during this period."

1.11 While vetting the above reply of the Government, the Audit have pointed out that the above statement may be only partially correct as the various sales outlet had sufficient stock of books supplied by the Feeder Store upto August, 1984 (month of flood) and supplies to the same outlets were duly made by the Trust by getting reprint on priority basis. The main reason for decline in the revenue from sales despite the increase in sale price of various titles of all the Series, excepting Nehru Bal Pustakalaya have not been furnished and that the decrease in revenue was despite the various measures of sales promotion stated to have been taken by the Trust.

1.12 The Ministry of Human Resource Development partially agreed with the above Audit observation and stated :

"Orders worth about Rs. 3.00 lakhs were received during this period and could not be complied with mainly because of the non-availability of the stock. Further the decline in sales was due to general recession in the Book Trade during that period."

1.13 In another note the Ministry has stated that the Trust has taken the following steps to reduce the overhead cost :

"The staff strength of the National Book Trust have been got reviewed from the Staff Inspection Unit of the Ministry of Finance and action to reduce some of the posts as recommended by the Study Team is being taken.

The Trust does not have its own warehousing facilities for storing the stock in trade. It had to pay exorbitant rentals for this purpose (books are stored in C.W.C. godowns which is a Government undertaking). In order to minimise the expenditure on storage of its publications the Trust has since hired space at comparatively cheaper rates.

The Trust, in order to effect further economy in the selling and distribution cost, has also minimised the use of wooden boxes as packing material and substituted it, as far as practicable, by old card board cartons, which are comparatively cheaper.

All efforts are made to economise wherever possible but it is not feasible to reduce the overhead costs because the rates of wages and goods are bound to increase due to the inflationary trends. For example, the publicity charges depend mostly on rates charged by the newspapers which are revised periodically upward by them. Similarly, the expenditure on establishment also increases because of the periodical increments and revision of DA rates by the Government from time to time. The selling and distribution cost includes charges on establishment, storage, postage, transportation, freight and packing material. These items of expenditure by their very nature are unavoidable.

However, in order to reduce the difference between the cost price and the sale price, the Executive Committee of the National Book Trust has in its meeting held on 29-2-86, decided to form a Committee to look into the present pricing policies and to recommend suitable pricing formula for the future for all the National Book Trust Publications, in the light of market practices, actual expenditure, scope for rationalisation and the objectives of the Trust."

1.14 It is seen from Appendix II that 27% of total copies printed are lying unsold and that in the case of Assamese, Sindhi and Urdu books the percentage of unsold books even exceeds 33.3%. Asked about the reasons for this unsatisfactory state of affairs and the steps proposed to be taken to sell these books, the Ministry stated :

"It is a fact that it has not been possible to sell some of the language publications to the extent desired. Even in the case of publications brought out in private sector and some of the important publication establishments like Publications Division of the Ministry of Information and Broadcasting, Sahitya Akademi, which produce books of a general nature, the average percentage of copies remaining unsold varies from 25% to 33%. Further, it may be mentioned that Assam had been a disturbed area for some time. As far as Sindhi is concerned, only two books were published and since those books could not be sold, no new publications in Sindhi were brought out till 31 March, 1986.

As regards the sale performance of Urdu publications is concerned, all efforts are being made to sell these books. Apart from the existing measures being taken by the Trust to promote their sales, following additional steps are proposed to be taken to boost the sale of language publications in particular :

- (1) To locate new distributors/stockists for the sale of the language publications.
- (2) The Field Representatives have been called for a discussion and they have been advised to promote the sale of regional language publications in their respective regions with added drive and initiative.
- (3) Steps will be taken to review the functioning of the existing book centres so as to ensure that sale proceeds increase and

special efforts are made by the officials manning the centres to project the language publications among the various librarians, booksellers and heads of institutions etc.

- (4) The question of opening additional book centres at appropriate places shall also be considered.
- (5) Special efforts will be made to organise book exhibitions in the district headquarters and smaller towns.
- (6) Efforts will also be made to publicise the new titles in the professional journals and in the language newspapers."

1.15 The Audit have pointed out that a sum of Rs. 1.74 lakhs and 2.58 lakhs were paid during the years 1983-84 and 1984-85 respectively under the head "Other Schemes". Asked about the details of such schemes, the Ministry replied :

"The Trust was given special grants for specific projects by the Ministry, which could not be covered under existing schemes being operated by the Trust. These targets were often of Ad-hoc nature. Details of these expenditure are given as under :—

I. Ad-hoc General publications

	1983-84	1984-85
	(Rs. in lakhs)	
(a) History of Printing & Publishing in India	0.30	0.15
(b) Guru Nanak Vani	0.04	—
(c) Raja Rammohan Roy	—	0.14
TOTAL	0.34	0.29

II. Other Schemes—Seminars/Workshops etc.

(a) International Seminars & Rural Workshops	1.74	2.44
(b) Indo-GDR Cultural Exchange Programme	—	0.14
TOTAL	1.74	2.58

1.16 Explaining the existing formula for pricing the publications at 2 to 2½ times of the prime cost of production, the Department of Education stated as under :

"The decision to fix the prices in accordance with this formula was taken by the Executive Committee in its 33rd meeting held on 29-11-1965 in keeping with its aim to provide books at reasonable prices.

The percentage of charges on elements to the total overhead expenditure vary from year to year. However, the costing division of the Ministry of Finance which conducted a Sample Study to evolve a more scientific system for pricing of publications of the Trust has in its report stated that the overhead charges including

charges for storage, royalty, establishment, etc. range from 152% to 243% of the cost of production. All efforts are, however, made to reduce the overhead cost."

1.17 Enquired whether the Government have accepted the recommendation of the costing division and if not, what steps have been taken by the Trust in this directions, the Ministry replied :

"The Government has accepted the recommendations that the cost of each title should be worked out. The Staff Inspection Unit of the Ministry of Finance has recommended the creation of the post of the Cost Accounts Officer and a Cost Accountant. Immediately after these persons are in position, the costing of each title shall be worked out in the prescribed proforma."

1.18 As regards fixation of prices to recover the annual cost is concerned, the Ministry have, in another note to the Committee, further stated :

"...the matter was examined by the Executive Committee of the National Book Trust in its meeting held on 29 December, 1986. After examining, it in great detail the various alternative for pricing the Trust's publications, the Committee decided that if at all the overheads were to be loaded on pricing of the NBT books, NBT publications could be evolved. It was therefore decided to form a Sub-committee to look into this problem and submit its report within next four months to facilitate its consideration by the Trust."

1.19 It is also seen from Audit paragraph that there has been steep increase in the salaries & other office expenses from Rs. 35.39 lakhs in 1980-81 to Rs. 79.46 lakhs in 1984-85. When the Committee desired to know the reasons for this increase and the steps taken to reduce these expenses the Ministry stated :—

"The main reasons for increase in the payments to staff under the head "Salaries and Office expenses" have been mainly on account of the following :—

- (i) Normal increase in the salaries due to annual increments.
- (ii) Rate of A.D.A. during the year 1980-81 was 392 points whereas it had increased to 576 points towards the end of 1984-85.
- (iii) During the period Ad-hoc D.A. to Grade-I Officers was also sanctioned from time to time.
- (iv) Two instalments of interim relief were released during the period w.e.f. 1 June 1983 and 1 March, 1984.
- (v) Scheme of bonus has also been introduced during the period under consideration w.e.f. 1982-83.
- (vi) There has been a slight increase in the sanctioned strength of staff of NBT during this period.
- (vii) Rental charges incurred during the financial year 1983-84 and 1984-85 had also increased due to shifting of books and paper from the basement of A-5, Green Park to Central Warehousing Corporation to avoid damage to books due to flooding of basement godown during the rainy season.

- (viii) Opening of Regional Offices in Bombay and Bangalore resulted in increase in the office expenses by way of rental etc.

There is not much scope for reduction of expenditure under the head "Salaries and office expenses." However, efforts are being made by the Trust to reduce the administrative overheads as far as they could be. For example, the expenses on account of storage charges have been reduced by the Central Warehousing Corporation godown to Gurgaon where the rental charges are comparatively low."

(b) *Non-preparation of Proforma Accounts of Production activities*

1.21 The form of accounts of the Trust was approved in December 1979. The Trust was required to devise and prepare Proforma Accounts of its production activities, so as to ensure the cost effectiveness of the publications brought out by it. Although a period of over 5 years has elapsed, the Trust has not evolved a system of accounts indicating the working results of its production activities.

1.22 The following data compelled from the receipts and payments, accounts and stock statements gives a broad analysis of the working results of various production activities for the five years ended on 31st March 1985 which indicate a loss of Rs. 148.74 lakhs during this period even if the administrative cost is ignored.

A. COST OF PRODUCTION

(Rupees in lakhs)

Particulars	1980-81	1981-82	1982-83	1983-84	1984-85
(i) Cost of paper and printing (Prime Cost)	22.66	22.66	29.09	22.58	24.74
(ii) Translation and publicity charges	2.92	3.42	3.39	4.22	3.42
(iii) Other costs i.e. establishment (Editorial and Production Sections and Royalties)	8.93	8.93	10.84	11.67	13.75
A. Total Cost of Production .	34.51	35.01	43.32	38.47	41.91
B. Gross value at sale price of books produced	32.59	49.87	31.49	25.86	27.39
C. Free distribution discounts and allowance for weeding out	16.86	25.81	16.29	13.39	14.15
D. Net revenue realisable .	15.73	24.06	15.20	12.47	13.24
E. Establishment charges on sale, distribution and publicity sections and packing and forwarding charges .	4.12	5.72	7.19	9.24	9.95
Shortfall of revenue realisable over cost (A + E) — D .	22.90	16.67	35.31	35.24	38.62

1.23 While fixing selling price the Trust had been charging over-heads on the cost of Books as under :—

Name of Series	Percentage of over-heads to cost of production
(i) Nehru Bal Pustakalya	Nil
(ii) Aadaan Pradaan	100 per cent
(iii) Normal Activities	125 to 150 per cent

Even if the Administrative and Office expenses are ignored, the over heads on production and sales work out to 159 per cent of prime cost and losses to the Trust on an average amounted to Rs. 29.74 lakhs per annum.

1.24 When the Committee desired to know whether the Trust has evolved the system of preparing the proforma accounts indicating the working results of its activities, the Ministry of Human Resource Development stated :

“National Book Trust on the basis of the advice given by the Ministry of Finance, Department of Expenditure (costing division) is taking steps to devise a system of proforma accounts of its production activities.

The costing division conducted a study to evolve a more scientific system for pricing of publications of the Trust. In its report the costing division has recommended that the production cost of each title, should be accounted for in separate cost statements for fixing the price which should include direct costs such as cost of paper, composition, printing charges, block making charges, packing charges proof reading charges, royalty charges, cost of translation, reviewing charges and indirect costs i.e. overhead charges such as salaries, allowances, T.A. rent, postage, telephone, depreciation, publicity and other office expenses as a proportion to direct cost. Commission and royalty payable based on rates should be added for fixing the price per copy. The Executive Committee approved on 29-12-86 of proforma accounts for its production activities and implementation of the cost accounting system after establishment of a cost Accounting Cell. . . . The Committee looked at some of the titles published and came to the view that, if at all the over-heads were to be loaded on pricing of the National Book Trust books, NBT publications would become out of reach of the common reader; this would defeat the very purpose of the setting-up of NBT. . . . It was, therefore, decided to form a committee to look into the present pricing policies and recommend for the consideration of the Executive, suitable pricing formulae for the future for all the NBT publications (including Nehru Bal Pustakalaya) to enable the Committee to take a viable decision in the matter, in the light of market practices, actual expenditure scope for rationalisation and the objectives of the NBT. The Committee composed of (10 members) would be expected to submit its report within the next 4 months, to facilitate the consideration at the next Executive Committee meeting.”

1.25 From the cost of production of books it is seen that there has been a shortfall of revenue realised over cost to the extent of Rs. 148.74 lakhs during the years 1980-81 to 1984-85. The Committee therefore wanted to know the total shortfall of revenue realised over cost since the inception of National Book Trust. The Ministry stated in this regard :

"Since the cost of each title is worked out in individual files, it is not practicable to work out the exact cost of the production of these titles as old files have been destroyed. keeping in view its objectives, it is necessary to subsidise the activities undertaken by the Trust. It cannot run on no profit no loss basis. The annual reports of the Trust together with its accounts are laid in both the Houses of Parliament every year together with audit reports and audit certificates. These reports contain the information relating to the annual grants sanctioned to the Trust by the Government and also contain the position of excess of income over expenditure and vice-versa. The pricing formula of the Trust publication is being revised to reduce its dependency on the Government."

1.26 Asked as to what criteria have been laid down for changing the overheads on the cost of books, the Ministry replied :

"National Book Trust brings out its publication under specific projects. The criteria for fixing the price is as per the decisions of the Executive Committee which is as follows :

- | | | |
|-------------------------------------|-----------|---|
| 1. Non-Plan (Trust's) own programme | • • • • • | 2- $\frac{1}{4}$ to 2- $\frac{1}{2}$ times the cost of production. |
| 2. Aadaan Pradaan | • • • • • | 2 times the cost of production |
| 3. NBP/Special Assignment | • • • • • | Fixed price as decided by the Ministry/Executive Committee/Competent Authority. |

Costs of production of books are arrived at on the basis of direct costs which include expenditure on printing blocks, paper, binding, proof reading. The Unit cost is arrived at with reference to the above direct costs on a given book for applying the pricing formulae under specific categories."

1.27 To a question whether reasons for increase in costs have been analysed and remedial measures taken to reduce the selling and distribution costs, the Department of Education replied :

"The selling and distribution cost includes charges on establishment, storage, postage, transportation, freight and packing material. These items of expenditure by their very nature are unavoidable. The NBT books are subsidised and as such their sale proceeds, i.e. income from sale of publications, are bound to be low. Therefore, comparing the selling and distribution cost with the revenue realised as sale proceeds may not give a realistic picture.

The Trust does not have its own warehousing facilities for storing the stock in trade. It has to pay exorbitant rentals for this purpose (books are stored in C.W.C. godowns which is a Government Undertaking). In order to minimise the expenditure on storage of its publications the Trust is exploring feasibility of hiring some suitable space at comparatively cheaper rates.

The Trust, in order to effect further economy in the selling and distribution cost, has also minimised the use of wooden boxes as packing material and substituted it, as far as practicable, by old carded board cartons, which are comparatively cheaper.

It is not desirable to reduce the direct establishment cost as the sales promotion department has to look after marketing throughout the country."

1.28 It is seen from the Audit paragraph that against the overhead charges of 159% of prime cost, the Trust is charging annually nil (Nehru Bal Pustakalaya) 100% (Aadaan Pradaan) and 125-150% (Normal activities) and losses to the Trust on an average amounted to Rs. 29.74 lakhs per annum on this account. When asked about, the steps taken to avoid losses on this account, the Ministry stated :

"The Executive Committee after a careful consideration appointed a Committee to look into the present pricing policies and to recommend suitable pricing formula for the future, for fixing the prices of NBT publications, for its consideration and to take a viable decision in the matter, in the light of market practices, actual expenditure, scope for rationalisation within the objectives of the Trust. The Trust expects to evolve a system there from to reduce the losses on account of overhead charges."

1.29 One of the reasons given for increase in the cost of publications is due to payment of exorbitant rentals for storing the stock in the Central Warehousing Corporation Godowns. The Trust is exploring for hiring some suitable space at comparatively cheaper rates. In this connection, the Ministry stated that the Trust proposes to construct its own building and provision for storing of books will be made in the building.

(c) *Rising selling and distribution costs*

1.30 There had been disproportionate increase in selling and distribution cost from Rs. 3.34 lakhs in 1980-81 to Rs. 7.61 lakhs in 1984-85. A comparison of the expenditure on selling and distribution of Trust's publications with the revenue from sales revealed that the ratio of selling and distribution cost to sales increased from 19 per cent in 1980-81 to 47 per cent in 1984-85 as shown in the following table :

	(Rs. in lakhs)				
	1980-81	1981-82	1982-83	1983-84	1984-85
(A) Revenue from sales	17.16	17.26	21.07	16.03	16.04
(B) Expenditure on selling Distribution :					
(i) Establishment charges	3.06	3.93	5.13	6.04	6.40
(ii) Packing and forwarding charges	0.28	0.89	1.02	1.97	1.21
	3.34	4.82	6.15	8.01	7.61
Percentage ratio of selling costs to sales	19	28	29	50	47

1.31 When the Committee desired to know the reasons/factors responsible for substantial rise in the ratio of selling and distribution cost to sales from 19 per cent in 1980-81 to 47 per cent in 1984-85, the Department of Education stated :

"The selling and distribution cost includes establishment charges and forwarding and packing charges. The increase in the distribution cost is mainly due to increase in the salaries of the staff and in the postal rates. The increase is also due to rise in cost of packing material and freight charges..... there was a marginal increase in the staff strength engaged on sales."

Total number of copies printed in all Indian languages as on 31-3-1985 is 1,38,08,033 out of which copies sold/free distributed/damages is 1,02,48,087. The number of copies lying unsold in various godowns of NBT is 35,59,946 with total selling at Rs. 1,00,14,273.05.

III. SCHEMES OF BOOK PRODUCTION

1.32 (a) Own Programme (Normal Activities)—the Trust had not been preparing any annual long term programme laying down annual targets of publication under each of the eight series covered under its own programme (Normal Activities). A comparison of number of original titles produce under its own programme during the five years block (1980-81 to 1984-85) with those produced during the previous two blocks (1970-71 to 1979-80) revealed that the annual average of publications brought out during the period 1980-85 was comparatively lower as indicated in the table below :

Sl. No.	Name of Series	No. of titles brought out Annual coverage of original titles published during					
		1970-71 to 1974-75	1975-76 to 1979-80	1980-81 to 1984-85	1970-71 to 1974-75	1975-76 to 1979-80	1980-81 to 1984-85
1.	India—The land & The People	61	47	27	12.2	9.4	5.4
2.	National Biography	118	41	39	23.6	8.2	7.8
3.	Popular Science	—	16	11		3.2	2.2
4.	World of Today	4	3	1	0.8	1.6	0.2
5.	Folklore of India	9	7	9	1.8	1.4	1.8
6.	Young India Library	13		11	2.6	4.2	2.2
7.	Adult Education	—	4	9		0.8	1.8
8.	Rural Publicity Project	—	4	28	—	0.8	5.6
9.	General Publicztions including Dr. Zakir Hussain Memorial Series	40	43	20	8.0	8.6	4.0
		245	186	155	49.0	37.2	31.0

1.33 As the annual coverage of original titles has considerably gone down during the five years (1980-81 to 1984-85) as compared to previous two blocks (1970-71 to 1974-75 and 1975-76 to 1979-80), the Committee desired to know whether reasons for this has been analysed. The Department of Education replied :

"In the formative years the number of reprints in Nehru Bal Pustakalaya was negligible. During the later years i.e. 1980-81—1984-85, the number of reprints was 239 as compared to 65 brought out during the period 1970-71—1979-80. The total production in the last five years was 436 books (average 87) as against

346 books and 278 books during the period 1970-71—1974-75 and 1975-76—1979-80 respectively as given below :

Year Block	1970-71 to 1974-75			1975-76 to 1970-80			1980-81 to 1984-85		
	Orig- nal	Re- prints	Total	Orig- nal	Re- prints	Total	Orig- nal	Re- prints	Total
Books Published	335	11	346	224	54	278	195	239	436

The abnormal increase in the production of reprints during the last 5 years has thus obviously affected the publication of the original in the series."

1.34 It is seen from the above reply that whereas the number of reprints have increased from 11 (1970-71—1974-75) to 239 (1980-81—1984-85), the number of publications of original titles have decreased from 335 to 195 during the same period. Giving reasons for this abnormal phenomenon, the Department of Education stated :

"The publication of 239 reprints has affected the publication of original titles during this period.

(a) The broad reasons for the abnormal increase in the production of reprints are as under :

(i) The series have become popular among the children, therefore, some of the fast moving titles are being reprinted time and again on getting orders from various parts of the country.

(ii) Some of the NBT books have been prescribed as text books."

1.35 The Audit has desired that a comparative statement of original titles finalised by the Editorial Wing and printed by the production Wing for the year 1970-71 to 1974-75 and 1980-81 may be attached with the final note. In this connection the Ministry of Human Resource Development have submitted a comparative statement of original titles finalised by the Editorial Wing and printed by the Production Wing for years 1980-81 to 1984-85 as under :

Sl. No.	Year	No. of original manuscripts finalised by Editorial Wing and sent to Production Section	No. of original manuscripts printed by the production Section
1.	1980-81	42	20
2.	1981-82	17	19
3.	1982-83	40	56
4.	1983-84	102	41
5.	1984-85	38	59
		239	195

1.36 In reply to a question about the steps taken to encourage the publication of original titles, the Department stated :

"The main problem with regard to the publication of the original titles is getting the translations printed in regional languages, especially in the southern Indian languages. The Trust is making efforts to bring out more original titles and recently most of the manuscripts have been assigned to the presses."

1.37 In this connection the National Book Trust stated in February 1986 that the number of original titles published by the Trust declined due to its taking up the production of translations in regional languages and also due to difficulties in locating the best authors and their failure to stick to the time schedule.

1.38 Asked whether the Trust was satisfied with the rate of remuneration being adequate to attract the right talent and whether it has probed the question of increasing the incentives to authors who may stick to the prescribed schedule, the Trust replied :

"... The trust does not fix a strict time Schedule for NBP authors or illustrators. It generally expects them to complete and submit the work within 3-6 months, but has never been rigid about this. Trust has revised the rates of payment to authors and translators in 1982. Depending on the status of authors/illustrators and contents of the book, the remuneration is suggested and approved by the competent authority. Since Trust commissions authors who are experts in their fields, it is not the rate of remuneration but their busy schedule which is the main reason for their inability to submit the work within 3-6 months."

Asked whether the above time schedule is workable, the Ministry stated :

"The time schedule has been found workable despite a few authors/illustrators not keeping to schedules. The series has been planned to assure alternative titles which can be processed for production."

1.39 The Ministry of Human Resource Development had informed the Committee that giving encouragement to authors had been the prime concern of the National Book Trust over the years. With a view to get best reading material the Trust had been encouraging eminent persons/authors for writing its publications with very attractive royalty payments and translation charges. As far back as September 1982 the Trust at its own initiative had decided increasing the royalty rate from 15% to 20% to authors to associate with Trust's publishing programme. In comparison with the commercial world, the rate of royalty and translation charges being defrayed by The Trust to authors and writers are by far the best. The Trust also operates a Subsidy Scheme exclusively aimed at encouraging Indian authorship with very attractive terms. This scheme is primarily concerned with creation of educational materials including textbooks and reference books for the undergraduate, graduate, post-graduate and diploma level publications directly addressed to the students. This scheme is being administered

by the Trust exclusively to support, sustain and develop indigenous authorship, primarily serving the interest of Indian authors. Under this Scheme the authors are provided the following incentives, benefits and protection :

"In order to encourage the authors, the royalty payable to them is determined on a notional higher price, two and half times the unit cost as against the subsidised/printed price which is two times the units cost.

15% royalty is paid to authors direct by the Trust on the above said notional price.

Royalty on two-thirds of the print run at the above rate is paid in advance soon after the book is released. The remaining royalty on 1/3rd of the print run is paid on the basis of sale of copies.

Under the Subsidy programme, in the order to encourage the authors and increase the sales, the price of books are fixed at a very moderate level."

1.40 In reply to a question about the procedure in vogue for fixing the remuneration to authors, the Ministry stated :

"The Trust bring out books under various series such as India—The Land and People, National Biography, Popular Science, Folklore of India, Young India Library, Aadaan Pradaan and Nehru Bal Pustakalaya.

Under Nehru Bal Pustakalaya and Aadaan Pradaan series, the authors are offered lumpsum fee. Under the Nehru Bal Pustakalaya a lumpsum honorarium of Rs. 1500-6000/- is offered to the authors depending upon the status of the author and contents of the book.

Under the Aadaan Pradaan series a lumpsum of Rs. 4000/- is paid to the author for translation of their works into a maximum of four languages and Rs. 500/- for their translation into each additional language.

For other series the procedure of royalty to the authors is as under :—

- (a) 20% (twenty per cent) in the original language in which the said work is written on the first and all subsequent editions and translations provided by or paid for by the author.
- (b) 10% (ten per cent) on the first editions of all translation, if the translation charges are borne by the Trust. On second and subsequent editions/printings of the translation, however, the author is paid a royalty of 20% (twenty per cent).

As far as the royalty is concerned the terms of the royalty are the same for all the authors under all the series except Aadaan Pradaan and Nehru Bal Pustakalaya as mentioned above.

For Nehru Bal Pustakalaya, the series Editor suggests the honorarium in lumpsum to be paid to the author depending upon the contents of the

book and the status of the author and is approved by the competent authority.

The maximum amount of royalty paid to any author under the scheme to subsidise University level text books and reference books is Rs. 3,59,789.00. This amount of royalty was paid to Shri R. L. Gupta during the period 1982-87 for his books on Advanced Accountancy which were published in six editions.

As regard royalty paid to authors under Normal Publishing Programme, the maximum amount of royalty paid to any author during 1985-86 was Rs. 4958/- and the minimum was Rs. 6.30.

During the year 1985-86 the trust has paid to its authors royalty as well as lumpsum payment in the following manner :

	Rs.
(A) Royalty paid to authors under the Scheme to subsidise University level books and reference books	13,06,801.62
(B) Royalty paid	65,079.38
(C) Lumpsum honorarium paid to the authors	33,600.00

1.41 A further analysis of the balance of unsold books at the end of March, 1984 i.e. before loss of books in floods revealed that unsold copies on Adult Education, Popular Science and General Publications were, 51 per cent, 45 per cent and 33 per cent (priced at Rs. 0.69 lakh, Rs. 2.44 lakh and Rs. 5.55 lakhs respectively) of the number of books produced between 1970-71 and 1983-84. The Trust stated (February 1986) that compared to books in English and Hindi, it took more time to sell complete stock of books in regional languages. When the Committee desired to know the reasons for low percentage in sale of books in regional languages and the steps taken to popularise these books in these languages, the Ministry replied :

"Hindi and English are spoken and read in most of the States whereas readers in language editions are confined to one or two States only. As such, the readership for regional languages, as compared to Hindi and English, is lesser in number. Secondly the Trust do not have its own sales outlets in all the States to promote books in all the regional languages and to directly cater to the needs of all the children. So far till 1984 the Trust had its own book centres only at Delhi, Hyderabad, Calcutta, Santiniketan & Amritsar. It was only in the year 1984 that the Trust have set up its two regional offices at Bombay and Bangalore and another Book Centre at Mysore.

However, for promoting the sale of language editions of NBT books including those published under this series, the Trust, apart from selling the books through its own book-centres set up at various places in the country and through sales counters at regional offices established in Bangalore and Bombay, has made arrangements to sell its publications through leading book-sellers, stockists and wholesalers. Some of the stockists who stock and sell English and Hindi books, are encouraged

to sell other language editions also. Publicity for the publications are resorted to through regional language journals from time to time.

Periodically, State Governments/Central Government organisations are approached with specimen copies of language editions of the Trust publications with a view to obtaining prescriptions or for consideration of bulk orders for supplying such publications to schools/libraries and other institutions.

Language publications are also prominently displayed and sold at regional/state/district level book fairs and exhibitions organised by the Trust and other organisations. Occasionally books are also carried by mobile van to various schools for organising special exhibitions in the school premises so that books may be noticed by the school children and purchased in the languages they like to read.

On experimental basis, the Trust proposes to introduce a scheme for children office at Bombay under which children will be made members on subscription of some specified fee and will be supplied the Trust publications in the language they like to read at special discount. The Trust has also given special discount on Assamese books in a book fair organised at Gauhati in 1984.

The NBT Book Centre, particularly at Calcutta and Hyderabad, have proved effective to promote the books published in the language(s) of concerned region and the languages of the neighbouring regions. With the opening of the regional office at Bombay, the sale of books in Gujarati & Marathi have also improved."

1.42 One of the main reasons for low sale of books in regional languages, as given by the Ministry, is that the reading habits in the country specially in the rural areas have not been fully developed. The NBT in order to promote the reading habits have been organising seminars/workshops from time to time. The main difficulty is that people cannot afford to buy costly books. The postage charges are quite heavy. The P&T Department has further increased the rates. Further, it has not been possible to publicise the language books in rural areas because the promotional cost are quite heavy and it does not commensurate with the sale of books.

1.43 Asked whether the National Book Trust proposes to start its own centres in the States where these are not in existence and if so, what are the guidelines on the subject, the Deptt. of Education stated :

"It has been observed that the sale performance of some of the existing book centres is not satisfactory. The Trust proposes to review the working of the existing book centres. Thereafter, as a long term project, it is also proposed to set up new centres in places where at present no sales outlets are available or where the universities any institutions is prepared to offer space for opening a book centre at a nominal rent and demand for books can be created. The proposed books centres should

be at places which are easily accessible to the students and the readers in general."

1.44 When the Committee enquired the reasons for setting up a regional office at Mysore, particularly when the Trust had earlier set up its regional office at Bangalore, the Department of Education replied :

"The Trust had originally opened only one Book Centre at Mysore. This centre was opened in June 1984. The objective of this centre is to project NBT publications.

Regional Offices were opened in Bangalore and Bombay with a different purpose."

1.45 In this connection the Ministry added that the Administrative Staff College of India, Hyderabad, which was deputed to examine, the 'Strategic objectives and Organisation Design' of the Trust, had also *inter-alia* recommended in 1978 that the Trust should aim to develop a regional net-work. This was felt necessary to make its publishing programmes relevant to regional needs and to coordinate its fast developing distribution net-work. Explaining functions of these regional offices, the Ministry stated :

"These regional offices will be expected to undertake editing, printing of its publications in regional languages through close liaison with translators, languages presses etc. These offices will be responsible for sale of its publications and sale promotion work through maintenance of closer links with institutional buyers in their respective regions. They will organise book exhibitions and fairs either independently or in collaboration with the local organisations of book industry and trade. They would also help in conducting field research studies and organising seminars for coordinating and promoting the various programmes and projects undertaken by the Trust from time to time.

It is too early to assess the functioning of these regional offices. In this connection, it may be added that only skeleton staff was provided in these regional offices. The posts sanctioned could not be filled up because of the general ban on recruitment."

1.46 The following are the gross total sales of books done through these three centres :

Book Centres/Regional Offices	1984-85	1985-86
(1)	(2)	(3)
	Rs. P.	Rs. P.
1. Mysore	7,000-00	23,839-00
2. Bangalore	60,811-00	63,826-00
3. Bombay	56,624-00	2,44,133-80

1.47 The Education Commission recommended in 1967 that the entire thinking of the rising generation would be different and national integration could be immensely strengthened, if a set of about 100 books on different topics could be written by the best of scholars in the country translated and made available in every school and if an average student reads them in his school course as a matter of routine.

The above recommendations of the Commission were considered by a Committee of members of Parliament who recommended that the Government of India should undertake, sponsor or promote the production of a series of books on different topics of National interest to be written by the most competent persons in the field, translated in all the Indian languages and priced exactly the same in every school.

1.48 Accordingly, the Government of India sanctioned a scheme entitled "Nehru Bal Pushtakalaya" towards the end of 1968-69 and entrusted it to the Trust for implementation. Under the Scheme, books were to be sold at a price of Rs. 1.50 per copy in the open market, the discount allowable to State Governments being 50 percent to 66.66 percent up to April 1977 and 33.33 percent from May 1977. The selling price per copy was subsequently revised to Rs. 2.00 and Rs. 2.50 with effect from April 1975 and May 1977 respectively. Grants totalling Rs. 156.63 lakhs were released to the Trust by the Government upto 31st March 1985 for the scheme. The target of 1300 titles in 13 Languages envisaged to be achieved by the end of 4th Five Year Plan itself could not be achieved by the Trust even upto the end of Sixth Five Year Plan. Only 710 titles had been published upto March 1985. As against the annual average of 51 titles of this series published during the period from 1970-71 to 1979-80, the average production during the subsequent period 1980-81 to 1984-85 was 40 titles only. The sale proceeds of the books during the period upto 1984-85 amounted to Rs. 42.82 lakhs. Out of 101.41 lakh copies of 710 titles published upto the end of March, 1985 priced at Rs. 184.92 lakhs, 7.50 lakh copies priced at Rs. 20.03 lakhs were damaged during flooding of one of the godowns of the Trust in August 1984, 75.93 lakh copies were sold/distributed free till then, the remaining unsold 17.98 lakh copies, priced at Rs. 45.51 lakhs constituted 46 percent of value of books held by the Trust at the end of March 1985.

1.49 In this connection the Ministry of Human Resource Development stated that to reduce expenditure on storage, the question of weeding out unsaleable books was also considered by the Executive Committee in its meeting held on December 29, 1986. The Committee decided to constitute a Committee for the purpose. It was also decided that the process of weeding out as per the existing rules shall continue to be followed. Out of 101.4 lakh copies of 710 titles published upto the end of March 1985, 85.93 lakh copies were sold/distributed free. Thus about 75 percent of the number of copies produced were sold. The bulk of the copies which remained unsold pertain to the period 1984-85 and are likely to be sold shortly.

1.50 Asked about the number of copies distributed free of cost, the Ministry replied :

"As per Sales Statement as on 31st March, 1985 prepared by the National Book Trust, 63812 copies of publication under Nehru

Bal Pustakalaya series till 31st March, 1985 were distributed free of cost and the remaining were sold."

Giving latest position regarding remaining copies of publications lying with the National Book Trust, the Ministry stated :

"The Number of books under the Nehru Bal Pustakalaya series out of those which were published till 31st March, 1986 as per Sales Statement prepared by the Trust were 12.58 lakhs copies. Remaining copies and some copies of books published under Nehru Bal Pustakalaya series during 1986 were sold."

1.51 In reply to a question whether the Central Schools and schools situated in the States had been contacted to motivate them to purchase these series, the Ministry stated :

"NBT is contacting Central School Organisation since the release of first set of NBT books. The Kendriya Vidyalaya Sangathan has approved the following books in Hindi as Text-Books/Supplementary reading material from time to time.

1. Himalaya Ki Chotiyoan Par
2. Swarg Ki Sair
3. Aao Natak Khelen
4. Veron Ki Kahaniyan
5. Rohanta Aur Nandiya
6. Vishva Ko Badal Dene Wale Avishkar (Pt. I & Pt. II)
7. —do—
8. Yug Yug Ki Kahaniyan
9. Sabka Sathi Sabka Dost
10. Pustaken Jo Amar Hain
11. Sona Ki Kahani

At present four books listed at Sl. No. 5, 8, 9 & 10 are prescribed by Kendriya Vidyalaya Sangathan.

The Trust publication 'Katha Bharti-Gujarati Kahaniyan in Gujarati by Yashwant Shukla published in Aadan Pradan series has already been prescribed by the Govt. of Tamil Nadu as text book for Hr. Secondary Schools in Tamil Nadu. The Central Board of Sec. Education has also prescribed following 3 publications published under Aadan Pradan Series as text books.

1. Sweeya Charitramu Veerasalingam
2. Hindi Ekanki
3. Katha Bharti-Telugu Kahaniyan.

The Trust title Rani Laxmi Bai in Hindi has been prescribed in the 10+2 syllabus of Jammu & Kashmir.

Bharathiari University, Coimbatore has also informed that the Trust's publication entitled National Culture of India has been prescribed as text book for B.A. Br. VIII, English Literature-VI for the Semester April, 1989. State Government schools are also

approached through Directorate of School Education/Directorate of Public Instructions for getting recommendations/bulk orders."

1.52 However, Director, National Book Trust informed the Committee that among children the most popular title is Mahatma Gandhi—Sab ka Sathi sab ka dost. We have published more than 10 re-printed so far. Asked as to how many copies had been sold, the Special Secretary, Ministry of Human Resource Development replied :

"In all the re-prints together for this particular title 2 lakh copies have been printed and sold. . . . in quantitative terms the impact is very much below what is to be expected. That means you are right when you take the number of children—10 crore children in the age group of 6-14, certainly selling of 2 lakh books will be nowhere. Seeing the number of schools—500 thousand—from that point of view certainly the quantitative impact is not there."

1.53 In reply to another question whether this matter was ever discussed in the executive committee meetings, he stated :

"From the records and files I have been that they have gone into the normal sale promotion activity. I have not found any evidence of their having examined this aspect."

1.54 To a suggestion as to why NBT Books could not be given as prizes in the Kendriya Vidyalayas, the witness stated :

"Certainly I would like to welcome the suggestion. In the new education policy one of the thrusts is to provide certain minimal facilities which hitherto were not there. In the education budget library, teaching aids, books, teaching material are the ones which have suffered in every case of constraints of financial resources. Because of this we would very much like to welcome this suggestion, because we want to make it norm based. This question has been discussed in the Central Advisory Boards Meeting that there should be a minimum budget in the schools. But somehow or other, the result has not at all been very satisfactory. In the new education policy this is one of the thrusts which is being attempted to lay down certain basic norms."

Enquired why NBT was not publishing Penguin type publications for a very large circulation, the witness replied 'it is a very interesting idea.'

1.55 The progress of Nehru Bal Pustakalaya series was to be reviewed by an Advisory Panel consisting of Principals of Schools, childrens' book writers, illustrators and Directors of Public Panel was required to meet at least once in a year. It was, however, noticed that during the period 1978-79 to 1984-85 only two meetings were held, one in July 1978 and the other in August 1984 in which only titles to be printed were to be decided. When the Committee desired to know the reasons due to which only two meetings could be held during the period from 1978-79 to 1984-85 even though it

was required to meet once a year, the Ministry of Human Resource Development stated :

"In the initial years, the planning of the Nehru Bal Pustakalaya series required frequent meetings. After the series had got off the ground, and we were receiving adequate number of manuscripts Panel Meetings were called as and when required to review published titles and suggest new ones."

1.56 Asked about the recommendations of Panel regarding the progress of aforesaid series, the Ministry replied :

"The Panel Members mainly suggested titles and authors for the series. Members of the Panel were generally satisfied with the books produced under the series and in 1984 were unanimous in their appreciation of recent Nehru Bal Pustakalaya publications. The Panel Members have stressed that there should be improvement in sales and distribution."

1.57 It is seen from the Audit Paragraph that a study team of the Administrative Staff College Hyderabad recommended in July 1979 that the Trust should initiate sample surveys evaluation at least in respect of Nehru Bal Pustakalaya series in cooperation with some of the Kendriya Vidyalayas, Although a period of over 5 years has elapsed since then no evaluation/survey of the scheme has been undertaken by the Trust. Elucidating the circumstances under which the survey/evaluation could not be undertaken, the Ministry stated :

"Since the Principals of Sardar Patel Vidyalaya and Springdales School, New Delhi are on the advisory panel of the Nehru Bal Pustakalaya series, the Trust got evaluation of several titles under the series through the teacher and students of Sardar Patel Vidyalaya and Springdales Schools. The Trust has organised various book exhibitions in the premises of schools, including Kendriya Vidyalayas, and from the sales of books they found that the Nehru Bal Pustakalaya series is quite popular among the students. Other surveys of general nature during 11th National Book Fair (1983), 6th World Book Fair (1984) and in the Bhubaneswar Book Festival (1985) have been conducted on different segments of readers. The Trust has now been advised to conduct specific evaluation/survey of Nehru Bal Pustakalaya scheme."

1.58 When the Committee desired to know the titles of which the evaluation was got done, the Ministry stated :

"Evaluation in respect of as many as 28 titles have been got done. These titles, it may be mentioned, are both in English and Hindi and represent an effective cross-section of the titles published for various age-groups under the Nehru Bal Pustakalaya series."

In reply to a question as to why the evaluation got done through the teachers and students of Kendriya Vidyalaya Sangathan, the Ministry stated :

"The Trust however should have got the evaluation also done through the teachers of Kendriya Vidyalayas Sangathan. The Trust has been advised to complete this exercise in 1987."

1.59 It was further noticed by Audit that against the normal practice of printing of books of this series on creamwove quality of paper costing between Rs. 100.00 and Rs. 150.00 per ream, the Trust used heavier and costlier variety of maplitho paper costing between Rs. 200.00 and Rs. 300.00 per ream in a number of cases resulting in avoidable extra expenditure of Rs. 4.00 lakhs during the period 1982-83 to 1984-85. When asked why concessional/cheaper variety of paper could not be used, the Ministry of Human Resource Development stated :

“.....the quantity of paper made available to the Ministry of Human Resource Development is approximately 75% of the total requirements of the educational sector excluding the demands of the universities and religious and cultural organisations in the education sector. It is hardly sufficient to meet the requirements of school level text and reference books and exercise books and examination papers... The Trust accordingly uses creamwove paper which is the cheapest alternative variety.

But some of the publications contain fine illustrations with sharp gradation of total effect and intricate details in multi-colour. The desired standards of production cannot be achieved in these cases if creamwove variety of paper is used. It is not desirable to compromise with quality of production of books meant for children whose taste for finer and well produced illustrations has to be cultivated from the very beginning. The matter has been brought to the notice of the Ministry of Industry many a times but it has not been possible to get more quantity of paper from the paper mills.”

1.60 However Audit have observed that Nehru Bal Pustakalaya being a sponsored programme of the Ministry any deviation for use of costlier paper should have been got approved from the Ministry. Since it was well-known that concessional paper is not available the Trust did not consider it necessary to seek the clearance of the Ministry.

Asked about the difference in the cost of paper supplied by the Ministry of Industry and that purchased from the open market, the Ministry of Human Resource Development stated as under :

“Rate of paper being purchased from the open market : Rs. 11,000 per M.T. (Approx.)

Rate of concessional paper of the Ministry of Industries : Rs. 7,200 per M.T.

Difference per metric tonne : Rs. 3,800 per M.T. (Approx.)”

1.61 In reply to a question about the effective steps taken by the Trust to correlate appropriately the predetermined selling price of these series with their actual cost of production, the Ministry stated :

“Initially when the scheme was introduced in 1969, the price of the series was fixed at Rs. 1.50 per copy after taking into consideration the cost of production at that time and also it was ad hoc basis to cover 400% overhead charges. The Ministry envisaged that a grant upto Rs. 1 lakhs per title would be paid to the National Book Trust. The price of the series was raised

to Rs. 2.00 and Rs. 2.50 per copy in 1975 and 1977 respectively. The pricing of this series was reviewed in the meeting of the Executive Committee of the National Book Trust held on 18-7-78, when it was decided that a maximum price of a title in this series should be fixed at Rs. 2.50 and in case the price of any title is to be fixed beyond Rs. 2.50, the NBT should obtain specific approval of the Ministry. This decision was taken to ensure supply of books among the children at moderate prices. Since the books published in the series were priced at a predetermined basis the effect of the cost to the prices of the Publications has not been correlated. Therefore, the Trust had no means to ensure that normal commitment or subsidy per copy was not exceeded."

In this regard the Ministry added :

"No proposal for revision of prices for Nehru Bal Pustakalaya Series was received in the Ministry from the Trust after 18-7-1978. In March, 1986, however, in the light of the Audit comments the Trust approached the Ministry for approval of their proposal for pricing of NBT Services (a Rs. 10/- per copy on an ad hoc basis to cover 400% overhead charges. The Ministry advised the Trust that this matter should be examined first by their Executive Committee as the price should be increased after examining all aspects. The Executive Committee in its meeting held on 29th December, 1986 has decided that all aspects relating to the pricing of publications should be examined by a Sub-Committee."

IV. AADAAN PRADAAN

1.62 In the middle of 1968, a Scheme for publication of ten best books in each language mentioned in the Eighth Schedule of the Constitution by translating them into the remaining languages was mooted by the Ministry of Education at the instance of Cabinet Secretariat, to spread the knowledge of literary achievements in all the languages. This was accepted by the Planning Commission in January 1969 and a plan outlay of Rs. 50 lakhs was approved for the Fourth Plan. The scheme envisaged publication of 1335 titles, including some anthologies of short stories or one Act Plays to be published in original language also. Against the target of 1335 titles to be published in ten years i.e. by the end of Fifth Plan, only 579 titles (43 per cent) could be produced in 16 years upto the end of March, 1985.

1.63 When the Committee desired to know the total amount spent on producing 579 titles, the Ministry of Human Resource Development stated :

“The actual cost of production of each title is worked out on title to title basis in a separate file. Since these titles were produced long time back, it is difficult to call out information from the files which are now over 10 years old. Some of the files might have been destroyed. As mentioned in the audit report, the published price of 7.55 lakh copies of 579 titles was Rs. 70.87 lakhs. Since according to the formula adopted by the Trust, the price was to be worked out at 100% of the actual cost of production excluding the overheads, the cost of production can be stated to be at Rs. 35.43 lakhs.”

1.64 To a question as to how many are the original titles in these 579 titles, the Ministry stated :

“Since it is an exclusively translation project in which publication of original titles was not envisaged by the Trust, except for Anthologies of one Act Plays and Short Stories, all the titles except 39, are translations. The total number of original titles (it includes reprints) is only 39.”

1.65 Asked about the total revenue from sale of these titles, the Ministry replied :

“The Trust has been keeping a consolidated yearwise statement of receipt of books sold by it. No separate account for sale of books subjectwise i.e. Aadan Pradan, Nehru Bal Pustakalaya etc. is maintained. Therefore, it is not practicable to work out the total revenue earned from sales of books of Aadan Pradan series in respect of 579 titles referred to above.

1.66 In reply to another question about the number of books lying unsold, their prices etc., the Ministry informed that 1,82,900 copies valued at Rs. 2038810 were lying unsold as on 31st March, 1986.

1.66 Out of 7.55 lakh copies of 579 titles priced at Rs. 70.87 lakhs published upto the end of March, 1985. 0.71 lakh copies priced at Rs. 7.39 lakhs were damaged in flooding godown, while 2.00 lakh copies priced at

Rs. 22.26 lakhs remained unsold on that date. The progress of publications under this series had slowed down during the Sixth Plan Period 1980-85 as only 117 titles (annual average of 23 titles) were produced during the period compared to 462 titles (annual average of 46 titles) produced during the period 1970-80. Asked for the reasons for going down production of books of this series during the period 1980-85 by 100 per cent as compared to the production during 1970-80, the Ministry of Human Resource Development stated :

"It is not true that the production of books in Aadan Pradan series during the period 1980-85 has gone down by 100 per cent as compared to the production during 1970-80. The figures for the corresponding period will show that the reduction has been only to the extent of a little less than 40 per cent. As per our records, number of titles published between 1970 and 1980 is 458 and between 1980 and 1985, 137. It means the titles produced during the decade 1970-80 stand at an average of approx. 45.8 titles per year whereas the average for the years 1980-85 stands at around 27.4 titles per year. The fall in the number of titles produced during 1980-85 is therefore about a little over than 40 per cent and not 100 per cent.

During the year 1974-75, a comprehensive review of the scheme was undertaken by the Trust. It was revealed that the project was very ambitious. The Trust found it difficult to get the books translated in various languages because of non-availability of good translators and selling of a work translated from one regional language to another is also difficult. Further, the Trust has to depend on translators from outside the organisation and they generally do not stick to the time schedules. Taking into consideration the above mentioned factors, the Trust, on the advice of various language advisory panels decided to reduce the print run and not to translate each title into all the languages. The translation of each title was to be undertaken only on the basis of its saleability. If the Trust had not taken his decision the number of copies remaining unsold would have gone."

1.67 It is noticed that translation of books by Eminent Authors has not been done in all the languages mentioned in the eighth schedule of the constitution. Asked for the reasons for not doing so and steps being taken to translate these books in all the languages to achieve the objective for which National Book Trust was established, the Ministry stated :

"The Trust has published over 2,500 books in various Indian Languages. Many of them are translations. It will be seen from there that the only languages in the Constitution on which very few books have been brought out are Sanskrit and Kashmiri. Since Government has set up a separate institution for promotion of Sanskrit, all publications in Sanskrit are being undertaken by that agency. The possibility of bringing out the books in Kashmiri shall be examined.

Books by eminent authors published under the Aadan Pradan series have been translated into various Indian Languages."

1.68 In this connection, the Ministry have further informed the Committee as under :

"This matter has been further reviewed by the Executive Committee of the NBT in its meeting held on 29-12-86. The Committee noted the comments of the Audit and felt that there was need for constant evaluation of the series. It is felt that it was necessary to continue the series as it promoted national integration and assisted in the fulfilment of the objectives paid down in the National Education Policy, 1986 of the Government of India. It was emphasised, however, that while prompting the scheme, the inherent value of books, their acceptability amongst the people in whose language these are to be translated and careful appraisal of marketability of the prices of production should invariably be kept in view."

1.69 The Special Secretary, Ministry of Human Resource Development also stated during evidence :

"The intention was to translate it in the neighbouring areas to begin with and as it catches, on they will spread further. Initially our idea was to translate books in all the languages, but there was translation difficulties.

But in totality we have 3000 titles published so far. But I entirely agree with you when you say that for a country of our size with its vast reading population, the impact is certainly not of the type which we would like to have. It has to be much more. It is very much below what we need in quantitative terms. But in terms of the type of books and the quality of books, there has been appreciation."

Elaborating the point further the Ministry added :

"Since selection of 10 titles per language had been completed in all the languages except in one or two languages years back, (initially it was proposed to select 10 titles for translation into 11 other languages) it was felt that the series need not be confined to any specific number of titles in a particular language. In other words, it was made into a never ending continuous series and any number of titles can now be included in all the 12 languages.

Every title should not be translated into all the other regional languages. Instead, it should be first translated into 2 or 3 languages of the continuous regions besides Hindi keeping in view its relevance, translatability and saleability. These recommendations were duly approved by the Executive Committee of the National Book Trust. This is the only reason why National Book Trust is not going ahead with the publication of these titles into all the major Indian languages, and since there is no longer restriction to the selection of 10 titles in each language, no target can be fixed for these titles. The publication of translations of some of the titles have been dropped all together and some new titles have been included in the project. It has become a continuous process. As and when new outstanding books in the various languages are suggested for inclusion in the project by the language

advisory panel, the Trust takes up their translations. However, the Trust had fixed the following targets :

"1986-87	1987-88
21	30"

1.70 The Committee also enquired whether it was a fact that the translators from outside the organisation do not stick to the time schedules and if so, what steps are being taken to eliminate delays in getting the translation work done by the outside translators. The Ministry replied :

"The Trust engages outside translators for doing the translation work. We assign the translation job to the experienced and competent translators who generally do the translation work during the spare time.

The Trust does fix a time schedule for the translators. But it has been observed that the translators generally do not stick to the time schedule. In such circumstances, reminders are sent and the translators are requested to expedite the work. On demand, extension of time is also granted to the translators. If the Trust feels that a particular translator is taking too much time, the assignment is cancelled. In that case, another translator is identified, which further delays the work.

Efforts are being made to identify dependable translators of each language."

When asked why corresponding staff employed for this scheme was not reduced, the Ministry replied :

"As against 8 persons who were managing the Aadan Pradan series editorially prior to 1980, since 1980 and upto March, 1985 only 3 persons had been managing the project with Stenographer working half a day."

Clarifying the position regarding steep decline in publishing books, the Director NBT stated during evidence :

"Of course, there has been a decline in the trend of books published. But there had been certain difficulties in finalising the rates with the press and funding out the dependable proof-readers."

1.71 In reply to a question that this was not a new venture, he stated :

"In this case, there were certain difficulties. We had not revised the rates according to the market trend and hence we would not assign the manuscripts to press. Now, we have assigned 286 manuscripts to press and out of them a number of manuscripts are of this particular series and we expect that the books of this series will be more in number".

1.72 To a question as to what prevented them to go ahead with the project in the case of regional language manuscripts, the witness stated :

"Aadan Pradan is a translation project and in certain cases, we could not fix the presses and now we have assigned them to the presses. Now, we will be able to make up the loss".

In this connection he added :

"In Production Section 142 are lying to be assigned to the press".
.....The main reason is that the new printers do not accept the manuscripts because our print run is not high and they do not find it profitable."

However, the Special Secretary admitted :

"There is no justified explanation for the number of titles to go down. We should have maintained at least that number. But the difficulties are there. However, the difficulties cannot be an explanation for the decline.

So far as the availability is concerned, it should be printed and it should be available to the public. If they have certain "difficulties, the Government could have assigned them no doubt about it. But probably this is only my conjecture is that we are running after presses which already had fairly a good demand. If they have gone to other presses, they could have got the work done. This is my analysis of the situation."

1.73 On the quality and types of books produced and printed. the witness stated :

"We are trying to produce books on literature, science and about modern India. We are not producing fiction books. We select a particular good subject."

1.74 When the attention of the witness was drawn towards the fact that there is a good demand for scientific and serious reading books, he stated :

"There is a market. We are not tapping that market to the fullest extent.....What I mean is that is a lesser demand. There is a certain amount of demand for serious reading books also."

The Special Secretary added :

"There are some fast moving titles published by Bhartiya Vidya Bhawan such as spiritual books. I can quote for example the books of Rajaji's work on Ramayana and Mahabharatha. These are major money-earning titles. There are other titles on education etc. They don't see to that extent. There would be some titles which are necessary and useful but will have a limited market. But there are other titles which have got tremendous market. On Temples of South India, 3002 copies in paper back have been published and out of this 2938 have been sold out and 1998 copies in hard bound were published and out of this 1923 were sold. It was published in March, 1973."

1.75 Asked whether there was any wing or cell in National Book Trust to revise/up-to-date the publications he stated that they do review the titles for reprint taking the sales and other factors into account. In a written note the Ministry of Human Resource Development informed the Committee as under :—

"The Books produced by the Trust are revised and up-dated from time to time. For revising and making the factual details of a

particular book up-dated, the author of the books is contacted. The author revises/modifies/update the book. In case the author of the book is dead, the work of revising and up-dating the book is assigned to an outside expert."

1.76 It was further noticed that the Trust decided in December, 1974 that print run be reduced from 2000 to 1000 copies after 1974-75 so that there was no loss on account of storage and dead stock but the decision to reduce the print run proved counter productive as the cost of production went up from Rs. 3 to 8 to Rs. 7 to Rs. 32.75 per copy which was beyond the reach of common man. The turnover had, therefore, declined considerably from Rs. 2.34 lakhs in 1979-80 to Rs. 2.00 lakhs in 1983-84 in spite of increase of selling price. The Trust had decided in 1982-83 that each title needed to be translated into two or three languages of the neighbouring regions and not in all the remaining Indian languages. Due to this decision, the publication of 60 titles of this series translated during 1975-76 to 1982-83 in other languages was dropped which resulted in infructuous expenditure of Rs. 0.90 lakh on translation etc. The Trust stated (February, 1986) that this became necessary as some of the titles which were selected a decade ago had either become irrelevant in the present context or were difficult to translate/sell.

In spite of reduction in print run the stock remaining unsold was to the extent of 31.40 per cent of the annual out turn which is indicative of lack of interest by the readers in the series or lack of selling capabilities of the Trust. Asked whether the matter has been analysed and results reported to the Government by the Trust for reviewing the scheme or discontinue it, the Ministry of Human Resource Development stated :

"It is true that the print run was reduced from 2000 to 1000 copies. It became necessary in view of the long duration of time taken in selling these titles. It was therefore decided to reduce the print run as it would result in saving not only on the investment on production of these titles but also on storage and handling.

As regards the lack of interest of the readers, selling of series literature has never been as easy task for anyone. It is all the more difficult to sell the translation. Normally the psychology of the reader is that he goes for an author of his choice i.e., the author he is familiar with. Our task is to sell the work of an author who is absolutely unknown in the region."

1.77 In reply to another question as to why the print orders were reduced from 2000 to 1000 copies, the witness stated :

"...this decision was taken because of poor sales performance. I agree that things are inter-related. Because of lack of sales they decided to reduce the number."

In this connection he added :

".....low production and low sales has then affected the unit cost, the overheads and everything, including the present policy, distribution, everything. So, I was trying to find out what could be the basic malady in this whole thing. There are several other difficulties and problems. But the basic malady is in the conception of the National Book Trust. It should be thought of as an organisation which has a very large volume of copies being sold. Instead,

of that, the vision that seems to have governed, as I understand from records and other things, is that select limited number of certain good titles. That has been the approach. It has not tried to develop a mass-market, nor mass production".

1.78 The Ministry have informed the Committee that it will be difficult to sell titles under this series was known even at the time of introduction of the scheme in the year 1969. The extracts from note sent by the then Chairman of the NBT to the Ministry of Education are reproduced below :

"Regarding the series entitled Aadan Pradan (Cultural exchange series) the position would be less promising. While one or two books in the series which are in the form of fiction or short stories might get a certain quality and obviously on serious subjects, the sale will not be easy at all. Considerable efforts will have to be made to organise sale and even then we cannot say that we will be wholly successful. The help of the Ministry and various states will be essential but there while some states might give active cooperation and help, others might not. . . . the reason for bring to your notice this question is that Auditor General and the Public Accounts Committee of Parliament frequently raise this and attribute inefficiency and want of competence to the institution concerned because they have not been able to sell their books."

1.79 This matter has been analysed more than once between 1974 to 1981. However, after the review undertaken in the year 1981 the following decision were taken :

- "(1) the series need **not** be confined to any specific number of titles in a particular language.
- (2) to implement the suggestions made by the Language Advisory Panels with regard to dropping of titles.
- (3) to review the titles selected at the beginning of the scheme.
- (4) The new titles suggested by the various Language Advisory Panels be scrutinised from the point of view of contemporariness.
- (5) Each title need not be translated into all the remaining Indian Languages. Each translation of a title is to be decided on the basis of its relevance, translatability and saleability.

The need for uniting the people and bringing them closer to one another emotionally and culturally has never been greater than what it is today and therefore it is felt that this series should be continued to be published. The Trust has however, been advised to consider whether any modification is required in the scheme."

V. PRINTING AND PRICING OF BOOKS

(A) *Printing*

(a) *Delays in Printing*

1.80 The Editorial Section of the Trust sends the manuscripts to the Production Section for fixing the presses for printing. Inordinate delays between the receipt of manuscripts in the Production Section and sending them to the presses for printing and also delays by the presses were noticed in 110 cases out of 355 cases for which the printing files were produced in respect of 466 print orders issued during the five years ended March 1985 as detailed in the table given in para 4.4.1 of the Audit Report.

The delays were stated to be due to reluctance of printers to take up jobs on account of low print runs and in making payments of printing bills, in return of proof etc. to the presses and in supply of paper to the presses.

Even in 37 cases of delays by the presses ranging from 3 months to 73 months penalty of Rs. 0.33 lakh was not levied.

1.81 When the Committee desired to know the steps taken by the Trust to cut short delays in the production section and by the process, the Ministry of Human Resource Development stated :

“Identification of dependable printers had been a continuous process within the Trust so as to distribute its printing jobs to as many printers as possible and achieve results without much delay.

Concentration of load of work on any given one printer is adequately controlled to prevent delays in execution.

Appointment of dependable proof readers for respective language publications is being streamlined with added incentives.

Periodically the schedule of rates are also revised to attract more printers to accept the Trust's publications. Print order being generally too low, printing rates in respect of regional language publications occasionally are negotiated with a view to expediting the job and reducing the delay on the part of the printer.

In order to have personal supervision and liaison with the regional language printers, the Trust had opened two regional offices in Bombay and Bangalore in 1984. The staff in the regional offices are being augmented to take over added responsibility concerning all the activities of the Trust in their respective regions.”

1.82 In this connection the Ministry informed the Committee that N.B.T. adopted a general agreement in 1982 to regulate assignments of print jobs to various printers. The terms and conditions stipulated in this agreement take adequate care in regard to various production matters, including insurance coverage to the raw-materials supplied, penalty for bad workmanship, delayed execution, liquidated damages etc. These terms and conditions are similar and at par with that of the N.C.E.R.T. procedures. Before assigning any print job to a printer this agreement is signed between the Trust and the printer, protecting interest of the Trust. The

terms of this agreement are binding on the printers.

1.83. As there have been delays ranging from 3 to 73 months by the presses in 37 cases, the Committee asked whether any penalty was imposed on the printers. The Ministry replied :

"Though the penalty clause is provided for in the terms of the agreement entered into with the printers, the Trust did not levy penalty on the printers hitherto."

1.84 Asked why penalty was not levied on printers despite necessary provisions in the agreement, the Ministry replied :

"The scope for levying penalty on printers for delayed execution of jobs is highly restricted owing to inherent production imperatives. Some of the reasons are outlined below :

The print order for a given job is invariably very low and is in the vicinity of 1000—2000 copies per title.

More often than not such low print run titles are entrusted to printers by persuasion, particularly in case of regional language publications.

Number of dependable printers with adequate capacity is highly restricted in respect of regional language publishing.

Services of those restricted number of printers in the respective languages will have to be necessarily obtained on a continuous basis to serve the interest of the Trust.

Business-wise there is inadequate attraction for printers, mostly regional language printers to accept the Trust printing jobs. Imposition of penalty on such marginal printers will act as counter-productive in-so-far as production is concerned."

1.85 In reply to another question whether the reasons for not levying the penalty were attributable to the defaults of the Trust in clearing the proofs or supplying paper of print order, the Ministry admitted :

"There has been a few cases when the delays were caused owing to delayed supply of paper from Delhi to outstation printers or in getting the proofs cleared in time. In a few cases the delay was mainly due to the printers. Even in such cases the Trust has not been able to impose penalty since it is finding it difficult to get presses to undertake its printing jobs and it is apprehended that by imposing penalties the new printers who are available may also refuse to undertake printing jobs for the Trust.

To obviate delays in printing, the Trust is taking steps to identify dependable proof readers for respective language publications. The Trust has been advised to review its procedures for supply of raw materials, settlement of bills, finalising of schedule of rates of printing. Regional offices at Bombay and Bangalore have been opened."

1.86 The following steps have been taken by the Ministry to avoid delays in printing :

"Highest priority is being assigned to all pending jobs in press and pending manuscripts yet to be assigned for immediate publishing.

As a result, over 286 jobs are entrusted with the printers as on today, including those received during the current year.

Production targets are programmed for strict adherence with emphasis on long pending cases as first priority.

As a result the number of old manuscripts pending publication are fast reducing. The balance in hand of such of those old manuscripts are programmed for assignment within the course of the next 3-6 months, so as to clear the backlog and to gear up the production section to take up the current flow of printing jobs of both original and reprint titles on a continuous basis.

Production targets with a working schedule is being insisted upon to monitor the work within a time frame. Action to enlarge the list of regional language printers for fresh assignments has already been taken. Applications of about 112 such new printers are under screening for selection and assignment.

Officers of the Trust will be deputed to different regions to personally assign and supervise the production of some of the problem areas where necessary printing facilities are inadequate, as in the case of Oriya, Assamese languages.

List of dependable and qualified proof readers has been enlarged. Additional resource persons are also being identified with the help of Sahitya Akademi Publications Division, D.A.V.P., etc., with a particular emphasis on regional languages.

In the context of the advanced technical facilities like photo-composing the Trust has identified a number of such units having the facilities for photo-composing in some of the regional languages.

1.87 When enquired whether the National Book Trust ever thought of having their own off set printing press to expedite the printing of books, the Special Secretary, Ministry of Human Resource Development stated during evidence :

"Government cannot have a separate press for each Regional language. We have low print runs which is only 1000 or 2000 copies. For this, off-set printing proves very costly. New developments are accruing in word-processing field and that arrangement may prove to be economical. Off-set printing for low-runs would not be profitable for N.B.T. It could be profitable if we have mass circulation. Once again, all the maladies put together comes to the lack of mass circulation or mass approach to the distribution."

1.88 However the Ministry have, in a written note, informed the Committee :

"The matter of having a printing press for the Trust has been informally discussed from time to time but no concrete proposals have emerged so far.

The issue will be formally considered by the Trust."

(b) *Consumption of Paper*

1.89 Paper is supplied by the Trust for its publications being printed at private presses. A review of ledger account of paper issued to various private presses revealed that out of 29,639 Reams of text paper and 4555 Gross cover paper valuing Rs. 53.07 lakhs issued to private presses during the period from 1979-80 to 1984-85, consumption account of 5814 Reams of text paper and 979 Gross of cover paper valuing Rs. 8.49 lakhs issued to 116 presses had not been rendered upto 31st March 1985 as per year-wise details given below :

Year in which issued	Quantity		Value (Rs. in lakhs)
	Text Paper (Reams)	Cover Paper (Gross)	
(1)	(2)	(3)	(4)
1979-80	---	72.00	0.32
1980-81	2198-176	144.044	2.05
1981-82	0290-489	009.004	0.32
1982-83	1507-102	113.055	1.75
1983-84	0330-257	307.099	0.85
1984-85	1486-494	333.016	3.20
TOTAL	5814-018	979.74	8.49

1.90 In this connection the Ministry of Human Resource Development in a separate note to the Committee clarified :

"The balance stock of paper lying with 116 printing presses as on 31st March 1985 was valued at Rs. 8,47,825.48 and not Rs. 8.49 lakhs. Since then it has settled the account of paper with 28 printers valued at Rs. 2,86,757.48. Jobs valued at Rs. 85,821/- in respect of 17 presses are still in progress. The accounts which remain to be settled pertain to 71 presses valued at Rs. 4,75,247."

1.91 The Committee wanted to know the circumstances under which the utilised stock of paper was allowed to be retained by the private presses for a period ranging from 1 to 5 years without having insured the stock against fire etc. The Ministry of Human Resource Development stated :

"The standard agreement drafted by the National Book Trust for governing the printing assignments to be undertaken by the private printers contain adequate provisions for insuring the paper and boards issued to them on behalf of the National Book Trust. This system was introduced with effect from 1981.

As per existing practice NBT supplies paper to printers against specified indents on an account basis. In respect of general publications the indents are prepared on the basis of estimated requirements, while for reprints and NBT series where the format and

volume are fixed and predetermined it is done on the basis of exact requirement.

NBT records all supplies in the respective stock registers as well as press-wise registers and a periodic check/watch is kept over the consumption of paper and the balance lying with the printers.

The balances lying with the printers are monitored on a continuous basis and utilised by assigning additional jobs. In other cases the cost of such residual balances are recovered from the pending bills and the accounts closed.

Due to this procedure, account of about 25 per cent of the consumable paper at a given point of time remains unsettled."

1.92 Asked whether accounts of paper supplied, paper consumed and the paper remaining unused with the presses was got audited in detail by the Internal Auditors, the Ministry replied :

"Such accounts of paper supplied, paper consumed and paper remaining unused with the presses could not be got audited in the internal Audit."

(c) *Spoilage of paper during printing*

1.93 The Directorate of Printing Government of India prescribed the following scale for spoilage of paper during printing, for printing jobs assigned to private presses :

Particulars of Job Book Work	Scale
Octavo or larger or any single (Standard) size paper (irrespective of the number of impressions)	1 per cent per colour

The above scale had been adopted by all the book printing departments of the Government of India/Autonomous bodies like NCRET etc. The Trust had however, adopted a very liberal scale for its books with print run of less than 10,000 copies as follows :—

Sr. No.	Print run	Percentage of colour for Text	Wastage per Cover
(1)	(2)	(3)	(4)
1.	1100 copies	5	7
2.	1101 to 2999 copies	4	5
3.	3000 to 4999 copies	3	3
4.	5000 to 10,000 copies	2	2
5.	Above 10,000 copies	1	1

1.94 The approval of the Executive Committee of the Trust for the above scale of spoilage was, however, not obtained. A test check of spoilage allowed in 277 out of 466 print orders given by the Trust during 1980-81 to 1984-85 alone revealed that the actual consumption of paper in 277 cases (including spoilage of 330 reams of Text paper and 150 gross of

cover paper) was 6511 reams of text paper and 1755 gross of cover paper (Rs. 12.75 lakhs). Spoilage admissible was 131 reams of Text paper and 18 gross of cover paper (Rs. 0.28 lakh). Thus 199 reams of text paper and 132 gross of cover paper valued at Rs. 0.47 lakh was allowed as spoilage in excess of the scale prescribed by the Government of India/Autonomous bodies etc.

1.95 Asked about the justification for adopting a scale liberal than that adopted by the Government of India/autonomous bodies and whether the revised scale of spoilage was adopted by the competent authority, the Ministry of Human Resource Development stated :

“The revised scale of spoilage was based on the recommendation of a Technical Committee. The justification for adopting a scale liberal than that adopted by other autonomous bodies/Government is that the print run of the Trust’s publications is generally quite low.

This matter was further discussed in the meeting of the Executive Committee of the Trust held on 29th December, 1986. The Executive Committee has decided that a Sub-Committee consisting of experts of representatives from the Directorate of Printing, Children’s Book Trust, Indian Standard Institutions, Sahitya Akademi, etc., should be formed to look into this Question and evolve a fresh schedule of printing rates for adoption by the Trust and also suggest a rational norm for percentage of wastage of paper for printing of Trust’s publications.”

(B) Pricing

(a) Loss Due to Exclusion of Certain Costs

(Normal Activities and Aadaan Pradaan Series)

1.96 The Trust had been following the pricing policy as laid down by it in 1965 under which the books produced were priced at 2 to 2.5 times the cost of production. The term “cost of production” was, however, not defined by the Executive Committee of the Trust but it was taken by its office to include only cost of printing, paper and blocks/proof reading. The important elements of cost excluded were cost of manuscript, translation, royalty to authors, incidentals and storage charges on paper although paper was purchased in bulk and stocked in rented godowns insured against fire etc. Expenditure on Royalty, storage of paper and direct cost of manuscript/translation during the five years ended March 1985 amounted to Rs. 22.52 lakhs. The books produced were thus underpriced (even at twice the cost of production) by Rs. 45.04 lakhs during the said period.

1.97 Administrative Staff College, Hyderabad, which conducted a review of the Trust’s working (1977-79), recommended that Trust’s books be priced in such a manner that at least variable cost (i.e. cost of production, promotion and distribution) should be recovered and that a system for providing information on the variable cost and over-heads associated with a particular title should be evolved. In pursuance of this recommendation, the costing division of Ministry of Finance was requested by the Ministry of Education in September 1982 to evolve a system for pricing of Trust’s publications. The Report of the costing division was received in

July 1983 which laid down, *inter-alia*, that proper records should be maintained to work out the direct charges associated with each title. It also suggested a simplified system to work out indirect charges as the existing percentages of overheads (100 to 150 per cent) had not been worked out on scientific basis. Although a period of two years had expired no action had been initiated (November 1985) to implement the recommendations of costing division. The Trust stated (February 1986) that the comments of the Trust on the Report of Cost Accounts Branch had been furnished to Government in January 1986 and the implementation of the scientific system of costing would be taken up as soon as the additional staff envisaged, was sanctioned and positioned.

It was noticed in Audit that the distribution cost i.e. packing and forwarding charges alone worked out to 6 per cent of the sale price while promotional expenditure on publicity and free distribution accounted for 20 per cent of the sales. The cost of establishment on selling and distribution was not exhibited in the accounts separately, but data collected by audit in July 1985 suggests it to be about 28 per cent of sales price. Non-implementation of the recommendations of the Administrative Staff College resulted in underpricing the Trust's publications by 54 per cent of sales (which were Rs. 87.56 lakhs in the five years ended 31st March 1985). Deficit due to exclusion of essential elements of cost of production in this way worked out to Rs. 47.28 lakhs.

1.98 Asked why the suggestions made by the costing Division of the Ministry of Finance for maintaining proper records for working out the direct charges associated with each title could not be implemented, the Ministry of Human Resource Development stated :

"The costing Division has recommended report that the production cost of each title should be maintained in separate cost statement sheets for fixing the price of each title which should include direct cost such as cost of paper, composing, printing, block making, packing, proof reading, royalty, cost of translation, review and indirect cost i.e. over-head charges such as salaries, allowances, TA, rent, postage, telephone, depreciation, publicity and other office expenses as a proportion to direct cost. Commission and royalty payable based on sales should be added for fixing the price per copy. It has been pointed out by the Cost Accounts Branch that any sound costing principle requires suitable provision towards interest on working capital, return on capital employed. In other words, the system evolved by the Cost Accounts Branch for the fixing of the NBT publications ensures that the price per copy covered all the elements of cost.

As mentioned in its report the recommendation of the Costing Division regarding inclusion of charges for storage, royalty, establishment etc. would cause the overhead charges to range from 152% to 243%. This would therefore result in raising the price of books which would be a major departure from the policy of the Trust to provide books at moderate prices. It is proposed to discuss the matter in the next meeting of the executive committee of the Trust. Sanction of additional staff with requisite qualifications in cost accountancy would also be required to implement the recommendations of the report.

In this connection it may be further mentioned that the then Chairman of the NBT Dr. B. V. Keskar had in a letter addressed to the then Minister of Education Shri M. C. Chagla, dated July 5, 1965 explained that the definition of cost for an organisation like NBT whose object is not simply to publish books, is different from that of the commercial publishers. He had mentioned that by fixing the prices at 2 to 2½ times the cost of production elements like sales commission, royalty, etc. would be covered sufficiently.

Further since the NBT is not an organisation which is working on a commercial basis the prices have to be fixed taking into account the purchasing power of the people for whom the books are intended for.

(b) *Underpricing of Publications (Normal Activities and Aadaan Pradaan Series)*

1.99 A test check by Audit in July 1985 of the selling price fixed by the Trust revealed that in 62 cases of books published during 3 years ending March 1985, the prices so fixed on the estimated cost of production were less by Rs. 2.43 lakhs than the prices calculated on the basis of actual cost of production.

1.100 When the Committee desired to know the steps taken to work out the estimated cost of production on a realistic basis so as to avoid any loss due to under pricing, the Ministry of Human Resource Development stated :

“National Book Trust brings out its publications under specific projects. The criteria for fixing the price as per the decisions of the Executive Committee is as under :—

- | | |
|---------------------------------------|---|
| 1. Non-Plan (Trust's own programme) : | 2-1/4 to 2-1/2 times the cost of production. |
| 2. Aadaan/Pradaan : | 2 times the cost of production. |
| 3. NBP/special assignment : | Fixed price as decided by the Ministry/Executive Committee/Competent Authority. |

Costs of production of books are arrived at on the basis of direct costs which include expenditure on printing blocks, paper, binding, proof reading. The Unit cost is arrived at with reference to the above direct costs on a given book for applying the pricing formulae under specific categories.

In the existing system of pricing of the books it is not possible to work out actual direct cost of production since the printing presses with whom the job of printing the titles is assigned submit their bills only after the titles have been printed. Similarly, calculation of royalty is possible only after the price of the book has been fixed. Accordingly the price of books of series other than Nehru Bal Pustakalaya is based on estimated production cost. Since the price is worked out before the receipt of the printers' bills, marginal variations in a few cases occur. In general, there is not much loss due to underpricing in the case of the Aadaan Pradan and normal publication programmes because to some extent the charges of

royalty, translation, distribution and establishment charges are covered by marking of the prices at 2 to 2½ times the cost of direct production."

1.101 Asked about the steps taken to work out the estimated cost of Production on a realistic basis so as to avoid any loss due to under pricing, the Ministry of Human Resource Development stated :

"On the basis of the recommendations of the Cost Accounting Branch of the Finance Ministry, the Trust examined the proposal for revising its pricing formula and placed the matter before its executive Committee. In its meeting (121) held on 29 December, 1986. The Executive Committee after a careful examination appointed a Sub-Committee to go into the matter and advise the Trust as to the modalities of introducing the new pricing structure for its publication with due consideration to the over-heads. Action to call the meeting of the Sub-Committee has already been initiated and the Trust expects to get the matter examined very soon. The findings of the Sub-Committee shall be reported to the Public Accounts Committee in due course."

(c) *Loss due to incorrect pricing and unauthorised discount (Nehru Bal Pustakalaya series)*

1.102 In spite of the selling price of the books in this series having been revised by the Government of India to Rs. 2.50 per copy from May 1977, some fresh publications in this series continued to be priced at Rs. 1.50 per copy even upto March 1985, with the result that 95 titles were under-priced causing a loss of Rs. 11 lakhs (before discount) to the Trust.

1.103 The Trust also continued allowing discount at the rate of 40 to 45 per cent to State Governments on bulk purchases even after the Government's orders of May 1977 reducing the discount to 33.33 per cent. In 23 cases pertaining to 1984-85 alone the discount allowed in excess of the rate revised by the Government amounted to Rs. 1.35 lakhs. Publications Division of Ministry of Information and Broadcasting was being allowed discount ranging from 35 to 45 per cent of sale, fixed in 1975-76, which was not lowered based upon the decision of the Government in May 1977. This resulted in extra payment of discount of Rs. 0.77 lakh in 1982-83 to 1984-85. In respect of 9 titles produced in Nehru Bal Pustakalaya series, out of 76 titles checked in this regard, the selling prices fixed were found to be 3 per cent to 38 per cent lower than the prime cost itself (cost of paper and printing alone) causing a loss of Rs. 0.75 lakh to the Trust.

1.104 As NBP series is highly subsidised series, the Committee desired to know as to why the price of this series was kept at Rs. 1.50 per copy even after receipt of the Government of India orders to revise the price to Rs. 2.50 per copy from May, 1977. The Ministry of Human Resource Development stated :

"Government in their letter dated 2nd May 1977 advised the National Book Trust that in view of the rise in cost of production, the books published under the Nehru Bal Pustakalaya series should be priced at Rs. 2.5 per copy at the maximum meaning thereby

that the price should not exceed Rs. 2.5 per copy. This is in accordance with the scheme to keep the price of the series very low. The Government had *vide* minutes of the meetings held on 10-12-1969 (Annexure VI) agreed to give a grant of Rs. 1 lakh per title per annum to cover the loss on account of the difference between the sale price and cost of production. The Government had also decided that the books to State Governments were to be sold at 50 per cent of the cost price. In view of the Government policy, the Executive Committee at its meeting held on 18-7-1978 decided to have a differential pricing policy with a maximum price of Rs. 2.50 per copy. It was also decided that there would be a uniform price both for the original edition and the reprints of the Nehru Bal Pustakalaya series. However, the Chairman in some cases exercised his discretion and fixed the price of the reprints equal to that of the original."

1.105 The Committee also wanted to know the reasons for allowing discount to State Governments as the rate of 40 to 50 per cent inspite of the instructions issued by the Government in May 1977 that the discount should be 33.33 per cent only. The Ministry replied :

"In accordance with the instructions contained in Ministry's letter dated 25-5-1977, the Trust had been allowing discount not exceeding 33-1/3% to State and Central Government agencies on sale of books published under NBP series. The discount rate was subsequently revised by the Executive Committee of the Trust in its 105th meeting held on 7th July, 1981. Accordingly, the Trust is now allowing discount not exceeding 45% to State and Central Government agencies for the sale of books under the NBP series on orders exceeding the gross value of Rs. 50,000/- at a time.

The matter was considered by the Executive Committee's meeting held on December 29, 1986 and it was decided that considering the marketing practices in the book industry, the existing discount structure should continue."

VI EXHIBITIONS AND BOOK FAIRS

1.106 The Ministry of Human Resource Development have stated that India is one of the 10 major book producing countries of the world. To promote Indian books abroad, steps are being taken to publicise our books through participation in Inter-national Book Fairs and organising special exhibitions of Indian books with the assistance of our Missions abroad. There are more than 20 Inter-national Book Fairs organised in various parts of the World every year. Decision to participate in selected International Book Fairs is taken by a committee in which representatives of the various Departments of the Government and the Publishers' Federations are present. The National Book Trust has been designated as nodal agency to organise Indian participation in these book fairs. National Book Trust collects books from various private publishers in the country. These books are, thereafter, selected by a screening Committee and the selected books are displayed in the fair. Since hiring of space in such International Book Fairs is quite costly, limited number of titles are sent. The National Book Trust also arrange to send the books after collecting from the private publishers to our Missions abroad for organising special book exhibitions. One or two representatives of the National Trust are deputed for making arrangements for India's participation in selected book fairs. The proposals relating to the deputation are approved by the Secretaries' Screening Committee of the Ministry of Finance. A Table showing the number of the International Book Fairs in which India participated through the National Book Trust during the last five years, expenditure incurred on the deputation of the officials of the National Book Trust and participation is given below :

Year	Inter-national Book Fairs in which India participated	No. of officials sent	Expenditure incurred on Deputation	Expenditure on participation	Total amount spent
1	2	3	4	5	6
1982-83 . . .	17	7	1,21,582.22	5,44,627.50	6,66,209.72
1983-84 . . .	15	9	1,58,127.01	2,27,270.05	4,35,397.06
1984-85 . . .	16	7	1,63,819.00	3,95,385.05	5,59,204.05
1985-86 . . .	16	6	1,23,995.80	3,01,330.07	4,25,325.87
1986-87 . . .	9	7	1,82,316.80	2,89,440.32	4,71,757.12
(Upto Jan. '87).	73	36			25,57,893.82

1.107 Besides the above International Book Fairs, the following world and other National Book fairs were also organised by the National Book Trust :

1. World Book Fairs	7
2. National Book Fairs	13
3. National Children's Book Fairs	4
4. Book Festivals	9
5. Regional Book Exhibitions	104
(From 1964-65 to 1984-85)	
6. Ad hoc Fairs/Exhibitions	7
7. Seminars/Workshop	51
(1975-76 to 1986-87 upto January 1987)	

1.108 Audit has pointed out that one of the reasons for increased dependence of the National Book Trust on Government grants was due to increase in expenditure on Exhibition & Book fairs and less receipts therefrom. The first book fair was organised by the Trust in 1966 in Bombay. The following are the annual receipt and expenditure of the Trust on this activity during the years 1980-81 to 1984-85 :

(Rs. in lakhs)

Years	Receipts	Payments
1980-81	9.36	22.45
1981-82	23.09	33.36
1982-83	10.10	28.73
1983-84	29.23	72.05
1984-85	8.71	24.54

1.109 Advocating the need for promotion of book mindedness in the country, the special Secretary, Human Resource Development stated during evidence :

"It is promotion of book-mindedness in the country because the National Book Trust will supplement the efforts of several publishers in the country. The book fairs etc. are organised for the benefit of the entire book trade."

Asked whether the book fairs were being organised annually in every state, the witness replied :—

"It is not conducted, exactly, annually. But they were held in various States like Bombay, Delhi, Calcutta, Madras, Hyderabad, Ahmedabad, Bangalore, Jaipur and Chandigarh. These are national book fairs which have been organised by us."

1.110 In reply to another question the witness stated that these fairs are organised in collaboration with the Trade and that they are the organisers.

In his connection, the Joint Secretary of the Ministry of Human Resource Development stated :

"The National Book Trust organises a World Book Fair once in two years. It also organises National Book Fair every year. It also organises regional book exhibitions. For example, during 1984-85 it was organised in Maharashtra in Aurangabad, Ahmednagar and Satara; in Panaji in Goa; in 1983-84 in Uttar Pradesh in Hardwar and Pauri Garwal; in 1982-83 in Rajasthan in Jodhpur, Alwar, Kota and Sriganganagar."

He added :

"These are exhibitions organised by the National Book Trust. Separately the trade also organises book fairs and once in a while the State Governments also do on their own."

1.111 Asked whether the Trust had made any attempt in the past to open stalls in book fairs arranged by other organisations like State Governments private Publishers etc., the Ministry of Human Resource Development stated :—

"The Trust participate by putting up stalls of its publications in the fairs exhibitions organised by various agencies, wherever found feasible from time to time. The Trust has participated in four such fairs in 1984-85 and in seven in 1985-86."

VII. STORAGE OF BOOKS

(a) *Loss of Trust's books due to flooding of its Storage godown*

1.112 Books produced by the Trust were stored in the basement floors of its building at Green Park besides one store at Kalu-Ki-Sarai. The stock in the basement godown in its headquarters' building was flooded in April 1983 when books valuing Rs. 5.04 lakhs were damaged. The stock in this godown was insured against flood from April 1984 for Rs. 65 lakhs on payment of premium of Rs. 0.34 lakh per annum. In August 1984, the store was again flooded causing damage to the books valuing Rs. 48.89 lakhs. After the flood of August 1984, the Trust had stopped further stocking of books in the basement godown. The settlement of insurance claim for the amount of Rs. 53.93 lakhs as filed by the Trust in December 1985, was still awaited (January 1986).

1.113 A Table showing the books damaged in flooding of godowns of National Book Trust and the value of books is given below :—

Scheme of Book Production	No. of Books	(Rs. In lakhs)
		Value of Books
Normal Activities	2.84	27.42
Nehru Bal Pustakalaya	7.50	20.03
Aadan Pradan Scheme	0.71	7.39

1.114 In this connection the Ministry have stated that after the loss of books in 1983, the Trust took the following measures to avoid damage from water entering the basement of the Trust Buildings :

"Lower portion of racks upto a height of about 4 feet were kept free of books so that the soil water may not damage the books. Sand bags upto a height of 3 feet were placed in front of all the ventilators a month and half before the monsoon season. The entire stock of books and racks in the godown was insured against loss by flood, fire, etc."

1.115. Asked whether the Trust appointed any enquiry Committee on either of the occasions to go into causes of the floods, to support remedial measures and to assess the actual loss, the Ministry of Human Resource Development stated :—

"No, the Trust did not appoint any enquiry Committee on either occasions to go into the causes of the floods as the flooding of the basement was caused due to natural calamity.

The reasons for flooding of the basement have not been probed by way of departmental enquiry as the flooding of the basement was caused due to natural circumstances. The unprecedented rains in the night of 22 August, 1984 choked the drainage system causing

the main road of the Hauz Khas area to cave in. As a result, water entered the basement of the Trust building upto around 8 feet level; where the books were stored. The drainage system of the whole area failed resulting in flooding of the basement of all the nearby buildings.

On being informed on telephone, the Ministry deputed the Branch Officer of the Book Promotion Division accompanied by the Section Officer on the morning of 25 August, 1984. A report furnished by the said officers was placed before the Minister of State for Education and a detailed report was also obtained thereafter from the Director, National Book Trust.

1.116 After the flooding of basement in 1984, the Trust stopped storing books in the basement of this godown and hired godown space from CWC at Safdarjung Flyover at a rental of Rs. 27,000 per month for an area of 4,500 sq. ft. @ Rs. 6.00 per sq. ft. Subsequently, on 1-8-86 the Trust has hired cheaper godown space at Gurgaon (Haryana) at a rent of Rs. 12,000 per month for an area of 6,000 sq. ft. @ Rs. 2.00 per sq. ft.

1.117 The Trust had insured its stock of books against flood for Rs. 65 lakhs. After the flood, an insurance claim for Rs. 53.93 lakhs was preferred by the National Book Trust towards the value of the damaged Books. In this connection, the Ministry of Human Resource and Development clarified :—

"It appears that while preferring their claim for damages, the Trust had also included in it the value of books worth about Rs. 5.03 lakhs which were damaged in April, 1983. The Insurance Company has, however, after taking into consideration all the relevant factors, compensated the Trust to the extent of Rs. 37.76 lakhs. This seems to be reasonable as the claim preferred by the Trust was based on the published price and the surveyor of the Insurance Company in his informal meeting pointed out that the company is willing to compensate the Trust upto the sales proceed which the Trust would have realised, if all the books had been sold after allowing usual discount on the published price. Without prejudice to the right of the Trust to review the settlement, the claim has been provisionally accepted and the amount of Rs. 37.76 lakhs received by the Trust."

1.118 The Committee also wanted to know the latest position regarding depositing with the Trust the sale proceeds amounting to Rs. 2.10 lakhs by the insurance company.

In this connection, the Ministry of Human Resource and Development stated :—

"The sale proceeds amounting to Rs. 2.10 lakhs pertain to the damaged stock. The Insurance Company, therefore, took over the damaged stock from the Trust and disposed them off on their own. The amount of claim passed by the Insurance Company and provisionally accepted by the Trust has since been received. The amount of Rs. 2.10 lakhs pertaining to the above damaged stock was, therefore, received by the Insurance Company, and hence, does not pertain to the Trust."

1.119 In reply to a question whether the stocks of titles damaged in floods have been made good by reprints etc., the Ministry stated :—

“It was not feasible to make good the complete stock damaged by way of reprints immediately or within a short period. The Trust, however, identified the titles for which there was comparatively better demand and fixed the priority of their reprints accordingly. Many of these titles have since been reprinted and process of printing the remaining titles is in progress.”

1.120 When asked whether the salvaged stock was verified and taken on stock, the Ministry replied :—

“The books salvaged by the Insurance Company after the flooding of the basement of the A-5, Green Park building in August 1984 were correctly verified. Only such copies as were not damaged by flood were taken by the Trust from the Insurance Company and their value deleted from the claim. Entries of those books were made in the stock ledgers immediately on receipt of the stock from the surveyor of the Insurance Company.

The gross value of the stock not damaged by floods and taken back by the Trust from the Insurance Company and entered in the stock ledger is Rs. 14.44.296.75 paise.”

1.121 The Audit has pointed out that the documents relating to the physical verification of the basement store conducted during 1983-84 were stated to have been washed away in 1984 floods. However, the Ministry of Human Resource Development informed the Committee that ‘no physical verification of stock of NBT publications for the 1983-84 was carried out. The Trust has admitted that this is an omission on their part. Since then the Trust has done a physical verification in respect of the publications for the year 1985-86. The differences between the book balances and the ground balances are being worked out’.

1.122 Books valuing Rs. 5.04 lakhs damaged in 1983 floods were continued to be stored in one of the book shops in Jawaharlal Nehru University Campus. It is also pointed out that the books priced at Rs. 14.44 lakhs stated to have been salvaged after 1984 floods were taken fresh on stock and the balance of the existence stock on the date of flood was stated Nil. Asked whether all books retrieved were taken on stock and what is the total amount of sale/issue of publications, the Ministry of Human Resource Development stated :

“The claim is under review in the light of the observations of the audit. The outcome of such review together with necessary action as warranted would be communicated in due course.”

(b) Weeding out of Publications

1.123 In accordance with weeding of publication Rules 1975, the Trust had to weed out the stock of books published not less than 5 years earlier and whose aggregate sale during the preceding two years happened to be less than 10 per cent of the balance at the beginning of the year or 75 copies whichever is less. A review by Audit in July 1985 of the stock as on 31st March 1984 revealed that 3.57 lakh copies produced between April 1970 and March 1979 had fallen due for weeding out. No action had been taken to weed them out (July 1985).

1.124 Asked as to why the stock for weeding out was not disposed of, the Ministry of Human Resource Development stated :—

“Because of the substantial damage of stock of the Trust publications during 1983 and 1984 floods, the weeding out was not undertaken as the stocks of the books left with the Trust for sale was very limited. Had the Trust weeded out the qualifying titles it would have failed to earn revenue which such titles subsequently earned.

The Trust has since taken steps to identify the titles that qualify for weeding out as per the Trust weeding out rules based on the sales statement recently prepared for the period ending 31st March, 1986. The statement thereof will be placed before the Executive Committee for its concurrence for weeding out as well as for deciding the manner in which such weeded out titles are to be disposed of.

Value of unsold copies of the titles that qualify for weeding out as on 31-3-1986 will be calculated after the titles qualifying for weeding out are identified.”

VIII. OTHER POINTS OF INTEREST

(a) *Loss in sale of books*

1.125 The Publications Division of the Ministry of Information and Broadcasting (Patna Branch), commission agents of the National Book Trust, received an order from the Bihar Government in February 1985 for supply of Trust's books of gross value of Rs. 9.09 lakhs. Publications Division, New Delhi instructed the Trust in March 1985 to despatch the books by 31 March 1985 without waiting for an order from its Patna Branch. The Trust, having no ready stock of the books to be supplied, got the books reprinted on urgent basis using costly paper available in stock. The entire supply was sent by road transport and was completed during March-April 1985. Patna Branch of the Publications Division, however, was not equipped to handle the supply and did not take delivery of the books. The Trust hired (April 1985) 1000 sq. ft. godown space for storage of the books at a cost of Rs. 0.09 lakh till November, 1985 when the books were delivered. The Trust suffered a loss of Rs. 1.62 lakhs in this transaction as the net sale proceeds amounted to Rs. 5.01 lakhs (Gross Rs. 9.04 lakhs less discount Rs. 4.03 lakhs) against total expenditure of Rs. 6.63 lakhs (production: Rs. 6.15 lakhs, packing: 0.20 lakh, freight: Rs. 0.19 lakh and storage: Rs. 0.09 lakh). Use of costlier paper for production, underpricing of two titles @ Rs.1.50 per copy instead of Rs. 2.50 per copy fixed by the Department of Education, allowing discount at the rate of 40 to 45 per cent as against the maximum rate of 33-1/3 per cent approved by the Department of Education and use of road transport instead of railway were some of the factors responsible for this loss.

The Department of Education stated (February 1986) that no further action was taken as discounts had been passed on to another department of the Government and the books had been supplied to a State Government.

(b) *Display-cum-sales-centres*

1.126 Besides marketing its publications through emporia of Publications Division of the Ministry of Information and Broadcasting in Bombay, Calcutta, Delhi, Hyderabad, Lucknow, Madras, Patna and Trivandrum, the Trust has its own display-cum-sale centres at Amritsar, Calcutta, Delhi, Hyderabad, Jabalpur, Mysore and Santiniketan. During 1981-82 to 1984-85 in these centres at Amritsar, Jabalpur and Santiniketan, the expenditure on establishment Rs. 0.91 lakh, Rs. 0.54 lakh and Rs. 0.15 lakh respectively far exceeded even the actual sales in that period at these centres (Rs. 0.42 lakh, Rs. 0.08 lakh and Rs. 0.05 lakh respectively). Assuming that the books were priced at double the cost of production and ignoring all overheads there was a gross loss of Rs. 1.33 lakhs at these three centres. The centres at Jabalpur was, however, closed down from September 1984. The Trust stated (February 1986) that ways and means to increase the productivity of the Books Centres were being worked out.

(c) *Scheme of subsidising university level books by Indian Authors*

1.127 With the objective of making available to the students, books of acceptable standard at reasonable prices, a subsidy scheme was launched

by the Ministry of Education in 1970. The scheme entrusted to the Trust for implementation laid down that the books selected for subsidy were to be standard works of Art Books, Reference Books or other reading material. Adaptation by Indian Authors of books published outside India or reprints of books written by outside Authors, brought out by Indian publishers were also eligible for assistance under the scheme if the books selected served a felt need. Assistance to the Publishers/Authors was to be provided in the form of subsidy, quantum of which was to be fixed by the Trust in each case on the basis of the estimated cost of production. The Trust was also to prescribe in advance of publication, the maximum retail price and the discount to be given to retail sellers, the prices of similar books sold in the market being taken into account in fixing the selling price.

1.128 During 1980-81 to 1984-85, 10.28 lakh copies of 364 titles were subsidised, the amount of subsidy paid being Rs. 126.68 lakhs. In this connection, the following observations are made :

- (i) Rule 9 of the Scheme provides for use of subsidised paper or paper from Hindustan Paper Corporation for the books to keep their prices at reasonable levels. It was, however, noticed that the Trust had been allowing the use of costlier paper. The use of costlier variety of paper in some cases, resulted not only in payment of higher subsidy, amounting to Rs. 0.84 lakh during 1982-83 to 1984-85 but also in fixing higher prices for the books.
- (ii) Under Rule 20 of the Scheme, the accounts of expenditure on subsidised books were to be maintained separately by the publishers. These accounts were to be audited by the Trust's representatives or the Comptroller and Auditor General of India or by any other Agency. The accounts were never audited by the Trust nor any other Authority nominated by it. The Trust stated (February 1986) that the checking of publishers' accounts had since been started by the Trust in 1985-86.
- (iii) The Trust authorised to utilise for administrative expenses upto one per cent of the provision for the scheme, but the fulfilment of this condition could not be verified as the Trust had stopped booking its administrative expenditure, scheme-wise since 1979-80. The Trust stated (February 1986) that the ceiling of one per cent fixed for administrative expenditure was not realistic.

1.129 Asked about the steps taken by the Trust to procure subsidised paper from Hindustan Paper Corporation for the subsidised books, the Ministry of Human Resource Development stated :

"NBT does not act as a paper procuring and supplying agency on behalf of the publishers who are engaged in producing Trust's subsidised publications. The subsidy rules provide that the publishers should on their own, use either concessional paper or the paper as may be available from Hindustan Paper Corporation. As such, it is outside the jurisdiction of the Trust to procure subsidised paper from HPC for the subsidised books.

In this regard, it is relevant to point out that the paper supplied by HPC is not a subsidised variety of paper. It is one of the substitutes available for the general consumption of the public at reasonable rates often at par with the market rates. According to the norms prevalent with the HPC the publishers are required to register with the HPC and procure the paper, through them, if and when available on HPC's specific terms and conditions.

It is also relevant to point out that till 1981, HPC has been active in the paper trade, by importing large quantities of Yugoslavian and Romanian paper to tide over the acute shortage of indigenous paper and were performing service, directly aimed at sustaining publishing activities under the specific directives by the Government. After 1981, as the indigenous production improved and a stable market conditions developed in the paper trade, the HPC participation had been practically curtailed to nil performance, excepting to manage 1-2 sick paper mills and 1-2 paper/pulp manufacturing units. As a result, today there is not much of paper available to the publishing trade through HPC."

However, in another note the Ministry stated :

"Although the scheme provides that Government subsidised paper or paper from Hindustan Paper Corporation should be used, such concessional paper is not available. Therefore, the Trust has been adopting the second alternative as given in para 9.1 of the scheme."

1.130 As some of the books might have been prescribed as text books by the Universities, the Committee desired to know as to why concessional paper was not obtained through the Ministry of Education as is being done by NCERT. The Ministry of Human Resource Development stated :

"According to the subsidy norms, there is no provision that NBT should act as a paper procuring and supplying agency to the private publishers for the production of subsidised books. As such the question of procuring concessional paper by the Trust and then supplying it to the private publishers does not arise, as the proposed action will be outside the purview of subsidy scheme. At the same time, the Trust has been emphasising the use of concessional or HPC paper, as may be available to the private publishers for production of subsidised books. But in practice, the private publishers were not in a position to get the concessional paper for use in the subsidised books for quite some years.

Since the supply of concessional paper is limited, Deptt. of Education allots concessional paper only to State Government and State Text Book boards for publication of School level Text books and Exercise books. As a result, they are compelled to use the alternate cheapest variety of paper (white printing and/or creamwave) as may be available in the ready market. NCERT does not receive concessional paper through the Ministry of Human Resource Development NCERT receives gift

paper, imported from Norway under the bilateral agreement. It is learnt that the full quantity of Norwegian gut paper is fully utilised by the NCERT itself for school textbooks without any scope left for diversion for use by other institutions. If the Trust assumes the responsibility of procuring and supplying of paper for the subsidised books, then the entire process will involve additional burden on the Trust in the management of procuring, supplying, accounting, warehousing etc. of those raw-materials. The resultant overheads and infrastructure will be an added burden on the Trust, perhaps self-defeating if viewed within the subsidy scheme."

1.131 The Trust was authorised to utilise for administrative expenses upto one per cent of the provision for the scheme, but the fulfilment of this condition could not be verified as the Trust had stopped booking its administrative expenditure, scheme-wise since 1979-80. The Trust stated in February, 1986 that the ceiling of one per cent fixed for administrative expenditure was not realistic. Asked whether the Trust had approached the Government for revision of the ceiling already fixed and what is the actual administrative expenditure on subsidy schemes, the Ministry stated :

"The NBT started administering the subsidy scheme sometime in 1970-71 with the provision that the administrative expenditure may not cross the limit of 1% of the total subsidy grant allocated per year. As per the decision of 91st meeting of the Executive Committee held on 10-11-1978 which was confirmed by the Government of India, Ministry of Education and S. W. (Deptt. of Education) vide their D.O. No. F.16-1/78-BP-I dated 28th March 1979, the Trust was authorised to treat the administrative expenses towards staff, salary etc. in respect of the continuing schemes of the Trust to be debited to the non-plan budget.

Over the years, the subsidy scheme has grown with considerable diversification of its activities. Budget provision in the initial period of 1970-71, 1971-72 and 1972-73 was of the order of about Rs. 3.37 lakhs and Rs. 4.40 lakhs respectively per year and today it is about Rs. 37 lakhs per year (1985-86), which in itself is a measure of the growth of this important scheme. Correspondingly, the infrastructure required to manage the increasing load of work too had grown from a small beginning of 2-3 officials in 1970s to 15-16 officials today. Naturally, the administrative expenditure of 1% as fixed at the initial period of subsidy scheme has become unrealistic in today's context. Over the years, the subsidy programme has grown itself into a continuing scheme and by necessity, the related administrative expenditure has come within the purview of the general non-plan expenditure as an on-going activity of the Trust, at par with its other similar continuing schemes.

The actual administrative expenditure on subsidy scheme for the year 1985-86 is of the order of about 8% of the total yearly grants allocated for implementation of the subsidy scheme.

In view of the decision of the Executive Committee referred to above, it may be stated that the revision on the ceiling of administrative expenditure was felt not necessary since the entire administrative expenditure was authorised to be treated within the general non-plan expenses of the Trust on all its on-going activities and continuing schemes."

(d) *Outstanding dues*

1.132 The Audit has pointed out that a sum of Rs. 24.93 lakhs was outstanding as on 31st March 1985 on account of books supplied to the distributors, departmental advances and rent of stalls let out to participants in Book Fairs/Exhibitions organised by the Trust :

S. No.	Party	Amount due in lakhs Rs.
(1)	(2)	(3)
1.	Distributing Agencies	18.65
2.	Departmental Advances	3.31
3.	Rent of Stalls	2.97
	TOTAL	24.93

1.133 The following are the details of Rs. 18.65 lakhs outstanding against distributing agencies :

	(Rs. in lakhs)
Distributors/Stockists (including consignees)	11.02
Institutions/Individuals parties	6.54
Book Centres/Regional Office	0.86
Publication Division	0.23

1.134 In this connection the National Book Trust have stated as under :

"Uptil 31 March, 1986 out of 11.02 lakhs, Rs. 3.45 lakhs (including Rs. 90,000/- under credit notes) have been realised from distributors/stockists. Out of the outstanding dues of Rs. 6.54 lakhs, an amount of Rs. 2.72 lakhs has been recovered so far. An amount of Rs. 1.09 lakhs has also been recovered from the book centres/regional offices and Publications Division. Thus, out of total of Rs. 18.65 lakhs, outstanding as on 31-3-85, a sum of Rs. 7.25 lakhs has been realised so far leaving an outstanding balance of Rs. 11.39 lakhs. The Trust has also obtained decrees in respect of two stockists for a sum of Rs. 62,000/- and legal action against two more stockists has also been initiated for realisation of Rs. 76,000/-. Efforts are being made to recover the balance outstanding dues.

Out of Rs. 3.31 lakhs outstanding on account of unsettled departmental advances as on 31-3-85, the NBT has settled account for Rs. 1.77 lakhs and efforts are being made to settle the balance amount."

1.135 As regards arrears of rent of stalls, the Audit has pointed out that Rs. 0.06 lakh related to 1972-75; Rs. 1.38 lakhs to 1975-81; Rs. 0.35 lakh to 1981-82; Rs. 0.03 lakh to 1982-83; Rs. 0.34 lakh to 1983-84 and 0.81 lakh to 1984-85. The rent of stall is required to be received in advance but this condition was not always enforced.

In this regard the Ministry of Human Resource Development stated :

"The Trust generally insists on payment of rent of stall and equipment in advance but in some cases a publisher does not comply with this condition and the Trust allows him to use the stand/stall, since actual expenditure on the erection of the stand/stalls, has already been incurred and it is not possible at the last moment to allocate it to some other party. Therefore, some arrears of rent remain unsettled.

The Trust has taken a number of steps for reducing the outstanding balance against the distributing agencies. Reminders along with statement of accounts are regularly sent for expediting recovery. In a few cases legal action has also been taken. Supply of books to permanent defaulters has been stopped and books to stockists are now being supplied against cash or bank guarantee. Only in exceptional cases of hardship, Bank Guarantee is waived off with the approval of the Chairman of the Trust. Efforts are also being made to weed out the unsold stock of books."

1.136 The Executive Committee decided in July 1984 to take the following steps for reducing the balances outstanding against distributing agencies.

- (a) Legal Action.
- (b) Books to be supplied against Bank guarantee.
- (c) Supply to be stopped to permanent defaulters.
- (d) Interest on outstanding dues may be charged.
- (e) Special efforts.
- (f) Weeding out of unsold books.

No action in this regard had, however, been taken (July 1985). The Trust stated (February 1986) that it was not possible to take legal action against all the defaulters and that the position in regard to the advances to staff and rent of stalls was under examination.

1.137 When asked as to what steps were being taken by the Trust to reduce the outstanding dues, the Ministry of Human Resource Development stated :—

"In pursuance of the decision taken by the Executive Committee in July 1984, the Trust has made special efforts to reduce the outstanding balance against distributors/stockists by contacting them personally and through our representatives. The Trust has also arranged meetings at higher level with some of the distributors/stockists to persuade them to settle the outstanding dues. As a result of these efforts the outstanding dues have been considerably reduced.

The Trust is persuing the legal cases initiated against the defaulters. In respect of the permanent defaulters books are not supplied and while appointing new stockists, Bank Guarantee or security deposit is insisted upon."

1.138 To a question whether the confirmation of the outstanding balances has been obtained from the debtors, the Ministry stated :

"The Trust has reminded the debtors to confirm the balances as well as remit them from time to time. Some of the parties have disputed the balances as indicated below :

Sl. No.	Supply of NBT publications	Amount due as on 31-3-1985	Amount realised during 1985-86	Balance Amount due	Amount disputed	No. of parties
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Individual Parties	654,488.40	272,520.81	381,967.59	4,497.20	27
2.	Stockists and Distributors	1,102,000.00	345,073.89	756,926.11	307,475.21	15
3.	Rental of Stalls	297,000.00	47,464.93	249,535.07	—	

Rest of them have not responded to the reminders which indicates that unless contended to the contrary, the out-standing balances shown are presumed confirmed.

In order to review the outstanding balance sheets with details, the Executive Committee in its meeting held on 29-12-86 has advised that details of outstanding balances against debtors should be summarised in the format and placed before the Executive Committee in its next meeting.

Besides compiling the above information, a list of debtors owing Rs. 10,000/- in value with date from which payment is outstanding should also be prepared and put up."

IX. RECOMMENDATIONS AND OBSERVATIONS

1.139 The National Book Trust (NBT) was constituted in 1957 and registered as a Society in 1959 for producing and making available good literature in all Indian languages at moderate prices and fostering book mindedness in the country. The Trust is managed by a Board of Trustees under a Chairman appointed by the Government of India. Besides its head-quarter at New Delhi, the Trust has regional offices at Bombay, Bangalore and book centres at Amritsar, Hyderabad, Mysore, Shantiniketan and Calcutta. In order to make NBT books available throughout the country, the Trust has appointed 21 whole-sale book distributors and 21 stockists for its publication. Books are also made available through the sales emporia of the Publications Division and through the book centres set up by the Trust. The publishing programme of the Trust cover books that are both informative and educative and are meant for lay reader as well as specialist. Range of subjects covered in these series include Mythology, Religion, History, Folktales, Festivals, the Country and its People, the Freedom Movement, the Birds and Animals, Science and Technology. The books published under Aadaan Pradaan and Nehru Bal Pustakalaya series stress on National Integration and foster a sense of unity and oneness by providing books in regional languages all over India. However, the Trust has published very few books relating to classical literature of India because this work is being undertaken by the Sahitya Akademi. To ensure coordination between the organisation, President, Sahitya Akademi is appointed a member of Board of Trustees of the National Book Trust.

1.140 In addition to its own scheme of publishing books called Normal Activities, the Trust undertakes special schemes assigned to it by the Ministry of Education such as Nehru Bal Pustakalva, Aadaan Pradaan, Subsidy Scheme and Core Books. The Trust also implements schemes financed by the UNESCO, National Book Development Council etc. The Committee are concerned to note that during its 30 years of existence, the NBT has so far produced only 3101 titles (2368 original/translation titles and 733 reprints). Considering the size of the country and the population of literate people, the number of books published by the National Book Trust is proportionately very small. It seems that the NBT have made its thrust of activities in organising book fairs and exhibitions at the International, National and Regional level as is evident from the fact that it has so far organised 7 World Books Fairs, 13 National Book Fairs and about 110 book exhibitions instead of producing good literature books.

1.141 The National Book Trust was examined by the Public Accounts Committee in 1964-65 and again in 1972-73. The Tarachand Committee which evaluated the work of the Trust up to the 31st December 1961 found that the scheme of production of literature by the Trust was almost too comprehensive and therefore neither useful nor practicable. That Committee had also suggested streamlining the organisational set-up and recommended certain changes in the composition and functions of the Trust. The Public Accounts Committee (1964-65) were also not satisfied with the quality of literature produced by the Trust and desired that more thought should be given to this aspect. They also recommended that "It was necessary to keep a proper account of the expenditure on publications and their sale proceeds with a view to assessing the economics of pricing

system and working of the Trust." Again the Public Accounts Committee (1972-73) felt the need for the review of the working of the Trust with a view to assessing the extent of realisation of its objective and in pursuance of those recommendations the Government of India had appointed a committee under the Chairmanship of Prof. Niharananjan Ray to review the working of the National Book Trust. As is evident from the succeeding paragraphs the Trust did not implement the recommendations of this Committee as well as of the other two committees appointed by Government to review its working and has also failed to achieve its main objective of producing good number of books and thus fostering book mindedness in the country.

1.142 The activities of the National Book Trust are mainly financed by grants-in-aid given to it by the Government of India and revenue by sale of its publications. From the Finance and Accounts of the Trust, it is noticed that expenditure on Exhibitions and Book Fairs had been Rs. 22.45 lakhs, Rs. 33.36 lakhs, Rs. 28.73 lakhs, Rs. 72.05 lakhs and Rs. 24.54 lakhs against the receipt of Rs. 5.46 lakhs, Rs. 16.44 lakhs, Rs. 4.12 lakhs, Rs. 29.22 lakhs and Rs. 2.89 lakhs during the years 1980-81, 1981-82, 1982-83, 1983-84 and 1984-85 respectively. There is no indication whatsoever to ascertain whether participation in Exhibitions/Book Fairs has enabled the NBT to achieve its objective of fostering book mindedness in India. The Committee also note that generally 80 per cent of their grants are spent on salaries and office expenses and Exhibitions & Book Fairs which also represents 60 per cent of their total expenditure under these heads. Overall payments had also been more than the receipts during all these years and that there had been, on the other hand, decline in revenue earned from sale of publications by 6.6% during 1983-84 and 1984-85 as compared to 1980-81. It is disquieting to find that whereas the literacy rate in the country is growing from year to year there is decline in revenue on sale of publications. The conclusion is inevitable that NBT is not able to achieve its objective. Even a magazine like Chanda Mama which is read by children has been able to increase the sale of its issue from year to year. In that context a well-knit organisation like NBT should certainly be in a position to boost the sale of its books and publication. That it has lamentably failed to do only show the inadequate level of its performance. There is every need to make every effort to boost its sales so that it may become a viable unit. In order to make these books popular, Trust must resort to advertisement on mass communication media like Television and Radio.

1.143 The Committee are surprised to note the reply of the National Book Trust that "it is not a commercial organisation and it does not work on profit and loss basis and if the Trust increases prices of its publications so as to increase its revenue, books would not reach the average reader who cannot afford to buy them." In order to promote its sales the Trust is taking number of measures such as negotiations with State/Central Government, supplying books in bulk to various Central Government organisations, approaching school organisations for prescribing Trust publications as text/supplementary reading materials etc. However, the Committee find that the Trust has been able to get orders from 11 State Governments and 8 Union Territory Administrations only. Unfortunately State Governments were addressed by the Trust only once, i.e., in 1984-85 and after not getting any response from them, the State Governments were not reminded at all. The Committee feel that these half-hearted measures do not

seem to be adequate enough. Extensive efforts are required to be made by NBT to boost the sales of its publications and to create bookmindedness in the country. The Committee suggest that the NBT should approach Kendriya Vidyalaya Sangathan which is also an autonomous body under the Government of India and also all State Governments who are running schools/colleges all over the country to get its books for their libraries. This step alone would have enabled the NBT to boost the sale of its publications. The Committee also suggest that NBT should open its sales counters in Universities, contact all colleges and libraries and other educational institutions, cultural and literary associations with its catalogues, pamphlets and all its publications. The Central and State Governments could also be induced to subsidise grants for libraries in the form of books from NBT. The Committee deplore this immobile & rigid aptitudes adopted by NBT and its total lack of alive contact with the above mentioned categories of institutions.

1.144 It is disquieting to note that the National Book Trust could not furnish statement of total shortfall of revenue realised over cost since its inception although Public Accounts Committee had as far back as November 1964 desired the National Book Trust to keep a proper account of the expenditure on publication and their sale proceeds. This recommendation of the Committee was again reiterated by the Public Accounts Committee in paragraph 3.4 of their 86th Report (5th Lok Sabha). The Committee would like to know as to why their recommendations have not been implemented so far and also desire that urgent steps should be taken to get the needful done. The Committee would like to know as to why the above recommendations have not been implemented so far. If the present State of affairs does not show any improvement, the Govt. must devise some alternative to achieve the original objective by reconstituting NBT, entrusting its management to committee persons with dedications.

1.145 The Committee also find that 27 per cent of total copies printed are lying unsold and that in the case of Assamese, Sindhi and Urdu books, the percentage of unsold books even exceeds 33 per cent. It was admitted by the Special Secretary, Department of Human Resource Development, during evidence that the marketing or sale side is not every active. That indeed is the weakness in the organisation. In this connection the Committee note from their 86th Report (5th Lok Sabha) that contracts were executed with eminent distributors in the country language-wise in respect of all the titles published with the guarantee that they would take over the stock after a certain period. The progress made in the sale of the stock through the distributors was to be reported to this Committee in due course. The Committee would like to know as to how 27 per cent of the copies printed remained unsold with the Trust inspite of the above contracts. The steps taken to sell/dispose of all these books may also be intimated to them. There is steady fall in the number of titles brought out and annual average of original titles from 1970-71 to 1984-85 as would be seen from the following details :

Year	Number of titles brought out	Annual average of original Titles published
1970-71 to 1974-75	245	49.0
1975-76 to 1979-80	186	37.2
1980-81 to 1984-85	155	31.0

The Government should make special efforts to activate the NBT which is miserably failed in achieving its objective.

1.146 The Committee find that the decision to fix prices of the publications of the Trust as per the existing formula at to $2\frac{1}{2}$ times of the prime cost of production was taken by its executive committee on 29 Nov. 1965. The costing division of the Ministry of Finance made two recommendations. It wanted the deduction of overhead costs and it also wanted the NBT to have a Cost Accounts officers and a Cost Accountant. However, on 29 December 1986 a sub committee was constituted to consider the above issues. The Committee would like to know the findings of the sub-committee and action taken thereafter.

1.147 The Trust was required in December 1979 to devise and prepare proforma accounts of its production activities so as to ensure the cost effectiveness of the publications brought out by it. It is disturbing to find that the Trust has not evolved a system of accounts to indicate the working results of its production activities so far even after a lapse of 8 years. The Committee would like to know the reasons for not preparing proforma accounts as per its production activity-wise and desire that responsibility should be fixed for not following a sound system of accounting.

1.148 The receipt and payment accounts and stock statements give a broad analysis of the working results of various activities of any organisation/institution. The Committee are unhappy to note from the data of various activities of the Trust for the five years ended on 31 March 1985 (1980-81 to 1984-85) that there had been a loss of Rs. 148.74 lakhs even if the administrative cost is ignored. National Book Trust could not furnish figures for loss since its inception. The reply of NBT stating that "since the cost of each title is worked out in individual files, it is not practicable to work out the exact cost of the production of the titles as old files have been destroyed" is not tenable. The Committee were informed that the NBT was taking steps to devise a system of proforma accounts of its production activities. There is urgent need for the preparation of proforma accounts so that it is possible for the NBT to critically analyse its operational activities and take appropriate steps to correlate revenues and overheads.

1.149 Against the overhead charges of 159 per cent of prime cost, the Trust is not charging anything (Nehru Bal Pustakalaya), 100 per cent (Aadaan Pradaan) and 125 to 150 per cent for other activities. The losses to the Trust on this account amounted to Rs. 29.74 lakhs per annum on an average. There had also been disproportionate increase in setting and distribution cost from Rs. 3.34 lakhs in 1980-81 to Rs. 7.61 lakhs in 1984-85. The ratio of selling and distribution cost to sales had also increased from 19 per cent in 1980-81 to 47 per cent in 1984-85. The Committee need hardly emphasise that the Trust should review its working and plan its activities in such a way as it could function on a no profit no loss basis.

1.150 The National Book Trust had not been preparing any annual long term programme laying down annual targets of publication under each of the eight series (India—The Land and the People; National Biography; Popular Science; World of Today; Folklore of India; Young India Library; Adult Education & Rural Publicity Project) covered under its own programme of Normal Activities. However, the Committee note that whereas the number of reprints have increased from 11 (1970-71 to 1974-75) to

239 (1980-81 to 1984-85), the number of publications of original titles have considerably gone down from 335 to 195 during the same period. The Min. of Human Resource Development have stated that the publications of 239 reprints has affected the publications of original titles during that period. Another reason given by the National Book Trust for decline in publishing original titles is its taking up the production of translations in regional languages and also difficulties in locating the best authors and their failure to stick to time schedule. Insufficient remuneration paid to authors is the main reason for this decline. It is evident from the Ministry's reply that a lumpsum honorarium of Rs. 1500-1600 is offered to the authors of Nehru Bal Pustakalaya and a sum of Rs. 4000/- is paid to authors for translation of their works upto a maximum of four languages and Rs. 500 for their translation into each additional language. For other series the royalty paid to authors is 20 per cent in the original language in which the said work is written on the first and all subsequent editions and translation provided by or paid for by the author and 10 per cent on the first editions of all translation, if the translation charges are borne by the Trust.

The maximum royalty paid to authors under Normal Publishing Programme was Rs. 4958 during 1985-86. The Committee, therefore, desire that the Trust should prepare their annual programme simultaneously laying down annual targets of publication under each of 8 series and also revise honorarium/royalty paid to the authors so as to attract for eminent authors. While fixing the rates of honorarium/royalty, the rates paid by the private publishers to authors should be kept in view.

1.151 One of the main reasons for low sale of books in regional languages, as admitted by the Ministry of Human Resource Development, is that the reading habit in the country specially in the rural areas have not fully developed. The literacy percentage in the country has increased from 16.6% in 1951 to 30.2 in 1981 as per census conducted in these years. The Committee desire that book centres should be opened in rural areas in collaboration with the distributors/publishers of that area and religious story books should be made available to the common reader at cheap rates. There is adequate scope to boost the sale of books in rural areas. The use of Mobile Van can be made with advantage as is being done by Gita Press, Gorakhpur. For achieving this objective the help of concerned Departments of the Union Government and the State Governments may be taken.

1.152 In this connection the Committee note that the Administration Staff College of India, Hyderabad which was deputed to examine the strategic objectives and organisation design of the trust had also interalia recommended in 1978 that the Trust should aim to develop a regional net work. This was considered necessary to make its publishing programme relevant to regional needs and to coordinate its fast developing distribution net work. The Committee would like to know the step taken and the results achieved in this direction.

1.153 On the basis of the recommendations of the Education Commission, it was decided by the Committee of Members of Parliament that the Government of India should undertake, sponsor or promote the production of series of books on different topics of national interest to be written by the most competent persons in the field and translated in all the Indian

languages and priced exactly the same in every school. In pursuance of the above recommendations, the Government of India sanctioned a scheme entitled Nehru Bal Pustakalya towards the end of 1968-69 and entrusted the work to the Trust for implementation. Grants totalling Rs. 156.63 lakhs were released to the Trust by the Government upto 31 March 1985 for the scheme. The Committee are concerned to note that the target of 1300 titles in 13 languages envisaged to be achieved by the end of 4th Five Year Plan itself could not be achieved by the Trust even upto the end of 6th Five Year Plan and only 710 titles could be published upto March 1985 which is indeed quite disappointing. As against the annual average of 51 titles of this series published during the period from 1970-71 to 1979-80, the average production during subsequent period i.e. 1980-81 to 1984-85 was 40 titles only. The sale proceeds of the books during the period upto 1984-85 amounted to Rs. 4282 lakhs. Out of 101.41 lakh copies of 710 titles published upto the end of March 1985 priced at Rs. 184.92 lakhs, 7.50 lakh copies priced at Rs. 20.03 lakhs were damaged during flooding of one of the godowns of the Trust in August 1984 and 75.93 lakh copies were sold/distributed free till then. The remaining unsold 17.98 lakh books priced at Rs. 45.51 lakhs constituted 46% of value of books held by the Trust at the end of March 1985. In this connection, the Ministry of Human Resource Development have stated that the National Book Trust had distributed 63812 copies of publication free under Nehru Bal Pustakalaya series till March 1985 and as on 31 March 1986, there were 12.58 lakh copies still lying with them. The Committee also suggest that National Book Trust should also publish penguin type publications for a very large circulation on different subjects.

1.154 The Committee note that the progress of Nehru Bal Pustakalaya series was to be reviewed by an Advisory panel consisting of Principals of schools, childrens' Book writers, illustrators and Directors of Public schools. The Advisory Panel was required to meet at least once in a year. However, it was noticed that during the period 1978-79 to 1984-85 only two meetings were held that too—one in July 1978 and the other in August 1984 in which only titles to be printed were to be decided. The Panel Members had also stressed the need for improvement in sales and distribution of this series. Again, the Administrative Staff College Hyderabad recommended in July 1979 that Trust should initiate sample surveys/evaluation atleast in respect of this series in cooperation with Kendriya Vidyalaya. Although a period of over 6 years have elapsed since then, no evaluation/survey of the scheme has been undertaken by the Trust on the other hand the Trust got evaluation of 28 titles done through the teachers and students of Sardar Patel Vidyalaya and Springdales schools whose principals were on the Advisory panel. Since a Numbers of Kendriya Vidyalaya are in Delhi it is not clear as to why it was not possible to get evaluation done from them. Since such Vidyalaya are established all over the country with the uniform course of studies, evaluations by these Vidyalayas would certainly be more rewarding and realistic. Now, the Trust has been advised to conduct specific evaluation/survey of this series through the teachers of Kendriya Vidyalaya Sangathan the Committee would like to know the outcome of this survey.

1.155 Against the normal practice of printing of book of Nehru Bal Pustakalaya series on creamwove quality of paper costing between Rs. 100 and Rs. 150 per ream, the Trust used heavier and costlier variety of multitho

paper costing between Rs. 200 and Rs. 300 per ream in a number of cases which resulted in avoidable extra expenditure of Rs. 4 lakhs during the period 1982-83 to 1984-85. The Committee are surprised to note the reply of the Trust that 'since it was well known that concessional paper is not available, it did not consider it necessary to seek the clearance of the Ministry'. As this scheme was a sponsored programme of the Ministry of Human Resource Development, the Committee feel that any deviation for use of costlier paper should have been got approved from them. The Ministry should also take up the question of non-availability of cheap paper with the Ministry of Industry at high level.

1.156 No proposal for revision of prices for Nehru Bal Pustakalaya series was sent to the Ministry after 18 July 1978 when it was decided that a maximum price of a title on this series should be fixed at Rs. 2.50 and in case the price of any title was to be fixed more than that, specific approval of the Ministry was to be obtained. In March 1986, the Trust in the light of Audit comments, approached the Ministry for approval of their proposal for orbant increase in prices of the books of this series at Rs. 10 per copy on an ad hoc basis. However, the Executive Committee in its meeting held on 29 Dec. 1986 had decided that all aspects relating to the pricing of all NBT publications should be examined by a sub-committee. The Committee desire that the sub-committee should expedite enquiry and communicate their recommendation so that the Govt may take action without any further delay on these findings.

1.157 In the middle of 1968, a Scheme for publication of ten best books in each language mentioned in the Eighth Schedule of the Constitution by translating them into the remaining languages was mooted by the Ministry of Education at the instance of Cabinet Secretariat, to spread the knowledge of literary achievements in all the language. This was accepted by the Planning Commission in January 1969 and a plan outlay of Rs. 50 lakhs was approved for the Fourth Plan. The scheme envisaged publication of 1335 titles, including some anthologies or short stories or one Act Plays to be published in original language also. Against the target of 1335 titles to be published in ten years i.e. by the end of Fifth Plan, 7.55 lakh copies of only 579 titles (43%) priced at Rs. 70.87 lakhs could be produced in 16 years upto the end of March 1985. It is disquieting to note that all the above 579 titles except 39 are translations and not original works. The Committee are not satisfied with the above performance of the National Book Trust and desire that necessary measures should be initiated to achieve the objective of publishing the remaining 756 titles without any loss of time in a planned manner.

1.158 Out of 7.55 lakh copies of these 579 titles, 0.71 lakh copies priced at Rs. 7.39 lakhs were damaged during flooding of godown while 1.82 lakhs copies valued at Rs. 20.39 lakhs were lying unsold in the godowns hired by NBT. The Committee, desire that concerted efforts should be made to sell these books. There is also need for constant evaluation of Aadaan and Pradaan series.

1.159 The Committee have also learnt that the translators from outside the organisation do not stick to the time schedules. The Committee suggest that efforts should be made to identify dependable translators of each language and their remuneration be increased suitably so that the scheme may become attractive to the translators.

1.160 Another reason for low production of books given by the Ministry is that the new printers do not accept the manuscripts as the print run of the National Book Trust was not high and the printers do not find it profitable. However, the Special Secretary, Ministry of Human Resource Development stated that these difficulties can not be an explanation for the decline of production of titles.

1.161 The Committee find that there are number of books which have not been revised and updated so far. The Committee desire that necessary steps in this regard may be taken and all those books for which there is good demand in the market, should be up-dated.

1.162 Editorial Section of the Trust sends the manuscripts to the Production Section for fixing the presses for print. The Committee have noticed inordinate delays in 69 cases ranging from 3 months to about 7 years between the receipt of manuscripts in the Production Section and sending them to presses for printing. Similar, delays were also noticed by the presses in 41 cases. Most of the delays were stated to be due to reluctance of printers to take up the job on account of low print-runs and making payments of printing bills; in returning the proof to the presses and in supply of paper. The Committee deplore this unsatisfactory state of affairs and desire that NBT should investigate the reasons for delay on these accounts and take necessary steps to avoid such delays in future. National Book Trust should take up printing of books in regional languages with the respective States in their printing presses so that the printing is expedited.

1.163. The Committee note that National Book Trust adopted a general agreement in 1982 to regulate assignments of printing jobs to various printers and the terms and conditions stipulated in this agreement inter alia provided for penalty for bad workmanship, delayed execution, liquidated damages etc. In 37 cases of delays ranging from 3 to 73 months by the presses, the National Book Trust did not impose any penalty on the printers. The Committee are of the view that while entering into contracts with the printers, it must be made clear to them that time is the essence of the contract and delay will result in penal damages.

1.164. However, from another note, the Committee find that the reasons for not levying the penalty on the printers was due to the fact that the Trust did not clear the proofs in time and supply paper for the printing order. The Committee may be informed of the factual position in this regard and fix responsibility for such delays particularly in Production Section/Printing Section.

1.165. It is seen that the paper is supplied by the Trust for its publications being printed at private presses. A review of ledger account of paper issued to private presses revealed that out of 29639 reams of text paper and 4555 gross cover paper valuing Rs. 53.07 lakhs issued to private presses during the period from 1979-80 to 1984-85, consumption account of 5814 reams of text paper and 979 gross of cover paper valuing Rs. 8.49 lakhs issued to 116 presses had not been rendered upto 31 March 1985. The National Book Trust have informed the Committee that since then it has settled the account of paper with 28 printers valued at Rs. 286757.48 and job valued at Rs. 85821 in respect of 17 presses still in progress. The

Committee desire that the remaining accounts of Rs. 473247 pertaining to 71 presses should also be settled without any further delay under intimation to them.

1.166. The Directorate of Printing of Government of India have prescribed one per cent per colour scale for spoilage of paper during printing, for printing jobs assigned to private presses. The above scale had been adopted by all the book printing Departments of Government of India/autonomous bodies like NCERT. However, the Trust had adopted a very liberal scale ranging from 1 to 5% of colour for text and 1 to 7% for cover for spoilage of paper during printing. The Committee are distressed to note that the approval of the Executive Committee of the Trust for the scale of spoilage was not obtained by Trust. As such it has been found during test-check that 190 reams to text paper and 132 gross of cover paper valued at 0.47 lakh was allowed as spoilage in excess of the scale in 277 out of 466 print orders given, by the Trust during 1980-81 to 1984-85. In this connection, the Committee have been informed that the Executive Committee of the Trust in its meeting held on 29 December, 1986 decided that a sub-Committee consisting of experts of representatives from the Directorate of Printing, Children's Book Trust, Indian Standard Institutions, Sahitya Akademi etc. should be formed to look into this question and evolve fresh schedule of printing rates for adoption by the Trust and also suggest a rational norm for percentage of wastage paper for printing of Trust's publications. The question should be settled expeditiously and if necessary in consultation with the Printing Directorate, Government of India.

1.167 The Trust had been following the pricing policy as laid down by it in 1965 under which the books produced were priced at 2 to 2.5 times the cost of production. It is distressing to note that the term "cost of production" was not defined by the Executive Committee of the Trust who are including in it only cost of printing paper and blocks/proof reading and the important elements of cost such as cost of manuscript, translation, royalty to authors, incidentals and storage charges on paper, etc. were not being including in the cost. Expenditure on royalty, storage of paper, direct cost of manuscript/translation during the 5 years ending March, 1984 amounted to Rs. 22.52 lakhs and as such books produced by the Trust were under priced Rs. 45.04 lakhs during the same period. The distribution cost i.e., packing and forwarding charges alone worked out to 6% of the sale price while promotional expenditure on publicity and free distribution accounted for 20% of the sales. Although the cost of establishment on selling and distribution was not being shown in the accounts separately yet the data collected by Audit reveals that it was about 28% of sales price. It is essential that price of the books is fixed as per pricing policy adopted. The Committee desire that efforts are required to be made to reduce cost of establishment and distribution charges and appropriate steps should be taken in this direction.

1.168 In this connection, the Committee note that the Administrative Staff College, Hyderabad which conducted a review of the Trust working in 1977-79 recommended that the Trust's books be priced in such a manner that atleast variable cost i.e., cost of production, promotion and distribution should be recovered and that system for providing information on the variable cost and overheads associated with a particular title should be evolved. However, the Committee note that the above recommendations were

not implemented by the Trust so far. The comments of the N. B. T. on the Report on Costs Account Branch of the Ministry of Finance, envisaging to the evolving of a system for pricing of Trust publications in pursuance of the recommendations of the Administrative Staff College, were pending with the Government since January, 1986. The Committee express their unhappiness over this state of affairs and desire that an early decision be taken in the matter.

1.169 From the Audit Report the Committee find that in spite of the selling price of the books in Nehru Bal Pustakalaya series having been revised by the Government to Rs. 2.50 from May 1977, fresh publications in this series continued to be priced at Rs. 1.50 per copy even upto March 1985 with the result that 95 titles were under priced which resulted in loss of Rs. 11 lakhs to the Trust. Again, the Trust continued allowing discount at the rate of 40 to 45% of State Governments on bulk purchase even after the Government of India reduced the discount to 33.33%. Loss due to this unauthorised discount amounted to Rs. 212 lakhs during 1984-85. Similarly, in respect of 9 titles produced under Nehru Bal Pustakalaya series out of 76 titles test checked, the selling prices fixed were found to be 3% to 38% lower than the prime cost itself resulting in loss of Rs. 0.75 lakh to the Trust. The Committee would like to know the reasons for the underpricing and also the circumstance due to which more discount than that permissible was given to various institutions/organisations of the Government of India. The Committee recommend that stern action should be taken against the persons responsible for this lapse resulting into loss to NBT.

1.170 One of the objectives of the National Book Trust is to bring out book-lists, arrange exhibitions and seminars and take all necessary steps to make the people book minded. However, the Committee note that instead of popularising books in India, the Trust is exhibiting their books abroad through participation in International Book Fairs. It is interesting to note that during the years 1982-83 to 1986-87 (upto January 1987), NBT participated in 73 International Book Fairs and for this purpose 36 officials were sent abroad Total expenditure in NBT participation on this account amounted to Rs. 25.58 lakhs. Participation in International Book Fairs do not seem to be in consonance with the objects of the NBT viz., producing and making available good literature in all Indian languages on moderate prices and fostering book mindedness in the country. The Committee is surprised that NBT instead of concentrating on its objectives by stepping its activities inside India has exhausted its meagre resources on Book Fair abroad.

1.171 The Committee note that the stock of books in the basement godowns in National Book Trust's headquarters building was flooded in April, 1983 when books valuing Rs. 5.04 lakhs were damaged. However, the stock in this godown was insured against floods from April 1984 for Rs. 65 lakhs on payment of premium of Rs. 0.34 lakh per annum. In August 1984, the storage was again flooded causing damage to the books valuing Rs. 48.89 lakhs. The Committee are surprised to note that the reasons for flooding of the basement of godown was not probed at any of these two occasions. However, the Trust have stopped storing books in the basement of godown and firstly hired godown space from Central Warehousing Corporation at rent of Rs. 27000 per month. Subsequently, w.e.f. 1 August, 1986, the Trust has hired godown space at Gurgaon at a

rent of Rs. 12000 per month. The Committee suggest that NBT should examine the economics of constructing their own godown. They would also like to know whether the stock of titles damaged in floods have been made good by reprints etc. It is desirable that the Trust should identify the titles for which there is comparatively better demand and fix priority of their reprint accordingly. NBT should also take steps to weed-out the stocks which is due for destruction.

1.172 A sum of Rs. 24.93 lakhs was outstanding as on 31 March, 1985 on account of books supplied to the distributors, departmental advances and rent of stalls let out to participants in book fairs/exhibitions organised by the Trust. The National Book Trust has so far recovered a sum of Rs. 7.26 lakhs out of Rs. 18.65 lakhs due from distributing agencies; settled accounts for Rs. 1.77 lakhs out of Rs. 3.31 lakhs outstanding on account of departmental advances. The Committee desire that the remaining outstanding amounts should be recovered/settled with the concerned parties without any further delay. It is also suggested that rent of stalls should be realised in advance from the participants in Book fairs/Exhibitions organised by the Trust.

1.173 The NBT has been in existence for nearly 30 years now and has not been able to create perceptible impact on mass market in the country and in that context there is urgent need to revamp its structure and to make it function effectively so that it is in a position to achieve the objective at a faster pace. There seems to be total lack of motivation in the NBT to achieve its objective and it should consider the grant of some incentive for aggressive marketing.

It is distressing to note that the post of Director is vacant since November 1985. Why the Government is not able to fill the post so far is beyond the comprehension of the Committee.

NEW DELHI;
April 27, 1987
Vaisakha 7, 1909(s)

E. AYYAPU REDDY
Chairman
Public Accounts Committee

APPENDIX I

[Para 4 of the Report of the C & A G of India for the year 1984-85, Union Govt. (Civil) Vol. III on National Book Trust]

4.1 Introductory.—The National Book Trust was constituted in 1957 and registered as a Society in 1959 for producing and making available good literature in all Indian languages at moderate prices and fostering book mindedness in the country. For this purpose the Trust brings out book-lists, arranges exhibitions and seminars besides publishing books of the following kinds :—

- (i) Classical literature of India;
- (ii) Outstanding works of Indian Authors in Indian languages and their translation from one Indian language to another;
- (iii) Translation of outstanding books from foreign languages;
- (iv) Outstanding books of modern knowledge for popular diffusion.

The trust is managed by a Board of Trustees under a Chairman appointed by the Government of India. It has, among its members, one representative each from the Sahitya Akademi and the Ministries of Information and Broadcasting, Education and Finance. Besides its headquarters at New Delhi, the Trust has regional offices at Bombay and Bangalore and Book Centres at Amritsar, Hyderabad, Mysore, Santiniketan and Calcutta.

4.2 Finance, Accounts and Audit.—The Trust depends for its activities mainly on grants-in-aid given to it by the Government of India, though it also earns revenue by sale of publications. In addition to its own schemes of publishing books (called Normal Activities) the Trust undertakes special schemes assigned to it by the Ministry of Education such as Nehru Bal Pustakalaya, Aadaan Pradaan, Subsidy Schemes and Core Books for which special grants are given by the Government. The Trust also implements schemes financed by the UNESCO National Book Development Council, etc. The Accounts of the Trust are audited under Section, 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971. The annual receipts and payments of the Trust relating to these activities during the years 1980-81 to 1985 were as follows :—

Receipts, :—

Particulars	1980-81	1981-82	1982-83	1983-84	1984-85
1	2	3	4	5	6
(Rupees in lakhs)					
1. Grant-in-aid					
(A) From Government of India					
for :					
(I) Normal Activities including maintenance building grant	35.51	40.98	54.04	72.03	84.30

1	2	3	4	5	6
(ii) Exhibitions	5.46*	16.44	4.12	29.22	2.89
(iii) Nehru Bal Pustakalaya	11.99	12.75	20.00	14.00	19.38
(iv) Aadaan Pradaan	3.15	4.33	1.97	3.75	1.42
(v) Subsidy Scheme	14.89	13.28	26.00	35.00	36.99
(vi) Core Books	1.65	0.37	3.00	2.79	5.00
(B) From other sources	—	0.52	0.23	3.17	2.14
2. Sale of publications	17.16	17.26	21.07	16.03	16.04
3. Exhibition Receipts	9.36	23.09	10.10	29.23	8.71
4. Miscellaneous Receipts	1.82	3.13	1.99	2.33	1.78
Total Receipts	100.99	132.15	142.52	207.55**	178.65

* Includes figure for World Book Fair also.

** Excluding a receipt of 70,000 dollars in foreign currency.

Payments :

Particulars	1980-81	1981-82	1982-83	1983-84	1984-85
1. Salaries and Office expenses, etc.	35.93	45.70	58.46	60.17	79.46
2. Publishing :					
(a) Normal Activities	8.19	9.22	9.82	11.46	9.20
(b) Nehru Bal Pustakalaya	13.01	13.01	19.33	12.03	16.90
(c) Aadaan Pradaan	4.33	3.62	3.05	2.97	1.77
(d) Ad-hoc Schemes	0.05	0.23	0.28	0.34	0.29
3. Royalties	1.49	0.73	1.20	0.67	0.81
4. Subsidy Scheme	13.25	17.44	23.38	35.66	36.93
5. Core Book Programme	2.06	1.80	1.84	1.52	6.95
6. Exhibitions/Book Fairs	22.45	33.36	28.73	72.05	24.54
7. Seminars and Workshops	0.06	0.17	0.56	0.51	—
8. Other Schemes	0.05	—	—	1.74	2.58
Total Payments :	100.87	125.28	146.65	199.12	179.43

4.2.2 The total grants-in-aid received by the Trust from the Government of India during the three years ending 31st March 1985 were 50 per cent, 116 per cent and 106 per cent more as compared to the grants received during 1980-81. The Trust stated (February 1986) that for these calculations the grants received for subsidy books and core books needed to be excluded at these grants were to be paid away to authors and publishers as subsidies. Even if these grants were ignored percentage increase mentioned above came to 40, 112 and 93 respectively. Revenue earned from sale of publications, on the other hand, declined by 6.6 per cent during 1983-84 and 1984-85 as compared to 1980-81. This increased dependence on Government grants was mainly due to increase in salaries of staff, increased cost of production of Trusts publications and lesser reve-

revenue from sale publications and lesser receipts from Book Fairs & Exhibitions as compared to the expenditure thereon. The Trust stated (February 1986) that the decline in revenue was due to non-receipt of bulk orders from State Governments during 1983-84 and the loss of substantial stock of books due to flooding of its basement godown during 1984-85.

4.2.3 Non-Preparation of Proforma Accounts of production activities.—The form of accounts of the Trust was approved in December 1979. The Trust was required to devise and prepare Proforma Accounts of its production activities, so as to ensure the cost effectiveness of the publications brought out by it. Although a period of over 5 years has elapsed, the Trust has not evolved a system of accounts indicating the working results of its production activities.

The following data compiled from the receipts and payments accounts and stock statements gives a broad analysis of the working results of various production activities for the five years ended on 31st March 1985 which indicate a loss of Rs. 148.74 lakhs during this period even if the administrative cost is ignored.

A Cost of production :—

Particulars	1980-81	1981-82	1982-83	1983-84	1984-85
(Rupees in lakhs)					
(i) Cost of paper and printing (Prime Cost)	22.66	22.66	29.09	22.58	24.74
(ii) Translation and publicity charges	2.92	3.42	3.39	4.22	3.42
(iii) Other costs i.e. direct establishment (Editorial and Production Sections and Royalties)	8.93	9.93	10.84	11.67	13.75
A. Total cost of Production	34.51	35.01	43.32	38.47	41.91
B. Gross value at sale price of books produced	32.59	49.87	31.49	25.86	27.39
C. Free distribution, discounts and allowance for weeding out	16.86	25.81	16.29	13.39	14.15
D. Net revenue realisable	15.73	24.06	15.20	12.47	13.24
E. Establishment charges on sale distribution and publicity sec- tions and packing and forward- ing charges	4.12	5.72	7.19	9.24	9.95
Shortfall of revenue realisable over cost (A+E-D)	22.90	16.67	35.31	35.24	38.62

While fixing selling prices the Trust had been charging over-heads on the cost of books as under :—

Name of series to cost of production	Percentage of overheads
(i) Nehru Bal Pustakalaya	Nil
(ii) Aadaan Pradaan	100 per cent
(iii) Normal Activities	125 to 150 per cent

Even if the Administrative and Office expenses are ignored, the over-heads on production and sales work out to 159 *per cent* of prime cost and losses to the Trust on an average amounted to Rs. 29.74 lakhs per annum.

4.2.4 Rising selling and distribution costs.—There had been disproportionate increase in selling and distribution cost from Rs. 3.34 lakhs in 1980-81 to Rs. 7.61 lakhs in 1984-85. A comparison of the expenditure on selling and distribution of Trust's publication with the revenue from sales revealed that the ratio of selling and distribution cost of sales increased from 19 *per cent* in 1980-81 to 47 *per cent* in 1984-85 as shown in the following table :

	1980-81	1981-82	1982-83	1983-84	1984-85
	(Rupees in lakhs)				
(A) Revenue from sales	17.16	17.26	21.07	16.03	16.04
(B) Expenditure of selling and distribution					
(i) Establishment charges	3.06	3.93	5.13	6.04	6.40
(ii) Packing and forwarding charges	0.28	0.89	1.02	1.97	1.21
	3.34	4.82	6.15	8.01	7.61
Percentage ratio of selling costs to sales	19	28	29	50	47

4.3 Schemes of Book Production

4.3.1 *Own Programme (Normal Activities)*.—The Trust had not been preparing any annual/long term programme laying down annual targets of publication under each of the eight series covered under its own programme (Normal Activities). A comparison of number of original titles produced under its own programme during the five years block (1980-81 to 1984-85) with those produced during the previous two blocks (1970-71 to 1979-1980) revealed that the annual average of publications brought out

during the period 1980-85 was comparatively lower as indicated in the table below :—

S. No.	Name of Series	No. of titles brought out Annual coverage of original titles published					
		during	during	during	during	during	during
		1970-71	1975-76	1980-81	1976-71	1975-76	1980-81
		to	to	to	to	to	to
		1974-75	1979-80	1984-85	1974-75	1979-80	1984-85
1.	India—The Land & The People	61	47	27	12.2	9.4	5.4
2.	National Biography	118	41	39	23.6	8.2	7.8
3.	Popular Science.	—	16	11	—	3.2	2.2
4.	World of Today	4	3	1	0.8	0.6	0.2
5.	Folklore of India	9	7	9	1.8	1.4	1.8
6.	Young India Library	13	21	11	2.6	4.2	2.2
7.	Adult Education	—	4	9	—	0.8	1.8
8.	Rural Publicity Project	—	4	28	—	0.8	5.6
9.	General Publications including Dr. Zakir Hussain memorial Series	40	43	20	8.0	8.6	4.0
		245	186	155	49.0	37.2	31.0

Out of 20.27 lakh copies (priced at Rs. 157.82 lakhs) of books of various series produced under this programme upto 1984-85, 2.84 lakh copies priced at Rs. 27.42 lakhs were damaged in flooding of is godown, 3.17 lakh copies (priced at Rs. 32.37 lakhs) remained unsold as on 31st March 1985 against 1.15 lakh copies (priced at Rs. 14.21 lakhs) published annually on an average during the five years ended March 1985. The Trust stated (February 1986) that the number of original titles published by the Trust declined due to its taking up the production of translation in regional languages and also due to difficulties in locating the best authors and their failure to stick to the time schedule.

A further analysis of the balance of unsold books at the end of March 1984 i.e. before loss of books in floods revealed that unsold copies on Adult Education, Popular Science and General Publications were 51 per cent, 45 per cent and 33 per cent (priced at Rs. 0.69 lakh, Rs. 2.44 lakhs and Rs. 5.55 lakhs respectively) of the number of books produced between 1970-71 and 1983-84. The Trust stated (February 1986) that compared to books in English and Hindi, it took more time to sell complete stock of books in regional languages.

4.3.2 *Nehru Bal Pustkalaya*.—The Education Commission recommended in 1967 that the entire thinking of the rising generation would be different and national integration could be immensely strengthened, if a set of about 100 books on different topics could be written by the best of scholars in the country translated and made available in every school and if an average student reads them in his school course as a matter of routine.

The above recommendations of the Commission were considered by a Committee of Members of Parliament who recommended that the Government of India should undertake, sponsor or promote the production of a series of books on different topics of National interest to be written by

the most competent persons in the field, translated in all the Indian languages and priced exactly the same in every school.

Accordingly, the Government of India sanctioned a scheme entitled "Nehru Bal Pustakalaya" towards the end of 1968-69 and entrusted it to the Trust for implementation. Under the scheme, books were to be sold at a price of Rs. 1.50 per copy in the open market, the discount allowable to State Governments being 50 per cent to 66.66 per cent upto April 1977 and 33.33 per cent from May 1977. The selling price per copy was subsequently revised to Rs. 2.00 and Rs. 2.50 with effect from April 1975 and May 1977 respectively. Grants totalling Rs. 156.63 lakhs were released to the Trust by the Government upto 31st March 1985 for the scheme. The target of 1300 titles in 13 languages envisaged to be achieved by the end of 4th Five year plan itself could not be achieved by the Trust even upto the end of Sixth Five Year Plan. Only 710 titles had been published upto March 1985. As against the annual average of 51 titles of this series published during the period from 1970-71 to 1979-80, the average production during the subsequent period 1980-81 to 1984-85 was 40 titles only. The sale proceeds of the books during the period upto 1984-85 amounted to Rs. 42.82 lakhs. Out of 101.41 lakh copies of 710 titles published upto the end of March 1985 priced at Rs. 184.92 lakhs, 7.50 lakhs copies priced at Rs. 20.03 lakhs were damaged during flooding of one of the godowns of the Trust in August 1984, 75.93 lakh copies were sold/distributed free till then, the remaining unsold 17.98 lakhs copies, priced at Rs. 45.51 lakhs constituted 46 per cent of value of books held by the Trust at the end of March 1985.

The progress of this series was to be reviewed by an Advisory Panel which was required to meet at least once in a year. It was, however, noticed that during the period 1978-79 to 1984-85 only two meetings were held, one in July 1978 and the other in August 1984 in which only titles to be printed were decided.

A study team of the Administrative Staff College Hyderabad recommended in July 1979 that the Trust should initiate sample surveys/evaluation at least in respect of Nehru Bal Pustakalaya series in co-operation with some of the Kendriya Vidyalayas. Although a period of over 5 years has elapsed since then no evaluation/survey of the scheme has been undertaken by the Trust. It was further noticed that against the normal practice of printing of books of this series on creamwove quality of paper costing between Rs. 100.00 and Rs. 150.00 per ream, the Trust used heavier and costlier variety of maplitho paper costing between Rs. 200.00 and Rs. 300.00 per ream in a number of cases resulting in avoidable extra expenditure of Rs. 4.00 lakhs during the period 1982-83 to 1984-85.

4.3.3 Aadaari Pradaan.—In the middle of 1968, a Scheme for publication of ten best books in each language mentioned in the Eighth Schedule of the Constitution by translating them into the remaining languages was mooted by the Ministry of Education at the instance of Cabinet Secretariat, to spread the knowledge of literary achievements in all the languages. This was accepted by the Planning Commission in January 1969 and a plan outlay of Rs. 50 lakhs was approved for the Fourth Plan. The scheme envisaged publication of 1335 titles, including some anthologies of short stories or one Act Plays to be published in original language also. Against the target of 1335 titles to be published in ten years i.e. by the end of

Fifth Plan, only 579 titles (43 per cent) could be produced in 16 years upto the end of March 1985.

Out of 7.55 lakh copies of 579 titles priced at Rs. 70.87 lakhs published upto the end of March 1985, 0.71 lakh copies priced at Rs. 7.39 lakhs were damaged in flooding of godown, while 2.00 lakh copies priced at Rs. 22.26 lakhs remained unsold on that date. These constituted 31.40 per cent of the above titles held by the Trust on 31 March 1985. The progress of publications under this series had slowed down during the Sixth Plan Period 1980-85 as only 117 titles (annual average of 23 titles) were produced during the period compared to 462 titles (annual average of 46 titles) produced during the period 1970-80.

The Trust decided in December 1974 that print run be reduced from 2000 to 1000 copies after 1974-75 so that there was no loss on account of storage and dead stock but the decision to reduce the print run proved counter productive as the cost of production went up from Rs. 3 to 8 to Rs. 7 to 2.75 per copy which was beyond the reach of common man. The turnover had, therefore, declined considerably from Rs. 2.34 lakhs in 1979-80 to Rs. 2.00 lakhs in 1983-84 in spite of increase of selling price. The Trust had decided in 1982-83 that each title needed to be translated into two or three languages of the neighbouring regions and not in all the remaining Indian languages. Due to this decision, the publication of 60 titles of this series translated during 1975-76 to 1982-83 in other languages was dropped which resulted in infructuous expenditure of Rs. 0.90 lakh on translation etc. The Trust stated (February 1986) that this became necessary as some of the titles which were selected a decade ago had either become irrelevant in the present context or were difficult to translate/sell.

4.4 Printing

4.4.1 *Delays in printing.*—The Editorial Section of the Trust sends the manuscripts to the Production Section for fixing the presses for printing. Indordinate delays between the receipt of manuscripts in the Production Section and sending them to the presses for printing and also delays by the presses were noticed in 110 cases out of 355 cases for which the printing files were produced in respect of 466 print orders issued during the five years ended March 1985 as detailed in the table below :—

Name of Series	Delays in allotment of jobs to presses				
	from 3 months to less than 6 months	from 6 months to less than 1 year	from 1 year to less than 2 years	from 2 years to less than 7 years	Total
1	2	3	4	5	6
(a) <i>Delays by Production</i>					
			(Number of cases)		
1. Nehru Bal Pustakalaya	9	10	24	8	51
2. National Biography	1	5	1	3	10
3. India—The Land and The People	4	1	2	1	8
Total :	14	16	27	12	69

1	2	3	4	5	6
(b) Delays by presses					
1. Nehru Bal Pustakalaya	12	4	5	5	26
2. National Biography	3	5	1	1	10
3. India—The Land and The People	—	—	4	1	5
Total	15	9	10	7	41
Grand Total	29	25	37	19	110

The delays were stated to be due to reluctance of printers to take up jobs on account of low print runs and in making payments of printing bills, in return of proof etc. of the presses and in supply of paper to the presses.

Even in 37 cases of delays by the presses ranging from 3 months to 73 months penalty of Rs. 0.33 lakh was not levied.

4.2.2 Consumption of Paper.—Paper is supplied by the Trust for its publications being printed at private presses. A review of ledger account of paper issued to various private presses revealed that out of 29,639 Reams, of text paper and 4555 Gross cover paper valuing Rs. 53.07 lakhs issued to private presses during the period from 1979-80 to 1984-85, consumption account of 5814 Reams of text paper and 979 Gross of cover paper valuing Rs. 8.49 lakhs issued to 116 presses had not been rendered upto 31 March 1985 as per year-wise details given below :—

Year in which issued	Quantity		
	Test paper (Reams)	Cover paper (Gross)	Value (Rs. in lakhs)
1979-80	—	72-00	0-32
1980-81	2198-176	144-044	2-05
1981-82	0290-489	009-004	0-32
1982-83	1507-102	113-055	1-75
1983-84	0330-257	507-099	0-85
1984-85	1486-494	333-016	3-20
	5814-018	979-74	8-49

4.4.3 Spoilage of paper during printing.—The Directorate of Printing, Government of India prescribed the following scale for spoilage of paper during printing, for printing jobs assigned to private presses :—

Particulars of Job Book Work	Scale
Octavo or larger or any single (standard) size paper (irrespective of the number of impressions)	1 per cent per colour

The above scale had been adopted by all the book printing departments of the Government of India/Autonomous bodies like NCERT etc. The Trust had however, adopted a very liberal scale for its books with print run of less than 10,000 copies as follows :—

Sl. No.	Print run	Percentage of colour for Test	Wastage per Cover
1.	1100 copies	5	7
2.	1101 to 2999 copies	4	5
3.	3000 to 4999 copies	3	3
4.	5000 to 10,000 copies	2	2
5.	Above 10,000 copies	1	1

The approval of the Executive Committee of the Trust for the above scale of spoilage was, however, not obtained. A test check of spoilage allowed in 277 out of 466 print orders given by the Trust during 1980-81 to 1984-85 alone revealed that the actual consumption of paper in 271 cases (including spoilage of 330 reams of Test paper and 150 gross of cover paper) was 6511 reams of text paper and 1755 gross of cover paper (Rs. 12.75 lakhs). Spoilage admissible was 131 reams of Text paper and 18 gross of cover paper (Rs. 0.28 lakh). Thus 199 reams of text paper and 132 gross of cover paper valued at Rs. 0.47 lakh was allowed as spoilage in excess of the scale prescribed by the Government of India/Autonomous bodies etc.

4.5 Pricing

4.5.1 *Loss due to exclusion of certain costs (Normal Activities and Aadaan Pradaan Series).*—The Trust had been following the pricing policy as laid down by it in 1965 under which the books produced were priced at 2 to 2.5 times the cost of production. The term “cost of production” was, however, not defined by the Executive Committee of the Trust but it was taken by its office to include only cost of printing, paper and blocks/proof reading. The important elements of cost excluded were cost of manuscript, translation, royalty to authors, incidentals and storage charges on paper although paper was purchased in bulk and stocked in rented godowns insured against fire etc. Expenditure on Royalty, storage of paper and direct cost of manuscript/translation during the five years ended March 1985, amounted to Rs. 22.52 lakhs. The books produced were thus under-priced (even at twice the cost of production) by Rs. 45.04 lakhs during the said period.

Administrative Staff College, Hyderabad, which conducted a review of the Trust's working (1977-79), recommended that Trust's books be priced in such a manner that at least variable cost (i.e. cost of production, promotion and distribution) should be recovered and that a system for providing information on the variable cost and over-heads associated with a particular title should be evolved. In pursuance of this recommendation, the costing division of Ministry of Finance was requested by the Ministry of Education in September 1982 to evolve a system for pricing of Trust's

publications. The Report of the costing division was received in July 1983 which laid down, *inter-alia*, that proper records should be maintained to work out the direct charges associated with each title. It also suggested a simplified system to work out indirect charges as the existing percentages of overheads (100 to 150 per cent) had not been worked out on scientific basis. Although a period of two years had expired no action had been initiated (November 1985) to implement the recommendations of costing division. The Trust stated (February 1986) that the comments of the Trust on the Report of Cost Accounts Branch had been furnished to Government in January, 1986 and the implementation of the scientific system of costing would be taken up as soon as the additional staff envisaged, was sanctioned and positioned.

It was noticed in Audit that the distribution cost i.e. packing and forwarding charges alone worked out to 6 per cent of the sale price while promotional expenditure on publicity and free distribution accounted for 20 per cent of the sales. The cost of establishment on selling and distribution was not exhibited in the accounts separately, but data collected by Audit in July 1985 suggests it to be about 28 per cent of sales price. Non-implementation of the recommendations of the Administrative Staff College resulted in underpricing the Trust's publications by 54 per cent of sales (which were Rs. 87.56 lakhs in the five years ended 31st March 1985). Deficit due to exclusion of essential elements of cost of production in this way worked out to Rs. 47.28 lakhs.

4.5.2 Underpricing of Publications (Normal Activities and Aadaan Pradaan Series).—A test check by Audit in July 1985 of the selling price fixed by the Trust revealed that in 62 cases of books published during 3 years ending March 1985, the prices so fixed on the estimated cost of production were less by Rs. 2.43 lakhs than the prices calculated on the basis of actual cost of production.

4.5.3 Loss due to incorrect pricing and unauthorised discount (Nehru Bal Pustakalaya series).—

- (i) In spite of the selling price of the books in this series having been revised by the Government of India to Rs. 2.50 per copy from May 1977, some fresh publications in this series continued to be priced at Rs. 1.50 per copy even upto March 1985, with the result that 95 titles were underpriced causing a loss of Rs. 11 lakhs (before discount) to the Trust.
- (ii) The Trust also continued allowing discount at the rate of 40 to 45 per cent to State Government on bulk purchases even after the Government's orders of May 1977 reducing the discount to 33.33 per cent. In 23 cases pertaining to 1984-85 alone the discount allowed in excess of the rate revised by the Government amounted to Rs. 1.35 lakhs. Publications Division of Ministry of Information and Broadcasting was being allowed discount ranging from 35 to 45 per cent of sale, fixed in 1975-76, which was not lowered based upon the decision of the Government in May 1977. This resulted in extra payment of discount of Rs. 0.77 lakh in 1982-83 to 1984-85.
- (iii) In respect of 9 titles produced in Nehru Bal Pustakalaya series, out of 76 titles checked in this regard, the selling prices fixed

were found to be 3 per cent to 38 per cent lower than the prime cost itself (cost of paper and printing alone) causing a loss of Rs. 0.75 lakh to the Trust.

4.6 Storage

4.6.1 *Loss of Trust's Books due to flooding of its storage godowns.*—Books produced by the Trust were stored in the basement floors of its building at Green Park besides one store at Kalu-Ki-Sarai. The stock in the basement godown in its headquarters' building was flooded in April 1983 when books valuing Rs. 5.04 lakhs were damaged. The stock in this godown was insured against flood from April 1984 for Rs. 65 lakhs on payment of premium of Rs. 0.34 lakhs per annum. In August 1984, the store was again flooded causing damage to the books valuing Rs. 48.89 lakhs. After the flood of August 1984, the Trust had stopped further stocking of books in the basement godown. The settlement of insurance claim for the amount of Rs. 53.93 lakhs as filed by the Trust in December 1985, was still awaited (January 1986).

4.6.2 *Weeding out.*—In accordance with weeding of publication Rules 1975, the Trust had to weed out the stock of books published not less than 5 years earlier and whose aggregate sale during the preceding two years happened to be less than 10 per cent of the balance at the beginning of the year or 75 copies whichever is less. A review by Audit in July 1985 of the stock as on 31st March 1984 revealed that 3.57 lakh copies produced between April 1970 and March 1979 had fallen due for weeding out. No action had been taken to weed them out (July 1985).

4.7 Other points of interest

4.7.1 *Loss in sale of books.*—The Publications Division of the Ministry of Information and Broadcasting (Patna Branch), Commission agents of the National Book Trust, received an order from the Bihar Government in February 1985 for supply of Trust's books of gross value of Rs. 9.09 lakhs. Publications Division, New Delhi instructed the Trust in March 1985 to despatch the books by 31st March 1985 without waiting for an order from its Patna Branch. The Trust, having no ready stock of the books to be supplied, got the books reprinted on urgent basis using costly paper available in stock. The entire supply was sent by road transport and was completed during March-April 1985. Patna Branch of the Publications Division, however, was not equipped to handle the supply and did not take delivery of the books. The Trust hired (April 1985) 1000 sq. ft. godown space for storage of the books at a cost of Rs. 0.09 lakhs till November 1985 when the books were delivered. The Trust suffered a loss of Rs. 1.62 lakhs in this transaction as the net sale proceeds amounted to Rs. 5.01 lakhs (Gross Rs. 9.04 lakhs less discount Rs. 4.03 lakhs) against total expenditure of Rs. 6.63 lakhs (production; Rs. 6.15 lakhs, packing : Rs. 0.20 lakh, freight : Rs. 0.19 lakh and storage : Rs. 0.09 lakh). Use of costlier paper for production, underpricing of two titles @ Rs. 1.50 per copy instead of Rs. 2.50 per copy fixed by the Department of Education, allowing discount at the rate of 40 to 45 per cent as against the maximum rate of 33-1/3 per cent approved by the Department of Education and use of road transport instead of railways were some of the factors responsible for this loss.

The Department of Education stated (February 1986) that no further action was taken as discounts had been passed on to another department of the Government and the books had been supplied to a State Government.

4.7.2 Display-cum-sales-centres.—Besides marketing its publications through emporia of Publications Division of the Ministry of Information and Broadcasting in Bombay, Calcutta, Delhi, Hyderabad, Lucknow, Madras, Patna and Trivandrum, the Trust has its own display-cum-sale centres at Amritsar, Calcutta, Delhi, Hyderabad, Jabalpur, Mysore and Santiniketan. During 1981-82 to 1984-85 in three centres at Amritsar, Jabalpur and Santiniketan, the expenditure on establishment Rs. 0.91 lakh, Rs. 0.54 lakh and Rs. 0.15 lakh respectively far exceeded even the actual sales in that period at these centres (Rs. 0.42 lakh, Rs. 0.08 lakh and Rs. 0.05 lakh respectively). Assuming that the books were priced at double the cost of production and ignoring all overheads there was a gross loss of Rs. 1.33 lakhs at these three centres. The centre at Jabalpur was however, closed down from September 1984. The Trust stated (February 1986) that ways and means to increase the productivity of the Book Centres were being worked out.

4.7.3 Scheme of subsidising university level books by Indian authors.—With the objective of making available to the students, books of acceptable standard at reasonable prices, a subsidy scheme was launched by the Ministry of Education in 1970. The scheme entrusted to the Trust for implementation laid down that the books selected for subsidy were to be standard works of Art Books, Reference Books, or other reading material. Adaptation by Indian Authors of books published outside India or reprints of books written by outside Authors, brought out by Indian publishers were also eligible for assistance under the scheme if the books selected served a felt need. Assistance to the Publishers/Authors was to be provided in the form of subsidy, quantum of which was to be fixed by the Trust in each case on the basis of the estimated cost of production. The Trust was also to prescribe in advance of publication, the maximum retail price and the discount to be given to retail sellers, the prices of similar books sold in the market being taken into account in fixing the selling price.

During 1980-81 to 1984-85 10.28 lakh copies of 364 titles were subsidised, the amount of subsidy paid being Rs. 126.68 lakhs. In this connection the following observations are made :—

- (i) Rule 9 of the Scheme provides for use of subsidised paper or paper from Hindustan Paper Corporation for the books to keep their prices at reasonable levels. It was, however, noticed that the Trust had been allowing the use of costlier paper. The use of costlier variety of paper in some cases resulted not only in payment of higher subsidy, amounting to Rs. 0.84 lakh during 1982-83 to 1984-85 but also in fixing higher prices for the books.
- (ii) Under Rule 20 of the Scheme, the accounts of expenditure on subsidised books were to be maintained separately by the publishers. These accounts were to be audited by the Trust's representatives or the Comptroller & Auditor General of India

or by any other Agency. The accounts were never audited by the Trust nor any other Authority nominated by it. The Trust stated (February 1986) that the checking of publishers' accounts had since been started by the Trust in 1985-86.

- (iii) The Trust was authorised to utilise for administrative expenses upon one *per cent* of the provision for the scheme, but the fulfilment of this condition could not be verified as the Trust had stopped booking its administrative expenditure, scheme-wise since 1979-80. The Trust stated (February 1986) that the ceiling of one *per cent* fixed for administrative expenditure was not realistic.

4.7.4 Outstanding dues.—A sum of Rs. 24.93 lakhs was outstanding as on 31st March 1985 on account of books supplied to the distributors departmental advances and rent of stalls let out to participants in Book Fairs/Exhibitions organised by the Trust.

Sl. No.	Party	Amount due in lakhs of Rs.
1.	Distributing Agencies	18.65
2.	Departmental Advances	3.31
3.	Rent of Stalls	2.97
	Total	24.93

Out of an amount of Rs. 6.54 lakhs due from individuals/book sellers it was stated by the Trust that Rs. 0.9 lakh pertained to 1974-77; Rs. 0.14 lakh (1977-80); Rs. 0.84 lakh (1980-82); Rs. 0.27 lakh (1982-83) and Rs. 5.20 lakhs (1983-85).

Yearwise details of remaining arrears of Rs. 12.11 lakhs due from stockists and Rs. 3.31 lakhs due from staff was not made available.

As regards arrears of rent of stalls, Rs. 0.06 lakh related to 1972-75; Rs. 1.38 lakhs to 1975-81; Rs. 0.35 lakh to 1981-82 and Rs. 0.03 lakh to 1982-83; Rs. 0.34 lakh to 1983-84 and Rs. 0.81 lakh to 1984-85. The rent of stalls is required to be received in advance but this condition was not always enforced.

The Executive Committee decided in July 1984 to take the following steps for reducing the balances outstanding against distributing agencies :—

- (a) Legal Action
- (b) Books to be supplied against Bank guarantee.
- (c) Supply to be stopped to permanent defaulters.
- (d) Interest on outstanding dues may be charged.
- (e) Special efforts.
- (f) Weeding out of unsold books.

No. action in this regard had, however, been taken (July 1985). The Trust stated (February 1986) that it was not administratively possible to

take, legal action against all the defaulters and that the position in regard to the advances to staff and rent of stalls was under examination.

4.7.5 Non-implementation of the recommendations of the Study team of the Administrative Staff College of India, Hyderabad.—The working of the Trust was reviewed at the instance of Ministry of Education by a Study Team of the Administrative Staff College, Hyderabad between September 1977 and July 1978, on payment of about Rs. 1 lakh (including the cost of copies of reports). The recommendations made by the Study Team were accepted by the Government and intimated to the Trust in July 1979, for implementation.

In pursuance of the recommendations, the Trust besides upgrading 4 class I posts had created 24 additional posts in Class-I (9), Class II (9) and Class III(10), between April 1979 and November 1979 involving additional expenditure of about Rs. 4 lakhs per annum but the recommendations relating to improvement of the working of the Trust were not implemented.

The action on other important recommendations of the Executive Committee is yet to be taken by the Trust as under :—

1. The Executive Committee approved in July 1981, the appointment of a Cost Accountant for providing information on the variable costs and overheads associated with a particular title. The above post has not so far been created (January 1986).
2. The post of Marketing Manager was filled only in July 1983 for undertaking research surveys on readers, availability of books etc. No major surveys/research programmes were however undertaken.
3. No evaluation of any of the projects had been done by the Trust (January 1986).
4. No action had been taken (January 1986) to give effect to the suggested system for sale and distribution wing of the Trust.
5. No action for setting up of a separate Wing for Management services and planning had been taken.

4.8 Summing up

- The working of the National Book Trust had been consistently resulting in excess of expenditure over receipts.
- The Trust was incurring heavy losses on its Production activities due to non-revision of prices and rates of over-heads (Rs. 148.74 lakhs).
- There was steep rise in sale and distribution costs from 19 per cent in 1980-81 to 47 per cent in 1984-85.
- No targets were fixed for the publications under its own programme and there was a steep fall in production during the past five years.
- The production of books in Nehru Bal Pustakalaya and Aadaan Pradaan series fell short of targets and there were heavy losses in the execution of these series and huge stock lying unsold.

- Delays ranging from 3 months to 6 years in allotment of jobs and printing were noticed.
- There were heavy losses due to under pricing/incorrect pricing of its publications and for non-inclusion of essential elements of cost (Rs. 107.27 lakhs).
- Stocks of publications worth Rs. 53.93 lakhs were lost due to flooding of its basement godown.
- Weeding out of stagnant stock of 3.57 lakhs copies was not carried out.
- Sale of publications in three of its shops fell short of even the establishment charges on running the shops.
- Non-use of subsidised paper for production of books under subsidy scheme resulted in excess payment of subsidy (Rs. 0.84 lakh).
- A sum of Rs. 24.93 lakhs was outstanding as on 31st March 1985 against Distributing agencies etc.

APPENDIX II

(Vide Para 1·10)

*Statement indicating number of copies printed Language-wise since its inception Till
March 1985 and number of copies lying unsold with percentage thereof*

Sl No.	Language	No. of Copies Printed	Unsold stock in Copies	Percentage of Unsold Copies to the Total Printed Copies
1	2	3	4	5
1.	English	3490865	889313	25·47
2.	Hindi	5392177	1181497	21·91
3.	Assamese	297138	113225	38·10
4.	Bengali	595957	187774	31·50
5.	Gujarati	487398	117163	24·03
6.	Kannada	418554	133920	32·00
7.	Malayalam	264517	56688	21·43
8.	Marathi	489210	155294	31·74
9.	Oriya	409598	130319	31·81
10.	Punjabi	510923	100008	19·57
11.	Tamil	387668	108646	28·02
12.	Telugu	556113	211019	37·94
13.	Sindhi	5078	1478	29·10
14.	Sanskrit	1000	—	—
15.	Urdu	501837	173602	34·59
Total		13315985	3440140	27·14

Source : Trust letter No. 32-1/83/YC/3262 dt. 23-12-85 addressed to DEA (BP), Ministry of Human Resource Development.

APPENDIX III

(Vide Para 1-10)

Revenue From Sale of Books

Year	Amount (in Rupees)
1975-76	6,66,542 ·90
1976-77	11,47,300 ·58
1977-78	11,64,774 ·26
1978-79	12,07,355 ·51
1979-80	14,40,350 ·80
1980-81	16,97,128 ·35
1981-82	17,25,905 ·84
1982-83	20,90,271 ·08
1983-84	16,03,224 ·03
1984-85	16,04,133 ·12
1985-86	17,76,303 ·81

The above statement is based on the figures available in the Annual Reports.

APPENDIX IV

Statement of Recommendations and observations

S. No	Para No.	Deptt./Ministry Concerned	Recommendation and Observation
1	2	3	4
1.	1-139	Deptt. of Education	<p>The National Book Trust (NBT) was constituted in 1957 and registered as a Society in 1959 for producing and making available good literature in all Indian languages at moderate prices and fostering book mindedness in the country. The Trust is managed by a Board of Trustees under a Chairman appointed by the Government of India. Besides its headquarter at New Delhi, the Trust has regional offices at Bombay, Bangalore and book centres at Amritsar, Hyderabad, Mysore, Shantiniketan and Calcutta. In order to make NBT books available throughout the country, the Trust has appointed 21 whole-sale book distributors and 21 stockists for its publication. Books are also made available through the sales emporia of the Publications Division and through the book centres set up by the Trust. The publishing programme of the Trust cover books that are both informative and educative and are meant for lay reader as well as specialist. Range of subjects covered in these series include Mythology, Religion, History, Folk tales, Festivals, the Country and its people, the Freedom Movement, the Birds and Animal, Science and Technology. The books published under Aadan Pradan and Nehru Bal Pustakalaya series stress on National Integration and foster a sense of unity and oneness by providing books in regional languages all over India. However, the Trust has published very few books relating to classical literature of India because this work is being undertaken by the Sahitya Akademi. To ensure coordination between the organisation, Presiden Sahitya Akademi is appointed a member of Board of Trustees of the National Book Trust.</p>
2.	1-140	Do.	<p>In addition to its own scheme of publishing books called Normal Activities, the Trust undertakes special schemes assigned to it by the Ministry of Education such as Nehru Bal Pustakalaya, Aadan, Pradan, Subsidy Scheme and Core Books. The Trust also implements schemes financed by the UNESCO National Board Development Council etc. The Committee are concerned to note that during its 30 years of existence, the NBT has so far produced only 3101 titles 2368 original/translation titles and 733 reprints. Considering the size of the country and the population of literate people, the number of books published by the National Book Trust is proportionately very small. It seems that the NBT have made its thrust of activities in organising book fairs and exhibitions at the International, National and Regional level as is evident from the fact that it has so far organised 7 World Books Fairs, 13 National Book Fairs and about 110 book exhibitions instead of producing good literature books.</p>

3. 1. 141

Do.

The National Book Trust was examined by the Public Accounts Committee in 1964-65 and again in 1972-73. The Tarachand Committee which evaluated the work of the Trust upto the 31st December 1961 found that the scheme of production of literature by the Trust was almost too comprehensive and therefore neither useful nor practicable. That Committee had also suggested streamlining the organisational set-up and recommended certain changes in the composition and functions of the Trust. The Public Accounts Committee (1964-65) were also not satisfied with the quality of literature produced by the Trust and desired that more thought should be given to this aspect. They also recommended that "It was necessary to keep a proper account of the expenditure on publications and their sale proceeds with a view to assessing the economics of pricing system and working of the Trust." Again the Public Accounts Committee (1972-73) felt the need for the review of the working of the Trust with a view to assessing the extent of realisation of its objective and in pursuance of those recommendations the Government of India had appointed a committee under the Chairmanship of Prof. Nihararanjan Ray to review the working of the National Book Trust. As is evident from the succeeding paragraphs the Trust did not implement the recommendations of this committee as well as of the other two committees appointed by Government to review its working and has also failed to achieve its main objective of producing good number of books and thus fostering book mindedness in the country.

4. 1. 142

Do.

The activities of the National Book Trust are mainly financed by grants-in-aid given to it by the Government of India and revenue by sale of its publications. From the Finance and Accounts of the Trust, it is noticed that expenditure on Exhibitions and Book Fairs had been Rs. 22.45 lakhs, Rs. 33.36 lakhs, Rs. 28.73 lakhs, Rs. 72.05 lakhs and Rs. 24.54 lakhs against the receipt of Rs. 5.46 lakhs, Rs. 16.44 lakhs, Rs. 4.12 lakhs, Rs. 29.22 lakhs and Rs. 2.89 lakhs during the years 1980-81, 1981-82, 1982-83, 1983-84 and 1984-85 respectively. There is no indication whatsoever to ascertain whether participation in Exhibitions/Book Fairs has enabled the NBT to achieve its objective of fostering book mindedness in India. The Committee also note that generally 80 per cent of their grants are spent on salaries and office expenses and Exhibitions & Book Fairs which also represents 60 per cent of their total expenditure under these heads. Overall payments had also been more than the receipts during all these years and that there had been on the other hand, decline in revenue earned from sale of publications by 6.6% during 1983-84 and 1984-85 as compared to 1980-81. It is disquieting to find that whereas the literacy rate in the country is growing from year to year there is decline in revenue on sale of publications. The conclusion is inevitable that NBT is not able to achieve its objective. Even a magazine like Chanda Mama which is read by children has been able to increase the sale of its issue from year to year.

In that context a well-knit organisation like NBT should certainly be in a position to boost the sale of its books and publication. That it has lamentably failed to do only show the inadequate level of its performance. There is every need to make every effort to boost its sales so that it may become a viable unit. In order to make these books popular, Trust must resort to advertisement on mass communication media like Television and Radio.

5. 1-143 Deptt. of Education

The Committee are surprised to note the reply of the National Book Trust that "it is not a commercial organisation and it does not work on profit and loss basis and if the Trust increases prices of its publications so as to increase its revenue, books would not reach the average reader who cannot afford to buy them." In order to promote its sales the Trust is taking number of measures such as negotiations with State/Central Government, supplying books in bulk to various Central Government organisations, approaching school organisations for prescribing Trust publications as test/supplementary reading materials etc. However, the Committee find that the Trust has been able to get orders from 11 State Governments and 8 Union Territory Administrations only. Unfortunately State Governments were addressed by the Trust only once i.e. in 1984-85 after not getting any response from them, the State Governments were not reminded at all. The Committee feel that these half-hearted measures do not seem to be adequate enough. Extensive efforts are required to be made by NBT to boost the sales of its publications and to create book mindedness in the country. The Committee suggest that the NBT should approach Kendriya Vidyalaya Sanghathan which is also an autonomous body under the Government of India and also all State Governments who are running schools/colleges all over the country to get its books for their libraries. This step alone would have enabled the NBT to boost the sale of its publications. The Committee also suggest that NBT should open its sales counters in Universities, contact all colleges and libraries and other educational institutions, cultural and literary associations with its catalogues, pamphlets and all its publications. The Central and State Governments could also be induced to subsidise grants for libraries in the form of books from NBT. The Committee deplore this immobile and rigid aptitude adopted by NBT and its total lack of alive contact with the above-mentioned categories of institutions.

06

6 1-144

Do.

It is disquieting to note that the National Book Trust could not furnish statement of total shortfall of revenue realised over cost since its inception although Public Accounts Committee had as far back as November 1964 desired the National Book Trust to keep a proper account of the expenditure on publication and their sale proceeds. This recommendation of the Committee was again reiterated by the Public Accounts Committee in paragraph 3-4 of their 36th Report (5th Lok Sabha). The Committee would

like to know as to why their recommendations have not been implemented so far and also desire that urgent steps should be taken to get the needful done. The Committee would like to know as to why the above recommendations have not been implemented so far. If the present State of affairs does not show any improvement, the Govt. must devise some alternative to achieve the original objective by reconstituting NBT, entrusting its management to committed persons with dedications.

7 1-145

Do.

The Committee also find that 27 per cent of total copies printed are lying unsold and that in the case of Assamese, Sindhi and Urdu books, the percentage of unsold books even exceeds 33 per cent. It was admitted by the Special Secretary, Department of Human Resource Development, during evidence that the marketing or sale side is not very active. That indeed is the weakness in the organisation. 'In this connection the Committee note from their 6th Report (5th Lok Sabha) that contracts were executed with eminent distributors in the country language-wise in respect of all the titles published with the guarantee that they would take over the stock after a certain period. The progress made in the sale of the stock through the distributors was to be reported to this Committee in due course. The Committee would like to know as to how 27 per cent of the copies printed remained unsold with the Trust in spite of the above contracts. The steps taken to sell/dispose of all these books may also be intimated to them. There is steady falling in the number of titles brought out and annual average of original titles from 1970-71 to 1984-85 as would be seen from the following details :—

Year	Number of titles brought out	Annual average of original titles Published
1970-71 to 1974-75	245	49.0
1975-76 to 1979-80	186	37.2
1980-81 to 1984-85	155	31.0

The Government should make special efforts to activate the NBT which is miserably failed in achieving its objective.

1	2	3	4
8	1-146	Department of Education	<p>The Committee find that the decision to fix prices of the publications of the Trust as per the existing formula at 2 to 2½ times of the prime cost of production was taken by its executive committee on 29 Nov. 1965. The costing division of the Ministry of Finance made two recommendations. It wanted the deduction of overhead costs and it also wanted the NBT to have a Cost Accounts officer and a Cost Accountant. However on 29 December 1986 a sub-committee was constituted to consider the above issues. The Committee was constituted to consider the above issues. The Committee would like to know the findings of the sub committee and action taken thereafter.</p>
9.	1-147	Do.	<p>The Trust was required in December 1979 to devise and prepare pro forma accounts of its production activities so as to ensure the cost effectiveness of the publications brought out by it. It is disturbing to find that the Trust has not evolved a system of accounts to indicate the working results of its production activities so far even after a lapse of 8 years. The Committee would like to know the reasons for not preparing proforma accounts as per its production activity-wise and desire that responsibility should be fixed for not following a sound system of accounting.</p>
10.	1-148	Do.	<p>The receipt and payment accounts and stock statements give a broad analysis of the working results of various activities of any organisation/institution. The Committee are unhappy to note from the data of various Activities of the Trust for the five years ended on 31 March 1985 (1980-81 to 1984-85) that there had been a loss of Rs. 148.74 lakhs even if the administrative cost is ignored. National Book Trust could not furnish figures for loss since its inception. The reply of NBT stating that "since the cost of each title is worked out in individual files, it is not practicable to work out the exact cost of the production of the titles as old files have been destroyed" is not tenable. The Committee were informed that the NBT was taking steps to devise system of pro forma accounts of its production activities. There is urgent need for the preparation pro forma accounts so that it is possible for the NBT to critically analyse its operational activities and take appropriate steps to correlate revenues and overheads.</p>
11.	1-149	Do.	<p>Against the overhead charges of 159 per cent of prime cost, the Trust is not charging anything (Nehru Bal Pustakalaya). 100 per cent (Aadaan Pradaan) and 125 to 150 per cent for other activities. The losses to the Trust on this account amounted to Rs. 29.74 lakhs per annum on an average. There had also been disproportionate increase on this account in setting and distribution cost from Rs. 3.34 lakhs in 1980-81 to Rs. 7.61 lakhs in 1984-85. The ratio of selling and distribution cost to sales has also increased from 19 per cent in 1980-81 to 47 per cent in 1984-85. The Committee need hardly emphasise that the Trust should review its working and plan its activities in such a way as it could function on a 'no profit no loss' basis.</p>

12. 1-150

Do.

The National Book Trust had not been preparing an annual long term programme laying down annual targets of publication under each of the eight series (India—The Land and the people; National Biography; Popular Science; World of Today; Folklore of India; Young India Library; Adult Education & Rural Publicity Project) covered under its own programme of Normal Activities. However, the Committee note that whereas the number of reprints have increased from 11 (1970-71 to 1974-75) to 239 (1980-81 to 1984-85), the number of publication of original titles have considerably gone down from 335 to 195 during the same period. The Min. of Human Resource Development have stated that the publications of 239 reprints has effected the publications of original titles during that period. Another reason given by the National Book Trust for decline in publishing original titles is its taking up the production of translations in regional languages and also difficulties in locating the best authors and their failure to stick to time schedule. Insufficient remuneration paid to authors is the main reason for this decline. It is evident from the Ministry's reply that a lumpsum honorarium of Rs. 1500—1600 is offered to the authors of Nehru Bal Pustakalaya and a sum of Rs. 4000/—is paid to authors for translation of their works upto a maximum of four languages and Rs. 500 for their translation into each additional language. For other series the royalty paid to author is 20 per cent in the original language in which the said work is written on the first and all subsequent editions and translation provided by or paid for by the author and 10 per cent on the first editions of all translation, if the translation charges are borne by the Trust. The maximum royalty paid to authors under Normal Publishing programme was Rs. 4958 during 1985-86. The Committee, therefore, desire that the Trust should prepare their annual programme simultaneously laying down annual targets of publication under each of 8 series and also revise honorarium/royalty paid to the authors so as to attract for eminent authors. While fixing the rates of honorarium/royalty, the rates paid by the private publishers to authors should be kept in view.

13. 1-151

Do.

One of the main reasons for low sale of books in regional languages, as admitted by the Ministry of Human Resource Development, is that the reading habit in the country specially in the rural areas have not fully developed. The literacy percentage in the country has increased from 16.6% in 1951 to 30.2% in 1981 as per census conducted in these years. The Committee desire that book centres should be opened in rural areas in collaboration with the distributors/publishers of that area and religious story/books should be made available to the common reader at cheap rates. There is adequate scope to boost the sale of books in rural areas. The use of Mobile Van can be made with advantage as is being done by Gita Press, Gorakhpur. For achieving this objective the help of concerned Departments of the Union Government and the State Governments may be taken.

1	2	3	4
14. 1-152	Deptt. of Education	In this connection the Committee note that the Administration Staff College of India, Hyderabad which was deputed to examine the strategic objectives and organisation design of the trust had also <i>interalia</i> recommended in 1978 that the Trust should aim to develop a regional net work. This was considered necessary to make its publishing programme relevant to regional needs and to coordinate its fast developing distribution net work. The Committee would like to know the step taken and the results achieved in this direction.	
15. 1-153	Do.	On the basis of the recommendations the Education Commission, it was decided by the Committee of Members of Parliament that the Government of India should undertake, sponsor or promote the production of series of books on different topics of national interest to be written by the most competent persons in the field and translated in all the Indian languages and priced exactly the same in every school. In pursuance of the above recommendations, the Government of India sanctioned a scheme entitled Nehru Bal pustakalya towards the end of 1968-69 and entrusted the work to the trust for implementation. Grants totalling Rs. 156.63 lakhs were released to the Trust by the Government upto 31 March 1985 for the scheme. The Committee are concerned to note that the target of 1300 titles in 13 languages envisaged to be achieved by the end of 4th Five Year Plan itself could not be achieved by the Trust even upto the end of 6th Five Year Plan and only 710 titles could be published upto March 1985, which is indeed quite disappointing. As against the annual average of 51 titles of this series published during the period from 1970-71 to 1979-80, the average production during subsequent period i.e. 1980-81 to 1984-85 was 40 titles only. The sale proceeds of the books during the period upto 1984-85 amounted to Rs. 42.82 lakhs. Out of 101.41 lakh copies of 710 titles published upto the end of March 1985 priced at Rs. 184.82 lakhs 7.50 lakh copies priced at Rs. 20.03 lakhs were damaged during flooding of one of the godown of the Trust in August 1984 and 75.93 lakh copies were sold/distributed free till then. The remaining unsold 17.98 lakh books priced at Rs. 45.51 lakhs constituted 46% of value of books held by the Trust at the end of March 1985. In this connection, the Ministry of Human Resource Development have stated that the National Book Trust had distributed 63812 copies of publication free under Nehru Bal Pustakalaya series till March 1985 and as on 31 March 1986, there were 12.58 lakh copies still lying with them. The Committee also suggest that National Book Trust should also publish penguin type publications for a very large circulation on different subjects.	
16. 1-154	Do.	The Committee note that the progress of Nehru Bal Pustakalay series was to be reviewed by an Advisory panel consisting of principals of schools, childrens' Book writers, jllustrators and Directors of Public schools. The Advisory Panel was required to meet at least once in a year. However, it was noticed that during the period 1978-79 to 1984-85 only two meetings were held that too-one in July 1978 and the other in August 1984 in which	

only titles to be printed were to be decided. The Panel Members had also stressed the need for improvement sales and distribution of this series. Again, the Administrative staff College, Hyderabad recommended in July 1979 that Trust should initiate sample surveys/evaluation atleast in respect of this series in cooperation with Kendriya Vidyalaya. Although a period of over 6 years have elapsed since then, no evaluation/survey of the scheme has been undertaken by the Trust on the other hand the Trust got evaluation of 28 titles done through the teachers and students of Sardar Patel Vidyalaya and Springdales schools whose principals were on the Advisory panel. Since a No. of Kendriya Vidyalaya are in Delhi it is not clear as to why it was not possible to get evaluation done from them. Since such Vidyalaya are established all over the country with the uniform course of studies, evaluations by these Vidyalayas would certainly be more rewarding and realistic. Now, the Trust has been advised to conduct specific evaluation/survey of this series through the teachers of Kendriya Vidyalaya Sangathan the Committee would like to know the outcome of this survey.

17. 1-155

Do.

Against the normal practice of printing of book of Nehru Bal Pustakalaya series on creamwave quality of paper costing between Rs. 100 and Rs. 150 per ream, the Trust used heavier and costlier Variety of malitho paper costing between Rs. 200 and Rs. 300 per ream in a number of cases which resulted in avoidable extra expenditure of Rs. 4 lakhs during the period 1982-83 to 1984-85. The Committee are surprised to note the reply of the Trust that 'since it was well known that concessional paper is not available, it did not consider it necessary to seek the clearance of the Ministry.' As this scheme was a sponsored programme of the Ministry of Human Resource Development, the Committee feel that any deviation for use of costlier paper should have been got approved from them. The Ministry should also take up the question of non-availability of cheap paper with the Ministry of Industry at high level.

18. 1-156

Do.

No proposal for revision of prices for Nehru Bal Pustakalaya series was sent to the Ministry after 18 July 1978 when it was decided that a maximum price of a title on this series should be fixed at Rs. 2.50 and in case the price of any title was to be fixed more than that, specific approval of the Ministry was to be obtained. In March 1986 the Trust in the light of Audit comments, approached the Ministry for approval of their proposal for exorbitant increase in prices of the books of this series at Rs. 10 per copy on an *ad hoc* basis. However, the Executive Committee in its meeting held on 29 Dec. 1986 had decided that all Aspects relating to the pricing of all NBT publications should be examined by a sub-committee. The Committee desire that the sub-committee should expedite enquiry and communicate their recommendation so that the Govt. may take action without any further delay these findings.

1	2	3	4
19. 1-157	Deptt. of Education	<p>In the middle of 1968, a Scheme for publication of ten best books in each language mentioned in the Eighth Schedule of the Constitution by translating them into the remaining languages was mooted by the Ministry of Education at the instance of the Cabinet Secretariat, to spread the knowledge of literary achievements in all the languages. This was accepted by the Planning Commission in January 1969 and a plan outlay of Rs. 50 lakhs was approved for the Fourth Plan. The scheme envisaged publication of 1335 titles, including some anthologies or short stories or one Act Plays to be published in original language also. Against the target of 1335 titles to be published in ten years i.e. by the end of Fifth plan, 7.55 lakhs copies of only 579 titles (43%) priced at Rs. 70.87 lakhs could be produced in 16 years upto the end of March 1985. It is disquieting to note that all the above 579 titles except 39 are translations and not original works. The Committee are not satisfied with the above performance of the National Book Trust and desire that necessary measures should be initiated to achieve the objective of publishing the remaining 756 titles without any loss of time in a planned manner.</p>	
20. 1-158	Do.	<p>Out of 7.55 lakh copies of these 579 titles, 0.71 lakh copies priced at Rs. 7.39 lakhs were damaged during flooding of godown while 1.82 lakhs copies valued at Rs 20.39 lakhs were lying unsold in the godowns hired by NBT. The Committee, desire that concerted efforts should be made to sell these books. There is also need for constant evaluation of Aadan and Pradan series.</p>	
21. 1-159	Do.	<p>The Committee have also learnt that the translators from outside the organisation do not stick to the time schedules. The Committee suggest that efforts should be made to identify dependable translators of each language and their remuneration be increased suitably so that the scheme may become attractive to the translators.</p>	
22. 1-160	Do.	<p>Another reason for low production of books given by the Ministry is that the new printers do not accept the manuscripts as the print run of the National Book Trust was not high and the printers do not find it profitable. However, the Special Secretary, Ministry of Human Resource Development stated that these difficulties can not be an explanation for the decline of production of titles.</p>	
23. 1-161	Do.	<p>The Committee find that there are number of books which have not been revised and updated so far. The Committee desire that necessary steps in this regard may be taken and all those books for which there is good demand in the market, should be up-dated.</p>	

24. 1-162 Do. Editorial Section of the Trust sends the manuscripts to the production Section for fixing the presses for print. The Committee have noticed inordinate delays in 69 cases ranging from 3 months to about 7 years between the receipt of manuscripts in the Production Section and ending them to presses for printing. Similar, delays were also noticed by the presses in 41 cases. Most of the delays were stated to be due to reluctance of printers to take up the job on account of low print-runs and making payments of printing bills; in returning the proof to the presses and in supply of paper. The Committee deplore this unsatisfactory state of affairs and desire that NBT should investigate the reasons for delay on these accounts and take necessary steps to avoid such delays in future. National Book Trust should take up printing of books in regional languages with the respective States in their printing presses so that the printing is expedited.
25. 1-163 Do. The Committee note that National Book Trust adopted a general agreement in 1982 to regulate assignments of printing jobs to various printers and the terms and conditions stipulated in this agreement *inter alia* provided for penalty for bad workmanship, delayed execution, liquidated damages etc. In 37 cases of delays ranging from 3 to 73 months by the presses, the National Book Trust did not impose any penalty on the printers. The Committee are of the view that while entering into contracts with the printers, it must be made clear to them that time is the essence of the contract and delay will result in penal damages.
26. 1-164 Do. However, from another note, the Committee find that the reasons for not levying the penalty on the printers was due to the fact that the Trust did not clear the proofs in time and supply paper for the printing order. The Committee may be informed of the factual position in this regard and fix responsibility for such delays particularly in Production Section/Printing Section.
27. 1-163 Do. It is seen that the paper is supplied by the Trust for its publications being printed at private presses. A review of ledger account of paper issued to private presses revealed that out of 29639 reams of text paper and 4555 gross cover paper valuing Rs. 53.07 lakhs issued to private presses during the period from 1979-80 to 1984-85, consumption account of 5814 reams of text paper and 979 gross of cover paper valuing Rs. 8.49 lakhs issued to 116 presses had not been rendered upto 31st March 1985. The National Book Trust have informed the Committee that since then it has settled the account of paper with 28 printers valued at Rs. 286757.48 and job valued at Rs. 85821 in respect of 17 presses are still in progress. The Committee desire that the remaining accounts of Rs. 473247 pertaining to 71 presses should also be settled without any further delay under intimation to them.
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1	2	3	4
28	1-166	Deptt. of Education	<p>The Directorate of Printing of Government of India have prescribed one percent per colour scale for spoilage of paper during printing, for printing jobs assigned to private presses. The above scale had been adopted by all the book printing Departments of Government of India/autonomous bodies like NCERT. However, the Trust had adopted a very liberal scale ranging from 1 to 5% of colour for text and 1 to 7% for cover for spoilage of paper during printing. The Committee are distressed to note that the approval of the Executive Committee of the Trust for the scale of spoilage was not obtained by Trust. As such it has been found during test-check that 190 reams of text paper and 132 gross of cover paper valued at 0.47 lakh was allowed as spoilage in excess of the scale in 277 out of 466 prints order given by the Trust during 1980-81 to 1984-85. In this connection, the Committee have been informed that the Executive committee of the Trust in its meeting held on 29 December, 1986 decided that a sub-Committee consisting of experts of representatives from the Directorate of Printing, Children's Book Trust, Indian Standard Institutions, Sahitya Akademi etc. should be formed to look into this question and evolve fresh schedule of printing rates for adoption by the Trust and also suggest a rational norm for percentage of wastage paper for printing of Trust's publications. The questions should be settled expeditiously and if necessary in consultation with the Printing Directorate, Government of India.</p>
29	1-167	Do.	<p>The Trust had been following the pricing policy as laid down by it in 1965 under which the books produced were priced at 2 to 2.5 times the cost of production. It is distressing to note the term "cost of production" was not defined by the Executive Committee of the Trust who are including in it only cost of printing paper and blocks/proof reading and the important elements of cost such as cost of manuscript, translation, royalty to authors, incidentals and storage charges on paper etc. were not being included in the cost. Expenditure on royalty, storage of paper, direct cost of manuscript/translation during the 5 years ending March 1984 amounted to Rs. 22.52 lakhs and as such books produced by the Trust were under priced by Rs. 45.04 lakhs during the same period. The distribution cost i.e., packing and forwarding charges alone worked out to 6% of the sale price while promotional expenditure on publicity and free distribution accounted for 20% of the sales. Although the cost of establishment on selling and distribution was not being shown in the account separately yet the data collected by Audit reveals that it was about 28% of sales price. It is essential that price of the books is fixed as per pricing policy adopted. The Committee desire that efforts are required to be made to reduce cost of establishment and distribution charges and appropriate steps should be taken in this direction.</p>

30 1-168

Do.

In this connection, the Committee noted that the the Administrative Staff College, Hyderabad which conducted a review of the Trust working in 1977-79 recommended that the Trust's books be priced in such a manner that atleast variable cost i.e., cost of production, promotion and distribution should be recovered and that a system for providing information on the variable cost and overheads associated with a particular title should be evolved. However, the Committee note that the above recommendations were not implemented by the Trust so far. The comments of the N.B.T. on the Report on Costs Account Branch of the Ministry of Finance, envisaging to the evolving of a system for pricing of Trust publications in pursuance of the recommendations of the Administrative Staff College, were pending with the Government since January 1986. The Committee express their unhappiness over this state of affairs and desire that an early decision be take in the matter.

31 1-169

Do.

From the Audit Report the Committee find that in spite of the selling price of the books in Nehru Bal Pustakalaya series having been revised by the Government to Rs. 2.50 from May 1977, fresh publications in this series continued to be priced at Rs. 1.50 per copy even upto March 1985 with the result that 95 titles were under priced which resulted in loss of Rs. 11 lakhs to the Trust. Again, the Trust continued allowing discount at the rate of 40 to 45% to State Governments on bulk purchase even after the Government of India reduced the discount to 33.33%. Loss due to this unauthorised discount amounted to Rs. 212 lakhs during 1984-85. Similarly, in respect of 9 titles produced under Nehru Bal Pustakalaya series out of 76 titles test checked, the selling prices fixed were found to be 3% to 38% lower than the prime cost itself resulting in loss of Rs. 0.75 lakh to the Trust. The Committee would like to know the reasons for the underpricing and also the circumstance due to which more discount than that permissible was given to various institutions/ organisations of the Government of India. The Committee recommend that stern action should be taken against the persons responsible for this lapse resulting into loss to NBT.

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32 1-170

Do.

One of the objectives of the National Book Trust is to bring out book-lists, arrange exhibitions and seminars and take all necessary steps to make the people book minded. However, the Committee note that instead of popularising books in India, the Trust is exhibiting their books abroad through participation in International Book Fairs. It is interesting to note that during the years 1982-83 to 1986-87 (upto January 1987) NBT participated in 73 International Book Fairs and for this purpose 36 officials were sent abroad. Total expenditure in NBT participation on this account amounted to Rs. 25.58 lakhs. Participation in International Books Fairs do not seem to be in consonance with the objects of the NBT viz.,

1	2	3	4
33	1-171	Deptt. of Education	<p>producing and making available good literature in all Indian languages on moderate prices and fostering book mindedness in the country. The Committee is surprised that NBT instead of concentrating on its objectives by stepping its activities inside India has exhausted its meager resources on Book Fair abroad.</p> <p>The Committee note that the stock of books in the basement godowns in National Book Trust's head quarters building was flooded in April, 1983 when books valuing Rs. 5.04 lakhs were damaged. However the stock in this godown was insured against floods from April 1984 for Rs. 65 lakhs on payment of premium of Rs. 0.34 lakhs per annum. In August 1984, the storage was again flooded causing damage to the books valuing Rs. 48.89 lakhs. The Committee are surprised to note that the reasons for flooding of the basement of godown was not probed at any of these two occasions. However, the Trust have stopped storing books in the basement of godown and firstly thired godown space from Central Warehousing Corporation at rent of Rs. 27000/- per month. Subsequently, w.e.f. 1 August, 1986, the Trust has hired godown space at Gurgaon at a rent of Rs. 12000/- per month. The Committee suggest that NBT should examine the economic of constructing their own godown. They would also like to know whether the stock of titles damaged in floods have been made good by reprint etc., It is desirable that the Trust should identify the titles for which there is comparatively better demand and fix priority of their reprint accordingly. NB ffhould also take steps to weed out the stocks which is due for destruction.</p>
34	1-172	Do.	<p>A Sum of Rs 24.93 lakhs was outstanding on 31st March, 1985 on account of books supplied to the distributors, departmental advances and rent of stalls let out to participants in book fairs/exhibitions organised by the Trust. The National Book Trust has so far recovered a sum of Rs. 7.26 lakhs out of Rs. 18.65 lakhs due from distributing agencies; settled accounts for Rs. 1.77 lakhs out of Rs. 3.31 lakhs outstanding on account of departmental advances. The Committee desire that the remaining outstanding amounts should be recovered/settled with the concerned parties without any further delay. It is also suggested that rent of stalls should be realised in advance from the participants in Book fairs/Exhibitions organised by the Trust.</p>
35	1-173	Do.	<p>The NBT has been in existence for nearly 30 years now and has not been able to create perceptible impact on mass market in the country and in that Context there is urgent need to revamp its structure and to make it function effectively so that it is in a position to achieve the objective at faster pace. There seems to be total lack of motivation in the NBT to achieve its objective and should consider the grant of some incentive for aggressive marketing.</p> <p>It is distressing to note t t the post of Director is vacant since November 1985. Why the Government is not able to fill the post so far is beyond the comprehension of the Committee.</p>

