

**47**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2006-2007)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF INFORMATION AND  
BROADCASTING**

**THE ROLE OF PRASAR BHARATI AND  
ITS FUTURE STATUS**

**FORTY-SEVENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*June, 2007/Jyaishta, 1929 (Saka)*

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(2006-2007)

(FOURTEENTH LOK SABHA)

MINISTRY OF INFORMATION AND BROADCASTING

THE ROLE OF PRASAR BHARATI AND  
ITS FUTURE STATUS

*Presented to Hon'ble Speaker on 12.06.2007*

*Presented to Lok Sabha on .....*

*Laid in Rajya Sabha on .....*



LOK SABHA SECRETARIAT  
NEW DELHI

*June, 2007/Jyaishta, 1929 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE  
ON INFORMATION TECHNOLOGY  
(2006-2007)

Shri Nikhil Kumar — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Sanjay Shamrao Dhotre
5. Smt. Jayaprada
6. Shri Bhubaneshwar Prasad Mehta
7. Shri Harish Nagpal
8. Shri G. Nizamuddin
9. Shri Sohan Potai
10. Shri Lalmani Prasad
11. Kunwar Jitin Prasad
12. Shri Vishnu Deo Sai
13. Shri Tufani Saroj
14. Shri Tathagat Satpathy
15. Shri K.V. Thangkabalu
16. Shri P.C. Thomas
17. Shri Kinjarapu Yerrannaidu
18. Smt. Rubab Sayeda\*
19. Shri Narahari Mahato\*\*
20. Shri Badiga Ramakrishna<sup>#</sup>
21. Vacant

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\* Nominated *w.e.f.* 25th September, 2006.

\*\* Nominated *w.e.f.* 28th November, 2006.

<sup>#</sup> Nominated *w.e.f.* 23rd February, 2007.

*Rajya Sabha*

22. Vacant<sup>##</sup>
23. Shri Praveen Rashtrapal
24. Shri Ravi Shankar Prasad
25. Shri Dara Singh
26. Shri A. Vijayaraghavan
27. Shri N.R. Govindrajar
28. Shri Motiur Rahman
29. Shri Eknath K. Thakur
30. Shri Shyam Benegal
31. Shri Rajeev Chandrasekhar

SECRETARIAT

1. Shri Rajagopalan M. Nair — *Additional Secretary*
2. Shri P. Sreedharan — *Joint Secretary*
3. Shri Cyril John — *Deputy Secretary*

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<sup>##</sup>Vacated dated 15th December, 2006.

## INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2006-07) having been authorised by the Committee to submit the Report on their behalf, present this Forty-Seventh Report on “The Role of Prasar Bharati and its Future Status” relating to the Ministry of Information and Broadcasting.

2. The Committee took oral evidence of the representatives of the Ministry of Information and Broadcasting on 4th October, 2006, 5th January, 2007 and 22nd January, 2007.

3. The Report was considered and adopted by the Committee at their sitting held on 22nd May, 2007.

4. The Committee wish to express their thanks to the representatives of the Ministry of Information and Broadcasting for appearing before the Committee and furnishing the information in connection with the examination of the subject.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;  
11 June, 2007  

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21 Jyaishta, 1929 (Saka)

NIKHIL KUMAR,  
*Chairman,*  
*Standing Committee on*  
*Information Technology.*



## **REPORT**

### **I. Introductory**

1. Prasar Bharati as a Public Service Broadcaster came into existence on 23rd November, 1997 following the enactment of Prasar Bharati (Broadcasting Corporation of India) Act, 1990 with a mandate to organize and conduct Public Broadcasting services in India. With this Akashvani (AIR) and Doordarshan (DD), which came into existence as Government Departments were brought under one roof.

2. Akashvani (AIR) which came into existence in 1923 has 225 Broadcasting Centres, 146 Medium Frequency Transmitters, 54 High Frequency Transmitters and 161 FM Transmitters. As part of its domestic coverage it broadcasts programmes in 24 languages and 146 dialects and the external services cover 27 languages—17 national and 10 foreign languages-extending to more than 100 countries.

3. Doordarshan is one of the largest television networks in the world. It started its service on 15th September, 1959 at Delhi with the transmission of educational and development programmes on an experimental basis. The Second Television Centre was started at Bombay in 1972 and later Doordarshan's Television service was expanded to other places. The rapid expansion started in 1984 when almost every day a transmitter was installed in the country and today Doordarshan has 25 channels including 5 National Channels, 11 Regional Language Satellite Channels, 8 State Network Services and 1 International Channel. Besides this, Doordarshan has recently introduced Direct to Home service (DTH) called DD Direct + ensuring 100% coverage to the area and population of the country.

4. It was meant to confer autonomy on AIR and DD so that they may function in a fair, objective and creative manner. It was intended that the Corporation would function as a genuinely autonomous body, innovative, dynamic and flexible with a degree of credibility. It would function in a democratic manner which enriches our democratic traditions and institutions, being responsible to the people and Parliament and keeping in mind the variegated traditions, languages and cultures of the country.

## II. Functions and Objectives

5. The functions and objectives of Prasar Bharati are mentioned in Section 12 of the Prasar Bharati Act. The salient features of this Section are as under:—

- Organize and conduct public broadcasting services;
- Present a fair and balanced flow of information;
- Special attention to the fields of education and spread of literacy, agriculture, rural development, environment, health and family welfare and science and technology;
- Adequate coverage of the diverse cultures and languages of the various regions of the country;
- Provide adequate coverage to sports, games and needs of youth;
- Special attention to the upliftment of women;
- Promote social justice and combat exploitation;
- Safeguard the rights of the working classes;
- Serve the rural and weaker sections of the people and those residing in border regions, backward or remote areas; and
- Programmes for needs of minorities and tribal communities.

6. On being enquired whether the above objectives have been achieved by Prasar Bharati, the Ministry replied that Prasar Bharati has been able to achieve these objectives by and large at a time when private electronic media have pursued only commercial aims.

## III. Organisational Structure

7. The Prasar Bharati Board was constituted on 23rd November, 1997, the day on which Prasar Bharati was established. The Prasar Bharati Board has been vested with the power of general superintendence, direction and management of the affairs of the Corporation. The Board may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation under the Prasar Bharati Act, 1990. The Board consists of the following Members:

Sl.No.	Member	No. of Members
1	2	3
1.	Chairman	One
2.	Part-time Members	Six

1	2	3
3.	Whole-time Members: Executive Member - One Member (Personnel) - One Member (Finance) - One	Three
4.	Ex-Officio Members: Director General, Doordarshan - One Director General, All India Radio - One	Two
5.	Representative of Ministry of I&B	One
6.	Representatives of the Employees of the Corporation, one each from the Engineering Staff and the other employees.	Two

8. Composition of the Prasar Bharati Board as on 4th December, 2006 was as under:

Sl.No.	Name	Post	Tenure up to	Remarks
1	2	3	4	5
1.	Shri M.V. Kamath	Chairman	22.11.2009	
2.	Ms. Chitra Mudgal	Part-time Member	21.11.2007	
3.	Shri M.L. Mehta	Part-time Member	21.11.2007	
4.	Shri R.N. Bisaria	Part-time Member	22.11.2009	
5.	Vacant	Part-time Member	22.11.2009	Due to completion of tenure by Shri B.G. Verghese on 22.11.03
6.	Vacant	Part-time Member	22.11.2011	Due to completion of tenure by Shri Bupen Hazarika on 22.11.05
7.	Vacant	Part-time Member	22.11.2011	Due to resignation of Shri V.N. Mishra and then completion of tenure on 22.11.05

1	2	3	4	5
8.	Vacant	Executive Member	—	<i>w.e.f.</i> 1.7.2006 after retirement of Shri K.S. Sarma on 30.06.2006. DG, All India Radio has been given additional charge of the post.
9.	Vacant	Member (Personel)	—	Vacant since 4.3.2006 after retirement of Shri D.P.S. Lamba
10.	Vacant	Member (Finance)	—	Vacant since 1.5.2005 after resignation of Smt. A.L. Ganapati on 30.4.2005
11.	Vacant, Director General, Doordarshan	<i>Ex-officio</i> Member	—	Current Duty Charge of the post DG, Doordarshan has been given to the senior officer of Doordarshan <i>w.e.f.</i> 30.08.2006
12.	Sh. Brijeshwar Singh, Director General, All India Radio	<i>Ex-officio</i> Member	12.04.2007	
13.	Shri Pradeep Singh, Additional Secretary, Min. of I&B	Representative of Ministry of I&B	NA	
14.	Vacant	Two representatives of employees of Prasar Bharati		Election to the representatives of employees could not be held as the services of the existing employees are yet to be transferred to Prasar Bharati under Section 11 of Prasar Bharati Act, 1990.

Shri B.S. Lalli joined as CEO, Prasar Bharati *w.e.f.* 2nd January, 2007. The CEO, Prasar Bharati is supported by DG, AIR and DG, DD for conducting day to day operations.

9. The Committee enquired about the reasons for several positions on the Board remaining vacant for considerably long time and the steps taken to fill up the vacant positions. In reply, the Ministry gave the following explanation:—

- (i) The post of Elected Members of the Board could not be filled up since inception of the Prasar Bharati Board as the services of the existing employees on the date of creation of the Prasar Bharati are yet to be transferred to the Prasar Bharati under Section 11 of Prasar Bharati Act. It may be worth mentioning that to look into the service conditions of Prasar Bharati employees and other matters of Prasar Bharati, a Group of Ministers (GoM) has been constituted.
- (ii) At present three vacancies of Part-time Members are available. The first vacancy had occurred due to the completion of term of Shri B.G. Verghese on 22.11.2003. Other two vacancies have occurred due to completion of the term of Shri Bhupen Hazarika on 22.11.2005 and resignation of Prof. Vidya Niwas Mishra in November, 2003. Shri Mishra's term was also up to 22.11.2005. It is laid down in Section 6(3) of Prasar Bharati Act, 1990 that the term of office of Part-time Members shall be six years, but one-third of such members shall retire on expiration of every second year. To maintain this sanctity, the term of one of the new Part-time Member to be appointed will be up to 22.11.2009 and the other two Members up to 22.11.2011. The vacancies of the Part-time Members, which occurred on account of the expiry of the term of Shri B.G. Verghese and after resignation of Shri V.N. Mishra were intimated to the Vice President's Secretariat and recommendation of panel is awaited. Ministry has received some references for filling up the post of Part-time Members of Prasar Bharati Board from some Members of Parliament which are being sent to the Vice President's Secretariat for consideration of the Selection Committee.
- (iii) The posts of three Whole-time Members of the Board are also lying vacant since the dates specified in the Table above. The Vice-President's Secretariat has been requested to arrange the Selection Committee Meeting to fill up the post of Member (Personnel) and Member (Finance).

- (iv) As per Section 9 of the Prasar Bharati Act, 1990, Prasar Bharati is to fill up the post of Director General, Doordarshan in accordance with the recruitment regulations of the post. The Prasar Bharati has already initiated the process of filling up the post.

#### **IV. Autonomy of Prasar Bharati**

10. On being enquired about the level of autonomy being enjoyed by Prasar Bharati, the Ministry stated as follows:—

“Prasar Bharati, a Public Service Broadcaster in India, is an autonomous body. Prasar Bharati is free to make its own operational and tactical decisions. However, in financial matters Prasar Bharati is dependent on the Grants/Loan from the Government. A key principle of a Public Service Broadcaster is that it must be completely independent. Its structure, financing and personnel policies should be such that it must not be amenable to pressure from the Government of the day.”

11. Conceding that Prasar Bharati is a very important organisation that should enjoy autonomy, the Secretary, Ministry of Information and Broadcasting stated:

“This is the largest undertaking in the Ministry with a slight difference from other PSUs that while the public sector undertakings are Government Corporations or statutory corporations, Prasar Bharati although is a statutory corporation according to its statute is an autonomous organisation. It is supposed to be almost independent even of the Government. Only our Additional Secretary is one of the members of the Board of Prasar Bharati. Otherwise, Prasar Bharati is expected to act independently of the Government.”

12. Section 32 of the Prasar Bharati Act, 1990 provides as follows:—

“Power to make rules—(1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the salaries and allowances and conditions of service in respect of leave, pension (if any), provident fund and other matters in relation to the Whole-time Members under sub-section (7) of section 6;

- (b) the allowances payable to the Chairman and Part-time Members under sub-section (8) of section 6;
- (c) the control, restrictions and conditions subject to which the Corporation may appoint officers and other employees under sub-section (1) of section 9;
- (d) the manner in which and the conditions and restrictions subject to which a Recruitment Board may be established under sub-section (1) of section 10;
- (e) the qualifications and other conditions of service of the members of a Recruitment Board and their period of office under sub-section (2) of section 10;
- (f) the terms and conditions in accordance with which the deputation may be regulated under sub-section (2) of section 11;
- (g) the salary and allowances and conditions of service in respect of leave, pension (of any), provident fund and other matters in relation to the President of the Broadcasting Council under sub-section (5) of section 14;
- (h) the allowances payable to other members of the Broadcasting Council and the members of the Regional Councils, under sub-section (6) of section 14;
- (i) the manner in which the Corporation may invest its moneys under section 19;
- (j) the form and the manner in which the annual statement of accounts shall be prepared under sub-section (1) of section 21;
- (k) the form in which, and the time within which the Corporation and the Broadcasting Council shall prepare their annual report under section 31;
- (l) any other matter which is required to be, or may be, prescribed."

13. The Committee wanted to know why Section 32 of the Prasar Bharati Act should delegate powers to the Central Government in certain matters. In reply, the Secretary, Ministry of Information and Broadcasting stated as follows:—

"Sir, the reason why this approval of the Central Government is required is not something unique to Prasar Bharati although the nature of functioning of Prasar Bharati is supposed to be

autonomous of Government unlike other PSUs. This provision of approval of the Central Government has been kept for two things. They are financial issues and for staff issues because staff issue ultimately reflect themselves into financial support. The overall expenditure of Prasar Bharati in a given year has been, in the last two or three years, roughly Rs. 2,000 crores every year. Their own internal accruals, this year it has been Rs. 950 crores, but normally it is Rs. 600 to Rs. 650 crores. The balance amount of Rs. 1,400 crores comes from the Central Government of which roughly Rs. 1,000 crores comes as a non-Plan grant for staff and other non-Plan recruitment. Another Rs. 300 to Rs. 400 crores come to them under Plan for various Capital and Revenue Expenditure. Because of this skewed pattern of funding by the Government, which is to the tune of 70 per cent of their Budget, the Government has kept this clause of approval. If they were autonomous financially, as is the case with ONGC, GAIL and others, who are given the Navratna status, so they do not come to the Government for any of their requirement, then the situation would have been entirely different. But since seventy per cent of their funding is provided by the Government today, these two provisions still remain valid.”

14. Commenting further on the concept of financial autonomy of Prasar Bharati, the witness stated:

“This is one of the points that we have placed before the Group of Ministers (GoMs) that Prasar Bharati will never be able to achieve programme and editorial autonomy as long as they depend financially on Government. Therefore, we have made this suggestion. There was a Capital Restructuring Committee which I headed. We had a number of people from Finance, Planning Commission, etc. where we made this recommendation. Apart from cleaning up their balance sheet for the past liabilities which have been given to them as loans, for future we have said that they should be able to finance their programmes through a licence fee on every television set sold in the country and also other private channels, if they do certain public service broadcasting programmes, then they should pay a fee for that. We have made two or three suggestions on Public Service Broadcasting fund which can finance the Revenue Expenditure of Prasar Bharati and licence fee which can take care of most of their expenditure. Now, this subject is certainly before the GoMs to provide financial autonomy. If that autonomy is given that you can recruit any number of staff, pay them anything and the bill is forwarded to the Ministry, no Ministry of Finance, anywhere in the world, would accept that situation.



That is why, approval of the Central Government for pay scales, recruitment and sanction of posts is required because financial implications have been kept under the Central Government's prior approval. But if it is given that autonomy, as in the case of BBC, then the situation can certainly undergo a rapid change and radical change in the structure."

15. The Committee wanted a comparative analysis of the functioning of Prasar Bharati and BBC in respect of resource base, social obligation, editorial autonomy, networking, accountability, etc. In reply, the Ministry informed that presently the BBC Royal Charter is also under review on account of the following reasons:—

- There are calls from the public and broadcasters for reform of the arrangements for governance and regulation. Particular concerns are raised over the appointment, makeup, skills and experience of the Governors; the precise remits of the BBC's services; and the regulation of the commercial services.
- The public would like the BBC to become more accountable to license fee payers.
- A variety of proposals for greater public accountability were put forward—including some developing the concept of the licence fee payer as "shareholder".
- People think that the BBC should be more independent of the Government and Parliament for what it delivers.
- There are calls for greater financial accountability and transparency.

16. Suggesting that BBC model of autonomy is best suited for a Public Service Broadcaster, the CEO, Prasar Bharati stated as under:—

"Sir, as I look at it, there is a need at, perhaps, all levels to arrive at a more mature understanding of what a Public Broadcaster is to be like. If I were to be given a totally independent stake in the matter, I would like to opt for the BBC model. I do not visualize Prasar Bharati with the kind of mandate that the Parliament of India has given it to deviate much from the BBC model. That is the classical Public Service Broadcaster. Linked with that, obviously, is the question of autonomy because a Public Broadcaster cannot denigrate itself to just become a moral police of the Government of the day. A Public Broadcaster's accountability in real terms stays with the Parliament, which leads the people, and also the citizens

at large. These are questions and issues with great conceptual connotations. Perhaps, we will need to debate it and then see what the Government can do to fulfil this mandate.”

17. Pointing towards the need for an amendment in the Act in order to ensure full autonomy to the Corporation, the Acting CEO, Prasar Bharati stated:

“As the Act stands, it would probably require an amendment to the Act. There are powers to make rules and regulations vested with the Corporation, but they are not absolute powers in the case of financial and service matters. Certain powers to make rules and regulations are vested with the Corporation but in financial and matters of human resource development, that is employment matters, rules and regulations which are framed by the Corporation require prior approval of the Government.”

#### **V. The Role of Prasar Bharati as a Public Service Broadcaster (PSB)**

18. Public Service Broadcasting, as distinct from commercial broadcasting, necessarily has some of the following characteristics:—

- (a) It should be accessible to all without any exception.
- (b) It should strive to inform and educate besides entertaining the public.
- (c) Its content and programme schedule should be diverse enough to cover the tastes and cultural interests of all including the minorities.
- (d) It should strengthen the democratic process by providing information, promoting debates and discussions on all vital issues.
- (e) It should provide a platform for interaction between the common man and the policy makers.

19. The Committee were informed that the Sen Gupta Committee (1995) and the Review Committee on the Working of Prasar Bharati (Narayan Murthy Committee) (1999) both of which were set up to review the working of Prasar Bharati had dealt exhaustively on the mandate and role of Public Service Broadcasting. The need for a Public Service Broadcaster like Prasar Bharati was strongly brought out in

both the Reports. With regard to the role of Prasar Bharati in Public Service Broadcasting, the Review Committee (1999) made the following observations:—

“Public Service Broadcasting is essential in India, and must be seen as a right of all citizens. It must provide a platform for free discourse and debate, while its content must empower people. In the present, it is essential to have Prasar Bharati in the role of a Public Service Broadcaster in India.”

20. The following is a gist of some of the important observations in the Reports highlighting the relevance of Public Service Broadcasting in a country like India:—

- (a) Left to the market forces, purely Commercial Broadcasting will not meet the full needs of public Broadcasting as the Commercial Broadcasting regards the audience as consumers, not as citizens.
- (b) In a developing country like India, since the market power/ purchase power of a large segment of population is small, information and education needs of this segment of population will not be met by the Commercial Broadcasters.
- (c) Market forces may not be interested to protect the character of the Nation by providing information, promoting debate and education on all the vital areas to strengthen the democratic process and provide a platform for interaction between the common man and the policy makers.
- (d) In a country with diverse cultures, multiple religious and ethnic diversities, Broadcasting strongly influences society on its value systems, social norms; inter personal behaviour and cultural identity in many ways. In case Broadcasting is done purely on a commercial basis the above may not be covered possibly resulting in adversely affecting of culture, values and integrity of the country.
- (e) It is also essential for Prasar Bharati as Public Broadcaster to set high programming norms and standards and play a strong dominant role for providing leadership and influencing the programme content and quality of the industry as a whole.

21. In the above background, the role of Public Service Broadcasting is well defined in almost all the countries of the world and the Public

Broadcaster is given a clear cut mandate with definite resources. In this context, both the committees were of the view that Prasar Bharati carry on Public Broadcasting functions efficiently at optimum cost, but at the same time achieving maximum profitability from its commercial broadcasting operations.

22. Commenting on the role of Prasar Bharati as a Public Service Broadcaster, the CEO, Prasar Bharati stated as under:—

“Broadcasting of public service and public issues in a democracy is at the very heart of the matter. Encouraging and sustaining a wholesome, healthy and sustained dialogue between the citizens and those who administer public policies and programmes is crucial to the vibrancy of the democracy. In all these areas, AIR and Doordarshan have been trying to fulfil this role. If one were to go by the time utilized in transmission of various programmes, what we notice is that during 2005-2006 AIR devoted something like 51 per cent of its time on rural areas, women’s education, environment, sports, art and culture. DD-I which is the flagship channel of Doordarshan, again spent about 46% of its time on such areas. Entertainment which does not figure in the objectives listed in Section 12 of the Prasar Bharati Act also has been a major ingredient of the programme bouquet of both AIR and Doordarshan. Entertainment again necessarily would have to have some kind of a social content. I would like to refer to programme like Jasoos Vijay, Jeevan Anmol Hai and Kalyani.”

23. On being enquired whether Prasar Bharati, as a Public Broadcaster, has been able to play a crucial role in determining the direction and thrust of broadcasting in India and setting standards through programmes that are meaningful, absorbing, diverse in content, innovative in design and of the highest quality, the Committee were informed that as a Public Service Broadcaster, Prasar Bharati has been able to play a crucial role in determining the direction and thrust of broadcasting in India and setting standards through programmes that are meaningful and absorbing. As a major step forward in this direction, Doordarshan has been executing a major project under which literary classics in various Indian languages have been selected for making serials based on them. These serials are being produced by award winning producers to maintain highest production quality. The aim is to provide viewers with purposive entertainment that would acquaint them with literary treasure in various Indian languages. As a part of this project, a serial produced in any particular Indian language would be dubbed in other Indian languages and telecast from concerned

Regional Kendras/Channels so that people living in different parts of the country are able to acquaint themselves with the literary works of other regions. It would also help in fostering national integration besides countering the ill effects of the contents shown by various private channels, which are full of crime, sleaze and violence.

24. The Committee were further informed that unlike private TV channels/radio stations, Prasar Bharati has always been an agent of social change and development. AIR and Doordarshan broadcast regular programmes on Farm & Home, Environment, Family Welfare, National Rural Health Mission, etc. AIR broadcasts special programmes on AIDS from 76 Primary Channels titled "Jeevan Hai Anmol". Doordarshan take up various health issues through "Kalyani Programme". The Doordarshan serial "Jasoos Vijay" educates viewers about AIDS. Unlike commercial broadcasters, Prasar Bharati has played a major role in promoting and preserving the cultural heritage of the country through broadcast of classical music and dance as well as folk music and dances through national programme of music, dance, Radio Sangeet Sammelan and various other programmes.

25. To a specific query whether Prasar Bharati, as a Public Service Broadcaster, should focus on revenue generation and be expected to compete with commercial channels or be free to concentrate entirely on its mandate as enshrined in Section 12 of the Prasar Bharati Act, the Ministry stated as under:—

"Prasar Bharati should primarily focus on fulfilling the mandate given to it by the Parliament as enshrined in Section 12 of the Prasar Bharati Act. Revenue generation can only be a by-product of its main focus. The relevance of Prasar Bharati *vis-a-vis* other commercial channels lies exclusively in fulfilling its mandate. Total focus on revenue generation would force Prasar Bharati to concentrate only on those audiences who have disposable income thus disenfranchising a large segment who are below the poverty line or marginally above it."

26. Emphasising that the primary objective of Prasar Bharati should be Public Service Broadcasting and not revenue generation, the CEO, Prasar Bharati stated as under:—

"...We should not compete with commercial broadcasters and our major objective should not be revenue earning. Our major objective should be to remain a Public Broadcaster, if not in the classically pure sense, at least in a substantial sense."

27. On private/commercial broadcasters being assigned the role of Public Broadcasting as a social obligation, the Ministry expressed the view that while Prasar Bharati is primarily responsible for Public Service Broadcasting, the private/commercial broadcasters should also supplement its efforts.

28. When asked about the major constraints being faced by Prasar Bharati in fulfilling its mandate as a Public Service Broadcaster, the Ministry replied as follows:—

“Coming years are going to be very critical and challenging because of various factors like increasing number of private radio stations and TV channels and various technological innovations. On the other hand, Prasar Bharati has been facing staff shortage because of continuously depleting strength which has been found to be totally inadequate to meet its increasing activities. Also the funding pattern of Prasar Bharati has been quite unpredictable and unstable.”

## VI. Financing and Funding Pattern

29. The source of funding of Prasar Bharati for the last five years was as given below:

(Rs. in Crores)						
Year	Grant in Aid		Total	Loan	IEBR (Plan & Non-Plan)	Total
	Non-Plan	Plan-Revenue				
2003-04	892	109	1001	84	555	1640
2004-05	919	87	1006	86	734	1826
2005-06	943	135	1078	157	1026	2261
2006-07	968.59*	255.50	1224.09	40.42	975.67	2239.78
2007-08	960.78	120.65	1081.43	264.94	981.47 (target)	

\*This include Rs. 92.63 crores for leave salary and pension contribution in respect of Government employees on deemed deputation to Prasar Bharati paid non-cash, by way of book adjustment.

30. Explaining the funding pattern of Prasar Bharati, the Secretary, Ministry of Information and Broadcasting stated as follows:—

“Roughly, Prasar Bharati has a Revenue Budget of about Rs. 1,800 crores. Their Capital Expenditure is roughly about Rs. 200 crores to Rs. 300 crores every year. It is roughly Rs. 2,000 crores. Of which, a thousand crores goes by way of Non-Plan grants for salaries and basic maintenance of the existing infrastructure and the manpower costs. In addition to that, they get Plan grants which have both a capital element and a revenue element, and then they have their own internal revenue generation, which is known as IEBR, Internal and Extra-Budgetary Resources, which they raise on their own. So, the Revenue Expenditure of Rs. 1,700 crores to Rs. 1,800 crores is met by this Rs. 1,000 crores of grant from non-Plan grants, then Plan revenue grants and their own internal resources. The Capital Expenditure again, till the end of the Tenth Plan, is Rs. 200 crores to Rs. 300 crores which they spend is mostly financed by the Plan capital grants to them and by their internal resources to some extent. So, this is how the financing of this whole expenditure takes place.”

31. On raising of internal resources by Prasar Bharati, the CEO, Prasar Bharati stated:

“Broadly there are only three streams from which funds come to Prasar Bharati. One is Grants-in-Aid both Plan and Non-Plan. Second is loans, and this is our internal extra budgetary resources. In the last three or four years, Grants-in-Aid has been of the order of Rs. 1000 crores plus every year; loans last year were of the order of Rs. 157 crores. In so far as raising revenues internally in the Prasar Bharati set up is concerned, it is gratifying to note that during the last few years, successful efforts have been made...From a level of Rs. 555 crores in 2003-04, the internal revenue had gone up to Rs. 1076 crores in 2005-06 virtually doubling up the efforts. Revenues have gone up during the recent years and it will be our efforts to further improve it.”

32. In this context, the Review Committee had in 1999 recommended that Prasar Bharati should target to be financially self sufficient within 5 years so that the organization would require to major funding from the Government. In reply to a query about the follow up action taken in this regard, the Ministry stated:—

“After consideration of the Review Committee Report by the Prasar Bharati Board, a D.O. letter dated 7th September, 2000 was sent by

Prasar Bharati to the Ministry of Information and Broadcasting wherein it was indicated that while agreeing to accept the desirability of an agreed time frame within which Prasar Bharati should be expected to achieve financial self-sufficiency, the Board indicated that proposed five year time frame can be accepted provided certain necessary conditions which were enumerated in the D.O. letter were also accepted. Subsequently, the Ministry of Information and Broadcasting set up a Committee on Capital and Financial Restructuring of Prasar Bharati whose report has since been received. The Government of India have also set up a Group of Ministers on 7th March, 2006 to examine various issues of the functioning of Prasar Bharati including its capital structuring and funding pattern. The Group is also to consider the Report of this Committee. The Group of Ministers is deliberating on these issues. Further action would be taken in the light of the recommendations of the Group of Ministers."

33. The Committee were informed that the total revenue (net) earned by All India Radio and Doordarshan in the last five years were as follows:—

(Rs. in Crores)					
Year	2002-03	2003-04	2004-05	2005-06	2006-07
AIR	115.26	126.04	142.52	233.58	255.93*
Doordarshan	468.91	441.91	574.50	813.25	719.74*
Total Prasar Bharati	584.17	567.95	717.02	1046.83	975.67*

\*Upto February, 2007

34. The cumulative deficit reported by Prasar Bharati Upto 31st March, 2007 are as under:—

(Rs. in crores)		
Year	Cash deficit	Loan given to Prasar Bharati
1	2	3
2000-01	542.32	139.30
2001-02	667.96	142.05



1	2	3
2002-03	700.19	228.99
2003-04	943.28	84.65
2004-05	880.28	85.93
2005-06	906.19	156.86#
2006-07	900.00*	40.02
Total	5540.22	877.80
	Loan in perpetuity	4258.08
Grant Total		5135.88

\* Figure is provisional as the accounts of Prasar Bharati are yet not finalised.

# The actual amount of loan was Rs. 175.47 crore and out of this Rs. 18.61 crore was refunded.

35. It was stated that 'Funding influences content' and 'who pays commands' are two important facts, which cannot be ignored while deciding funding of public service broadcaster. The Committee were informed that the framers of Prasar Bharati (Broadcasting Corporation of India) Act gave full consideration to these facts while identifying sources of funding for Prasar Bharati. The sources identified under Section 17 of the Act are:

1. Proceeds of the broadcast receiver fee, and
2. Government support by way of equity, Grant-in-Aid or loan.

36. The Committee were informed that somehow the first and primary source of funding envisaged in the Act has not been introduced till date. The second source of funding has been there but quantum of this funding has been inadequate and up to some extent erratic. Good amount of support from the Government has been coming in the form of debt, adding further burden on the finances of the Corporation. It was stated that if this trend continued, Prasar Bharati might not be able to do justice to its role as Public Service Broadcaster. In fact, the direct Government support to the public sector broadcaster is also not healthy as it can be used to gain influence. The best way of financing an organization like Prasar Bharati is to create a separate fund in which money from various sources can be allowed to flow.

37. As regards funding pattern of Public Service Broadcasters globally, the Committee were informed that the Public Service Broadcasting is met broadly by collection of Licence Fees charged on radio and TV sets and through Universal Service Obligation Funds (USOF). In addition, some Governments are supporting through Government grants. Whereas in UK, BBC is funded by License Fees and by the sale of its materials and services, in Japan and Sweden, Public Broadcasters rely almost entirely on License Fees, PSBs in France, Germany, Italy and Ireland combine the License Fees with advertising. Spain's TVE and New Zealand's NZTV are completely financed by advertising revenue, while Australia's ABC is entirely funded by Government Grants and Canada's CBC combines Government grants with advertising revenue.

38. According to the information furnished to the Committee, the amount of License Fees varied from country to country as may be seen in the table below:

Sl.No.	Name of the Country	License Fees per set Per Year in Euros (2005)
1.	Denmark	270
2.	Norway	260
3.	Sweden	210
4.	Germany	204
5.	United Kingdom	186
6.	Switzerland	292
7.	Finland	194
8.	Belgium	*121
9.	Japan	*75
10.	France	*74
11.	Netherlands	*58
12.	Italy	*57
13.	New Zealand	*36
14.	South Africa	*21
15.	Poland	*19
16.	Czech Republic	*16

\*Figures pertain to 1998 and are in British Pound.

39. It was pointed out that in many countries, Public Broadcasters are funded either directly through Licence Fee/Receiver Fee collected directly from listeners/viewers or indirectly where Government funds the Broadcaster through taxation. Some countries use mixed model, where apart from direct/indirect funding, the revenues are generated by selling limited air-time for advertisements.

40. The Committee were further informed that as the future of the Corporation was dependent on the decision on its capital structure and funding pattern, the Ministry of Information and Broadcasting had constituted a committee under the chairmanship of Secretary, Ministry of Information and Broadcasting for proposing a viable capital and financial structure for Prasar Bharati. The intention was that once a viable capital structure for Prasar Bharati was finalized, it was expected to carry out its activities on commercial basis with appropriate support for carrying out broadcasting functions in a structured manner on sound principles of fiscal prudence. The Report submitted by the committee is stated to be under consideration of the Group of Ministers. The committee after deliberating on various options available, global practices and Indian experience, made the following financing and funding pattern for Prasar Bharati:

**A. Licence Fee**

Levying Licence Fee on all the television sets at the point of production at an *ad-valorem* rate collected through Excise Department. The concept of user to fund the cost of the Public Broadcasting gets addressed with this levy. As the Licence Fee is recurring in nature the same can be used for funding revenue cost of Public Broadcasting Services. On a rough estimate the potentiality of such fee in India may go up to Rs. 896 crores at 10% and Rs. 448 crores at 5%. (Calculated on the basis of 12 crores sets sold in 2004 at an average rate of Rs. 8000 per set).

**B. Public Broadcasting Service Fee (PBSF)**

The Committee also suggested introduction of PBSF on the lines of telecom sector as the concept has got merit since it makes all the players in the field to share the cost of making available television nation-wide on a non-discriminatory access basis. A percentage of adjusted gross revenue of other FM & TV Channels and Cable Operators can be collected towards PBSF, which can be used for technological up-gradation and capital expenditure needs of Prasar Bharati. On a rough estimate, as per the available revenue figures, the amount may work out to Rs. 800 crores at 5% per annum.

### **C. Revenues of Prasar Bharati**

Prasar Bharati should try to maximize the revenue generation on commercial channels/programmes by competing with other television channels. In addition, it should aim at maximizing revenue from best utilization of all the assets. It should aim at becoming the market leader and technology leader with the support of the funding received under the above two modes.

### **D. Government Grant**

License Fee and PBSF should be in a position to meet the revenue cost of Public Broadcasting Services as well as capital requirements of upgrading and expansion of Prasar Bharati assets. However, in case of shortfall, Government may have to fund Prasar Bharati in order to fulfil the Public Broadcasting objectives of Prasar Bharati.

41. The Committee were informed that the Committee on Capital & Financial Restructuring of Prasar Bharati found that mix pattern of funding is well accepted in the case of a Public Service Broadcaster internationally. It has been brought to the notice of the Committee that the European Broadcasting Union paper on "Funding of Public Service Broadcaster" lists the following sources of funding of Public Service Broadcaster:

1. Broadcasting fee paid by viewers/listeners
2. Concessions fees paid by commercial operators
3. Other sources of public funding
4. Radio/Television advertising
5. Radio/Television sponsorship
6. Subscription fees for pay services.

The reasons advanced in support of the mixed pattern of funding are:

- In many countries single sources of funding may not provide sufficient funds.
- Reliance on one particular source of funding creates dependence
- Combination of various sources of funding creates alternatives
- Mixed funding system is more robust

42. Regarding the proposal for levying of Licence Fee on television sets, the Secretary, Ministry of Information and Broadcasting furnished the following clarification during evidence:

“There are two different ways of levying Licence Fee. One is the BBC model where every year 150 pounds are collected. But despite that, the cost of collection is huge for them, but they collect a very large amount of Annual Licence Fee. We felt that in Indian environment and in Indian condition, levying an Annual Licence Fee would lead to a lot of harassment and malpractices that are likely to happen which used to happen. For the same reason, the motor vehicle tax was converted into a life-time tax because every year the cost of collection is high and the scope for harassment is extremely high. So, what we have recommended in our Report is that instead of an Annual Licence Fee, you capitalize it at the time of sale of television set and charge it as a lump sum.”

43. The witness further elaborated the concept of Licence Fee as under:

“Today, a colour television set will roughly be between Rs. 8,000 to Rs. 10,000 range and black and white is much lower. It can be anything up to Rs. 1,500 to Rs. 2,000 onwards. So, what we have said is that 10 per cent should be the licence fee. If you take on an average about 10 million sets are sold in India, and we have calculated that if we put Rs. 1,000 as an average on various sets, it would be something like Rs. 1,000 crores. If it is less, if the sale dips or the collection is less, then 15 per cent the collecting agency, the Department of Excise or whoever will have to collect that, will charge as a collection fee, which the Finance Ministry will deduct at source and then the rest of it can be passed on to. It will be roughly in the order of Rs. 700 crores to Rs. 800 crores. This is one source of financing that we have indicated.”

44. Justifying charging of License Fee, the witness continued as under:

“Our recommendation was based on a very considered view in our committee meeting that this is an option, that is, the law, which the Parliament has already for under the Prasar Bharati Act. License fee is already prescribed under the law. The only thing is that the Government has not actually notified the quantum of license fee for the last 10 years or so.”

45. Commenting on the concept of Public Broadcasting Service Fee (PBSF) as another source of funding of Public Service Broadcasting, the Secretary, Ministry of Information and Broadcasting stated:—

“The second source of financing we have said is that the obligation for doing Public Service Broadcasting should be not only on Prasar Bharati, but it should also be on other private channels. Today the problem is that most of the private channels are doing entertainment programmes which are commercially very viable and they get all the ad revenues. They mainly do sensational programme or commercial or entertainment programme. Their educational content is stretched if they say that it is there. Whereas Prasar Bharati’s major charter is only to do the Public Service Broadcasting. So, we have said if there is a mandate that every channel should do Public Service Broadcasting up to a certain limit, maybe, 10 per cent of their time they should use for Public Service Broadcasting. Their 10 per cent programme content should be so. If they fail to do so, then there should be a levy of Public Service Obligation for them. This is on the line of the telecom sector where they have the Universal Service Obligation (USO) because they do not go into the remote areas which BSNL does. So, taking the example of USO under the telecom sector, we have indicated that a similar Public Service Broadcasting Obligation should be imposed on all the television channels. If they meet that obligation, then they do not need to pay anything. But if they do not meet that obligation, then the service obligation should be levied on them, which can then be transferred to Prasar Bharati whose main charter is to do the Public Service Broadcasting. So, this is another method.”

46. On the need for increasing revenue from entertainment channels run by Prasar Bharati, the witness stated:-

“Some of their programmes are having a major content of entertainment. For example, on the radio side, I am sure, you are listening to the FM radios, the new wave of private FM radios. They are mainly entertainment channels. Similarly, Prasar Bharati also runs. The All-India Radio runs, I think, 19 FM radio channels in different cities. They are purely commercial and they raise a lot of revenue from that. We are saying that if they are doing FM radio programme, then the operation and cost of that programme and their revenue must match. If they want to expand their radio

services, then those should be done on the basis of like any other commercial enterprise. But if they are going into the rural areas where there is no ad revenue, then even the FM radio should be funded by the Government.”

47. In this context, suggesting a new source of funding of Prasar Bharati, the witnesses stated as follows:—

“The third source that we have indicated is the public institutions, whether they are Ministries or State Governments or Departments or PSUs, which also have a mandate to educate and inform the public about their own programmes like the Rural Health Mission or Right to Information Act or the Rural Employment Guarantee Scheme or other schemes of various Ministries. When they do these programmes, over and above what Prasar Bharati does on their own, they should be financing the programmes which they want to be aired on Prasar Bharati. Now, if that happens, then they get some revenue. We have indicated that it should be mandatory because Prasar Bharati reaches almost universal in the rural areas and it has monopoly in the rural areas and no other terrestrial network exists there. In the urban areas, you have cable and satellite. But in the rural areas, mainly Prasar Bharati’s terrestrial network exists. We have said that the other Ministries should be mandated that they should put more and more of their programmes as well as social messaging and ads on Prasar Bharati which will then further finance, and to that extent if these sources of finance are available to Prasar Bharati, then, the Government’s direct budgetary support can be curtailed.”

48. Suggesting that Government grant should be last option for funding Prasar Bharati, the witness added:—

“We have also put one last rider that in case these sources that we have indicated do not generate—either the Government does not agree or they do not generate that kind of financing requirement—then there is a shortfall in the running of Prasar Bharati. Based on the mandate which the Government may give, in which case, residual financing by Government should be taken up. But we have said that it should be capped at whatever they are giving only for meeting the staff salary cost. This is roughly Rs. 950 crores. All put together if there is any shortfall, the Government would only make up the shortfall keeping in view the concerns which the employees have been voicing.”

49. Stressing the need to formulate proper norms for reimbursement of deficit incurred by Prasar Bharati for Public Service Broadcasting, the Secretary, Ministry of Information and Broadcasting stated as follows:—

“We have also said in this report that all these should not be openended. It is not that the Government undertakes to meet whatever financial deficit Prasar Bharati comes up with. We have made a recommendation that whether it is Public Service Broadcasting or Commercial Broadcasting or any other kind of service which they provide, infrastructure, etc., norms need to be developed, and the Government would refinance only on the basis of norms which should be pre-determined in consultation with the Ministry, the Ministry of Finance, the Planning Commission and Prasar Bharati and mutually agreed to. Once that happens, then the reimbursement or financing can be done on the basis of those norms, which can be reviewed from time to time. This is the manner in which the public sector enterprises work..... The PSEB lays down management and financial norms for various public sector enterprises, and similar exercise needs to be done for Prasar Bharati. Therefore, as I have said, the sources of funding would have to be managed in the context of the norms that need to be developed. It is these that the Group of Ministers asked us that we should discuss—these norms between Prasar Bharati, Ministry of Finance and Planning Commission—and make suitable recommendations as to what should be those norms which we can then place before the Group of Ministers for their approval. These are some of the areas through which we hope that over a period of time Prasar Bharati would be able to become self-sustaining.”

## **VII. Capital and Financial Restructuring**

50. The Committee constituted by Government for suggesting Capital & Financial Restructuring of Prasar Bharati reportedly studied in detail the original objectives of formation, the current relevance of original objectives, existing physical infrastructure, human resources, accounts & audit system, proforma accounts, etc. of AIR and Doordarshan as on 31st March, 2000, opening Balance Sheet of Prasar Bharati as on 1st April, 2000, its performance during 2000-2005, future financial projections, etc. The committee also dwelt and deliberated on the restructuring options available and funding options thereon.



51. Some of the suggestions and conclusions of the Committee are as under:—

- I. Prasar Bharati earned an income of Rs. 3055.48 crores during 2001-2005 and incurred revenue expenditure of Rs. 6789.51 crores with a deficit of Rs. 3734.03 crores. The deficit is met by loans and grants given by the Government.
- II. Prasar Bharati requires substantial funds for upgrading the technology, in order to keep pace with the changing market needs and competition. After examining various options of Capital Investment for both AIR & DD, the Committee had made the following suggestions:
  - (a) In case of AIR, the Social Service Broadcasting role is higher in comparison with its commercial activities. Even the cost of operations is higher due to historical reasons as the technology adopted is labour intensive. There is a huge investment requirement in AIR and the chance of getting commercial viability seems to be remote.
  - (b) In case of Doordarshan, there is a possibility of getting commercial viability on certain debt equity norms as DD generates cash surplus before interest and depreciation.
- III. The whole capital restructuring of Prasar Bharati is viewed in the above context after evaluating various Organisation Restructuring Options available. The Committee examined in detail the following Organisation Restructuring Options:
  - (a) Bifurcation of Prasar Bharati into two Corporations—one for holding all the assets and the other for programming & operations.
  - (b) Retention of all the assets of Doordarshan and programming and operations of both AIR and Doordarshan with the Prasar Bharati leaving the assets of AIR with the Government which will be leased out to Prasar Bharati.
  - (c) Retaining all the assets with the Prasar Bharati as being done now with the total revamping of the Corporation.
- IV. The Committee, after detailed evaluation of pros and cons of the above options, suggested to adopt option (c) above *i.e.* retaining all the assets with the Prasar Bharati as being

done now with total revamping of the organisation. Keeping in view the suggested Organisation Restructuring Option, the future requirement of capital investments and their viability, the Committee had suggested Capital Restructuring Plan on the following lines:

- (a) The total investment of Government up to 1.4.2000 amounted to Rs. 2880.12 crores and subsequent releases amounted to Rs. 5730.52 crores, totalling Rs. 8610.64 crores. It was suggested to write off Rs. 3734.03 crores utilized for meeting revenue deficit and convert the balance of Rs. 4876.61 crores utilised for building Assets (both Fixed and Current) into Capital and Reserves.
- (b) It was also suggested that a share capital of Rs. 500 crores could be assigned and the balance amount could be kept as Capital Reserves. A low equity base was suggested as the cash flows and financial projections do not reflect comfortable position with regard to servicing of capital. In case the operations of Prasar Bharati showed positive results, the Government could decide at any time to issue Bonus Shares from Capital Reserves subject to certain guidelines.
- (c) Other options of issuing Quasi-Equity, Debt and Quasi-Debt, hybrid instruments by converting a part of amount were not suggested in the absence of serviceability of such instruments from the future cash flows of Prasar Bharati.

52. Explaining the background for setting up the Committee on Capital & Financial Restructuring, the Secretary, Ministry of Information and Broadcasting stated as follows:—

“One area of source of financing in the Act itself is a licence fee. The second which they have said is revenues or the income which the Prasar Bharati may raise from its own sale of products or whatever or any fee which they may charge on the service which they render to other organizations. The third is Government grant. As of now, the fees for the services which they raise are very limited because the nature of these services is very limited. The licence fee has not been put in Prasar Bharati. The Government have not agreed so far to levy the licence fee. Therefore, only the third source of financing has effectively remained in position for the last several years and that is the Government grant, both in Plan and non-Plan.

This is the context when the Capital Restructuring Committee was constituted. This was constituted after a detailed discussion between the Minister of Information and Broadcasting, the Finance Ministry where the Finance Minister could not come but the Finance Secretary and the Expenditure Secretary were present and the Deputy-Chairman, Planning Commission. All three of them sat together and said that capital restructuring should be the first requirement if Government has to bring down its commitment in terms of Plan and non-Plan and other sources of funding need to be identified. Therefore, if you have to go anywhere outside the Government for financing apart from taxes or licence fee or Government grant, you need to borrow from the market, you need to have commercial balance sheet, you need to have a capital base of the organization.

The Prasar Bharati is a statutory organization, but it does not have a balance sheet in the commercial sense of the term. Therefore, in order to be able to present a balance sheet to the financing organizations and, therefore, do more commercial activity or marketing, if at all that is the charter, you need to have a capital base. When we looked at the financing of the last 50 years or even longer for AIR, we took all the Government investments in DD and Akashwani into account in this capital restructuring and based on the audit figure of the C&AG as of date on 1.4.2000, the accumulated investments were identified. From 1997, when Prasar Bharati was constituted as a separate autonomous body, what they used to get by way of earlier budget allocations they started getting as loans.”

53. In this context, the witness elaborated further as under:—

“The Government and the Ministry of Finance have never insisted that they should repay either the loan or interest. So, what we have done in this is that we have said that all the loans and interest, whatever outstanding liabilities, which Prasar Bharati as an autonomous organization has towards Government, should be waived or converted into equity. Now, that is Rs. 4000 some odd crores. The first recommendation is that the balance sheet should be cleaned out. It should not be treated as outstanding liability of Prasar Bharati and the sum of Rs. 500 crores out of Rs. 4,000 odd crores should be converted into equity or the interest is waived. We have said only Rs. 500 crores should be made into equity and the rest of Government investment in the past could go into reserves because they only recognize the existing assets. But it

does not need to be taken into account as capital base. The reason is that even if they have to start declaring dividend and if it is Rs. 4000 crores, then one per cent will be a huge amount. Therefore, we set a small capital base so the equity servicing cost should not go very high. At the same time, it should be adequate for any financial institution to be interested in lending to Prasar Bharati for any commercial ventures they want to take up.”

54. According to the Report of the Committee, as part of the future investment requirements, All India Radio had proposed investment under 6 options. AIR proposed Option I as a non-linear retrogressive model envisaging status quo, the other 5 models envisage a mix of automation, digitalisation and multi-media coverage in line with modern developments and keeping in view the steps being taken by other National Broadcasters worldwide. An amount of Rs. 1600 crores under Option I and I A, Rs. 3200 crores under Option II, Rs. 4400 crores under Option III, Rs. 5900 crores under Option IV and Rs. 3200 crores under Option V is envisaged over the next 10 years. The Options II, III, IV and V basically involve digitalization, multi-media services and option-wise increase in FM coverage, strengthening external services and short wave channels. It has been stated that AIR is of the view that option IV is best for its balanced growth of broadcasting in the country.

55. It has been further stated that AIR projected income of Rs. 175 crores for the year 2005-2006 progressively going to Rs. 292 crores in the year 2014-15 under Option I. Under option 1 A the income projected is Rs. 410 crores in 2014-15. In case of Option II the income is projected at Rs. 650 crores and incase of Option III it is projected at Rs. 850 crores for the year 2014-15. Similarly, in case of Options IV the income is projected at Rs. 1180 crores and in option V Rs. 1080 crores for the year 2014-15. The total Revenue Deficit projected over a period of 10 years stands at Rs. 548.69 crores in case of Option I, Rs. 93.26 crores in case of Option 1 A, a brief surplus of Rs. 95.79 crores in case of Option III, surplus of Rs. 446.12 crores in case of Option III, surplus of Rs. 1563.38 crores in case of Option IV and surplus of Rs. 748.35 crores in case of Option V. AIR reportedly feels that Option IV is highly developmental and progressive and identifies with the future needs of the country.

56. Similarly, Doordarshan has proposed an investment of Rs. 1453 crores under Option I—Terrestrial with only replacement, Rs. 3388 crores under Option II—Terrestrial with digitalization, Rs. 1596 crores under Option III—DTH with terrestrial and Rs. 3531 crores

under Option—IV—DTH with terrestrial and full digitalization. DD reportedly prefers and feels that Option IV seem is inevitable in view of technological changeover throughout the world towards digital broadcasting.

57. It has been stated in the Report that DD projected an income of Rs. 630.10 crores during 2005-2006, progressively going up to Rs. 1446 crores in 2014-15 under Option I, Rs. 1605 crores in 2014-2015 under Option II, Rs. 1486 crores in 2014-2015 under Option III and Rs. 1645.34 crores in 2014-2015 under Option IV. The gross deficit/gap between income and expenditure is projected over the period of ten years at Rs. 9928.74 crores under Option I, Rs. 11,148.42 crores under Option II, Rs. 10,475.92 crores under Option III and Rs. 11,695.61 crores under Option IV. The Government support is expected for the Public Broadcasting services over the period of ten years to an extent of Rs. 10,949.01 crores under Option I and Option II and Rs. 11,625.01 crores under Option III and IV. DD projected for the period of ten years a surplus of Rs. 1020.27 crores under Option I, Rs. (-) 199.49 crores under Option II, Rs. 1149.09 crores under Option III and Rs. (-) 70.60 crores under Option IV before Prasar Bharati HO expenses, interest and depreciation.

58. Commenting on the investment requirements as proposed by Prasar Bharati, the Secretary, Ministry of Information and Broadcasting, stated:

“It is the fourth option (of Doordarshan) which is the most practical and desirable option. But... here is a bill attached to that, which is Rs. 3,500 crores. This is only on capital expenditure. This does not include the revenue expenditure in producing programmes.... The net grants that are required under option four amount to something like Rs. 11,600 crores to be provided over the next 10 years period. They will earn by their own commercial sales. So, when we take this aspect, we wish to spend Rs. 3,500 crores on providing the state-of-the-art infrastructure both in the terrestrial and also in the DTH network. Also, we wish to digitalize the whole thing in 10 years period. That is the ideal solution and the consumers would be extremely happy. Therefore, the bind for the Government to face is to raise, for the ideal solution the kind of resources that are required. To raise that kind of resource is what we have indicated. We have put three options—either the Government has to provide it by way of grants.... Now, whether Government provides it by way of grant or by putting a licence fee or any other route, is what the Ministry of Finance and the

Cabinet and the Planning Commission need to address themselves. We, as a Committee of officers have indicated the options available. If Government tells us, the Planning Commission tells us, we will do it.”

## VII. Digitalisation of Terrestrial Network

59. The Committee were informed that presently, AIR has got 225 stations and 361 Broadcasting Transmitters. Doordarshan has got 64 Kendras/Production Centers, 197 High Powered Transmitters, 831 Low Powered Transmitters, 354 Very Low Power Transmitters and 18 Transposers. DD operates 30 Channels and has 126 Maintenance Centers.

60. Two channels of Doordarshan, viz. DD1 & DD News, are available in terrestrial mode. Terrestrial coverage of DD 1 channel is estimated to be available to about 91 percent population of the country whereas coverage of DD News channel is estimated to be available to about 46 percent population.

61. Doordarshan’s DTH service “DD Direct Plus” was launched in December, 2004 with a bouquet of 33 TV channels (19 DD channels & 14 private channels). Capacity of DTH platform has been increased for transmission of 50 TV channels. DTH (Ku band) signals can be received anywhere in the country (except Andaman & Nicobar Islands) with the help of small sized dish receive units.

62. On spectrum allocated to Prasar Bharati, the Committee were informed that Band I, III, IV & V are allocated for TV broadcasting. Number of channels available in these bands is as under:

Sl.No.	Band	Freq. Range (in MHz)	No. of channels
1.	Band-I	54-68	2
2.	Band-III	174-230	8
3.	Band-IV	470-582	14
4.	Band-V	582-798	27
		798-960	Practically not available due to existing utilization by Telecom operators.

63. It was pointed out that Terrestrial TV broadcasting in the country, at present, is allowed only to Prasar Bharati and as such the above channels are available for TV broadcasting to Doordarshan. In case of analog transmitters, only one programme channel can be relayed from a transmitter and for relay of each additional channel, a separate transmitter is required. In case of digital transmitters, 5 to 8 programmes can be relayed from a transmitter depending on the compression format used. Doordarshan plans to set up digital transmitters in 11th Plan utilising the available channels in Band-IV.

64. The Committee were informed that the latest position of digitalization of terrestrial network of DD and AIR was as follows:—

#### **Doordarshan**

##### **(i) Programme Production**

There are total 64 Doordarshan Kendras (Studio centres) in DD network. Out of these, 17 are major DDKs and the remaining 47 are smaller DDKs. 9 major DDKs have already been made fully digital and the remaining 8 DDKs are being made digital during 2006-07. As regards smaller DDKs, 30 DDKs were targeted to be made partially digital during 10th Plan. Out of these, 11 have been made partially digital and the remaining 19 are being made partially digital during 2006-07. All smaller DDKs are planned to be made fully digital during 11th Plan, subject to availability of adequate resources.

##### **(ii) Terrestrial transmission**

Doordarshan had set up four digital transmitters one each at Delhi, Mumbai, Kolkata and Chennai in January, 2003 for an experimental service to gain experience in the technology. There are, presently, 1392 analog transmitters in the country. Doordarshan have included the schemes for digitalization of terrestrial transmission in the draft 11th Plan proposals which are yet to be finalised. Complete digitalisation of terrestrial transmission is envisaged to be achieved by end of 12th Plan period, subject to availability of adequate resources.

##### **(iii) Satellite transmission**

Doordarshan is presently operating 30 TV channels. Transmission of all these channels is in digital mode. For the purpose, digital earth stations have been set up at all major DDKs. Digital Satellite News Gathering System has also been introduced in DD network.



## **All India Radio**

Hard disc based system has been provided at 76 AIR stations under phase-I in the network at capital cost of Rs. 748 lakh approximately. The system has the advantage of high quality digital recording, reliability, playback facility for linear non-destructive editing, non-deterioration of signal quality with successive generation of sound dubbing.

Hard disc based system will be provided at another 61 AIR stations under phase-II in the network at a capital cost of Rs. 451 lakh approximately. The system is expected to be provided at these stations by March, 2007. The action for the same is currently under process.

High-end hard disc based system (client-server) will be provided at 48 stations in the network. The system has the advantage of high quality digital recording, reliability, facility for linear as well as nonlinear non-destructive editing, non-deterioration of signal quality with successive generation of sound dubbing and potential for automation. The procurement action is under process.

526 nos. Ultra Portable Digital Recorders have already been introduced in the network at a capital cost of Rs. 1030 lakh. These recorders have the advantages of connectivity to studios through PSTN/ISDN lines. 125 nos. of Digital Field recorders are also proposed to be provided at AIR Stations shortly. 61 nos. Digital Audio Consoles are proposed to be provided at 11 important AIR stations in the network at a capital cost of Rs. 729.5 lakh (approximately). 255 nos. Hand Held OB Recorders (Digital recorders) will be introduced in the network in near future at a capital cost of Rs. 255 lakh (approximately). One studio in Delhi is fully digitalized.

**Digitalization of Connectivity:** Upgradation of existing analog uplink to Digital Mode have been done at the following places: Hyderabad, Patna, Delhi, Ahmedabad, Shimla, Srinagar, Bangalore, Trivandrum, Bhopal, Mumbai, Cuttack, Jaipur, Lucknow, Guwahati, Shillong, Itanagar and Chennai. New Digital uplinks have been provided at Ranchi, Raipur, Almora, Jalandhar, Kolkata and Jammu. Supply and installation of C-band receiver Terminals at almost all stations is expected during 10th Plan. 2 nos. of Mobile DSNG and 2 nos. of Flyaway DSNG system have been ordered. 21 nos. of MSS portable terminal have been procured. Work on the commissioning is in progress.



65. In the above context, the CEO, Prasar Bharati stated as under:—

“Sir, we have to see that there are some technology challenges. We are an emerging new country with lot of potential and we must occupy a rightful place in the body of nations. On the telecommunication front, most developed countries have already digitalised substantially and they have already set up milestones and years of final targets when analog will go and digitization will be the only mode. We have only begun now. So, we will have to decide among ourselves as to by what time would India like that our digitalisation mode is complete. That would determine the kind of investments which would be necessary.”

66. The Committee were informed that in the draft XI Plan of Rs. 5600 crores; digitalization in studios, transmission and connectivity have been proposed. It has been stated that hundred percent digitalization of studios and connectivity will be achieved. So far as transmission is concerned SW DRM transmitters have been proposed for Regional and Nation-wide channels. Old MW Transmitters (due for replacement) are proposed to be replaced by digital (DRM) MW Transmitters. Similarly old FM Transmitters (due for replacement) are proposed to be replaced by digital transmitters (DRM+).

67. The Committee were further informed that complete digitalization of entire terrestrial network is proposed to be achieved by 2015. However, this will depend upon the approvals and the availability of required funds.

#### **IX. New Technologies**

68. Asked about the new technologies being introduced by Prasar Bharati to remain competitive and effective in the era of convergence, the Committee were informed that Doordarshan is constantly keeping a watch on the new emerging technologies in the field of broadcasting and has been adopting them from time to time depending on their suitability to Doordarshan network and availability of resources. New technologies adopted by Doordarshan in recent years and those planned to be adopted in 11th Plan are as under:—

- (i) **Ku-band transmission:** Doordarshan started Ku-band transmission (free to air DTH service) in December, 2004 with a bouquet of 33 TV channels. The transmission is in digital mode and it is possible to receive signals with the help of small sized dish receive units. Capacity of Ku-band

earth station has been augmented for increasing the number of TV channels on Doordarshan's DTH platform to 50.

- (ii) **Digitalisation:** All satellite channels of Doordarshan have transmission in digital mode. All 17 major DDKs (Studio centres) are being made fully digital by end of 2006-07. 30 number of smaller DDKs are being made partially digital by end of 2006-07. All smaller DDKs and OB facilities are envisaged to be made fully digital in 11th Plan. Digitalisation of terrestrial transmission is planned to be taken up in 11th Plan and completed in about 10 years time *i.e.* by end of 12th Plan period.
- (iii) **High Definition TV (HDTV):** HDTV is a technology that offers numerous advantages in terms of excellent image quality and wide screen image. The wide screen image provides powerful viewing experience. The HDTV image has five times more visual information than a conventional TV picture. This makes this technology superior and gives pictures similar to 35 mm films. Doordarshan's proposal for a pilot project in HDTV has been recently approved "in principle" by the Planning Commission and further action in the matter is being taken. During 11th Plan, Doordarshan proposes to set up HDTV production and transmission facilities at 4 metro cities viz. Delhi, Mumbai, Kolkata and Chennai. Doordarshan plans to cover important events of forthcoming Commonwealth Games at Delhi in 2010 in HDTV.
- (iv) **Internet Protocol TV (IPTV):** IPTV (Internet Protocol Television) describes a system where a digital transmission service is delivered using the Internet Protocol over a network infrastructure, which may include delivery by a broadband connection. IPTV uses a two way digital broadcast signal that can handle viewers' requests to access many available media services. The viewer must have a broadband connection and a set-top box to send and receive requests. The Broadband service providers (like MTNL, BSNL, Reliance Infocom, etc.) have infrastructure in place and hence can offer IPTV. The role of broadcasters is limited to providing their content for distribution on IPTV network.
- (v) **Mobile TV:** It is possible to transmit television programmes for reception in moving vehicles/hand held devices (mobile phones) using digital terrestrial transmitters. Doordarshan started experimental mobile service in Delhi in January, 2006.

DD News channel programmes can be watched in moving vehicles with the help of appropriate antenna system and decoder. Doordarshan has taken up a pilot project of DVB-H transmission utilizing the existing digital transmitter at Delhi. DVB-H transmission is expected to start around end of 2006. This would enable reception of TV programmes on hand held devices (DVB-H enabled mobile phones) in the coverage zone of the transmitter. Based on the results of pilot project of DVB-H transmission, mobile TV service may be launched in various cities where digital transmitters are likely to be set up in 11th Plan.

- (vi) **Webcasting:** Doordarshan is using this platform to provide DD News service to internet viewers. Live News can be watched at website “www.ddinews.gov.in”.
- (vii) **Interactivity:** SMS based interactivity has been provided in National, News and Sports channels. The viewers can send their response to various questions put during the special telecast like cricket matches, etc. “News on SMS” service has also been started.

69. New Technologies adopted by All India Radio are as follows:—

- (i) AIR proposes to introduce Multi-media service with multiple channels of programmes (sound, data and video) in satellite mode duly supported by terrestrial mode in Metropolitan cities. This will, however, require additional allocation of frequency spectrum.
- (ii) DTH channels will be augmented.
- (iii) P. Based delivery: The digital radio broadcast systems like DRM, DRM+, DMB-TT, DVB-H and S-DMB have potential for IP based delivery of not only internet services but IP/audio services also. Some of the applications like Broadcast Website push internet services, two way internet services with interactive channels through mobile, ISDN and PSTN can be utilized for delivery of broadcast content. The full benefits of the convergence will be harnessed by the digital radio broadcast systems planned in the XI Plan.
- (iv) A number of value added services like Dynamic Label, Interactive Text Transmission, Broadcast Website, Multimedia Object Transfer (MOT), Slide Show, Paging Emergency Warning, one way push internet services, traffic and travel information using Transport Protocol Expert Group (TPEG)

transmission, Different, Global Positioning System (DGPS) transmission, are possible using digital broadcasting systems. All India Radio can avail the opportunities of these value added services, which will not only cater to the needs of various sections of the listeners but provide scope to enhance the revenue earnings through private investments.

#### **X. Programme Content and Production**

70. The Committee wanted to know whether in the context of last nine years of autonomous functioning, any effort was made to assess the extent to which the quality of programmes by Prasar Bharati have improved. Responding to the query, the Ministry stated that the Audience Research Units of All India Radio and Doordarshan are providing largest in-house audience feed back and research support network by conducting regularly listenership/viewership surveys for various channels of AIR and Doordarshan. Besides that, IRS and TAM data is also used as inputs to assess the public response to the programmes. The programmes are modified on the basis of viewership response and in case the programme does not meet audience/viewers' expectations, it is taken off. It was also stated that the programmes produced by AIR and Doordarshan have undergone a marked improvement in the last 9 years. Improvement have been brought about in content, style of presentation, formats and technology.

71. When the Committee pointed out that the quality of programmes of Prasar Bharati have reportedly been adversely affected by the absence of strategisation and also the existence of a kind of tokenism in the Corporation, the Ministry stated in reply as follows:—

“It would not be correct to say that quality of programmes of Prasar Bharati have been adversely affected by the absence of strategisation and the existence of a kind of tokenism. The popularity of the programmes of AIR as well as Doordarshan is increasing. Listener-ship data collected by AIR shows that during 2004-05 the average listener-ship of primary channels of AIR was 56% and for CBS, it was 61%. Average actual listener-ship of FM Rainbow across the country was approximately 42% and that of FM Gold was 27%. The most important fact to note was that listener-ship size was higher for AIR FM Channels compared to private FM Channels. In the case of Doordarshan, a number of programmes are having TRP ratings more than 6 in respect of 15 plus females. The TRP for 4+ home in cable and satellite homes nears 20 for most of the programmes telecast from DD National. In terms of viewer-ship in all homes, Doordarshan has a share of

almost half. The upward trend of revenue generation seen in the last 2 years also supports the fact of upswing in the quality of programmes in the case of AIR and Doordarshan. It may be noted that this upward swing has been maintained despite staffing and funding problems and in the face of ever increasing competition."

72. In view of the newer options of entertainment available to the listeners/viewers, the Committee wanted to know the measures being taken by Prasar Bharati to improve the quality of its programmes. In reply, the Ministry stated:—

"It is the constant endeavour of Prasar Bharati to improve the quality of programme on AIR and Doordarshan in consonance with the emerging media scenario and people's changed needs and taste. Lots of efforts have been put into altering the packaging of the programmes besides improvement in the content. Interactive programmes are the new mantras. ARU Units existing in AIR and Doordarshan which provide continuous feed-back on the effectiveness of the programme in public perception. Besides data is also collected from independent sources from IRS and TAM. The daily monitoring and evaluation of the programme is done through daily programme meetings in all stations/kendras provides scope for detailed analysis and require improvement in case of each and every programme of AIR and Doordarshan. The Programme Advisory Committees for various stations/kendras comprise of eminent people from various disciplines and they offer comments and suggestions for improvement of programme contents. These suggestions are duly acted upon. Doordarshan appoints Programme Monitors in respect of self-finance commissioning programmes. These Monitors monitor the programme at production stage and report any short-comings to the Director, who takes appropriate action for removal of the short-comings."

73. Conceding that in the present context, the only option before Prasar Bharati is to improve the programme content and delivery, the CEO, Prasar Bharati stated:—

"There is so much which we need to do in the software because all the other allied actors in the drama, broadcasting are only the baratis, the dulha is the programme content. So, the programme has to be good. Everybody else is to support the programme whether it is sound-man, cameraman, light-man or editor. Basically, it is the programme content and delivery which has to be chastened. Then, the package of schedule is there."

## **XI. Marketing**

74. The Committee were informed that All India Radio with its wide network of 225 Radio Stations and 361 Transmitters covers 91.42% of India by area and 99.13% by population (as on 31.12.2005) operating in a multi cultural, multi linguistic country like India. AIR broadcasts in 24 languages and 143 dialects. Its external service covers 27 languages including 16 foreign languages. The listenership of AIR as per the market report of 2004-05 stands at 53% in case of urban and 58% in case of rural areas with an overall average of 56% in India. With the opening up of private FM channels AIR is facing competition in the four Metro Cities and the average listenership stood at 30% for the year 2004-05.

75. They were further informed that Doordarshan presently operates 26 channels with 64 Doordarshan Kendras/Production Centres and 1400 transmitters, covering 90% of India by population. The Market share of DD I amounts to 47.4% (Urban 38.6% & Rural 58.6%), DD News 12.9% (Urban 12.2% & Rural 13.7%), DD Sports 2.3% (Urban 3.5% & Rural 1.1%), among the TV house holds in India, as per IRS Survey. The recent spate of new channels has affected the market share of DD which is facing severe competition mainly in urban areas.

76. According to the Annual Report (2006-2007) of the Ministry, in recent years, Prasar Bharati while fulfilling its mandate as a Public service Broadcaster has also been making concrete efforts to augment its revenue generation by way of considerable and aggressive marketing of its in-house programmes and also producing customized programmes. A single-window facility for all the channels of All India Radio and Doordarshan, Marketing Divisions cater to all the needs of advertising.

77. On advertising revenue generated by Prasar Bharati, the Acting CEO, Prasar Bharati stated:—

“Out of the total TV advertising, 80 per cent goes to the private channels and Doordarshan is getting only 20 per cent. In terms of the private channels, top three channels; that is Sony, Zee and Star in reverse order, all earn more than Doordarshan. Top four channels, Sony, Star, Zee and Doordarshan, take about 80 per cent of the total advertisements. The other smaller channels share the rest of 20 per cent.”

78. The Committee pointed out that it has been felt that marketing has been neglected by Prasar Bharati for all these years because of the assumption that it does not have to compete with anyone. The Review Committee had also pointed out that there was urgent need to improve the distribution of Doordarshan satellite channels by private cable operators and bring increased advertising revenue. Enquired about the measures being taken by Prasar Bharati over the years to strengthen the marketing initiatives, the Ministry informed as follows:—

“The marketing efforts of Prasar Bharati have to be analysed in the historical background in which such efforts were neither called for nor required given the public broadcaster role of Doordarshan and All India Radio and monopoly environment. This resulted into situation of non-existence of a professional marketing set up. With the private sector coming into broadcasting field, strong necessity of a professional marketing set up is felt in the organisation and terms of reference given to the consultant to do organizational restructuring study of Prasar Bharati includes this point also. However, Prasar Bharati has already established marketing divisions in Delhi, Mumbai, Kolkata, Hyderabad, Chennai, Bangalore, Guwahati, Kochi and Thiruvananthapuram utilizing its existing manpower. But this cannot be a substitute for a professionally managed service.”

79. On marketing set up, the Committee on Capital & Financial Restructuring of Prasar Bharati had recommended as follows:—

“Marketing professionals should man marketing functions with adequate experience stationed at Prasar Bharati Headquarters. He/she should be supported by experienced professionals both at AIR and DD. Basing on the need and potential of different cities, people at different levels have to be recruited. The existing employees may also be given an opportunity in case they possess suitable qualifications and aptitude to handle such functions.”

80. Conceding that marketing is indeed a weak area of Prasar Bharati, the Acting CEO, Prasar Bharati stated as follows:—

“The basic difference is that private channels are technically very lean. If you look at their engineering and technical staff, it is much lower than the norms that we have been following. They are very rich in marketing staff. That is the criticism which has been coming all the time; we accept that we are weak in marketing. We do not have any dedicated marketing staff; we have only borrowed staff from here and there.”



## **XII. Recruitment Rules and Service Conditions of Employees**

81. The Committee were informed that against the sanctioned strength of 47,285, the working strength of Prasar Bharati was 38,829, out of which 37,174 were on deemed deputation from Government to Prasar Bharati with 1,675 people recruited on the rolls of Prasar Bharati after its formation.

82. Apprising the service conditions of Prasar Bharati employees, the Ministry informed that when Prasar Bharati Board was constituted on 23rd November, 1997 in accordance with Section 11 of the Prasar Bharati Act, all the persons working in All India Radio and Doordarshan were placed on 'deemed deputation' with effect from 1st April, 2000. Section 11 of the Prasar Bharati Act, 1990 also provided for transfer of service of Government employees working in All India Radio and Doordarshan to Prasar Bharati after obtaining their consent. The Proviso also gave them the option to continue as Central Government employees. Section 33 of the Act, *inter alia*, provides for framing Regulations with regard to recruitment, remuneration and service conditions of all employees, etc. These regulations would have to be made by the Corporation with the prior approval of the Central Government.

83. It was further clarified that the Central Government employees working on 'deemed deputation' with Prasar Bharati belong to different Services such as IB(P)S, IB(E)s borne on in the cadres of All India Radio and Doordarshan, etc. Besides these, there are posts not borne on All India Radio and Doordarshan cadres, which form part of other Services such as IIS, CSS, CSSS, etc. Government employees on "deemed deputation" are under the administrative control of the borrowing organization on par with regular deputationists and subject to transfer by the competent authority in the borrowing organization. The basic difference between normal deputation and deemed deputation is that in the former the employee's willingness is taken before sending him on deputation whereas in the latter the deputation is ordered even without his consent due to the exigencies of administration.

84. The Committee were further informed that till date the services of erstwhile employees of All India Radio and Doordarshan have not been transferred to Prasar Bharati because this could be done only by adopting the procedure laid down in Section 11 of Prasar Bharati Act. For completing this exercise, all the service conditions and regulations had to be finalized and intimated to the erstwhile employees of AIR and Doordarshan while making the offer of transfer of their services



to Prasar Bharati. Rule 37 A of CSS (Pension) Rules provides that all such Government servants are required to be transferred en-masse to the autonomous body on terms of foreign service without any deputation allowance till such time they get absorbed. Accordingly the Ministry issued an Order on 19th February, 2002 putting the employees of AIR and Doordarshan on "foreign service" with effect from 1st April, 2000 without any deputation allowance. This order was further amended on the recommendation of Prasar Bharati replacing the words "foreign service without deputation allowance" by "deemed deputation without deputation allowance". However, the employees are drawing their pay from the Government and its own IBER. This was in line with the notification issued by DoP&T on 30th September, 2000, in respect of BSNL which refers "on as is where is basis", on deemed deputation without deputation allowance.

85. It was further stated that after the creation of the Corporation, steps were taken to finalize the Recruitment Rules and Regulations to enable the Central Government employees working on 'deemed deputation' with Prasar Bharati to exercise their option in terms of Section 11 of the Act. By September, 2002 Regulations in respect of 122 categories of posts were notified in consultation with the Government of India. Regulations in respect of most of the remaining categories of employees were also in place in draft form. At that stage, various Associations of Employees expressed the view that the Regulations were not acceptable to them and, therefore, the notified Regulations be not given effect to and further Regulations be not notified. Accordingly, an MoU was signed with the Joint Forum of AIR and Doordarshan Engineering Employees wherein it was agreed that all Recruitment Rules whether notified or not would be reviewed. In accordance with the provisions of the MoU, the Corporation constituted four different committees for finalizing the entire issue and making appropriate recommendations in respect of Administration, Engineering and Programme Cadre and as well as Service Conditions. The employees were also represented in the said committees. During the meetings of these committees, the Associations representing the employees raised certain issues such as grant of higher pay scales which had huge financial implications. Despite concerted efforts, consensus could not be arrived at.

86. The Committee were further apprised that with regard to the powers of Prasar Bharati to transfer its employees from one station/ kendra to another, there were differing judgments by the High Court of Punjab, Haryana and Madras. The employees of Doordarshan and All India Radio who were government servants and whose services

were required to be transferred to Prasar Bharati in terms of Section 11 of the Act, and not yet transferred, continue to work in Prasar Bharati on 'deemed deputation'. This peculiar situation created doubts in the minds of the employees regarding power and jurisdiction of Prasar Bharati in connection with transfer within the organization, other allied matters of service conditions and status of such government employees. All these factors led to numerous court cases some of which had already been decided by Courts with divergent views. Such contradictory rulings necessitated the organization to approach higher judicial fora to set the controversy at rest once for all. The CAT, Principal Bench and Madras High Court have affirmed that Prasar Bharati has power to redeploy/transfer the Central Government employees on deemed deputation with Prasar Bharati. However, High Court of Punjab and Haryana held differently. The case has been challenged before the Apex Court, which has granted interim stay, and the SLP is pending for final decision.

87. Subsequently, an appeal was filed by Prasar Bharati in the Hon'ble Supreme Court in respect of its authority to transfer employees on "deemed deputation". This appeal came up for hearing in Supreme Court on 29th March, 2005. The Supreme Court directed that the uncertainty about the service conditions of employees be resolved expeditiously and the case was adjourned to the last week of May, 2005. Thereafter, the then CEO wrote a D.O. letter to the then Secretary, Ministry of Information and Broadcasting on 7th April, 2005 bringing to his notice the developments in the Supreme Court and his discussions with the Solicitor General of India who had opined that all requisite Rules and Regulations would have to be framed by Prasar Bharati and approved by the Government of India within two weeks. It was suggested that to speed up the process, a Fast Track mechanism be set up so that Ministry of Finance and Department of Personnel & Training are fully associated with the exercise from the very beginning. A meeting was also held by the then Minister for Information and Broadcasting with the representatives of NFADE in the wake of the employees affiliated to the Federation resorting to relay hunger strike and observing one hour shut down of AIR and Doordarshan transmission on 5th May, 2005. During the meeting, the employees reportedly expressed apprehension regarding the manner in which the Rules were being framed and requested that view point of their representatives be taken into account before finalizing the Recruitment Procedures and Service Conditions. The employees also expressed concern regarding curtailment of certain benefits such as Central Pool Accommodation, the facility of CGHS and Admission to Central Schools, etc.

88. The Committee were then informed that an affidavit was filed in the Supreme Court on 29th August, 2005 bringing the above developments to the notice of the Hon'ble Court and having regard to the complexities of the problems, the number of cadres, the financial implications involved, a large number of employees who are represented by various Associations whose view points have also to be considered as well as the endeavour to find a lasting solution to the vexed issues, the Hon'ble Court were requested to grant further time to resolve the issues and comply with the order dated 29th March, 2005. When the case came up for hearing in the Supreme Court on 6th December, 2005 the Hon'ble Supreme Court, in view of the submissions that dispute and difference between the parties were pending consideration at the highest level, adjourned the case for six months.

89. In this context, the Ministry apprised the Committee as follows:—

“Subsequently, a Group of Ministers (GoM) was constituted by the Government of India on 7th March, 2006 to go into the working of the Prasar Bharati including the service conditions of employees. The GoM has held three meetings so far on 18th May, 2006, 14th August, 2006 and 31st August, 2006 to resolve the various financial and administrative issues which will eventually lead to the restructuring of the Prasar Bharati. Matter is still before the GoM and is yet to take a final decision on the issues placed before them.

In the Civil Appeal No. 3244 of 2002 filed by Sh. Amarjeet Singh and others, the Supreme Court had given the judgement on 2nd February, 2007 and has directed the Union of India to take a firm decision in terms of Section 11 of the Prasar Bharati Act within six months. The Secretary, Department of Personnel & Training (DoP&T) has been directed to file an affidavit before the Court within or immediately after the expiry of six months period. In view of the Supreme Court's observations, the entire process of deciding about the service matters of the employees of Prasar Bharati is required to be effectively completed by 2nd August, 2007. As mentioned in the minutes of the third meeting of GoM dated 31st August, 2006, the Ministry of Information & Broadcasting is required to be ready with specific proposals on service conditions and pay structures. The modalities are being worked out by Prasar Bharati on which the Ministry has to obtain the approval of DoP&T and consult the Ministry of Finance. After preparation of specific proposals with regard to the service matters of the employees of Prasar Bharati and after obtaining due approval, the proposals will be submitted to the GoM for taking a decision.”

90. In response to a query as to whether Prasar Bharati has powers to frame its own rules regarding service matters, the Acting CEO, Prasar Bharati stated as follows:—

“There are powers to make rules and regulations vested with the Corporation but they are not absolute powers in the case of financial and service matters. Certain powers to make rules and regulations are vested with the Corporation but in financial and matters of human resource development, that is employment matters, rules and regulations which are framed by the Corporation require prior approval of the Government. They will go to the Department of Personnel & Training and they will compare it with the people working in other Corporations and Departments and they are not interested in things with a specific approach.”

91. The Committee were further informed that continuation of benefits like accommodation from the General Pool, Central Government Health Scheme (CGHS), admission for wards in Central School, etc. would not be available to the employees after their services are regularized in Prasar Bharati. On the question of allotment of General Pool accommodation, the Committee were informed as under:—

“The employees of All India Radio and Doordarshan are yet to be transferred to Prasar Bharati in terms of the Prasar Bharati Act, 1990. For the present, the services of these employees have been placed at the disposal of Prasar Bharati on the existing terms and conditions on “deemed deputation” basis with effect from 1.4.2002. In the light of the fact that Prasar Bharati employees still continue to be Government servants the matter for their continued eligibility for allotment of General Pool accommodation was taken up by the Ministry of Information and Broadcasting with the Ministry of Urban Development and a decision was taken to allow employees of All India Radio and Doordarshan to retain their General Pool accommodation for a further period of 5 years beyond 22.11.2002 and then with the stipulation that the number of houses to be allowed to Prasar Bharati employees will be frozen at the level which was existing as on 19.7.2005. Although Prasar Bharati’s own quarters are under construction; this would not solve the problem entirely. It has been, therefore, felt essential that the Central Government employees/staff now working in Prasar Bharati on deemed deputation should be eligible for allotment of General Pool accommodation beyond November, 2007 till they are formally transferred to Prasar Bharati as per the provisions of the Act. The issue has therefore been placed for consideration of GoM.”

92. Further regarding CGHS facilities and facility of admission in Kendriya Vidyalayas for the wards of Prasar Bharati employees, the Committee were informed as follows:—

“On 31.3.2000 the Ministry of Health extended the CGHS facilities to Prasar Bharati employees on cost to cost basis at par with the employees of other Autonomous Bodies which have been extended CGHS facilities earlier. CGHS will provide only OPD facilities and the employees will not be entitled to indoor facilities. Since the employees continue to be Government servants it has been proposed that they should be provided with complete CGHS facilities as available to other Government servants till they are formally transferred to Prasar Bharati.

It has been proposed that the children of Prasar Bharati employees should be treated at par with the children of other Central Government employees for the purpose of admission in Kendriya Vidyalayas.”

### **XIII. Human Resource Development**

93. Regarding human resources development in Prasar Bharati, the Review Committee (1999) had recommended as follows:

“We recommend the urgent induction after careful selection of bright, innovative, and young, creative talent into Prasar Bharati. This, we feel, will help to rejuvenate the organization.”

94. The Committee on Capital & Financial Restructuring of Prasar Bharati had also recommended that as Prasar Bharati is engaged in the entertainment business which requires presence of energetic youth in the organisation at various levels, introducing suitable VRS in Prasar Bharati with a view to inducting young blood into the system should be thought of. The Committee suggested that Prasar Bharati should develop dedicated cadres for Finance, Costing, Marketing, Legal, HR-Training and Internal Audit manned by experienced professionals.

95. On human resources development in Prasar Bharati, the Committee were informed that at present the organization has got mainly programming, administrative and engineering categories. The needs of marketing and accounting functions are met from the people drawn from other areas. The important functions of Accounts, Finance, Marketing, Human Resources, Information Technology and Audit are yet to be fully formed and manned. A representative of Prasar Bharati conceded before the Committee that its major weakness is “rising average age of employees and lack of fresh blood”.

96. In this context, the Committee enquired about the measures being contemplated to induct new blood with professional background into Prasar Bharati in order to strengthen its human resource base. In reply, the Ministry stated:—

“The Expenditure Reforms Commission in its report on Prasar Bharati while making comments on the overstaffing in the organisation has recommended a thorough independent review of the staffing by a competent professional organisation. In accordance with this recommendation, National Productivity Council has been entrusted with the organizational restructuring of Prasar Bharati, which includes managerial, organisational and financial aspects. On receipt of its report, further action would be taken in the matter.”

97. In response to a related query, the then Acting CEO, Prasar Bharati stated:—

“Out of 225 radio stations throughout the country, in 90 stations, there are not only no Station Directors but there are not even Assistant Station Directors there. They are being run by programme executives. How that chain of promotion has been broken, that is a little complicated. We are trying to speed up the promotion by having more Promotional Committee meetings. The problem is that to get a promotion you have to be regularized in the previous rank for a particular number of years. You have to spend four or seven years in the lower posts before you are fit for the next promotion. In many cases recruitment has been done really only once in fifteen years ago, it was done on a massive scale. Those people who have come in large numbers, they have stagnated. If you do recruitment about three per cent every year, you will get a stable pattern.”

#### **XIV. Future Status**

98. According to the Ministry of Information and Broadcasting, Prasar Bharati as an organization has been functioning as the Public Service Broadcaster in this country and has been performing the task assigned to it in terms of Section 12 of the Prasar Bharati Act. During the last more than 9 years, experience has revealed that some of the major problems in relation to the working of the organization need to be attended to, not only to sustain the performance of the organization in the current tempo but also to strengthen the organization in respect of personnel administration, finance, programming, engineering,

commercial and marketing activities giving it adequate strength to compete with private television and new FM radio channels while retaining its identity as a Public Service Broadcaster.

99. The Committee were informed that with this in view, a Group of Ministers (GoM) has been constituted to examine various issues pertaining to the functioning of Prasar Bharati. The GoM is examining the following matters:—

- (i) Capital structure and funding pattern for Prasar Bharati;
- (ii) Restoration of Section 22 of the Prasar Bharati Act;
- (iii) Continuation of facilities of accommodation, health and education to the employees;
- (iv) Financial package and service conditions to be offered to the employees for joining Prasar Bharati;
- (v) Filling up of essential category posts in AIR and Doordarshan;
- (vi) Amendments, if any, to Prasar Bharati Act, 1990, in the light of working of the Act;
- (vii) Transition to commercial audit; and
- (viii) Other related issues, if any.

The GoM held three meetings, *viz.* on 18th May, 2006, 14th August, 2006 and 31st August, 2006.

100. Regarding the constitution of Group of Ministers, the Secretary, Ministry of Information and Broadcasting apprised the Committee as follows:

“The Ministry of Information and Broadcasting and the Minister of Information and Broadcasting requested the Government to appoint a Group of Ministers in which all the stake holding Ministries are represented, hoping that through this Group of Ministers, the basic dilemma that Prasar Bharati has, and based on the experience of last several years, a way forward can be found. We certainly look forward to your guidance, your support and your recommendations. I can assure you that we will place them before the Group of Ministers as and when they meet.”

101. The witness further held out an assurance before the Committee stating as follows:

“Certainly, we will await the recommendations (of the Standing Committee on Information Technology), once they are finalized, and place them before the Group of Ministers. The Group of Ministers have not yet reached the ultimate stage of decision-making.”



## PART II

### RECOMMENDATIONS/OBSERVATIONS

#### *I. Functions and Objectives*

1. Prasar Bharati came into existence on 23rd November, 1997 bringing Akashvani (AIR) and Doordarshan (DD) under one roof following the enactment of Prasar Bharati (Broadcasting Corporation of India) Act, 1990. With its vision of “Bahujana Hitaye Bahujan Sukhaye”, AIR has played a pivotal role in meeting the education, entertainment and information needs of the people since the time it was formed in 1923. From a modest beginning in September, 1959 with a small transmitter in Delhi, Doordarshan has grown to be one of the largest terrestrial networks in the world. As enshrined in Section 12 of the Prasar Bharati Act, 1990, the Corporation would be guided by specified objectives with emphasis on upholding the unity and integrity of the country, nurturing the democratic and social values enshrined in the Constitution and projecting the varied cultural traditions of different regions of the country. In a multi-ethnic and multi-linguistic country like ours, Prasar Bharati’s role in upholding the unity and integrity of the nation cannot be over-emphasised. However, having gone into the role of Prasar Bharati and its future status, the Committee find that there are several areas relating to the working of the Corporation which call for specific attention, bold decisions and a systematic follow-up on the part of the Government. These aspects have been dealt with by the Committee in detail in the subsequent paragraphs.

#### *II. Organisational Structure*

2. The Committee observe that the Prasar Bharati Board consists of a Chairman; six part-time members; three whole-time members consisting of an Executive Member, a Member (Personnel) and a Member (Finance); two Ex-Officio Members, viz. DG, Doordarshan and DG, AIR; one representative of the Ministry of Information and Broadcasting and two representatives of the employees of the Corporation. Out of the stipulated fifteen members on the Board, as on 4th December, 2006, only six were in position with the key posts like that of the Executive Member, Member (Personnel), Member (Finance), etc. remaining vacant. The new CEO, Prasar Bharati joined the Corporation on 2nd January, 2007 after the post having remained



vacant for more than six months. It is astonishing to note that there are positions on the Prasar Bharati Board which have been lying vacant for more than three years. With the power of general superintendence, direction and management of the affairs of the Corporation having been vested solely on the Prasar Bharati Board, it is a matter of qualm as to how the truncated Board could discharge its responsibilities effectively in meeting the emerging challenges being faced by Prasar Bharati. It is, therefore, not surprising to the Committee that the performance of Prasar Bharati has remained lacklustre ever since its formation. The Committee deplore such a callous attitude on the part of the Ministry in not taking prompt measures for filling up the vacant positions on the Board of Prasar Bharati. They, therefore, recommend that prompt steps be taken for filling up all the existing vacant positions on the Board and they be apprised of the outcome thereon.

### *III. Autonomy of Prasar Bharati*

3. The Committee observe that it was with the objective of ensuring plurality and diversity of views and ideas to enable citizens to arrive at informed judgment on issues of concern to them that the Prasar Bharati was set up an autonomous body under the Prasar Bharati Act, 1990. Primarily, Prasar Bharati was expected to organize and conduct public broadcasting services to inform, educate and entertain the public and ensure a balanced development of broadcasting on Radio and Television. As compared to the other Public Sector Undertakings, Prasar Bharati was expected to act independently of the Government. Notwithstanding the noble ideals for attaining autonomy, the Committee note that Section 32 of the Prasar Bharati Act vests a whole lot of powers on the Government for making rules with regard to service conditions, salary and allowances, etc. and taking decisions with regard to investing of its funds, preparation of annual statement of accounts, preparation of annual report, etc. Whatever might have been the compulsions for retaining these powers with the Government, the Committee believe that the provisions are serious impediments coming in the way of autonomy of Prasar Bharati and fulfilling the avowed objectives of the Corporation.

4. In this context, the Secretary, Ministry of Information and Broadcasting explained to the Committee that these powers have been retained by the Government on account of the fact that about 70% of funds required by Prasar Bharati are provided by the Government under Plan or Non-Plan allocation. The view put

forward was that Prasar Bharati could not be expected to be given the same financial autonomy as that of PSUs enjoying Navratna status. However, the Secretary did admit that “Prasar Bharati will never be able to achieve programme and editorial autonomy as long as they depend financially on Government.” The CEO, Prasar Bharati advocated that BBC is the best-suited model for any Public Service Broadcaster. Going a step further he commented, “I do not visualize Prasar Bharati with the kind of mandate that the Parliament of India has given it to deviate much from the BBC model.” Another representative of Prasar Bharati felt that “as the Act stands, it would probably require an amendment to the Act.” To say the least, in the present context, the concept of autonomy sounds a trifle jaded as far as Prasar Bharati is concerned and calls for serious measures to repair the same. The Committee trust that the proposed move for capital and financial restructuring of Prasar Bharati and funding of Public Service Broadcasting operations would create a favourable atmosphere for such a change. At the same time, they also stress that in a multi-ethnic and multi-linguistic society like ours, it should be ensured that the Corporation adheres to its specified objective of upholding the unity and integrity of the country and nurturing the democratic and social values enshrined in the Constitution.

#### *IV. The Role of Prasar Bharati as a Public Service Broadcaster (PSB)*

5. With the latest technological innovations and rapid proliferation of private radio stations and television channels, Public Service Broadcasting attains greater significance. In a multi-channel scenario that is mostly driven by market forces, the country can ill afford to ignore the information and education needs of the rural masses and the less privileged citizens. As distinct from commercial broadcasters, the Public Service Broadcaster is meant to foster national integration, preserve the nation’s cultural heritage, provide platform for interaction between the common man and the policy makers, etc. The Public Service Broadcaster is also expected to play the role of a catalyst for rapid socio-economic transformation. This is even more important in a country like ours with distinct cultures, multiple religions and ethnic diversities. Recognizing the essentiality of Public Service Broadcasting in our country, the Committee would like to stress that Prasar Bharati should, at any cost, continue to fulfil its mandate as a Public Service Broadcaster.

6. The Committee find that AIR devoted about 51% and DD-I about 46% of the time for programmes on art and culture, women’s education, environment, sports, rural development, etc. Both AIR and

Doordarshan continue to broadcast regular programmes on farm & home, family welfare, National Rural Health Mission, AIDS awareness through special programmes like '*Jeevan Hai Anmol*', '*Jassos Vijay*', '*Kalyani Programme*', etc. According to the Ministry, Prasar Bharati has been able to play a crucial role in determining the direction and thrust of broadcasting in India and setting standards through programmes that are meaningful and absorbing. As a major step forward in this direction, Doordarshan has been executing a major project under which literary classics in various Indian languages are selected for making serials on them by award winning producers after which they are dubbed in other Indian languages and telecast in other regions of the country. While taking note of the distinguished role being played by Prasar Bharati as an agent of social transformation and development, the Committee are of the considered view that, with multiple players now in the field of broadcasting, Prasar Bharati can ill-afford to dilute in any way its avowed objective of Public Service Broadcasting. On the other hand, there is an urgent need to find innovative ways and means of stepping up its coverage of the rural areas and difficult terrains.

7. With Public Broadcasting not being a financially viable proposition, the need for revenue generation is the first and foremost hurdle for Prasar Bharati in carrying on its mandate as a Public Service Broadcaster. Endowed with social obligation of public broadcasting, the Corporation has serious limitations for competing with other commercial broadcasters in the country. In that sense, the CEO, Prasar Bharati was emphatic in his view: "We should not compete with commercial broadcasters and our major objective should not be revenue earning." Therefore, maintaining a balance between Public Service Broadcasting and revenue generation has been a formidable challenge before Prasar Bharati ever since its inception. At the same time the Committee note that sharing of social obligation in broadcasting by commercial broadcasters is, in fact, another important issue that needs to be addressed. They also note that the role of public broadcasting is well defined all over the world and the Public Broadcaster is given a clear-cut mandate with definite resources. In this background, there is need for Prasar Bharati to carry on Public Broadcasting functions efficiently at optimum cost and the same time achieving maximum profitability on commercial broadcasting operations. It is also inevitable that Prasar Bharati should continue with its role as an agent of enrichment and empowerment of the masses, the strong dictates of financial self-reliance notwithstanding. The Committee, therefore, recommend that Government should formulate a specific strategy to ensure that social

obligation is shared by all the players in the broadcasting sector and to ensure definite financial support to Prasar Bharati in order that Public Service Broadcasting continues to be its hall mark. They expect the Government to take prompt measures in this regard.

#### *V. Financing and Funding Pattern*

8. The Committee note that the revenue earned by Prasar Bharati during the years from 2003-2004 to 2005-2006 was Rs. 567.17 crores, Rs. 717.02 crores and Rs. 1046.83 crores respectively. The revenue expenditure of the Corporation in the corresponding years was Rs. 1363.25 crores, Rs. 1500.61 crores and Rs. 1738.96 crores with a deficit of Rs. 943.28 crores, Rs. 880.28 crores and Rs. 906.19 crores. The cash deficit has been met by releasing loans and grants by the Government. The Balance Sheet of Prasar Bharati reflects a cumulative deficit of Rs. 5540.22 crores (provisional) as on 31.03.2007. The Committee note that the Review Committee on the Working of Prasar Bharati had recommended in 1999 that Prasar Bharati should target to be financially self sufficient within five years so that the Corporation would not require major funding from the Government. The Committee, however, note with concern that this has remained a distant dream with no definite steps taken to achieve the same. Since the fate of the Corporation cannot, in any case, be allowed to continue to hang fire indefinitely, the Committee expect the Government to pursue the matter with all the seriousness it deserves.

9. The Committee also find that a number of Committee were appointed to go into the various aspects of working of Prasar Bharati, viz. Sengupta Committee on 1996, Review Committee in 1999 and the Committee on Capital & Financial Restructuring of Prasar Bharati in 2006. However, there does not seem to have been any serious follow up on the recommendations made by the committees. The Committee have been informed that the recommendations of the letter stand referred to a Group of Ministers (GoM) which is yet to take a decision in this regard. In Committee's view, funding pattern of Prasar Bharati is a key factor in determining the autonomy of the Corporation. Public Service Broadcasting throughout the world being not a remunerative activity, Prasar Bharati is saddled with heavy debt for no fault of its own. While deploring the undue delay in arriving at a definite decision regarding the funding pattern of Prasar Bharati, the Committee trust that, in view of the urgency involved, a decision will soon be taken to arrive at a viable capital structure for Prasar Bharati.

10. The Committee feel that sayings like 'funding influences content' and 'who pays commands' must have influenced the framers of the Prasar Bharati Act to provide for raising of resources through Broadcast Receiver Licence Fees to sustain the operations of Prasar Bharati. In fact, the funds coming through the second source of income as provided for in the Act, *i.e.*, Grant-in-Aid from the Government, has been adding further burden on the finances of the Corporation. Moreover, viewing from the context of autonomy of Prasar Bharati, heavy dependence on Government funds is not a healthy practice. The Committee have been informed that funding of Public Service Broadcasting through collection of Licence Fee on television sets is a common phenomenon across the world. According to the Ministry in countries like UK, Japan, Sweden, France, Germany, Italy, Ireland and several others, much of the resources are raised through the levy of Licence Fee. Some other countries follow a mixed model, where apart from direct or indirect funding, revenue is generated by selling limited air-time for advertisements. The Committee on Capital and Financial Restructuring had recommended levying Licence Fee on all television sets at the point of production at an *ad-valorem* rate collected through the Excise Department. According to them, while it would also meet the concept of user funding the cost of Public Broadcasting, the recurring amount could be used for funding the revenue cost of Public Broadcasting Services. It was estimated that if such a levy is 10%, it would fetch an amount of Rs. 896 crores per annum and at the rate of 5% it would be Rs. 448 crores. It was also submitted before the Committee, that charging of Licence Fee was something prevalent in the country in the yesteryears, but was abolished in the eighties. As the cost of collection of Licence Fee annually would be quite high, it has been suggested in the report of the committee on Capital and Financial Restructuring that it should be collected in lump sum as one time fee. Whatever be the merits of these arguments, the Committee are of the considered view that the proposal requires wider consultations with the stakeholders and detailed examination before taking a final decision in the matter. The Committee further desire that other possible options for funding of Prasar Bharati should also be explored.

11. The Committee note that another source of funding suggested is through the levy of Public Broadcasting Service Fee (PBSF) on the lines of Universal Service Obligation Fund (USOF) in the telecom sector. The rationale put forward for the levy of the fee is that all players should bear the burden of social obligation in broadcasting. It has been proposed that every channel should be given the mandate to set aside 10% of their time for Public Service Broadcasting and the fee should be levied on them to the extent they fail to meet the obligation. On a rough estimate, the amount to be realized through PBSF is expected to be the tune of Rs. 800 crores at the rate of 5%

per annum. Yet another source of revenue suggested by the Ministry during the course of evidence is through financing of programmes sponsored by Ministries, State Governments and Public Sector Undertakings to be aired on Doordarshan in keeping with their mandate to educate and inform the public on Government policies and programmes. The revenue earned through these programmes, over and above what Prasar Bharati does on its own, would go a long way in bringing down Government's direct budgetary support to Prasar Bharati. The Committee urge the Government to examine these proposals in right earnest to their logical conclusion.

12. The Committee on Capital and Financial Restructuring had also suggested that Prasar Bharati should try to maximize the revenue generation on its commercial channels and programmes by AIR and Doordarshan competing with commercial broadcasters. It was also suggested that if AIR wished to expand the FM Channels, which are run purely on commercial lines, it should have the freedom to do so. Programmes meant for entertainment, other than those for education, agriculture, public health and sanitation, literacy campaign, etc., should earn commercial revenue through advertisement or sponsorship. In addition, it was also suggested that efforts should be made for maximizing revenue through best utilization of the assets owned by Prasar Bharati. Prasar Bharati should aim at becoming the market and technology leader with the support of the revenue generated through the above measures. The Committee feel that the above suggestions are very relevant and should be considered for implementation after weighing the pros and cons thereof. They suggest that no stone should be left unturned in the efforts to make Prasar Bharati fully self-reliant.

13. The Committee also note that in their Report, the committee on Capital and Financial Restructuring seems to exude confidence that Prasar Bharati would be able to meet the revenue cost of Public Broadcasting as well as capital requirements for upgrading and expansion of its assets through the collection of Licence Fee and Public Broadcasting Service Fee. With this, Government would be required to fund Prasar Bharati only to the extent of shortfall, if any, in order that it may fulfill its Public Broadcasting objectives. The Ministry, however, expressed the view that instead of keeping the criteria for such funding open-ended, it should be in conformity with the norms to be drawn up in consultation with the Ministry of Finance, Planning Commission and Prasar Bharati and mutually agreed to. The Secretary also apprised the Committee that the GoM had asked the Ministry to draw up suitable norms in this regard in consultation with others and submit the same for their approval. The Committee trust that by the Ministry must have completed the exercise and submitted the proposal for the approval by the GoM.



They would like to be apprised of the further action taken in the matter.

#### *VI. Capital and Financial Restructuring*

14. The Committee note with concern that Prasar Bharati is saddled with a cumulative deficit of Rs. 5540.22 crores pertaining to post Prasar Bharati period of 9 years which has been met by loans and grants given by the Government. On the other hand, Prasar Bharati is in dire need of substantial funds for upgradation of its technology in order to keep pace with the technological advancement and competition in the broadcasting sector. The Committee find that with the labour intensive technology in AIR, it require huge investment for modernizing its network without commensurate revenues. In the given context, the committee on Capital and Financial Restructuring, after evaluating various organizational restructuring options, arrived at the conclusion that the only viable option for Prasar Bharati is to retain all the assets as was being done at present with total revamping of the Corporation. As part of Capital Restructuring Plan for Prasar Bharati meant to bring down Government grants in terms of Plan and non-Plan, the committee suggested that Rs. 3734.03 crores released by Government till 1st April, 2005 which was utilized for meeting revenue deficit be written off and the balance of Rs. 4876.61 crores utilized for building Fixed and Current Assets be converted into Capital Reserves after assigning Rs. 500 crores as share capital of Prasar Bharati. It has been pointed out that a low equity base is being suggested for Prasar Bharati as the cash flow and financial projections do not reflect a comfortable position with regard to servicing of capital. It was felt that Prasar Bharati needed a capital base for any financial institution to be interested in lending to it for any commercial venture that it may want to take up and also for the Corporation to undertake commercial activity and marketing. The Committee feel that the proposed Capital Restructuring Plan merits serious consideration of the Government.

15. The committee on Capital and Financial Restructuring had also worked out the future investment requirements of Prasar Bharati. After considering as many as six investment options for AIR, it was felt that Option IV with a total investment of Rs. 5900 crores envisaged for the next 10 years would be the best suited for balanced growth of broadcasting in the country. With this level of investment, the income projected by 2014-2015 was Rs. 1180 crores with a surplus of Rs. 1563.38 crores over a period of Rs. 10 years. Similarly out of the four options considered for Doordarshan, Option IV with an investment requirement of Rs. 3531 crores with provision for DTH with terrestrial and full digitalization seemed to be inevitable in view of technological changeover throughout the world towards digital

broadcasting. The income projected under the option by 2014-2015 was Rs. 1645.34 crores with an overall deficit of Rs. 11,695.61 crores requiring Government support of Rs. 11,625.01 crores for Public Broadcasting Services over the period of ten years. During evidence the Secretary, Ministry of Information and Broadcasting exuded considerable optimism that although the investment requirements were quite high, if the money could be invested, it would create a state-of-the-art infrastructure in the terrestrial and DTH network and would take Prasar Bharati to greater heights. The Committee have, nonetheless, not gone into the merits and demerits of each option, which they expect the Ministry to do. With no soft options left, the Committee are of the firm view that Government would have to take a few bold decisions to make Prasar Bharati viable and competitive. They are of the view that, having done so much of ground work, the question of capital and financial restructuring of Prasar Bharati should be pursued vigorously until it reaches the logical conclusion. At the same time, the Committee feel that the Herculean task of financial self-sufficiency in Prasar Bharati may not become a reality without mobilization of maximum resources internally. The Committee, therefore, also suggest that in the coming years Prasar Bharati should strive tirelessly to become financially self-reliant in order to reduce over-dependence on Government allocations.

#### *VII. Digitalisation of Terrestrial Network*

16. The Committee note that Doordarshan, which is one of the largest terrestrial networks in the world, operated 30 Channels and has 126 Maintenance Centres. Doordarshan has also the distinction of having exclusive rights for terrestrial TV broadcasting in the country. Out of 64 Doordarshan Kendras (DDKs), only 9 major DDKs have been made fully digital and 8 more are in the process. The remaining DDKs are either being made partially digital or are yet to be digitalized. It has only four digital transmitters set up at Delhi, Mumbai, Kolkata and Chennai on an experimental service against a total number of 1392 analog transmitters in the country. Doordarshan has reportedly included proposals for digitalization of terrestrial transmission in the 11th Plan proposals which are yet to be approved. According to Doordarshan, complete digitalization of terrestrial transmission, as of now, is expected to be achieved only by the end of the 12th Plan, subject to availability of adequate resources. It is quite distressing to note that Doordarshan is still in the initial stages of switching over from analog to digital while most of the developed countries have already digitalized substantially. In the current era of intense competition in broadcasting, Prasar Bharati has been placed at a very disadvantageous position on account of the slow pace of digitalization by Doordarshan. The Committee sense that



digitalization would be the most formidable challenge that Prasar Bharati would have to address for making the transmission by Doordarshan more efficient and competitive. They, therefore, emphasise that digitalization of its network should be accorded highest priority and pursued vigorously.

17. The Committee note that AIR network consists of 225 Broadcasting Centres and 361 Broadcasting Transmitters. Hard disc based system that has the advantage of high quality digital recording, reliability, playback facility for linear non-destructive editing, non-deterioration of signal quality with successive generation of sound dubbing, etc. has been provided only at 76 Broadcasting Centres with a provision for covering 61 more AIR stations under Phase II which was expected to be implemented by March, 2007. Whereas 526 Ultra Portable Digital Recorders have already been introduced in the network, the process is on for provision of 125 Digital Field Recorders, 61 Digital Audio Consoles and 255 Hand Held OB Recorders. Upgradation of analogue uplink to digital mode has been done at 23 AIR Stations. Despite all these steps taken for digitalization of network, the Committee note with dismay that only one AIR studio in Delhi is fully digitalized thus far. It leaves much to be desired in the process of converting AIR into a competitive network. The Committee, therefore, desire that digitalization of AIR infrastructure should be accorded highest priority and the need for adequate resources for meeting the challenge should be pursued vigorously.

#### *VIII. New Technologies*

18. The Committee note that there is constant need for inducting innovative technologies for remaining competitive and effective in an era of convergence and also for widening the audience/viewership network of Prasar Bharati. K-band transmission by Doordarshan was started in December, 2004 and the number of TV channels on DTH platform is now being increased from 33 to 50. In principle approval for High Definition TV (HDTV), which produces five times more visual information than a conventional TV picture, has been received and the proposal for setting up production and transmission facilities at 4 Metro cities have been included in the 11th Plan proposal. The Committee note that induction of other new technologies like Internet Protocol TV (IPTV), Mobile TV, Webcasting, SMS based interactivity, etc. are at different stages of implementation or consideration by Doordarshan. AIR proposes to introduce multi-media service with multiple channels of programmes in satellite mode duly supported by terrestrial mode in metropolitan cities. There are also proposals for harnessing latest technologies in digital radio broadcast systems and introducing value added services like Dynamic Label, Interactive

Text Transmission, Broadcast Website Multimedia Object Transfer, etc. which will not only cater to the needs of various sections of the listeners but also provide scope for enhancing its revenue earnings. With plethora of new TV and FM channels entering into fray, both Doordarshan and AIR need to give thrust to induction of the latest technologies emerging in the broadcasting sector. The Committee stress that the new technologies be inducted at the earliest in order that Prasar Bharati may be able to reap the benefits of the same well in time.

#### *IX. Programme Content and Production*

19. The Committee feel that what will determine the relevance and competitiveness of Doordarshan and AIR will be the content and delivery of the programmes. The CEO of Prasar Bharati hit the nail on the head when he admitted candidly that in any programme, the *dulha* is the programme content while all other allied actors are *baratis*. Notwithstanding the tall claims made by the Ministry before the Committee that constant improvements are being made in the content, style of presentation, format and technology of programmes on the basis of feedback received from listeners/viewers through Audience Research Units and from IRS and TAM data, the general impression gathered by the Committee is that there is much scope for improvement in the quality of the programmes broadcast by AIR and Doordarshan. Specific attention of the Committee was drawn to the absence of strategisation and existence of a kind of tokenism in Prasar Bharati. When compared to the advancement being made by the media in general, the Committee feel that there is much scope for improvement in the quality of programmes by AIR and Doordarshan. Prasar Bharati needs to deploy more professionally qualified personnel for monitoring programme content and production. There is also need to make the Programme Advisory Committees and Programme Monitors more effective and purposeful. The Committee trust that Prasar Bharati will accord highest priority to content and delivery of programme and orchestrated efforts will be made to bring about an overall improvement in the sphere.

#### *X. Marketing*

20. It is bewildering to note that with 225 Radio Stations and 361 Transmitters owned by AIR covering 91.42% of the country by area and 99.13% by population and despite broadcasting programmes in as many as 24 languages and 143 dialects, the listenership of AIR as per the market report in 2004-2005 stood at 53% in case of urban areas, 58% in case of rural areas and a paltry 30% in metro cities. Likewise, Doordarshan operates 26 channels with 64 Doordarshan Kendras and 1400 transmitters covering 90% of India by population, but the market share of DD I is 47.4%, DD News is 12.9% and DD

Sports is 2.3% as per IRS Survey. The market share of advertisement revenue of Doordarshan is only 20% with the remaining 80% being shared by private channels, indicating the need for refocusing marketing and advertisement approach and initiatives by Prasar Bharati. The Committee, therefore, emphasise the urgency of strengthening the marketing set up in Prasar Bharati. They trust that the Corporation would rise to the occasion and do the needful in this regard.

21. The weak point of Prasar Bharati, according to the Committee, is the non-existence of a professional marketing set up. This was corroborated by a representative of Prasar Bharati who conceded, "we accept that we are weak in marketing". Going to the genesis of the problem, it was brought out tellingly that it originated from the historical background in which AIR and Doordarshan enjoyed total monopoly in broadcasting sector where marketing efforts were not called for. Although Prasar Bharati has made some efforts in this direction by setting up Marketing Divisions in Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore, Kochi, Guwahati and Thiruvananthapuram utilizing the existing manpower, it, lacks the required professionalism and drive in the absence of skilled marketing professionals. There is an urgent need to restructure the marketing set up in Prasar Bharati through induction and deployment of professionals in the field. However, it is heartening to note that setting up of a professional marketing infrastructure is part of the terms of reference given to the National Productivity Council engaged for making a study on the organizational restructuring of Prasar Bharati. The Committee attach utmost importance to professional marketing set up in Prasar Bharati and desire that the move should be pursued vigorously. All out efforts should be made to strengthen marketing set up in Prasar Bharati and to step up its advertisement revenue. The Committee would like to be apprised of the specific steps taken in this regard.

#### *XI. Recruitment Rules and Service Conditions of Employees*

22. The Committee note that out of 38,829 employees, only 1,675 people were recruited on the rolls of Prasar Bharati after its formation and as many as 37,174 were originally Government employees who are now working on 'deemed deputation' in Prasar Bharati in accordance with Section 11 of the Prasar Bharati Act. By September, 2002 Prasar Bharati had framed and notified Regulations with regard to recruitment, remuneration and service conditions in respect of 122 categories of posts according to Section 33 of the Act in consultation with the Government of India and Regulations in respect of most of the remaining categories of employees were in place in the draft form. As various Employees' Associations at this stage expressed the view that the Regulations were not acceptable to

them, an MoU was signed with the Joint Forum of AIR and Doordarshan Engineering Employees wherein it was agreed that all the Regulations would be reviewed. With the Associations representing the employees subsequently raising certain issues for grant of higher pay scales which had huge financial implications, a consensus could not be arrived at.

23. The Committee also note that on 29th March, 2005, the Supreme Court directed that the uncertainty about the service conditions of employees be resolved expeditiously. At a subsequent meeting held by the then Minister for Information and Broadcasting with the Employees' Associations, apprehensions were expressed by them at the manner in which Rules were being framed and wanted their viewpoint to be taken into account before finalizing the Regulations. Subsequently, a Group of Ministers (GoM) was constituted by the Government on 7th March, 2006 to go into the working of Prasar Bharati including the service conditions of employees. In their judgment against a Civil Appeal, the Supreme Court on 2nd February, 2007 has directed the Union of India to take a firm decision in terms of Section 11 of the Prasar Bharati Act within six months. As per the judgment, the entire process of framing the Regulations regarding the service matters of employees of Prasar Bharati is required to be completed by 2nd August, 2007. The GoM had also in their third meeting held on 31st August, 2006 asked the Ministry to get specific proposals on service conditions and pay structures of employees of Prasar Bharati ready. The modalities were to be worked out by Prasar Bharati on which the Ministry would obtain the approval of the Department of Personnel and Training and the Ministry of Finance and finally submit it to the GoM for their final decision. The Committee note with serious concern that the question of service conditions and pay structures of the employees of Prasar Bharati has been hanging fire for more than 7 years without arriving at any decision, Notwithstanding the legal and administrative hurdles that came in the way of finalizing the Regulations, the Committee are of the firm view that Prasar Bharati and the Ministry should have expedited the whole process. Despite the deadline of 2nd August, 2007 set by the Supreme Court for framing the Regulations fast approaching and having received the directive from GoM about nine months ago, nothing concrete seems to have been done by Prasar Bharati to finalise the Regulations regarding service conditions and pay structures of the employees. Without mincing words, the Committee would like to say that the Government cannot dilly-dally any further on an issue of such vital significance relating to the healthy functioning of the Corporation. While deploring the delay in the finalisation of the Regulations, the

Committee desire that the stalemate should be ended by drawing up the Regulations and getting them approved at the appropriate level. The Committee would await the action taken by the Ministry in this regard.

24. The Committee also note with concern that the fate of the employees of Prasar Bharati who are not eligible for any additional benefits from Prasar Bharati because they are on “deemed deputation without deputation allowance”, but are at the same time being deprived of the normal benefits admissible to Government employees. It is distressing to note that the extended period for retention of accommodation allotted from the General Pool to the employees of Prasar Bharati on ‘deemed deputation’ would end on 21st November, 2007 although Prasar Bharati’s own project for construction of staff quarters is nowhere near completion. Likewise, they are eligible only for OPD facilities under the Central Government Health Scheme (CGHS) which has been extended to them on cost to cost basis at par with the employees of other autonomous bodies. The wards of the employees of Prasar Bharati are also being deprived of the facility for admission in Kendriya Vidyalayas. It is only logical that all the benefits entitled to Government servants should continue to be provided to the employees of Prasar Bharati till such time their services are absorbed in Prasar Bharati. Undoubtedly, these factors have left the employees of Prasar Bharati in the lurch, being deprived of the benefits on either side. In Committee’s view this would only breed discontentment and indiscipline among the employees resulting in low morale and commitment. The Ministry cannot remain a mute spectator in such circumstances. The Committee recommend that the Ministry should take up these issues at the highest level so as to redress the grievances of the employees.

#### *XII. Human Resources Development*

25. The Committee note with concern that Prasar Bharati is plagued with a peculiar phenomenon wherein with the stated overstaffing on one side, there are as many as 90 radio stations across the country which are being run by programme executives in the absence of Station Directors and Assistant Station Directors and there is also dearth of personnel to take up important specialized functions in Accounts, Costing, Finance, Human Resources Development, Marketing, Legal, Information Technology, Audit, etc. At present the organization has more number of staff on the programming, administrative and engineering categories. The crux of the problem as identified by a representative of Prasar Bharati

seems to be “rising average age of employees and lack of fresh blood”. Obviously it calls for induction of young and creative talent to rejuvenate the organization. The Committee note that National Productivity Council has been engaged to go into the organizational restructuring of Prasar Bharati including managerial, organization and financial aspects. The Committee trust that the study would be expedited and the organizational restructuring, including introduction of suitable VRS depending on the need, would be taken up with a view to strengthening the human resource base of Prasar Bharati. The Committee would like to be apprised of the outcome of the whole exercise being undertaken by Prasar Bharati.

### *XIII. The Future Status of Prasar Bharati*

26. The Committee note that a Group of Ministers was constituted by Government on 7th March, 2006 to address some of the problems plaguing Prasar Bharati as well as to evolve strategies to sustain its performance in the current tempo. The GoM is to examine various issues pertaining to the functioning of Prasar Bharati and strengthening the organization in respect of personnel administration, finance, programmeing, engineering, commercial and marketing activities with view to giving it adequate strength to compete with private television and new FM radio channels while retaining its identity as a Public Service Broadcaster. The Group is also expected to resolve the various financial and administrative issues that will eventually lead to the restructuring of Prasar Bharati. The GoM has so far held three sittings, *viz.* on 18th May, 2006, 14th August, 2006 and 31st August, 2006. The Secretary, Ministry of Information and Broadcasting had, during evidence, given an assurance that the recommendations of the Committee on the subject would be placed before the GoM before they take any final decision on the various aspects relating Prasar Bharati. With the Committee having dealt with and made important recommendations regarding several vital issues pertaining to the role of Prasar Bharati and its future status, they trust that the GoM will give due weightage to their recommendations on these matters. The Committee would await the decision of the Government on these matters.

NEW DELHI;  
11 June, 2007  
21 Jyaishta, 1929 (Saka)

NIKHIL KUMAR,  
Chairman,  
Standing Committee on  
Information Technology.

ANNEXURE I

MINUTES OF THE SECOND SETTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2006-2007)

The Committee sat on Wednesday, the 04th October, 2006 from 1500 hrs. to 1700 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Nikhil Kumar—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Sanjay Dhotre
5. Shri Bhubaneshwar Prasad Mehta
6. Shri Lalmani Prasad
7. Shri Tufani Saroj
8. Shri K.V. Thangka Balu
9. Shri P.C. Thomas

*Rajya Sabha*

10. Shri Praveen Rashtrapal
11. Shri A. Vijayaraghavan
12. Shri Eknath K. Thakur
13. Shri Shyam Benegal

SECRETARIAT

- |                            |   |                        |
|----------------------------|---|------------------------|
| 1. Shri P. Sreedharan      | — | <i>Joint Secretary</i> |
| 2. Shri Raj Shekhar Sharma | — | <i>Director</i>        |
| 3. Shri Cyril John         | — | <i>Under Secretary</i> |



WITNESSES

**(Representatives of Ministry of Information & Broadcasting)**

Sl.No.	Name	Designation
1.	Shri S.K. Arora	Secretary
2.	Shri Pradeep Singh	Additional Secretary
3.	Shri Brijeshwar Singh	CEO, Prasar Bharati and DG, AIR
4.	Shri L.D. Mandaloi	DG, Doordarshan
5.	Shri A.S. Guin	Engineer in Chief, All India Radio
6.	Shri N.S. Ganeshan	Engineer in Chief, Doordarshan

2. At the outset, the Chairman welcomed the members of the Committee and the representatives of the Ministry of Information & Broadcasting to the sitting of the Committee. Emphasizing the significance of the Prasar Bharati in the current scenario, he requested the representatives to enlighten the Committee on the subject.

3. Accordingly, the CEO, Prasar Bharati gave presentation covering various aspects of "The role of Prasar Bharati and its future status". The members sought certain clarifications on various issues relating to the subject. The representatives of the Ministry responded to the same.

4. The Chairman then thanked the witnesses for appearing before the Committee as well as for furnishing valuable information that the Committee desired in connection with the examination of the subject.

*A verbatim record of the sitting has been kept.*

*The Committee then adjourned.*



ANNEXURE II

MINUTES OF THE THIRD SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2006-2007)

The Committee sat on Wednesday, the 08th November, 2006 from 1500 hrs. to 1630 hrs. in Committee Room '139', Parliament House Annexe, New Delhi.

PRESENT

Shri Nikhil Kumar—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Sanjay Dhotre
5. Shri Bhuvaneshwar Prasad Mehta
6. Shri K.V. Thangka Balu

*Rajya Sabha*

7. Shri Praveen Rashtrapal
8. Shri Shyam Benegal

SECRETARIAT

- |                            |   |                           |
|----------------------------|---|---------------------------|
| 1. Shri P. Sreedharan      | — | <i>Joint Secretary</i>    |
| 2. Shri Raj Shekhar Sharma | — | <i>Director</i>           |
| 3. Shri A.K. Ahluwalia     | — | <i>Assistant Director</i> |

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.

3. The Committee then considered the draft list of points on the subject, "The role of Prasar Bharati and its future status" and the members gave their suggestions. It was decided to obtain written replies from the Ministry of Information & Broadcasting on the list of points and to hold evidence of the representatives of the Ministry of Information & Broadcasting on the subject during the ensuing Winter Session of Parliament.

*The Committee then adjourned.*

ANNEXURE III

MINUTES OF THE SEVENTH SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2006-2007)

The Committee sat on Wednesday, the 05th January, 2007 from 1500 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Nikhil Kumar—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Sanjay Shamrao Dhotre
5. Shri Sohan Potai
6. Shri Tufani Saroj
7. Shri P.C. Thomas
8. Shri Narahari Mahato

*Rajya Sabha*

9. Shri A. Vijayaraghavan
10. Shri N.R. Govindraj
11. Shri Motiur Rahman
12. Shri Shyam Benegal

SECRETARIAT

- |                            |   |                           |
|----------------------------|---|---------------------------|
| 1. Shri P. Sreedharan      | — | <i>Joint Secretary</i>    |
| 2. Shri Raj Shekhar Sharma | — | <i>Director</i>           |
| 3. Shri Cyril John         | — | <i>Under Secretary</i>    |
| 4. Shri A.K. Ahluwalia     | — | <i>Assistant Director</i> |

WITNESSES

**(Representatives of Ministry of information & Broadcasting)**

Sl.No.	Name of Officer	Designation
1.	Shri S.K. Arora	Secretary (I&B)
2.	Shri S.B. Lalli	Chief Executive Officer
3.	Shri L.D. Mandloi	DG, Doordarshan
4.	Shri Brijeshwar Singh	DG, AIR
5.	Shri Pradeep Singh	Addl. Secretary (B)
6.	Shri A.K. Jain	Member (Finance)
7.	Shri Ramesh C. Mehra	AS & FA
8.	Shrimati Stuti Kacker	JS (P&A)
9.	Shri A.S. Guin	E-in-C (DG : AIR)
10.	Shri N.S. Ganesan	E-in-C (DG : DDn)
11.	Shri Arvind Kumar	Director (BPL & FM)
12.	Shri Pawan Kumar	Director (BC)

2. At the outset, the Chairman welcomed the Secretary, Ministry of Information and Broadcasting and the other officers accompanying him to the sitting of the Committee. Emphasising the need for improving the financial position and also developing human resource in Prasar Bharati, the Chairman requested the representatives to enlighten the Committee on the present functioning and future status of Prasar Bharati. Accordingly, the Secretary, Ministry of Information and Broadcasting and other representatives briefed the Committee on the various aspects of the subject.

3. The members then sought certain clarifications on various issues relating to the subject. The representatives of the Ministry responded to the same.

4. The Chairman thanked the witnesses for appearing before the Committee as well as for furnishing valuable information that the Committee desired in connection with the examination of the subject. The Committee then decided to have further evidence on the subject on a later date.

*A verbatim record of the proceedings has been kept separately.*

*The Committee then, adjourned.*

ANNEXURE IV

MINUTES OF THE EIGHTH SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2006-2007)

The Committee sat on Monday, the 22nd January, 2007 from 1500 hrs. to 1651 hrs. in Committee Room '139', Parliament House Annexe, New Delhi.

PRESENT

Shri Nikhil Kumar—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Bhubaneshwar Prasad Mehta
5. Shri P.C. Thomas

*Rajya Sabha*

6. Shri Praveen Rashtrapal
7. Shri Motiur Rahman
8. Shri Eknath K. Thakur
9. Shri Shyam Benegal

SECRETARIAT

- |                            |   |                           |
|----------------------------|---|---------------------------|
| 1. Shri Raj Shekhar Sharma | — | <i>Director</i>           |
| 2. Shri Cyril John         | — | <i>Under Secretary</i>    |
| 3. Shri A.K. Ahluwalia     | — | <i>Assistant Director</i> |

WITNESSES

**(Representatives of Ministry of Information & Broadcasting)**

Sl.No.	Name of Officer	Designation
1	2	3
1.	Shri S.K. Arora	Secretary (I&B)
2.	Shri Pradeep Singh	Addl. Secretary

1	2	3
3.	Shri Ramesh C. Mehra	AS & FA
4.	Shri N. Baijendera Kumar	Joint Secretary
5.	Shri V.B. Pyarelal	Joint Secretary
6.	Shri B.S. Lalli	CEO, Prasar Bharati
7.	Shri A.K. Jain	Member (Fin.), Prasar Bharati
8.	Shri Brijeshwar Singh	DG : AIR
9.	Shri L.D. Mandloi	DG : Doordarshan
10.	Shri N.S. Ganesan	Engineer in Chief (Doordarshan)
11.	Shri A.S. Guin	Engineer in Chief (AIR)
12.	Shri Rajat Bhargava	ADG (F&A), Prasar Bharati
13.	Ms. Krishna Tyagi	GM (B&A), Prasar Bharati

2. At the outset, the Chairman welcomed the Secretary, Ministry of Information and Broadcasting and other officers accompanying him to the sitting of the Committee. Emphasising the need for a sound funding mechanism and a robust capital structure for Prasar Bharati, the Chairman, requested the representatives to enlighten the Committee on the Report of the Committee on Capital and Financial Restructuring of Prasar Bharati. Accordingly, the Secretary, Ministry of Information and Broadcasting and other representatives briefed the Committee on the various aspects of the working of Prasar Bharati dwelt upon by the Committee on Capital and Financial Restructuring.

3. The members then sought clarifications on various issues relating to the subject. The representatives of the Ministry responded to the same.

4. The Chairman thanked the witnesses for appearing before the Committee as well as for furnishing valuable information that the Committee desired in connection with the examination of the subject.

*A verbatim record of the proceedings has been kept separately.*

*The Committee then, adjourned.*

ANNEXURE V

MINUTES OF THE TWENTY-FIRST SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2006-2007)

The Committee sat on Tuesday, the 22nd May, 2007 from 1500 hrs. to 1740 hrs. in Committee Room No. '139', Parliament House Annexe, New Delhi.

PRESENT

Shri Nikhil Kumar—*Chairman*

MEMBERS

*Lok Sabha*

2. Shri Nikhil Kumar Choudhary
3. Shri Sanjay Shamrao Dhotre
4. Shri G. Nizamuddin
5. Shri Sohan Potai
6. Shri Lalmani Prasad
7. Kunwar Jitin Prasad
8. Shri K.V. Thangka Balu
9. Shri Narahari Mahato
10. Shri Badiga Ramakrishna

*Rajya Sabha*

11. Shri Praveen Rashtrapal
12. Shri Dara Singh

SECRETARIAT

Shri Cyril John — *Deputy Secretary*

WITNESS

Shri P.K.H. Tharakan — *Secretary (R) (Retd.)*

**Representatives of Associated Chambers of Commerce and Industry (ASSOCHAM)**

(i) Shri Pavan Duggal	—	Senior Advocate, Supreme Court of India
(ii) Shri Ramji Srinivasan	—	Advocate
(iii) Shri Deepak Gupta	—	American Express
(iv) Shri D.P. Vadya	—	Hughes Communications
(v) Shri Amit Verma	—	Acme Telepower
(vi) Shri Jagdish Agarwal	—	Acme Telepower
(vii) Shri T.R. Dua	—	COAI
(viii) Shri S.V. Ramana	—	Genpact
(ix) Maj. Gen. Sharma	—	Satyam
(x) Shri Amitabh Singhal	—	ISPAI
(xi) Shri Amit Dev	—	Time Broadband
(xii) Shri R.K. Singh	—	MCorp Global
(xiii) Shri Ajay Sharma	—	ASSOCHAM
(xiv) Shri Varun Aggarwal	—	ASSOCHAM

2. At the outset, the Chairman welcomed the Members of the Committee to the sitting. The Committee, then, took up the Draft Report on 'The Role of Prasar Bharati and its future status' for consideration and adopted the same with some modifications/ amendments as shown in the Annexure-VI.

3. As the House was not in Session, the Committee decided to present the above said Report to the Hon'ble Speaker under Direction 71(A).

4. ***	***	***
5. ***	***	***
6. ***	***	***

*A verbatim record of the sitting has been kept.*

7. ***	***	***
8. ***	***	***
9. ***	***	***

*A verbatim record of the sitting has been kept.*

*The Committee then, adjourned.*

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\*\*\*Matters not related to this report.

ANNEXURE VI

MODIFICATIONS/AMENDMENTS CARRIED OUT BY THE  
COMMITTEE IN THE DRAFT REPORT ON 'THE ROLE  
OF PRASAR BHARATI AND ITS FUTURE STATUS'

Sl.No.	Page No.	Para No.	Line No.	Modifications/Amendments	
				For	Read
1.	52-53	4	Last	"They, therefore, stress..... intimated to the Committee."	"At the same time, they also stress that in a multi-ethnic and multi-linguistic society like ours, it should be ensured that the Corporation adheres to its specified objective of upholding the unity and integrity of the country and nurturing the democratic and social values enshrined in the Constitution."
2.	57	10	Last	<i>Add at the end:—"The Committee further desire that other possible options for funding of Prasar Bharati should also be explored."</i>	