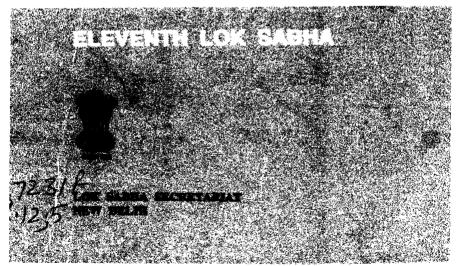
LOWER CATEGORISATION LEADING TO LOSS OF RS. 352.30 LAKHS

MINISTRY OF INFORMATION AND BROADCASTING





TWELFTH REPORT

PUBLIC ACCOUNTS COMMITTEE (1996-97)

(ELEVENTH LOK SABHA)

LOWER CATEGORISATION LEADING TO LOSS OF RS. 352.30 LAKHS

MINISTRY OF INFORMATION AND BROADCASTING

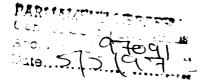


Presented to Lok Sabha on 22 April, 1997 Laid in Rajya Sabha on 22 April, 1997

LOK SABHA SECRETARIAT
NEW DELHI

April, 1997/Chaitra, 1919 (Saka)

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CORRIGENDA TO THE TWELFTH REPORT OF PUBLIC ACCOUNTS

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

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1996-97)

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- 4. Shri Ramesh Chennithala
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- 5. Shri Rajeev Sharma Under Secretary

INTRODUCTION

- I, the Chairman, Public Accounts Committee having been authorised by the Committee, do present on their behalf, this Twelfth Report on Paragraph 3.5 of the report of the Comptroller & Auditor General of India for the year ended 31 March, 1995, No. 2 of 1996, Union Government (Civil) relating to "Lower categorisation leading to loss of Rs. 352.30 lakhs."
- 2. The Report of the C&AG for the year ended 31 March, 1995 (No. 2 of 1996), Union Government (Civil) was laid on the Table of the House on 17.7.1996
- 3. The Audit Paragraph was examined by Public Accounts Committee at their sittings held on 3 January, 1997 and 21 February, 1997. The Committee considered and finalised this Report at their sitting held on 10 April, 1997. Minutes of the sitting form Part-II of the Report.
- 4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix to the Report.
- 5. The Committee would like to express their thanks to the officers of the Ministry of Information and Broadcasting and Directorate General, Doordarshan for the cooperation extended by them in furnishing information and tendering evidence before the Committee.
- 6. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

New Delhi; 17 April, 1997 DR. MURLI MANOHAR JOSHI,

Chairman,

Public Accounts Committee.

27 Chaitra, 1919 (Saka)

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REPORT

INTRODUCTORY

In addition to the programmes produced in-house, Doordarshan also assigns production of programmes to outside producers. Doordarshan accepts proposals of TV pogrammes from outside producers/directors under 'Commissioned category' and 'Sponsored category'. Commissioned programmes are funded by Doordarshan whereas the sponsored programmes are financed by the sponsors/producers. The former is essentially a programme of Doordarshan except that after the conceptualisation and other essential parameters are cleared Doordarshan, the actual production is executed by an outside producer on the basis of the cost, quality and schedule laid down in the agreement to be entered into for this purpose. In case of the latter, the producer invests his own money and Doordarshan only approves the programme offered by him. With a view to streamlining the procedures for the consideration, processing and approval of proposals received from outside producers/directors for telecast of TV programmes under both 'sponsored and commissioned categories', the Government have codified general policy parameters as 'Guidelines', laid down separately, in respect of programmes under both the categories since 1990 and 1992 respectively, the issues arising out of outside production particularly under commissioned category were examined and commented upon by the Public Accounts Committee in their 57th and 106th Report. (10th Lok Sabha). In fact, the guidelines were issued for the first time for commissioned programmes in 1992 as a result of the examination of the subject by the Public Accounts Committee.

- 2. This Report is based on paragraph 3.5 of the Report of the Comptroller & Auditor General of India for the year ended 31 March 1995, No. 2 of 1996, Union Government (Civil) relating to "Lower Categorisation leading to loss of Rs. 352.30 Lakhs". The Audit paragraph deals with a case of production of a programme 'The World This Week' by New Delhi Television Ltd. which was earlier known as M/s Pronnoy Roy and Associates; (hereinafter mentioned as NDTV) for Doordarshan.
- 3. From the information made available to the Committee it is seen that the Programme 'The World This Week' was telecast in Doordarshan from 1988 to 1996 in 291 episodes as follows:—
 - (a) From 25 November 1988 to 16 February 1990 (52 episodes) under commissioned category;

- (b) From 16 February 1990 to 5 March 1995 (186 episodes) under sponsored category; and
- (c) From 5 March 1995 to 28 April 1996 (53 episodes) under commissioned category;

Telecast of the Programme under Commissioned Category (25.11.1988 to 16.2.1990)

- 4. According to the Ministry of Information & Broadcasting (I&B), the proposal of the programme "The World This Week" under the commissioned category was received in Doordarshan on 27 January, 1988. It was processed in Doordarshan and approved by the Costing Committee on 26 February, 1988. Since the payment to the producer involved foreign exchange, the approval of the Ministry of I&B had been obtained on 30 May, 1988.
- 5. On being asked about the terms and conditions of payment to the producer when the programme was telecast under commissioned category at the beginning, the Ministry stated that the Costing Committee had approved 13 episodes initially @ Rs. 2 lakhs per episode, 50% of which was to be paid in U.S. Dollars. The duration of the programme was 25 minutes, language English, and format 3/4" U-matic. The series continued under the commissioned category for 52 episodes.

Telecast of the Programme under sponsored category (16.2.1990 to 5.3.1995)

- 6. For the telecast of sponsored programme, the sponsor pays to Doordarshan such telecast fee as prescribed from time to time in Doordarshan's Rate Card on the basis of categorisation of a programme. The programmes have been categorised under 'Super A Special', 'A-Special', 'A', 'B' etc. in the Rate Card depending upon the time, day, nature etc. of programme sought to be telecast and other relevant considerations. Sponsor is entitled to utilise free of cost' such period of time (known as FCT) as specified in Doordarshan's Rate Card for each category of programme. Doordarshan is also entitled to telecast commercial spot advertisement of products/service other than those of the sponsor of the programme (known as spot-buy).
- 7. It is seen from the Audit Paragraph that the Programme 'The World This Week' was approved for 52 episodes under sponsored category on 16 January 1990 under category 'A'. The duration of the programme was 45 minutes for non-Parliament days and 30 minutes for Parliament days. According to the Ministry, the Programme was telecast under sponsored category from 16 February, 1990 till 5 March, 1995.
- 8. The Committee desired to know the reasons for shifting the programme from the Commissioned to the Sponsored category. In a note, the Ministry stated that the programme 'The World This Week' was the first current affairs programme that was able to procure sponsorship. The

decision to change it to the sponsored category in February, 1990 was taken because of an acute shortage of funds and Doordarshan's perception that the programme had gained adequate popularity to enable the Producer to meet its production cost through sponsorship.

Categorisation of the Programme

- 9. The Committee desired to know the basis for categorisation of a particular sponsored programme under 'Super A Special', 'Super A', 'A Special', 'A', 'B', etc. The Ministry informed the Committee that a particular sponsored programme is categorised on the basis of two considerations, namely (a) the time slot which is allotted to it, and (b) the type of the programme. Asked further about the existing guidelines laid down in this regard and the competent authority to decide such categorisation, the Ministry stated that guidelines existed in the shape of the Rate Card announced by Doordarshan, from time to time which specified the time, category and the type of the programme. The competent authority to decide categorisation is Director General, Doordarshan, in consultation with the Channel Manager and other officers within Doordarshan.
- 10. According to Audit, Rules provide that the category of a running programme irrespective of the telecast time can be changed by giving 30 days notice and also before the telecast of the first episode after the extension of a serial.
- 11. It is seen from the Audit paragraph that taking into consideration the viewership of the programme and the long waiting for spot ads, it was decided in April 1990, to re-categorise the programme as 'A Special' with effect from 1 June, 1990. But the producer of the Programme did not agree to the decision of Doordarshan for changing categorisation of his programme from 'A' to 'A Special'. As per terms and conditions under which the programme was approved under category 'A', Doordarshan had absolute right to change the categorisation. However, Doordarshan changed the spot-buy rate to those applicable to 'A Special' with effect from 1 June, 1990 while the categorisation of the programmes/sponsorship fee continued as lower category 'A'. According to the Ministry, the decision of initial categorisation in 'A' category and subsequently raising the spot-buy category to 'A Special' was done in Doordarshan with the approval of the then Director General.
- 12. The Committee enquired about the level at which the decision was taken to continue the programme in 'A' category inspite of it being fit to be categorised a 'A Special' particularly when the spot-buy rate were fixed as applicable to 'A Special'. The Ministry in a note stated that in an aggressive marketing scenario, those were commercial decisions taken by the then Director General of Doordarshan. During evidence the Committee were informed that an internal Committee had been in

existence in Doordarshan headed by DG which took decisions in respect of categorisation of a programme. However, the Ministry in a post-evidence note inter-alia stated:

"In terms of the delegation of financial and administrative powers by the Ministry to the Director General, the powers are to be exercised by the Director General, Doordarshan in consultation with the Internal Financial Adviser. Normally the consultation with the Internal Financial Adviser is done through circulation of file. The above delegation of powers by the Ministry did not require Doordarshan to form any internal committee for exercising the delegated powers. At present, however, in all cases where concessions are offered to any programme from the rates prescribed in the commercial rate card of Doordarshan the prior concurrence of the Internal Financial Adviser is invariably being taken on file.

In the instant case relating to "The World This Week" programme, the available records suggest that the decision to place the programme "The World This Week" in the 'A' category for purposes of sponsorship and in 'A Special' category for spot-buys was initially taken by the then Director General without consulting the Internal Financial Adviser."

13. On being enquired, whether formal notice was served on the producer for change of categorisation, the Ministry in their note stated that a letter was issued on 24 May, 1990, proposing to change the category to 'A Special'.

Decision in violation of policy of Doordarshan

14. As per Doordarshan's Rate Card, the category of sponsorship fee, Free Commercial Time (FCT) and spot-buy should be matching and uniform. By keeping the programme under lower category for telecast fee and Free Commercial Time (FCT) Doordarshan had charged lower rate of telecast fee and had allowed extra free commercial time to the producer which was not available after re-categorisation from 'A' to 'A Special'. In this context, the Committee specifically desired to know the reasons for such an unusual categorisation as against the prescribed policy laid down in Doordarshan. The Ministry in a post evidence note stated that records of the relevant period giving reasons for allowing the spot-buy rate to be changed to 'A-Special' were not available. The Ministry further stated that since the benefits of an increased spot-buy rate directly accrue to Doordarshan, the upgradation of the spot-buy category proved to be in the interest of Doordarshan.

15. Asked further about the compulsions of Doordarshan to continue this programme under category 'A' inspite of it being fit enough to be categorised as 'A Special', the Ministry in a note furnished to the Committee stated:

"The option was either to terminate and lose all revenue, or compromise by way of minor concession to the producer and continue a popular programme of quality in current affairs. The later option was chosen."

16. When asked whether there were other producers offering their programmes for the slot which was given to 'The World This Week' from 1990, the Ministry in a note stated that there were no offers from outside producers of current affairs programme to accept the slot under sponsored category. Asked further whether Doordarshan had invited offers for such programmes at that point of time particularly in view of the fact that the producer of 'The World This Week' disagreed to the decision of Doordarshan to upgrade the programme, the Ministry, in a post evidence note inter-alia stated:

"Doordarshan did not invite any offer for such programme at that point of time."

17. The Committee have also been informed that there was no other case during the past five years in which Doordarshan applied differential rate for lower categorisation giving the benefit of lower sponsorship fee and higher FCT to the sponsor while at the same time selling the spot-buy commercial time at higher category.

Failure to enforce conversion of the Programme to "A Special"

- 18. The Audit have pointed out that the decision taken in April 1990 to change categorisation of the programme to 'A Special' was not enforced even while granting further extensions to the programme. During evidence, the Secretary, Ministry of Information & Broadcasting stated that the attempts to upgrade the programme made in 1990 was dropped because the producer was not agreeable. The Committee have been informed that in October, 1992 the decision to retain the programme in lower sponsorship category was concurred in by the Ministry.
- 19. The oral evidence tendered by the representatives of the Ministry of I&B/Doordarshan and a perusal of copy of records made available to the Committee by Audit indicated that till 11 June, 1992, the programme remained in category 'A' right from the beginning in February 1990, whereas Doordarshan raised the spot-buy, rates as applicable to 'A Special' with effect from 1 June, 1990. On 11 June, 1992, the then DG, Doordarshan, while proposing futher extension to the Programme, in his note sent to Secretary, I&B recorded as follows:

"It is proposed to upgrade the programme to "A Special" and to give additional FCT to Dr. Roy to compensate the loss (that he will have to incur by way of enhanced sponsorship fee."

20. On 7 August, 1992 the Ministry approved the proposal of DG to upgrade the programme to 'ASpecial'. However, the proposal to give additional FCT to the producer was not agreed to by the Ministry. The Ministry in the same communication also observed:

"It is observed that the producer of the programme (a) gives a month's break at his own will and choice without obtaining the prior approval of Doordarshan; (b) does not submit cassettes in time to Doordarshan for the purpose of previewing; (c) does not increase own footage and instead relies mainly on the footage obtained from foreign agencies; and (d) sometimes includes stories which are not of desired quality. DG, DD should clearly stipulate their requirements in this regard to the Producer in initiating and obtain his concurrence to the unconditional acceptance of Doordarshan's conditions prior to conveying the approval for the extension of the programme."

21. While communicating approval for extension of 26 weeks to the Programme, DG. Doordarshan in his communication dated 16 September, 1992 addressed to the producer stated inter-alia:

"The programme has been categorised as "A Special". Since FCT is linked with categorisation. I am afraid, we are not in a position to grant additional FCT."

22. The producer in his letter dated 22 September, 1992 addressed to DG., Doordarshan inter-alia stated:

"There appears to be a misunderstanding. We have never asked for grant of any additional FCT. All we are requesting is that the status quo be maintained. Through our hard work and investment in quality we raised our viewership ratings considerably, making The World This Week (TWTW) one of the finest programmes on Doordarshan according to viewers.

As a result of our popularity, Doordarshan raised SPOT RATE to "A Special" and collects several lakhs of rupees every week from advertisements before TWTW. Doordarshan maintained the sponsorship category as "A" category since the programme was still at 9:50 p.m. (and 10 pm on Parliament days). As this was an earlier decision made on several successive occasions by Doordarshan and ratified by two different DGs and three different secretaries. It is difficult for us to understand why the earlier precedent was considered a wrong decision and that now the sponsorship category is being changed to 'A Special'.

All other 9:50 pm programmes are 'A' category. We feel it would be unfair discrimination against TWTW to change its sponsorship category while keeping all other 9:50 programmes at category 'A'."

- 23. The above quotations have been extracted from copies of the documents made available to the Committee by Audit. However, the Ministry failed to furnish relevant records to the Committee.
- 24. According to the information furnished by the Ministry of I&B to the Committee, on 14 October, 1992, the then DG-Doordarshan wrote a letter to the Addl. Secretary & Financial Adviser in the Ministry, the contents of which *inter-alia* read as follows:—

"'The World This Week' was earlier in 'A' Category since it was telecast at 9.50 PM. As a result of the popularity of the programme, Doordarshan raised its Spot Rate to 'A-Special' but the category continued to be 'A'. Recently the category of 'The World This Week' was elevated to 'A-Special' and Dr. Roy has made a request that the status quo may be maintained, i.e. Category to remain as 'A'.

You may kindly recall that on 24.9.92, Dr. Roy met the Secretary I&B and yourself during which I was also present. During the course of the discussion. Dr. Roy expressed the view that if 'The World This Week' could be made into an one hour slot programme content being for or 45 mins., with the category remaining as 'A', there would be no loss of revenue to the Government. Dr. Roy feels that it would be a viable proposition for him if the status quo so far as Category is concerned is to be maintained. With Sponsorship Category being changed to 'A-Special', Doordarshan would stand to gain increased telecast fee. The teleast fee for 'A' Category is Rs. 80,000- and for 'A' Special Rs. 1,70,000-.

The entire issue has been comprehensively examined by the Directorate in the light of the discussions held in the Ministry by Dr. Roy and his representation. The following categorisation for 'The World This Week' may be considered.

- (A) Staus Quo be maintained with Sponsorship continuing in 'A' Category as it was in the past.
- (B) Doordarshan receives extra telecast fee by charging Rs. 1.60,000' for 'A' Category rate for one hour slot.

Ministry's decision in the matter may kindly be conveyed at an early date.

25. While processing the matter in the Ministry, DS(BP) recorded on the file on 15.10.1992 as follows:

"Doordarshan proposed to change the category of the sponsored programme 'The World This Week' from 'A' to 'A Special'. This was approved by us in August. Doordarshan has now suggested that the programme may be allowed to remain on the earlier category viz. 'A' and it may be made an one hour programme. Since categorisation of various programmes is done by the DG. Doordarshan and in his commercial judgement the category of this programme may remain as 'A' we may have no objection in the matter. In so far as the duration

of the programme is concerned, there is no case for agreeing to making it a one hour programme especially when it is only an extension. Accordingly, the programme may remain of a 45 minute duration (except when Parliament is in session)."

Addl. Secretary recorded in the same note which reads as follows:—

"Unfortunately, this comes rather late. We may agree with DS(BP) that the Programme can continue on old terms."

Then Addl. Secretary and Financial Advisor recoreded on 16 October', 1992:—

"I agree with AS".

The approval of the then Secretary, the Ministry of I&B was also obtained on the same note (16 October, 1992).

Later, the Ministry on 16 October, 1992 formally communicated to Doordarshan about the retention of the Programme in the lower sponsored category, which read as follows:—

"The matter has been examined and this Ministry has no objection to Doordarshan retaining this Programme in 'A' category. The duration of the Programme may be maintained at the existing level (30/45 minutes)."

26. Referring to the copies of the above-mentioned notes which were made available to the Committee, attention of the representatives of the Ministry of I&B was drawn during evidence to the noting dated 15.10.1992 (over written as 16.10.1992), "Unfortunately, this comes rather late". It was pointed out that the subsequent sentence, viz., "we may agree with DS (B&P) that this programme can continue on old terms" seemed to have been recorded later as a part of that sentence was written on the body of the signature of the officer who had recorded that note. Commenting on the same, the Ministry in a note furnished after evidence stated:—

"While a noting is made on the note sheet, there could be instances when the concerned officer could have changed the date of signing or made a remark, but, it appears from the diary entry of the Deputy Secretary, that it was diarised by his Office on 16.10.92 for despatch and then forwarded to AS, who in turn wrote the remark about the proposal, signed and forwarded it to the AS & FA who in turn remarked it to the Secretary. It appears from the sequence of diary entries that the noting ought to have being made only on 16.10.92 when the file was put up, and not on any other day."

Non-availability of Files/Records

27. The Committee in order to examine in detail the manner in which the whole issue of upgrading the programme was dealt with in Doordarshan/Ministry, called for the original files wherein the case relating to the Programme was dealt with. In response, the Ministry in a post-evidence note stated:—

"The files, containing the chronological development of event relating to the decision to retain the programme in 'A' of the sponsored category are currently not traceable. The files concerned are being searched out and will be submitted at the earliest. As per the information available in Doordarshan an effort has been made in the past to locate the file but it is still untraceable."

28. Substantiating the efforts made to trace these files, the Ministry furnished copy of a circular dated 14 July, 1995, which was issued by P.V. Section in Doordarshan to all officers sections which read as follows:

"File No. 1697/89-PV relating to the Programme 'The World This Week' has been misplaced in transition. If found it may kindly be returned to P.V. Section.

Role of the Ministry

- 29. During evidence, the Committee were informed that though Doordarshan continue to remain a Government Department, it had to work in a market environment and take commercial decisions keeping in mind the market situation prevailing at a particular point of time. DG, Doordarshan had, therefore, been given the entire financial powers of the Ministry enabling him to take decision on financial matters.
- 30. On being asked specifically the role of the Ministry in the decision making in such cases, the Ministry in a post-evidence note stated that the Ministry do not get into in such matters unless Doordarshan required guidance or advice of the Ministry.
- 31. While Director General, Doordarshan was stated to be competent to take a decision on the matter, the Committee specifically desired to know as to why the case was referred to the Ministry. In their reply, the Ministry stated:

"The then Director General referred the matter to the Ministry because by inference of the above he was making one more effort to categories the Programme as 'A-Special' with certain compensation being given to producer by way of additional FCT."

32. To a query from the Committee as to how many other cases of similar nature had been referred to the Ministry during the relevant period, the Ministry stated that as per available information, no reference of similar nature appeared to have been made to the Ministry during the relevant period.

Loss of Revenue

- 33. According to Audit, Doordarshan had suffered a loss of about Rs. 352.30 lakhs on account of difference of fee between "A-Special" categories of 144 episodes telecase till December 1993 calculated on the basis of the duration of the programme of 30 minutes. The loss would be higher as some of the programmes were of duration of 45 minutes for which the telecast fee was to increase proportionately, the break-up of which was not furnished to Audit. In this context, the Committee enquired about the total loss Doordarshan had suffered in terms of the actual duration of each episode from the date of conversion to 5.3.1995, when it was last telecast under sponsored category. The Ministry in their post-cyidence note stated that the total loss would be Rs. 478.30 lakhs.
- 34. The Ministry's attention was drawn to the fact that loss on account of extra commercial time which was made available to the sponsor could have been used by Doordarshan for spot advertisement to earn more revenue. Replying on this point, the Ministry contended that by raising the spot-buy rates, Doordarshan benefitted to a large extent through earnings, as revenue earned through spot-buys at "A-Special" rate was retained by Doordarshan. When asked whether the producer was not favoured at the cost of the financial interests of Government, the Ministry in a note furnished subsequent to evidence stated:—

"We respectfully disagree that the programme caused financial loss to the Government".

35. During the course of examination, the Committee were informed that on six occasions, extensions were accorded to the programme and the concurrence of the Ministry was obtained on two occasions. When asked whether the loss of revenue due to lower categorisation of the Programme had engaged the attention of the authorities concerned while granting extensions repeatedly, the Ministry in a note submitted after evidence stated that all decisions to grant extension to the programme were primarily guided by the popularity of the programme and the felt need to retain it in the programme mix of Doordarshan. According to the Ministry, the terms and conditions during the previous period were kept in mind while granting extensions to the programme. To a pointed question whether the revenue implications had specifically been considered by Doordarshan in their offical noting, the Ministry in a post-evidence note further stated:—

"There is no indication of this specific consideration being taken into account by Doordarshan at that time in their official notings. However, it is implicit in the decision since the entire exercise to upgrade the category was only to obtain more revenue".

Facilities given to the Producer

- 36. The Committee enquired about the policy of Doordarshan to provide various facilities including that of vis-news to independent/private producers. The Ministry informed the Committee that vis-news had an agreement with Doordarshan for the supply of material. If required, Doordarshan was at liberty to commission third parties to produce programmes on its behalf but it was Doordarshan's responsibility to provide the material. The Ministry further stated that it would be the responsibility of the paying authority to recover the prescribed amount from outside agency/producer for any visual material and other facilities taken from Doordarshan and the amount had to be recovered before the final payment was made to the outside agency/producer for the commissioned programme. The Ministry added that it was applicable to all outside producers/agencies.
- 37. On being asked whether any such facility was provided to NDTV in respect of the Programme 'The World This Week", the Ministry stated:

"They were given access to vis-News footage which was being received by Doordarshan Kendra at Bombay and also the recording."

38. As regards terms and conditions for providing such facilities to the producer, the Ministry stated:

"It appears that there was an informal understanding between Doordarshan and M/s NDTV for a mutual exchange of footage, free of cost. No records could be traced to that effect."

- 39. On being asked whether any amount was recovered from NDTV towards payment of facilities extended on behalf of Doordarshan, the Ministry informed the Committee that as per the records, there was no prescribed amount recoverable from the producer for the facilities extended to him.
- 40. During evidence, the Committee were informed that when the programme became a sponsored one, the facilities extended under commissioned category was withdrawn. Asked when this facility was withdrawn, the Ministry in a post-evidence note stated that this was withdrawn from 29 March, 1993. Since, the programme was brought under sponsored category from 16 February, 1990, the Committee enquired whether Doordarshan asked the producer to pay for the facilities extended to him for the episodes produced and telecast under the sponsored category during the period 16 February 1990 to 29 March 1993. But the Ministry failed to furnish any information in this regard.
- 41. However, in this connection, the Audit made available a photocopy of the note recorded by the then Deputy Controller of Programmes

(News), which indicated that while using vis-news, the producer was required to pay for technical charges. The note *inter-alia* reads as follows:—

"In January, 1990 it was decided to convert it from commissioned category to sponsored category. When the programme was commissioned, we had agreed to allow him to use Vis-news material. We had informed him in writing that he was free to use Vis-news footage, but will have to pay technical charges. M/s Vis-news had raised an objection then, questioning us as to why Dr. Prannoy Roy was using their footage in the programme "The World This Week'. We explained to them that it was a Doordarshan's funded programme and it was therefore well within its right to lend the footage to Dr. Prannoy Roy. After it was converted from commissioned to sponsored category, may be now we are contravening the copyrights. Since only Doordarshan is entitled to use the footage, a private party which is producing a sponsored programme may have no right to make use of the footage.

Sponsored programme by a private producer is defined as under:

"A programme fully financed by an Agency Sponsor. On such programmes, Doordarshan have no further right except that it can retelecast with the consent of the producer. All rights of such programmes rest with the producers. He can sell it anywhere he likes and exploit it commercially. Doordarshan can interfere in it within the policy parameters only.

As per the above, I am afraid, Dr. Prannoy Roy is not entitled to make use of Vis-news footage. If we continue allowing him those of their footage, we may be breaching copyright.

It is pertinent to point out that Bombay Doordarshan Kendra has been recording Vis-news feed on the Kendra's own U-matic/Betacam recorder since the beginning of the programme in 1989. When it was decided to commission the programme, we had written to him that he was free to use the archival material which meant Vis-news footage, free of cost but he was to pay technical charges. So far we have not raised any bill for the same."

42. The Ministry, however, did not inform the Committee either about the existence of the note referred to above or of the further action taken. They, however, informed that in terms of agreement between Doordarshan and vis-news, no amount was due to vis-news on account of facilities provided by Doordarshan to the producer.

Payment in foreign Exchange

- 43. The Committee desired to know whether any payment in terms of foreign currency was made to the producer. The Ministry of Information & Broadcasting in a note stated that payment in foreign exchange amounting to Rs. 30.53 lakhs was made in US \$ to "The World This Week" under the commissioned category between June 1988 and November 1989. The Ministry also stated that a sum of Rs. 13.95 lakhs was sanctioned on 14 June, 1988 and another sum of Rs. 16.58 lakhs was sanctioned on 16 November, 1989. In their note, the Ministry also added that the release of foreign exchange required in respect of the remaining episodes of the programme was processed by the Department of Economic Affairs from time to time after ascertaining from them about the number of episodes for which extension was granted.
- 44. The Committee enquired from the Ministry of Finance (Department of Economic Affairs) about the total amount sanctioned/released in foreign currency to NDTV in connection with the production of the programme 'The World This Week'. In a note, the Ministry of Finance (Department of Economic Affairs) stated that the total amount sanctioned in foreign currency to NDTV was of the order of US \$ 20,56,438/-. The Committee further enquired about the authority whose recommendation the foreign exchange was sanctioned/released. The Department of Economic Affairs, in their note stated that foreign exchange was sanctioned on the specific recommendations of the Ministry of Information & Broadcasting/in consultation with the Doordarshan.
- 45. Keeping in view the sizeable amount of foreign exchange involved, the Committee desired to know as to whether the Ministry of Information & Broadcasting/Doordarshan satisfied themselves about the bonafide utilisation of the foreign exchange by the producer and the existing mechanism available in the Ministry in this regard. The Ministry of Information & Broadcasting in their note stated:
 - "Against the first sanction of US \$1,07,250/-, M/s NDTV furnished detailed break up of foreign exchange utilisation including the outstanding payments as on 9.9.1989 amounting to US \$1,39,122. On furnishing these accounts, the second sanction of US \$1,00,000/- was recommended to the Department of Economic Affairs. The sanction of US \$1,00,000/- was accordingly issued with the concurrence of Department of Economic Affairs on 25.10.1989. Doordarshan requested M/s NDTV for further details but no reply was received.

The release of foreign exchange in favour of 'The World This Week' programme to M/s NDTV after 16.11.1989 was done by the Department of Economic Affairs on the basis of extension in the number of episodes by the Ministry of I&B and on satisfaction of the bonafide utilisation of earlier releases. Since Department of Economic Affairs was directly monitoring and satisfying itself on the

issue of actual utilisation of foreign exchange released, the Ministry of I&B was not required to create any monitoring mechanism for this purpose."

46. In the light of this, the Committee enquired whether the Department of Economic Affairs were responsible for directly monitoring and satisfying themselves on the issue of actual utilisation of foreign exchange released to the producer. The Deptt. of Economic Affairs in their note stated:

"The foreign exchange US\$ 8,250/- US\$ 7,700/-per episode was sanctioned on the specific recommendations of the Ministry of I&B as per the detailed estimate provided by Ministry of I&B. Under the Foreign Exchange Regulation Act, foreign exchange released can be utilised only for the purpose for which it is released and if it is utilised for some other purposes it violates the FERA provisions. As indicated by Reserve Bank of India, on presentation of the exchange permit and specific application, the authorised dealer has been releasing the foreign exchange to M/s. NDTV as per the relevant overscas invoices submitted by them. This procedure for monitoring utilisation of foreign exchange released as also stated by RBI is in order, keeping in view the current account nature of the transactions involved. As such no direct monitoring for actual utilisation of foreign exchange by Department of Economic Affairs was required. If any violation of the FERA provisions relating to misutilisation of foreign exchange comes to the notice of enforcement agencies. suitable action can be taken against the party."

- 47. In this connection, the Committee enquired about the monitoring done in this case by the Deptt. of Economic Affairs to satisfy themselves of the bonafide utilisation of foreign currency paid to the producer, the Deptt. in the note stated:
 - "Actual release of foreign exchange by the authorised dealer was made only after receipt of the invoices received by NDTV and the release was restricted to the amount of invoice. However, with a view to satisfying itself with the foreign exchange released was being utilised, M/s NDTV were asked to furnish details of the foreign exchange utilised which they did as per the statement at flag 'B'."
- 48. The copy of the statement referred to above indicated the details of foreign exchange sanctioned (i.e. RBI permit number, date and amount in US dollars) and the total amount utilised. While the Ministry of Finance had indicated that the total amount in foreign currency sanctioned to the producer stood at US \$ 20,56,438, the Statement of utilisation showed the total amount sanctioned as US \$ 13,58,350.

49. Apprising the Committee about the role of the administrative Ministries in such cases and the role actually performed by Ministry of Information & Broadcasting in this case, the Department of Economic Affairs further stated:

"There were no specific guidelines under the exchange control regulations for release of foreign exchange for such purposes and each case is considered only on the recommendations of the Administrative Ministry. As such release of foreign exchange on each and every occasion to NDTV was done on the basis of the specific recommendations of the Ministry of I&B/Doordarshan and it was for that Ministry to satisfy itself whether release of foreign exchange to NDTV for a particular purpose was necessary or not."

- 50. Asked further whether the producer had met all the conditions attached to the release of foreign exchange and the instance of any of violation of Foreign Exchange Regulation, the Department of Economic Affairs in a note *inter alia* stated that no case of violation of the provisions of FERA, 1973 has so far been detected by the Enforcement Directorate and the RBI involving NDTV.
- 51. Based on an internal noting in the file, Audit informed the Committee that only three of the first 13 commissioned episodes contained footage of coverage in foreign countries while the others had only foreign film clips. It was also pointed out during evidence that the Doordarshan authorities had made adverse observations in the file in February, 1989 about the inadequate footages of coverages of foreign countries in the episodes of the programme. In this context, of the utilisation of foreign exchange in the programmes one officer had even recorded "He (the producer) is taking us for a ride". Against this background the Committee desired to know about the precise role, of the Ministry of Information & Broadcasting and Doordarshan in the matter of exercising control to verify the bonafide utilisation of foreign exchange paid to the producer, the Ministry of I&B in a post-evidence note stated:—

"Both in Doordarshan and in the Ministry, there was no information to the effect that the payment made in foreign exchange was not used for the purpose for which it was given. So long as the programme contains certain footage from abroad which Doordarshan certainly monitors on an episode basis, there is no further mechanism within DD to verify the use of foreign exchange."

52. It was further pointed out during evidence that the producer had not furnished details of account against the second instalment of foreign exchange payment of US \$1 lakh paid in October, 1989. In their post-evidence note, the Ministry furnished the details about the foreign exchange drawn and its subsequent utilisation by the producer during the period 25 November, 1988 to 16 February, 1990, as submitted to them by NDTV on 16 February, 1997. It is seen from the information that for the first 13 episodes (US \$8,250 per episode), total amount permitted was

\$107,250. For the next 39 episodes (US \$ 7700 per episode), total amount permitted was \$300,300. Thus according to NDTV, out of total amount of US\$407,550, drawn in foreign exchange, only \$161,083 had been actually utilised by them for 52 episodes.

Telecast of the Programme under commissioned category (5.3.1995 to 28.4.1996)

53. The Programme was shifted to commissioned category again in March, 1995 when asked to give the reasons for the same the Ministry stated that it was due to the fact that from January, 1995, the regular slot of 9.50 p.m. on Fridays on DD-I was not available for 'The World this Week' due to changes in the Fixed Point Chart. The slot was taken away on 5th March, 1995. An alternative slot of Sunday 10.30 p.m. which was non-prime time was allotted. M/s. NDTV represented against the late night slot. According to them, in view of the availability of foreign satellite channels in India, it would not have been possible for the programme to remain a financially viable proposition in the late night slot. According to the Ministry, since Doordarshan wanted to retain this programme on its channel, it agreed, with the approval of the then Director General, to consider commissioning the programme once again. The Programme continued in this category till its last episode was telecast on 28.4.1996. Asked further about the change in the time slot effected in the programme telecast, the Secretary, I&B stated:-

"When it was recommissioned, it was put on a different slot. The original slot was given to the feature film which is now earning about a crore of rupees."

54. When asked who is the competent authority to effect changes in the fixed Point Chart and about the norms followed in the exercise, the Ministry in a post-evidence note stated:—

"The competent authority is the Director General, Doordarshan. The changes in the Fixed Point Chart are made on account of programme exigencies from time to time. There are no specific norms available for this purpose."

55. The following table indicates total amount of revenue earned by Doordarshan from the programme 'The World This Week' telecast under commissioned/sponsored category during the entire period from 1988 to 1996.

Year	Earnings from Additional spots (in Rs.)	Earnings from sponsorship/ telecast fees (In Rs.)	Total (in Rs.)	
1	2	3	4	
1988-89	5,10,000	Nil	5,10,000	
1989-90	1,89,45,000	Nil	1,89,45,000	

1	2	3	4
1990-91	6,14,70,000	45,35,000	6,60,05,000
1991-92	8,14,50,000	38,40,000	8,52,90,000
1992-93	7,39,30,000	42,40,000	7,81,70,000
1993-94	3,03,25,000	45,60,000	3,48,85,000
1994-95	19,60,000	39,20,000	58,80,000
1995-96	2,62,500	50,000	3,12,500
Total	26,88,52,500	2,11,45,000	28,99,97,500

56. On being asked whether the change in the programme to commissioned category in March 1995 was effected due to the fall in viewership possibly because of the options available to the viewers as a result of the expansion in the satellite television network, the Ministry in a note furnished after evidence replied in negative.

Other Programmes by the same Producer

57. During evidence, the Committee enquired about the other programme produced by NDTV and telecast by Doordarshan at some depth. They were informed that in addition to the programme 'The World This Week', the other programmes produced by NDTV for Doordarshan mainly included 'Good Morning India,' 'Vote on Account', 'Election (May 96)', 'Union Budget (July 96)', 'News Tonight', 'News Headlines' and 'Surkhiyan' (telecast on Channel DD-2). Apart from these programmes, the same producer supplied news capsule to Doordarshan under the Programme 'South Asia News Capsule' and undertook production of another programme 'Today', which was essentially a repackaged version of the programme 'News Tonight'. At the instance of the Committee, the Ministry also furnished original files/documents in respect of the Programmes, 'South Asia News Capsule' and 'Today'. Some of the point arising out of the scrutiny of the Committee in this regard are dealt within the succeeding paragraphs.

News Tonight

- 58. According to the Ministry, the programme 'The News Tonight' was approved in February 1995. It was a programme of 20 Minutes duration telecast under sponsored category with effect from 22 February, 1995 from 7.40 p.m. to 8.00 p.m. in 'A-Special' category on DD-II. The sponsorship fee for the programme was Rs.35,000/- per episode and FCT given to the producer was 315 seconds.
- 59. During evidence, the representative of the Ministry informed the Committee that certain concessions were given to the producer in terms of sponsorship fee and FCT in respect of the telecast of this programme. In this context, the Committee desired to know about the precise concessions

extended to the producer, the considerations for the same and at what level those were approved. The Ministry in a post-evidence note stated:—

"In terms of relevant Rate Card the commercial terms for news and Current Affairs Programme in 'A-Special' were following:

(a) Telecast fee: Rs.50,000/-per 30 mts.

(b) FCT : 180 seconds

In the meantime a new Rate Card was formulated which was to come into effect from 1st April, 1995. Under this Rate Card, the telecast fee and FCT for news-based programmes (which fall under non-Hindi serials category) were fixed at Rs.35,000/- and 210 seconds respectively. The producer requested that the new Rate Card should be made effective retrospectively from 22nd February 1995, the day the programme 'The News Tonight' started. The request of the producer was agreed to with the approval of DG and the following commercial terms were fixed for 'The News Tonight' from 22nd February, 1995:—

(a) Telecast fee: Rs.35,000/-per 30 mts. programme

(b) FCT : 210 seconds

The programme was later shifted to 9.30 P.M. from 5th June, 1995 and the above referred commercial terms were applied. From 17th July, 1995, the programme was allotted at 10.00 p.m. and the duration was increased to 30 minutes.

As the programme was shifted again, the producer desired an increase in FCT and after the approval of the then DG, 'The News Tonight' was granted FCT of 315 seconds from 17th July, 1995. The telecast fee remained the same i.e. Rs.35000/-."

- 60. The Committee were also informed during evidence that since the producer insisted on doing a similar programme on Star TV, Doordarshan had no option but to withdraw the programme. They were also informed that the decision to discontinue telecast of 'News Tonight' with effect from 21 October, 1996 was taken with the approval of the Director General, Doordarshan.
- 61. A scrutiny of the Files of the Ministry/Doordarshan and subsequent information furnished by the Ministry in respect of the programmes 'South Asia News Capsule' and 'Today' revealed the following:

'South Asia News Capsule'

 Doordarshan got two offers for South Asia News Capsule, one from NDTV and the other one form ANI.

- The following terms were indicated by NDTV in its proposal dated 2 January, 1995 for providing the news capsules to Doordarshan on a daily basis (five days a week):
- Scheme A:— NDTV would provide this capsule in lieu of 60 seconds FCT before the Hindi and English news or in the mid-programme insertions. Commercial revenue in excess of Rs. 66,000/ would be shared between Doordarshan and NDTV on a 50:50 basis. No reimbursement to NDTV in case the revenue was less than Rs. 66,000/-
- Scheme B:— NDTV would provide this news capsule at a fee of Rs. 76000/- per day. These rates were for a minimum six months contract with Doordarshan and NDTV jointly and or separately holding the right of the stories used in the news capsule. The Hindi dubbing of these news capsules was to be done by Doordarshan itself.
 - ANI had offered news coverage from Bangladesh, Nepal, Sri Lanka, Maldives and Bhutan. They had stated that cost would work out to Rs. 60,000/- per story.
 - Both the proposals were processed initially in Doordarshan on 31 March 1995. While processing, it was suggested to accept the proposal from NDTV on the consideration of NDTV's news capsules of being high quality compared to that of ANI and the financial estimates of NDTV as at Scheme "A" appeared more attractive than ANI at that stage.
 - Doordarshan did not take any decision on the file about the two proposals and options suggested by NDTV. However, Doordarshan started receiving these capsules from 19.1.1995. This arrangement continued till 30.11.1995. Thus, in all 219 such capsules were provided to Doordarshan by NDTV. There is no evidence of any agreement/MoU with NDTV or any formal communication with them.
 - The rate at which payment was to be made to NDTV for this capsule was not settled before Doordarshan started using the same. A perusal of the relevant file suggests that the costing done by the News Wing in May, 1995, for this capsule arrived at a figure of Rs. 51,750- per episode. Thereafter, a note was initiated to obtain the approval of the Costing Committee for making payments to NDTV at the rate of Rs. 50,000- per capsule. No decision appears to have been taken on this recommendation then.

- NDTV claimed payment for Rs. 1.76 erores at the rate of Rs. 81,000- per capsule for the period 19 January, 1995 to 30 November, 1995 on the ostensible ground that this figure had been agreed to by the then OSD (News), Smt. Bimla Bhalla. A summary sheet on the file containing the details of the outstanding amounts for different programmes including the amount mentioned above received from NDTV carries a notation by the then DG suggesting that this claim of NDTV should be honoured. ("If it is fully capsuled, we may honour this commitment") The file submitted to the Committee also did not contain the original copy of the document where the then DG, Doordarshan had made the said notation. The file also did not contain any record to show that the then OSD (news) had approved payment to NDTV at the rate of Rs. 81,000/per capsulc.
- Doordarshan forwarded it for the sanction of the Ministry in April 1996 since according to them the amount was beyond their delegated power of Rs. 25 lakhs. The Ministry asked Doordarshan to explain how the programme was telecast for so long without approval. However, Doordarshan did not respond to the Ministry for about eight months and decided to place the matter before its Costing Committee which had estimated its production cost at Rs. 51,750 per episode.
- Subsequently, in January, 1997, the post-facto approval of the Costing Committee was obtained for making payments to NDTV at the rate of Rs. 50,000/- (for a total payment of Rs. 1,09,50,000/-) per capsule for 219 capsules.
- According to the Ministry, no payment has, however, yet been made to NDTV.

Today'

- The programme 'Today' which was essentially a repackaged version of the programme 'News Tonight' being telecast then on the DD2 channel, was scheduled for telecast on the DD-CNN channel, Tuesday to Saturday, starting 1st July, 1995. The programme continued to be telecast on this channel till 14th August, 1996.
- The telecast of the programme was started before the terms of the same were settled between Doordarshan and the producer, NDTV. The latter had in June, 1995 indicated an estimated cost of the said programme as Rs. 1.25 lakhs per day. The then DG on a subsequent

letter received from NDTV agreed in September, 1995, to pay Rs. 20,000, inter-alia, for this programme. Subsequently, the file contains another noting of the then DG dated 16.10.1995 on another letter received from NDTV indicating an increased amount of Rs. 50,000 per bulletin w.e.f. the start of 8.30 a.m. bulletin of CNN. Here also, the file submitted to the Committee did not contain the original copy of the document where the then DG had made the observation.

- Doordarshan issued a sanction for payment amounting to Rs. 28.20 lakhs for 87 episodes of this programme in April, 1996; 51 episodes at the rate of Rs. 20,000 per episode and 36 episodes at the rate of Rs. 50,000 per episode.
- Subsequently, in December, 1996 it was decided by the Costing Committee that discussions may be held with NDTV to make them agree to accept payment for this programme for its entire duration at the rate Rs. 20,000 per episode. This negotiation took place on January, 1997, when NDTV reiterated their demand that they will be paid at the rate of Rs. 50,000 per episode from the 52nd episode of the programme.
- The approval of the DG for making payment at the rate of Rs. 50,000 per episode from the 52nd episode onward was obtained in January, 1997. No payments have, however, been made to NDTV in pursuance of this approval so far.

Letter from NDTV

62. During the course of examination of the Audit paragraph, a letter dated 6 February, 1997 was received from NDTV addressed to the Chairman and Members of the Public Accounts Committee. The company in its letter charged Doordarshan inter-alia with non-response by Doordarshan to Audit paragraph, failure to apprise the Committee about Doordarshan's affidavit filed in the Delhi High Court defending their stance in respect of the programme, 'The World This Week', failure to inform the Committee about an identical precedent ('Ramavana'), failure to point out that 'The World This Week' was the only programme among other programmes at 10.00 p.m. where sponsorship category was changed, the increase in revenue to Doordarshan on account of their programme. Doordarshan having adopted an antagonistic approach towards NDTV, delay in settlement of dues, resorting to selective pre-mature leakage of PAC proceedings etc. The Committee obtained comments from the Ministry of Information & Broadcasting on all the points raised by NDTV. Since the Ministry had defended the action in the case under examination, there was not much of contradiction in the version of Doordarshan and

NDTV. However, the Ministry denied the analogy drawn between 'The World This Week' and 'Ramayana'. As regards settlement of dues, the Ministry inter-alia stated:—

"The matter regarding settlement of the amount due for 'News Hours' has not yet been finalised since Doordarshan's file on the subject is with CBI".

"The matter relating to outstanding dues to NDTV in respect of various programmes is being settled after obtaining proper post-facto concurrence/approval of the competent authority which in terms of the facts on the file had not been obtained before these commitments were made to NDTV".

63. Denying their role in leakage of information to the press, the Ministry stated:—

"In fact, the position is that the signatory of NDTV's letter has been quoted in the press casting unfounded aspersions on the Director General of Doordarshan."

64. The Committee desired to know the volume of business, NDTV had with Doordarshan. In a note furnished after evidence, the Ministry stated (As on 31 March 1997):—

"These details are being ascertained and will be supplied separately."

65. When asked whether any other producer has been paid as much as NDTV, the Ministry in another note submitted after evidence replied:—

"No Sir".

66. The Committee enquired whether microwave and satellite uplinking facilities were provided to NDTV and whether Doordarshan raised bills against the same. The Director General, Doordarshan stated:

"We have now raised, but not on microwave linking facility......For satellite uplinking, we have nothing on record."

67. Asked whether any charges were raised towards microwave linking facility, the witness replied in negative. On being further asked whether any other programme had been given the microwave linking facility, the witness replied:

"Normally, No."

To a question whether the facility of microwave uplinking was extended to any sponsored or commissioned programme without payment, the Director General, Doordarshan stated:

Policy Parameters for Outside Production Doordarshan

- 68. Apart from the subjects de lt with in this Report, the Report of the C&AG of India for the year ended 31 March, 1995 (No. 2 of 1996), Union Government (Civil) also reveals the other cases viz. Para 3.6—"Loss due to injudicious contract" and para 3.12—"Acceptance of sub-standard serial", highlighting alleged irregularities in the programme produced by outside producers for Doordarshan.
- .69. In this context, the Committee enquired about the steps contemplated by the Ministry in the policy parameters as codified in the Guidelines of Doordarshan/for outside production with a view to eliminating chances of arbitrariness/favouritism as appeared to have been made in some cases. In a post-evidence note, the Ministry stated that efforts were under way to examine whether any such guidelines could be issued.

Response to Audit

70. The Committee were informed that as per the existing instructions, the Ministries/Departments are required to furnish reply to the Draft Paragraphs which are forwarded to the Secretary through a demi-official letter, within six weeks. The Audit paragraph under examination was referred to the Ministry of Information & Broadcasting in October, 1995. The Ministry did not furnish requisite replies to Audit. Asked about the inadequate response to Audit, the Ministry in a note stated:—

"It is respectfully submitted that we are doing our very best to cull out the information being asked for and in the meanwhile, care has been taken to see that these matters are handled with the utmost urgency and information sought for is replied to immediately."

- 71. Doordarshan accepts proposals of Programmes from outside producers/directors under two categories, namely, "Commissioned" and "Sponsored". While the Commissioned programmes are funded by Doordarshan, the sponsored ones are financed by the sponsor/producers. With a view to streamlining the procedures for consideration, processing and approval of proposals received from outside producers/directors for telecast of programmes, Government have codified policy parameters in the form of 'Guidelines' laid down separately in respect of programmes under both the categories. The issues arising out of outside production particularly under commissioned category were examined and commented upon by the Public Accounts Committee in their 57th and 106th Reports (10th Lok Sabha). In fact, guidelines were issued for the first time for commissioned programmes in 1992 as a result of the examination of subject by the Committee.
- 72. The Committee note that the programme 'The World This Week' produced by New Delhi Television Ltd. (NDTV) was telecast in Doordarshan from 25 November, 1988 to 28 April, 1996 both under

commissioned and sponsored categories and 291 episode in all were telecast during the period. The programme was initially telecast under commissioned category from 25 November, 1988 till 16 February, 1990 for 52 episodes. Subsequently, the programme was telecast under sponsored category from 16 February, 1990 till 5 March, 1995 for 186 episodes. Thereafter, the Programme was again converted back to commissioned category and was telecast from 5 March, 1995 to 28 April, 1996 for 53 episodes. The Audit Paragraph and further examination of the subject by the Committee, have revealed several disquieting aspects in the application of the Guidelines laid down for outside production of programmes in Doordarshan.

73. For the telecast of sponsored programme, the sponsor pays to Doordarshan such telecast fee as prescribed from time to time in Doordarshan's Rate Card on the basis of categorisation of a programme. The programmes have been categorised under 'Super A Special'. 'A-special', 'A', 'B' etc., in the Rate Card depending upon the time, day, nature etc., of programme sought to be telecast and other relevant considerations. Sponsor is entitled to utilise free of cost such period of time (known as FCT) as specified in Doordarshan's Rate Card for each category of programme. Doordarshan is also entitled to telecast commercial spot advertisement of products/service other than those of the sponsor of the programme (known as spot-buy). As per Doordarshan's Rate Card, the category of sponsorship fee. FCT and spot-buy should be uniform. The Committee note that the programme 'The World This Week' was initially approved for 52 episodes under commissioned category after which it was decided to convert it as a sponsored programme under category 'A' in January 1990. Later, Doordarshan decided in April 1990 to upgrade it to category 'A-Special' with effect from 1 June, 1990 taking into account the popularity of the Programme. But the producer reportedly did not agree to it. Surprisingly, even as the categorisation of the programme continued at lower category 'A' for telecast fee and FCT, Doordarshan changed the spot buy rate to those applicable to 'A-Special' with effect from 1 June, 1990. Thus, by keeping the programme under category 'A' for telecast fee and FCT, Doordarshan charged lower rate of telecast fee and allowed extra free commercial time to the producer which would not have been available after re-categorisation of the programme from 'A' to "A-Special".

74. This unusual categorisation which was neither based on the guidelines/rules laid down nor without any comparable precedent was sought to be explained by the Ministry of Information & Broadcasting (I&B) in the absence of relevant records as a "commercial decision" taken by the then Director General of Doordarshan in an aggressive marketing scenario. The Committee during their course of examination found that in terms of the delegation of financial and administrative powers by the Ministry to the Director General, the powers are to be exercised by the Director General, Doordarshan in consultation with the Internal Financial

Adviser. Unfortunately, these provisions were given a go-by and the decision to place the programme in 'A' category for purposes of sponsorship fee/FCT and in 'A-Special' category for spot-buys was initially taken by the then Director General without consulting the Internal Financial Adviser. The Committee, therefore, regret to conclude that such a decision by the then Director General, Doordarshan was not only imprudent in terms of the financial interests of Doordarshan and its overall policy parameters but also violative of the procedures prescribed in the application of the delegated financial and administrative powers.

75. The Committee further note that Rules empower Doordarshan to change the category of any sponsored programme irrespective of the telecast time by giving 30 days' notice. However, in the case of 'The World This Week', though a formal letter was issued on 24 May, 1990 proposing to upgrade the category, Doordarshan did not enforce this clause for no reasons clear to the Committee. On the contrary, the programme was allowed to be continued under category 'A' while the viewership survey justified higher categorisation. On the failure of Doordarshan in enforcing conversion of the programme into a higher category, the Ministry contended that the option was either to terminate the contract with the producer and lose all revenue, or compromise by way of minor concession to the producer and continue a popular programme of quality in current affairs. The later option was stated to have been chosen. Strangely enough, Doordarshan did not invite any offer from outside producers nor was any evidence produced before the Committee of having attempted to explore suitable alternative programme for the slot from the market particularly in the wake of the obstinate attitude stated to have been shown by the producer. Pertinently, during the last five years, this was a unique case in which Doordarshan applied differential rates in terms of the Rate Card giving the benefit of lower sponsorship fee and higher FCT to the producer, while at the same time selling the spot-buy commercial time at a higher category rate. In the circumstances, the Committee are not convinced at all of the compulsions of Doordarshan to continue the programme in a lower sponsorship category. On the other hand, they are inclined to conclude that the producer of the programme was unusually favoured in the instant case.

76. What is further disquieting to note is the fact that after June 1990 no worthwhile efforts were made by Doordarshan to enforce upgraded categorisation of the programme. During evidence, the Secretary, Ministry of Information and Broadcasting admitted that attempts to upgrade the programme made in 1990 were dropped as the producer was not agreeable. Curiously enough, this seems to have been inexplicably ignored even afterwards while extension was granted for the telecast of the programme. The records made available to the Committee indicated that an exercise to upgrade the programme was subsequently pursued in June 1992 only. No plausible explanation was offered by the Ministry for their inaction in the interregnum. The Committee are dismayed over the gross negligence on the

part of the authorities concerned in over-looking the wider revenue considerations of Doordarshan.

77. During examination, the Ministry stated that they had concurred in the decision to retain the programme under lower category in October 1992. However, the examination of the subject by the Committee revealed otherwise. They find that on 11 June, 1992, while proposing yet another extension, the then Director General, Doordarshan sent a note to the Secretary, Ministry of I&B suggesting upgradation of the programme to 'A-Special' and to give additional FCT to the producer. On 7 August, 1992, while intimating approval for further episodes of the programme, the Ministry also approved the proposal of the Director General to elevate the status of the programme to 'A-Special', but decided against the proposal to give additional FCT to the producer. Accordingly, on 16 September, 1992 the Director General while conveying approval for another 26 episodes to the producer also communicated that the programme was categorised as 'A-special' without any additional FCT. Responding to the same, the producer in his letter dated 22 September, 1992, addressed to the then Director General, Doordarshan, represented against the decision to upgrade the programme to 'A-Special'.

78. The Committee have been informed that pursuant to the representation made by the producer, a meeting was held in the Ministry on 24 September, 1992 in which Secretary, Ministry of I&B, Additional Secretary & Financial Adviser of the Ministry, the then DG, Doordarshan and the representative of the producer were present. What precisely transpired in the meeting was not intimated to the Committee. However, they found that on 14 October, 1992 DG, Doordarshan wrote a letter to the Additional Secretary & Financial Adviser in the Ministry giving reference to the meeting held on 24 September, 1992. In his letter, among other things, the DG mentioned that the entire issue was comprehensively examined by the Directorate in the light of the discussions held in the Ministry by the representative of the producer. In the same letter he proposed the following categorisation of 'The World This Week' and sought early decision of the Ministry in this regard.

- (a) Status quo be maintained with sponsorship continuing in 'A' category as it was in the past.
- (b) Doordarshan receive extra telecast fee by charging Rs. 1,60,000/- for the 'A' category rate for one hour slot.

Significantly, the above proposal of Director General was precisely what the producer had desired in his representation.

79. While processing the proposal in the Ministry, it was observed that since categorisation of various programmes was done by the DG, Doordarshan and in his commercial judgement, the category of this programme might remain as 'A', the Ministry had no objection in the matter. Insofar as the duration of the programme was concerned, the

Ministry observed that there was no case for agreeing to make it a one hour programme especially when it was only an extension. It was, therefore, decided that the duration of the programme might be maintained at the existing level, i.e. 45 minutes for non-Parliament days and 30 minutes for Parliament days. Accordingly, the decision of the Ministry to retain the programme in 'A' category without changing the existing duration of the programme was conveyed to Doordarshan. From the sequence of events recounted above, it is abundantly clear that the decision taken in October 1992 to retain the programme under lower category on the request of the producer was not concurred in by the Ministry, but was rather taken at the instance of the Ministry. The Committee, therefore, cannot but conclude that in the instant case, the Ministry unwarrantedly interfered in the decision making process of Doordarshan.

80. The Committee were informed that Director General, Doordarshan, had been given the entire financial powers of the Ministry enabling him to take decision on financial matters. During examination, the Ministry repeatedly harped on the point that Director General and other officers in Doordarshan make commercial judgements from time to time keeping in view the market scenario and that in the decision making in the cases, as the one under examination, the Ministry do not get into such matters unless Doordarshan required their guidance or advice. The Committee are, however, unable to accept this contention considering the manner in which the decision for retention of the programme, 'The World This Week' in the lower sponsorship category was simply forced on the Doordarshan by the Ministry. Pertinently, according to the Ministry, no reference of similar nature appeared to have been made to the Ministry during the relevant period. Keeping in view the manner in which the whole issue relating to the programme, 'The World This Week' was dealt with, the role of the authorities concerned in the Ministry, in the present case, cast doubts in the mind of the Committee.

81. The Committee are shocked to note that the files containing the chronological development of events relating to the decision to retain the programme in 'A' category are currently not traceable in Doordarshan. In the absence of the same, the Committee were unable to examine the matter in all its ramifications. It is intriguing to note that the files which were earlier made available to Audit were subsequently found missing. As regards efforts made to trace those files, the Ministry merely stated that a circular was issued on 14 July 1995 in Doordarshan in this regard. But to the utter surprise of the Committee, no follow-up action was taken thereafter to locate those files. This speaks volumes of the callous attitude of the authorities in Doordarshan, which is greatly deplorable. The Committee desire that the loss of files should be thoroughly inquired into and responsibility fixed for the lapses. Doordarshan/ Ministry should also take suitable steps to improve their

system of records so as to check recurrence of such cases. The Committee would like to be informed of the action taken in the whole matter.

- 82. The Committee are perturbed to note that retention of the programme 'The World This Week' under category 'A' inspite of it being fit enough to be categorised as 'A-Special' resulted not only in realisation of lower sponsorship fee to Doordarshap but also extended undue favour to the producer in terms of availment of more free commercial time, which was not otherwise available. Lamentably, in the entire process, Doordarshan suffered an estimated loss amounting to about Rs. 4.78 crores in terms of the actual duration of each episode from the date of partial conversion of the programme to 5 March 1995. It is incredible and yet true that the recurring loss of revenue to Doordarshan on this count did not, at any stage, engage the specific attention of the authorities concerned while granting repeated extensions to the programme. Significantly, extensions were accorded to the programme on six occasions. The Ministry contended that by raising the spot-buy rate, Doordarshan benefitted to a large extent through earnings, as revenue earned through spot-buys at 'A-Special' rate were retained by Doordarshan. The Committee are not convinced with this explanation and are of the firm view that it is an abrasive attempt to gloss over the loss which Doordarshan actually suffered because of not enforcing the upgradation of the category of the programme itself from 'A-Special'.
- 83. Another area where the Committee came across certain disturbing facts was in respect of the facilities extended to the producer in the instant case. The Committee have been informed that the producer was given access to vis-news footage which was being received by Doordarshan Kendra at Bombay and also the recording. As regards terms and conditions for providing such facilities to the producer, the Ministry stated that there appeared to be an informal understanding between Doordarshan and NDTV for a mutual exchange of footage free of cost. However, according to them, no records could be traced to that effect. The Committee were informed that as per records, there was no prescribed amount recoverable from the producer for the facilities extended to him. However, the Committee's examination of certain documents made available to them by Audit revealed that though the producer was free to use vis-news footage, he was required to pay technical charges to Doordarshan. No bill was stated to have been raised on that count till then. Since relevant information on this score was not made available to the Committee, they were unable to appreciate the further action taken in this regard.
- 84. The Committee further note that during the period when the programme was under commissioned category, the producer, as per mutual understanding, was extended the facilities of vis-news, but when the programme was brought under sponsored category, the same were withdrawn. Amazingly, the Committee's examination revealed that the facilities were actually withdrawn only from 29 March, 1993 i.e. after the programme was telecast for more than three years under sponsored

category. The Committee deprecate the patent failure of authorities whereby the producer was allowed to continue utilisation of the facilities at the cost of Doordarshan even after the programme was changed to the sponsored category. They desire that responsibility should be fixed for the lapses. The Committee also desire that in the current environment where outside production of programmes has gone up manifold, it is necessary for Doordarshan to strengthen their machinery for properly monitoring th use of their infrastructure by private produders with a view to adequately safeguarding the interests of Doordarshan.

85. The Committee were informed by the Ministry of Finance (Department of Economic Affairs) (DEA) during the course of examination that an amount of US\$ 20.56 lakhs was sanctioned during 1988-1996 for the production of the programme. Although they were not apprised of the precise extent of utilisation of foreign exchange by the producer against the sanctioned amount mentioned above, the Committee's examination revealed certain unsatisfactory aspects arising out of sanction and utilisation of foreign exchange in such cases. During examination, the Ministry of I&B stated that the release of foreign exchange in favour of the programme to the producer was done after 16 November 1989 by the DEA on the basis of extension in the number of episodes by the Ministry of I&B and on satisfaction of the bonafide utilisation of earlier releases. They also stated that since the DEA were directly monitoring and satisfying themselves on the issue of actual utilisation of foreign exchange released, the Ministry of I&B were not required to create any monitoring mechanism for this purpose. However, the DEA maintained that foreign exchange was released on each and every occasion to NDTV on the basis of the specific recommendations of the Ministry of I&B/Doordarshan and it was for the administrative Ministry to satisfy themselves whether the release of foreign exchange to NDTV for a particular purpose was necessary or not. While stating that misutilisation of foreign exchange, if any, will be taken care of by the provisions of Foreign Exchange Regulation Act (FERA), the DEA, however, admitted that there were no specific guidelines under the exchange control regulations for release of foreign exchange for such purposes and each case is considered only on the recommendations of the administrative Ministry. The ambiguity evident in the positions expressed by the two different Ministries concerned clearly establishes that the present system of sanction of foreign exchange and monitoring of its utilisation in the type of cases under examination leaves a lot to be desired. The Committee. therefore, recommend that Government should seriously address to this issue and take appropriate measures with a view to ensuring that the scarce foreign exchange resources of the country are appropriately utilised for bonafide purposes only.

86. The Committee's examination of some of the copies of the documents supplied to them by audit revealed that the extent of footage of coverages of foreign countries in the episodes of the programme received for telecast was

unsatisfactory in terms of the foreign exchange sanctioned/released for the purpose. The Committee's scrutiny also revealed that this was observed by none other than the Doordarshan authorities themselves as far back as in February 1989. It was, therefore, imperative for Doordarshan to ensure that the foreign exchange sanctioned/released for the programme particularly at a time when the country was reeling under the foreign exchange crisis, had been appropriately utilised by the producer. The Committee are however, surprised to note that despite their own observations referred to above, no action was taken by authorities in Doordarshan/Ministry for more than eight years to obtain the details of utilisation of foreign exchange released during 1988-89. It was only after the matter was pointed out by the Committee during evidence that the Ministry took up the matter with the producer so as to obtain the requisite statements/vouchers. Further, a perusal of the copy of the statement obtained by the DEA from the producer and furnished to the Committee also revealed that it mentioned only about the amount released and the total amount spent there against without any other details. There were also discrepancies in the figures of the total amount of foreign exchange sanctioned as indicated in the statement vis-a-vis the note furnished by the DEA. in view of these facts, the Committee are convinced that the actual utilisation of foreign exchange by the producer in connection with the production of the programme "The World This Week" needs to be further looked into in order to ensure that the same had been spent for the purpose for which it was sanctioned/released.

87. The Producer of 'The World This Week' maintained that due to the superiority in the quality of their programme, Doordarshan were able to enhance their viewership and earnings. While the quality of the programme is not disputed, it is evident from the foregoing paragraphs that the treatment of 'The World This Week' under sponsored category was beset with irregularities of varied nature. The initial decision of Doordarshan to categorise the programme in an unusual manner, in violation of all the norms in Doordarshan and its subsequent retention in the lower category which was also concurred in by the Ministry, raise serious doubts about the bonafide of the decisions taken. Further such a decision not only resulted in a loss of Rs. 4.78 crores to the exchequer but also helped extending favour to the producer in terms of lower sponsorship fee and availment of more free commercial time. Besides, the Committees examination also revealed irregularities in respect of the facilities extended to the producer and inadequacies in monitoring utilisation of massive amount of foreign exchange released in favour of the producer. Over and above, the original files pertaining to the programme 'The World This Week' could not be furnished by the Ministry on the ground that these were not traceable. Although, non-production of the relevant files adversely affected the examination of the subject to some extent, the Committee on the basis of the evidence available cannot but conclude that the producer was undoubtedly

given preferential treatment. The change of programme from commissioned to sponsores and vice versa effected in 1990 and 1995 respectively when viewed in the context of the trend of revenue from this programme (para 55 of this Report) gives an unmistaken impression that the intention was always to accommodate the producer under any circumstances. The Committee deplore this unfortunate state of affairs and recommend that in the light of the facts brought out in this Report, the whole matter regarding the telecast of the programme. 'The World This Week' in Doordarshan be entrusted to an appropriate Investigative Agency to be decided by the Cabinet Secretary for a thorough inquiry including loss of files. The Committee would like to be apprised of the action taken thereon within a period of six months.

- 88. What has further agitated the Committee is that the case under examination does not seem to be an isolated one where this producer was shown undue favour. The facts emerging from the information/documents made available to the Committee in respect of the programmes "News Tonight", "South Asia News Capsule" and "Today" have been briefly recorded in paras 58 to 61 of this Report. The nature of concession extended in respect of the programme "News Tonight" and the manner in which two other programmes, viz.. "South Asia News Capsule" and "Today" were allowed to be telecast by-passing all the rules and procedures are suggestive of the nebulous nexus which existed between certain authorities in Doordarshan and the producer. The Committee's examination further revealed that the producer was also extended the facilities of microwave and satellite uplinking without proper record and realisation of charges leviable. The Committee cannot but express their serious concern over this state of affairs in Doordarshan. They, therefore, recommend that all these cases should also be referred to the Investigative Agency for a thorough investigation alongwith the case of the programme "The World This Week", as recommended by the Committee in paragraph 87 of this Report with a view to finding out the elements responsible for violation of rules/norms/guidelines/procedures etc. besides having indulged undesirable tendencies and causing losses to the exchequer. The Committee would like to be informed of the results of the investigation and the conclusive action taken thereon in the matter within a period of six months.
- 89. The Committee find that apart from the subjects dealt with in this report, the Comptroller & Auditor General of India's Report No. 2 of 1996 also revealed certain other cases viz. paragraph 3.6 relating to "Loss due to injudicious contract" and paragraph 3.12 "Acceptance of sub-standard serial" highlighting alleged irregularities in the programmes produced by outside producers for Doordarshan. In view of these facts, the Committee are of the firm belief that the existing guidelines of Doordarshan for outside production particularly relating to selection of programme, categorisation etc. should be looked into further with a view to eliminating chances of arbitrariness/favouritism. The Ministry of I&B, subsequent to

evidence have informed the Committee that efforts in this direction were under way. The Committee desire that the exercise should be expedited by the Ministry keeping in view the general impression that an atmosphere of non-accountability had been prevailing persistently in Doordarshan so far as outside production of programmes was concerned. The review of the guidelines should also take into account the necessity for maintaining superiority in the quality of programmes produced/telecast by Doordarshan in the highly competitive environment in prevalance. The Committee would like to be apprised of the conclusive action taken in this regard.

90. The Committee regret to note that despite the serious nature of the issues involved, the Ministry of I&B did not bother to respond to the draft audit paragraph under examination which was forwarded directly to the then Secretary of the Ministry by the Office of the C&AG in October, 1995 with a request to send his reply within the stipulated time of six weeks. This further reinforces the impression to the Committee about the culture of non-accountability prevalent in the Ministry of I&B. The Committee take a serious view of this and desire that this situation should be rectified forthwith.

 DR. MURLI MANOHAR JOSHI, Chairman, Public Accounts Committee.

APPENDIX I

PARAGRAPH 3.5 OF THE REPORT OF C&AG OF INDIA FOR THE YEAR ENDED 31st MARCH, 1995, No. 2 OF 1996, UNION GOVERNMENT (CIVIL) RELATING TO LOWER CATEGORISATION LEADING TO LOSS OF Rs. 352.30 LAKH

Doordarshan accepts proposals of TV programmes from outside producers/directors under 'Commissioned Category' and 'Sponsored Category' Commissioned programme are funded by Doordarshan whereas the sponsored programme are financed by the Sponsor/Producers.

For the telecast of sponsored programme, the sponsor pays to Doordarshan such telecast fee as prescribed from time to time in Doordarshan's Rate Card on the basis of categorisation of a programme. Sponsor is entitled to utilise 'free of cost' such period of time as specified in Doordarshan's Rate Card for each category of programme. Doordarshan is also entitled to telecast commercial spot advertisement of products/service other than those of the sponsor of the programme.

Rules also provide that the category of a running programme irrespective of the telecast time can be changed by giving 30 days notice and also before the telecast of the first episode after the extension of a serial.

Test check of records in Doordarshan revealed that the programme 'The World This Week' was approved for 52 episodes under sponsored category in November, 1989. The programme started from 16 February, 1990. The duration of the programme was 45 minutes for non-Parliament days and 30 minutes for Parliament days. The Programme was categorised as 'A'. Taking into consideration the viewership of the programme and the long waiting for spot ads, it was, however, decided in April, 1990, to recategorise the programme as 'A-Special' with effect from 1 June, 1990. But the producer did not agree to it though Doordarshan had a right to change the categorisation by giving 30 days notice. Doordarshan changed the spotbuy rate to those applicable to 'A-Special' with effect from 1 June, 1990 while the categorisation of the programmes/sponsorship fee continued as lower category 'A'.

As per Doordarshan's Rate Card, the category of sponsorship fee, free commercial time (FCT) and spot buy should be matching and uniform. By keeping the programme under lower category for telecast fee and FCT Doordarshan had charged lower rate of telecast fee and had allowed 30 seconds extra time as FCT in each episode of 30 minutes which was not

available after re-categorisation from 'A' to 'A special'. Doordarshan did not insist on categorisation to 'A Special' even while granting further extensions and allowed extension of the programme in February, 1991, December, 1991, September, 1992, May, 1993 and December, 1993 in 'A' category for telecast fee and FCT while spot buy rates continued as 'A Special'. Till December, 1993, 144 episodes under Sponsored scheme were telecast. Keeping the different categories of telecast fee, FCT and spot buy, Doordarshan had suffered a loss of Rs. 127.20 lakh on account of sponsorship fee being the difference of fee between 'A' and 'A-Special' categories and Rs 225.10 lakh on account of 30 seconds extra FCT allowed per episode. This aggregated the total loss to Rs 352.30 lakh. The loss would be higher as some of the programmes were of duration of 45 minutes for which the telecast fee was to increase proportionately, the break-up of which was not furnished.

The matter was referred to the Ministry in October, 1995; their reply was awaited as of December, 1995.

APPENDIX II

Conclusions and Recommendations

SI. No.	Para No.	Ministry/ Deptt. Concerned	Conclusions/Recommendations	
1	2	3	4	
1.	71	&	Doordarshan accepts proposals of Programmes from outside producers/directors under two categories, namely, "Commissioned" and "Sponsored". While the Commissioned programmes are funded by Doordarshan, the sponsored ones are financed by the sponsor/producers. With a view to streamlining the producers for consideration, processing and approval of proposals received from outside producers/directors for telecast of programmes, Government have codified policy parameters in the form of 'Guidelines' laid down separately in respect of programmes under both the categories. The issues arising out of outside production particularly under commissioned category were examined and commented upon by the Public Accounts Committee in their 57th and 106th Reports (10th Lok Sabha). In fact, guidelines were issued for the first time for commissioned programmes in 1992 as a result of the examination of the subject by the Committee.	
2.	72	-do-	The Committee note that the programme 'The World This Week' produced by New Delhi Television Ltd. (NDTV) was telecast in Doordarshan from 25 November, 1988 to 28 April 1996 both under Commissioned and sponsored categories and 291 episodes in all were telecast during the period. The programme was initially telecast under commissioned category from 25 November, 1988 till	

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February, 1990 16 for 52 episodes. Subsequently, the programme was telecast under sponsored; category from 16 February, 1990 till 5 March, 1995 for 186 episodes. Thereafter, the Programme was again converted back to commissioned category and was telecast from 5 March, 1995 to 28 April, 1996 for 53 episodes. The Audit Paragraph and further examination of the subject by the Committee, have revealed several disquieting aspects in the application of the Guidelines laid down for outside production of programmes in Doordarshan.

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3. 73 Ministry of For the telecast of sponsored programme, the Information sponsor pays to Doordarshan such telecast fee & as prescribed from time to time in Broadcasting Doordarshan's Rate Card on the basis of

prescribed from time Broadcasting Doordarshan's Rate Card on the basis of categorisation of programme. а programmes have been categorised 'Super A Special'. 'A-special', 'A', 'B' etc., in the Rate Card depending upon the time, day, nature etc., of programme sought to be telecast and other relevant considerations. Sponsor is entitled to utilise free of cost such period of (known as FCT) as specified Doordarshan's Rate Card for each category of programme. Doordarshan is also entitled to telecast commercial spot advertisement products/service other than those of the sponsor of the programme (known as spot-buy). As per Doordarshan's Rate Card, the category of sponsorship fee, FCT and spot-buy should be uniform. The Committee note that programme 'The World This Week' was initially approved for 52 episodes under commissioned category after which it was decided to convert it as a sponsored programme under category 'A' in January 1990. Later, Doordarshan decided in April 1990 to upgrade it to category 'A-Special' with effect from 1 June, 1990 taking into account the popularity of the Programme. But the producer reportedly did not agree to it. Surprisingly, even as the categorisation of the

programme continued at lower category 'A' for telecast fee and FCT, Doordarshan changed the spot buy rate to those applicable to 'A-Special' with effect from 1 June, 1990. Thus, by keeping the programme under category 'A' for telecast fee and FCT, Doordarshan charged lower rate of telecast fee and allowed extra free commercial time to the producer which would not have been available after re-categorisation of the programme from 'A' to "A-Special".

4. 74 Ministry of This unusual categorisation which was neither Information based on the guidelines/rules laid down nor without any comparable precedent was sought Broadcasting to be explained by the Ministry of Information

& Broadcasting (I&B) in the absence of relevant records as a "commercial decision" taken by the then Director General Doordarshan in an aggressive marketing scenario. The Committee during their course of terms of the examination found that in delegation of financial and administrative powers by the Ministry to the Director General, the powers are to be exercised by the Director General. Doordarshan in consultation with the Internal Financial Adviser, Unfortunately, these provisions were given a go-by and the decision to place the programme in 'A' category for purposes of sponsorship fee/FCT and in 'A-Special' category for spot-buys was initially taken by the then Director General without consulting the Internal Financial Adviser. The Committee, therefore, regret to conclude that such a decision by the then Director General, Doordarshan was not only imprudent in terms of the financial interests of Doordarshan and its overall policy parameters but also violative of the procedures prescribed in the application of the delegated financial and administrative powers.

5. 75 -do- The Committee further note that Rules empower Doordarshan to change the category of any sponsored programme irrespective of the

time by giving 30 telecast days' notice. However, in the case of 'The World This Week', though a formal letter was issued on 24 May 1990 proposing to upgrade the category. Doordarshan did not enforce this clause for no reasons clear to the Committee. On the contrary, the programme was allowed to be continued under category 'A' while viewership survey justified higher categorisation. On the failure of Doordarshan in enforcing conversion of the programme into a higher category, the Ministry contended that the option was either to terminate the contract with the producer and lose all revenue. compromise by way of minor concession to the producer and continue a popular programme of quality in current affairs. The later option was stated to have been chosen. Strangely enough, Doordarshan did not invite any offer from outside producers nor was any evidence produced before the Committee of having attempted to explore suitable alternative programme for the slot from the market particularly in the wake of the obstinate attitude stated to have been shown by the producer. Pertinently, during the last five years, this was a unique case in which Doordarshan applied differential rates in terms of the Rate Card giving the benefit of lower sponsorship fee and higher FCT to the producer, while at the same time selling the spot-buy commercial time at a higher category rate. In the circumstances, the Committee are not convinced at all of the compulsions of Doordarshan to continue the programme in a lower sponsorship category. On the other hand, they are inclined to conclude that the producer of the programme was unusually favoured in the instant case.

6. 76 Ministry of What is further disquieting to note is the fact Information that after June, 1990 no worthwhile efforts were wade by Doordarshan to enforce upgraded Broadcasting categorisation of the programme. During

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> evidence, the Secretary, Ministry of Information and Broadcasting admitted that attempts to upgrade the programme made in 1990 were dropped as the producer was not agreeable. Curiously enough, this seems to have been inexplicably ignored even afterwards while extension was granted for the telecast of the programme. The records made available to the Committee indicated that an exercise upgrade the programme was subsequently pursued in June, 1992 only. No plausible explanation was offered by the Ministry for their inaction in the interregnum. Committee are dismayed over negligence on the part of the authorities concerned in over-looking the wider revenue considerations of Doordarshan.

7. 77 of During examination, the Ministry stated that &

Information they had concurred in the decision to retain the programme under lower category in October, Broadcasting 1992. However, the examination of the subject by the Committee revealed otherwise. They find that on 11 June, 1992, while proposing yet another extension, the than Director General, Doordarshan sent a note to the Secretary, Ministry of I&B suggesting upgradation of the programme to 'A-Special' and to give additional FCT to the producer. On 7 August, 1992, while intimating approval for further episodes of the programme, the Ministry also approved the proposal of the Director General to elevate the status of the programme to 'A-Special', but decided against the proposal to give additional FCT to the producer. Accordingly, on 16 September, 1992 the Director General while conveying approval for another 26 episodes to the producer also communicated that the programme was categorised as 'A-Special' without any additional FCT. Responding to the same, the producer in his letter dated 22 September, 1992, addressed to the then Director General, Doordarshan, represented

against the decision to upgrade the programme to 'A-Special'.

- 8. 78 of The Committee have been informed that Ministry Information pursuant to the representation made by the producer, a meeting was held in the Ministry on Broadcasting 24 September, 1992 in which Secretary, Ministry of I & B, Additional Secretary & Financial Adviser of the Ministry, the then DG, Doordarshan and the representative of the producer were present. What transpired in the meeting was not intimated to the Committee. However, they found that on 14 October, 1992 DG, Doordarshan wrote a letter to the Additional Secretary & Financial Adviser in the Ministry giving reference to the meeting held on 24 September, 1992. In his letter, among other things, the DG mentioned that the entire issue was comprehensively examined by the Directorate in the light of the discussions held in the Ministry by the representative of the producer. In the same letter he proposed the following categorisation of 'The World This Week' and sought early
 - (a) Status quo be maintained with sponsorship continuing in 'A' category as it was in the past.

decision of the Ministry in this regard.

(b) Doordarshan receive extra telecast fee by charging Rs. 1,60,000/- for the 'A' category rate for one hour slot.

Significantly, the above proposal of Director General was precisely what the producer had desired in his representation.

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12. 82 —do—

The Committee are perturbed to note that retention of the programme 'The World This Week' under category 'A' inspite of it being fit enough to be categorised as 'A-Special' resulted not only in realisation of lower sponsorship fee to Doordarshan but also extended undue favour to the producer in terms of availment of more free commercial time, which was not otherwise available. Lamentably, in the entire process, Doordarshan suffered an estimated loss amounting to about Rs. 4.78 crores in terms of the actual duration of each episode from the

date of partial conversion of the programme to 5 March 1995. It is incredible and yet true that the recurring loss of revenue to Doordarshan on this count did not, at any stage, engage the specific attention of the authorities concerned while granting repeated extensions to the programme. Significantly, extensions accorded to the programme on six occasions. The Ministry contended that by raising the spotbuy rate, Doordarshan benefitted to a large extent through earnings, as revenue earned through spot-buys at 'A-Special' rate were retained by Doordarshan. The Committee are not convinced with this explanation and are of the firm view that it is an abrasive attempt to gloss over the loss which Doordarshan actually suffered because of not enforcing upgradation of the category of the programme itself from 'A' to 'A-Special'.

13. 83 Ministry of Information & Broadcasting

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14. 84 Ministry of The Committee further note that during the Information period when the programme was under & commissioned category, the producer, as per Broadcasting mutal understanding, was extended the facilities

of vis-news, but when the programme was brought under sponsored category, the same were withdrawn. Amazingly, the Committee's examination revealed that the facilities were actually withdrawn only from 29 March, 1993 i.e., after the programme was telecast for more than three years under sponsored category. The Committee deprecate the patent failure of authorities whereby the producer was allowed to continue utilisation of the facilities at the cost of Doordarshan even after the programme was changed to the sponsored category. They desire that responsibility should be fixed for the lapses. The Committee also desire that in the current environment where outside production of programmes has gone up manifold, it is necessary for Doordarshan to strengthen their machinery for properly monitoring the use of their infrastructure by private producers with a view to adequately safeguarding the interests of Doordarshan.

15. 85 -do-

The Committee were informed by the Ministry of Finance (Department of Economic Affairs) (DEA) during the course examination that an amount of US \$ 20.56 lakhs was sanctioned during 1988-1996 for production of the programme. Although they were not apprised of the precise extent of utilisation of foreign exchange by the producer against the sanctioned amount mentioned above, the Committee's examination revealed certain unsatisfactory aspects arising out of sanction and utilisation of foreign exchange in such cases. During examination, the Ministry of

I&B stated that the release of foreign exchange in favour of the programme to the producer was done after 16 November 1989 by the DEA on the basis of extension in the number of episodes by the Ministry of I&B and on satisfaction of the bonafide utilisation of earlier releases. They also stated that since the DEA were directly monitoring and satisfying themselves on the issue of actual utilisation of foreign exchange released, the Ministry of I&B were not required to create any monitoring mechanism for this purpose. However, the DEA maintained that foreign exchange was released on each and every occasion to NDTV on the basis of the specific recommendations of the Ministry of I&B/Doordarshan and iŧ was administrative Ministry to satisfy themselves whether the release of foreign exchange to NDTV for a particular purpose was necessary or not. While stating that misutilisation of foreign exchange, if any, will be taken care of provision of Foreign Exchange Regulation Act (FERA), the DEA, however, admitted that there were no specific guidelines under the exchange control regulations for release of foreign exchange for such purposes and each case is considered only on the recommendations of the administrative Ministry. The ambiguity evident in the positions expressed by the two different Ministries concerned clearly establishes that the present system of sanction of foreign exchange and monitoring of its utilisation in the type of cases under examination leaves a lot to be desired. The Committee, therefore, recommend that Government should seriously address to this issue and take appropriate measures with a view to ensuring that the scarce foreign exchange resources of the country are appropriately utilised for bonafide purposes only.

16. 86 Ministry of Information & Broad-casting

The Committee's examination of some of the Information copies of the documents supplied to them by Audit revealed that the extent of footage of coverages or foreign countries in the episodes of the programme received for telecast was unsatisfactory in terms of the foreign exchange sanctioned/released for the purpose. Committee's scrutiny also revealed that this was observed by none other than the Doordarshan authorities themselves as far back as in February, 1989. It was, therefore, imperative for Doordarshan to ensure that the foreign exchange sanctioned/released for the programme particularly at a time when the country was reeling under the foreign exchanges crisis, had been appropriately utilised by the producer. The Committee are surprised to note that despite their own observations referred to above, no action was taken by authorities in Doordarshan/Ministry for more than eight years to obtain the details of utilisation of foreign exchange released during 1988-89. It was only after the matter was pointed out by the Committee during evidence that the Ministry took up the matter with the obtain producer so as to the statements/vouchers. Further, a perusal of the copy of the statement obtained by the DEA from the producer and furnished to the Committee also revealed that it mentioned only about the among released and the total amount spent there against without any other details. There were also discrepancies in the figures of the total amount of foreign exchange sanctioned as indicated in the statement vis-a-vis the note furnished by the DEA. In view of these facts, the Committee are convinced that the actual utilisation of foreign exchange by the producer in connection with the production of the programme "The World This Week" needs to be further looked into in order to ensure that the same had been spent for the purpose for which it was sanctioned/released.

17. 87 Ministry of Information & Broad-casting

Ministry of The producer of 'The World This Week' Information maintained that due to the superiority in the quality of their programme, Doordarshan were Broad-

While the quality of the programme is not disputed, it is evident from the foregoing paragraphs that the treatment of 'The World This Week' under sponsored category was beset with irrigularities of varied nature. The initial decision of Doordarshan to categorise the programme in an unusual manner, in violation of all the norms in Doordarshan and its subsequent retention in the lower category which was also concurred in by the Ministry, raise serious doubts about the bonafide of the decisions taken. Further such a decision not only resulted in a loss of Rs. 4.78 crores to the exchequer but also helped extending favour to the producer in terms of lower sponsorship fee and availment of more free commercial time. Besides, the Committees' examination also revealed irregularities in respect of the facilities extended to the producer and inadequacies in monitoring utilisation of massive amount of foreign exchange released in favour of the producer. Over and above, the original files pertaining to the programme 'The World This Week' could not be furnished by the Ministry on the ground that these were not traceable. Although, non-production of the relevant files adversely affected the examination of the subject to some extent, the Committee on the basis of the evidence available cannot but conclude that the producer was undoubtedly given preferential treatment. The change of programme from commissioned to sponsored and vice versa effected in 1990 and 1995 respectively when viewed in the context of the trend of revenue from this programme (para 55) of this Report) gives an unmistaken impression that the intention was always to accommodate

the producer under any circumstances. The Committee deplore this unfortunate state of affairs and recommend that in the light of the facts brought out in this Report, the whole matter regarding the telecast of the programme. 'The World This Week' in Doordarshan be entrusted to an appropriate Investigative Agency to be decided by the Cabinet, Secretary for a thorough inquiry including loss of files. The Committee would like to be apprised of the action taken thereon within a period of six months.

18. 88 Ministry of Information & Broad-casting

What has further agitated the Committee is that the case under examination does not seem to be an isolated one where this producer was shown undue favour. The facts emerging from

the information/documents made available to the Committee in respect of the programmes "News Tonight", "South Asia News Capsule" and "Today" have been briefly recorded in paras 58 to 61 of this Report. The nature of concession extended in respect programme "News Tonight" and the manner in which two other programmes, viz., "South Asia News Capsule" and "Today" were allowed to be telecast by-passing all the rules and procedures are suggestive of the nebulous nexus which existed between certain authorities in Doordarshan and producer. the Committee's examination further revealed that the producer was also extended the facilities of microwave and satellite uplinking realisation of charges proper record and leviable. The Committee cannot but express their serious concern over this state of affairs in Doordarshan. They, therefore, recommend that all these cases should also be referred to the Investigative Agency for a thorough investigation the of alongwith case programme "The World This Week", recommended by the Committee in paragraph 87 of this Report with a view to finding out the 1 2 3

elements responsible for violation of rules/ norms/guidelines/procedures etc. besides having indulged in undesirable tendencies and causing losses to the exchequer. The Committee would like to be informed of the results of the investigation and the conclusive action taken thereon in the matter within a period of six months.

19. 89 Ministry of Information and Broad-casting

The Committee find that apart from the subjects dealt with in this report, the Comptroller & Auditor General of India's Report No. 2 of 1996 also revealed certain

other cases viz. paragraph 3.6 relating to 'Loss due to injudicious contract" and paragraph 3.12 "Acceptance of sub-standard serial" highlighting alleged irregularities in the programmes produced bv outside producers Doordarshan. In view of these facts. Committee are of the firm belief that the existing guidelines of Doordarshan for outside production particularly relating to selection of programme, categorisation etc. should looked into further with a view to eliminating chances of arbitrariness/favouritism. Ministry of I&B, subsequent to evidence have informed the Committee that efforts in this direction were under way. The Committee desire that the exercise should be expedited by the Ministry keeping in view the general that an atmosphere of impression accountability had been prevailing persistently in Doordarshan so far as outside production of programmes was concerned. The review of the guidelines should also take into account the necessity for maintaining superiority in the quality of programmes produced/telecast by Doordarshan in the highly competitive environment in prevalance. The Committee would like to be apprised of the conclusive action taken in this regard.

1 2 3 4 20 90 Ministry of The Committee regret to note that despite Information the serious nature of the issues involved, the Ministry of I&B did not bother to respond to and the draft audit paragraph under examination Broadcasting which was forwarded directly to the then Secretary of the Ministry by the Office of the C&AG in October 1995 with a request to send his reply within the stipulated time of six weeks. This further reinforces the impression to the Committee about the culture accountability prevalent in the Ministry of I&B. The Committee take a serious view of this and desire that this situation should be rectified forthwith.

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