

**PUBLIC ACCOUNTS COMMITTEE
(1977-78)**

(SIXTH LOK SABHA)

FIFTIETH REPORT

**DIRECTORATE OF ADVERTISING
AND
VISUAL PUBLICITY**

MINISTRY OF INFORMATION & BROADCASTING

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 173rd Report (Fifth Lok Sabha)]

Presented in Lok Sabha on 22nd December, 1977

[Laid in Rajya Sabha on 22nd December, 1977]



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NEW DELHI**

December, 1977/Agrahayana, 1899 (S)

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CORRIGENDA

Fiftieth Report of the Public Accounts
Committee (1977-78) (Sixth Lok Sabha).

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(1977-78)

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Shri H. G. Paranjpe—*Chief Financial Committee Officer*

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

*Elected with effect from 23 November, 1977 *vice* Sarvashree Sheo Narain and Jagdambi Prasad Yadav ceased to be Members of the Committee on their appointment as Ministers of State.

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Fiftieth Report on the action taken by Government on the recommendations of the Public Accounts Committee contained in their One Hundred and Seventy-Third Report (Fifth Lok Sabha) on Paragraph 34 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil), relating to the Directorate of Advertising and Visual Publicity (Ministry of Information and Broadcasting).

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

1. Shri C. M. Stephen—*Chairman*
2. Shri Asoke Krishna Dutt—*Convener*

3. Shri Gauri Shankar Rai }
4. Shri Tulsidas Dasappa } *Members*
5. Shri Kanwar Lal Gupta }
6. Shri Zawar Hussain }
7. Shri Vasant Sathe }

3. The Action Taken Sub-Committee of the Public Accounts Committee (1977-78) considered and adopted the Report at their sitting held on 28 November, 1977. The Report was finally adopted by the Public Accounts Committee (1977-78) on 20 December, 1977.

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

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

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

NEW DELHI;

December 20, 1977

Agrahayana 29, 1899 (S)

CHAPTER-I

REPORT

1.1. This Report of the Committee deals with the action taken by Government on the Committee's recommendations/observations contained in their 173rd Report (Fifth Lok Sabha) on paragraph 34 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil) relating to the Directorate of Advertising and Visual Publicity (Ministry of Information and Broadcasting).

1.2. The 173rd Report of the Committee was presented to the Lok Sabha on the 5th May, 1975. It contains 35* recommendations/observations. The time limit of six months laid down for furnishing Action Taken Notes expired, in this case, on the 4th November, 1975. Even before this time limit expired, the Secretary of the Ministry was addressed in advance, on 26th August, 1975 to ensure compliance with the obligation to furnish the action taken notes in time. In this communication dated 12th September, 1975, the Secretary of the Ministry replied that he was "personally looking into the matter" with a view to getting the replies expedited and ensuring that the Action Taken Notes were sent to the Committee shortly. When despite this assurance, no action taken notes were received from the Ministry, the attention of the Secretary was again drawn on 14th November, 1975, to the delay in furnishing of the action taken notes. This was followed up by another reminder dated 2nd February, 1976 sent to the Secretary.

1.3. In paragraphs 1.12 to 1.14 of their 220th Report of the Public Accounts Committee (Fifth Lok Sabha) presented to Lok Sabha on 28th April, 1976, the Committee had *inter alia* referred to the inordinate delay on the part of the Ministry of Information and Broadcasting in furnishing action taken notes. Further, the Committee had, in paragraph 1.38 of that Report, recommended that :—

"The Committee take a serious view, in particular, of the total non-receipt of any Action Taken Note from the Ministry of Information and Broadcasting on the Report relating to the Directorate of Advertising and Visual Publicity, which was presented to the Lok Sabha as far back as May, 1975, despite an assurance given in September, 1975 that these would be sent 'shortly'. What is even more disturbing is that communications addressed in this regard to the Secretary of the Ministry have not been acknowledged, let alone, answered. This, in the Committee's view, is entirely impermissible and unwarranted. The Committee would like the reasons therefor to be looked into immediately with a view to fixing responsibility. All the Action Taken Notes should also be made available immediately to enable the Committee to do their duty by Parliament and finalise their Report."

*Total number of recommendations including three contained in paragraphs 1.102, 1.103 and 1.104 of the 173rd Report was 35 but was inadvertently mentioned as 32 in the Summary of Conclusion/recommendation (Appendix III of 173rd Report).

1.4. On 8th June, 1976, attention of the Secretary of the Ministry was again drawn to the above mentioned adverse comments regarding the unconscionable delay involved in this case. In reply, the Internal Financial Adviser, Ministry of Information and Broadcasting assured on 15th June 1976 that "action taken notes will be furnished possibly by the end of this week and in any case not later than a week from the date of issue of this letter since the matter was being pursued by them on most immediate basis". Unfortunately, this assurance was also not kept up. The Secretary of the Ministry was again demi-officially reminded on 5th July, 1976. In the meanwhile, the Secretary of the Ministry addressed on 5th July, 1976 a communication to the Chairman, PAC in which he stated:

"At the very outset, I must confess that there has been avoidable delay on our part in furnishing notes on the action taken on the 173rd Report of the Public Accounts Committee relating to paragraph 34 of the Report of the C & AG for the year 1972-73. I offer my sincerest apologies for this delay and crave your indulgence to bear with us for another month, within which action on all pending PAC Reports would be completed. So far as the 173rd Report is concerned, I am arranging to send the Action Taken Report before the 15th of this month. I do hope and trust that you would be gracious enough to accept my apologies on behalf of the Ministry. I wish to assure you that such delays would not recur in future and notes on action taken or proposed to be taken on the PAC's Reports relating to this Ministry would be processed on a top priority basis.

I once again assure you that we hold the PAC in highest regard and will comply with its directives and recommendations with the utmost promptitude in future."

1.5. Action Taken Notes on 32 recommendations/observations contained in the aforesaid Report were at last received from the Ministry on 15th July, 1976 and on 3 recommendations/observations on 30th July, 1976.

1.6. The Action taken notes on recommendations observations made by the Committee in their 173rd Report (Fifth Lok Sabha) on the Directorate of Advertising and Visual Publicity were received from the Ministry of Information and Broadcasting in July, 1976 instead of November 1975. There was thus a delay of more than 9 months in furnishing action taken notes. The ministry of information and Broadcasting have apologised for this inordinate delay. The Committee would, however, like to emphasise that action on recommendations/observations made by them should in future be initiated by the Ministry of Information and Broadcasting soon after presentation of Reports to the House so as to avoid delays in furnishing of action taken notes to the Committee.

1.7. The Action Taken Notes received from Government have been broadly categorised as under :—

(i) *Recommendations/Observations that have been accepted by Government.*

Sl. Nos. 6,7, 12, 14, 15, 20,21, 30, 33, 34 and 35.

(ii) *Recommendations/Observations which the Committee do not desire to pursue in view of the replies of Government.*

Sl. Nos. 10, 11, 13, 17, 18, and 19.

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

Sl. Nos. 1, 2, 3, 4, 5, 8, 9, 16, 22—29, 31 and 32.

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

Rates of Advertisement (Paragraphs 1.48, 1.50, 1.51 and 1.52, Sl. Nos. 1, 3—5).

1.9. The Press Commission (1954) had expressed the view that Government would be justified in claiming a special consideration in respect of the rates charged by the newspapers and can insist that "the rates should follow a particular pattern without reference to language, location of the paper." The Commission suggested "a telescopic maximum rate" subject to an overall maximum of Rs. 15 per s.c. inch i.e. Rs. 6 per s.c. cm. in respect of contracted display advertisements. Such a rate structure would it was stated, take into account the fact that the cost of production of a newsprint decreases with higher circulation. The maximum rates recommended by the Commission ranged between Rs. 1.54 per s.c. cm. for display advertisements to newspapers with a circulation of 5,000 and Rs. 6.00 per s.c. cm. or newspapers having circulation of 81,500 copies and above.

1.10. Giving reasons for not accepting the Commission's suggestion, Ministry of Information and Broadcasting had explained in a written note, that the aforesaid ceiling implied that all the newspapers having circulation above 81,500 should be treated uniformly without any further increase in rates, however high their circulation might be. The suggestion was stated to suffer from the disadvantage that government could not force newspapers to accept lower rates than what they had been getting. Similarly, the Government felt that it would have been a severe drain on the resources of Government if newspapers charging lower rates were suddenly to enhance their charges.

1.11. The Enquiry Committee on Small Newspapers (Diwakar Committee) recommended in 1965 that "either the Tariff fixed by the Press Commission (which needs to be revised upwards in view of the tremendous rise in prices since 1954) may be introduced in the case of all newspapers and periodicals or small newspapers may, as in the case of big newspapers, be permitted to raise their advertising rates from time to time so as to conform to the minimum rate accepted by Commercial advertisers." In pursuance of this recommendation, Government announced the following decision in Parliament on 30th May, 1967:—

"Newspapers and periodicals are free to fix their own advertisement rates. DAVP will make use of such organs whose rates are suitable and acceptable to him from the point of view of publicity requirements."

1.12. The Chanda Committee had recommended that advertisements should be so placed as to give a return on the expenditure incurred by reaching the people concerned. This, it was stated, should be the basic principle and not

distribution of patronage or largesse. The recommendation was accepted by Government and it was stated that:—

“The Government policy is to encourage small newspapers, consistent with the requirement that advertisements should obtain widest possible coverage. The distribution is not made on the basis of patronage or political consideration.”

1.13. In paragraphs 1.48, 1.50, 1.51 and 1.52 of their 173rd Report (5th Lok Sabha), the Public Accounts Committee had recommended that :—

- (1) The Committee find that while advertisements released by Government to the Press occupy as much as 80 per cent in terms of space in small and medium newspapers, they get no more than 50 per cent of the total advertisement charges paid by Government. As Diwakar Committee had pointed out as early as 1965, this was due to the fact that while the rates for small and medium newspapers are low, the bigger newspapers charge very high rates. Moreover, while the bigger newspapers have been permitted to raise their rates many times, the small newspapers are being paid even lower rates than those recommended by the Press Commission as far back as 1954. (Paragraph 1.48).
- (2) The Committee were informed that the Government have not accepted the recommendation of the Diwakar Committee on the ground that they could not force the big Newspapers to accept lower rates than what they have been getting and it would have been a severe drain on the resources of the Government if newspapers charging lower rates were to be allowed suddenly to enhance their charges. The Committee further note that in May, 1967, the Government announced its policy regarding advertisement rates which was more or less a recognition of the existing position and in fact gave more freedom to the big newspapers to fix their own advertising rates (Paragraph 1.50).
- (3) The Committee are perturbed to find that in spite of Government avowed policy of entrusting the medium and small newspapers with a large share of advertisement, there has been no marked increase in the percentage of advertisement in terms of revenue given to them. It has stood at about 50 per cent for the last 5 years. It is indicative of the fact that no serious effort has been made by Government in this behalf. (Paragraph 1.51).
- (4) The Committee recommend that it should be possible for Government to give an increased percentage of the display advertisements to medium and small newspapers in terms of advertisement charged. This objective can be achieved if Government undertake a systematic survey of all the medium and small newspapers language-wise and area-wise and release display advertisements to them keeping in view the readership coverage desired in terms of the objective of advertisement. The performance in this behalf should be monitored at the level of the Ministry so that effective remedial measures as necessary may be taken without delay. (Paragraph 1.52).

1.14. Explaining the factors which dominate the matter of determination of advertisements rates, Government have stated in reply to paragraph 1.48 that :—

“Rate of advertisements in the newspapers are fixed by the publishers keeping in view the market demand for the space in their Publications and the rate that they can charge in competition with other newspapers. The following factors dominate in the matter of determining rates :

- (i) Circulation : It is the most important element particularly because the number of copies sold (which can be easily verified) determine the reach of the advertisement ;
- (ii) The market potential of the area covered ;
- (iii) The purchasing power of its readership ;
- (iv) Standard of production.

The circulation is the main factor for the determination of rate-higher the circulation higher would be the rate. (The space of an advertisement is the same whether the paper is big, medium or small). For example the cost of an advertisement measuring 100 col. cms in a newspaper with a circulation of 3,00,000 copies and a rate of Rs. 30 - p.s.c. cm. would be Rs. 3,000 - ; to achieve the same circulation we will use 300 newspapers of small category having 1000 circulation each. Even if they are paid at the minimum rate of Rs. 1-20 p.s.c. cm. plus 30 per cent surcharge the total cost in 300 newspapers would come to about Rs. 46,800 - per insertion.

Speaking spacewise, while the space in a big newspaper would be: $1 \times 100=100$ col. cms., the total space in the 300 small papers would be $300 \times 100=30,000$ col. cms. Space is, therefore, not worked on the basis of actual copies printed or circulation of a newspaper. Space and cost percentages thus would work out to :

	Space %	Cost %
Big	0.33	6.02
Small	99.67	93.98

Generally the DAVP resist an attempt on the part of big newspapers to put up their advertisement rates from year to year. Where reasonable rates cannot be negotiated, in the case of a particular paper, its use for Government advertisements had been discontinued. In the case of medium and small newspapers by and large their rate card rates/the rates demanded by them at the time of review of rates every year are accepted taking a liberal view of their financial position. By way of illustration, three statements are attached at

Appendices I, II and III indicating the card rates/rates demanded by 20 big newspapers, 20 medium newspapers and 20 small newspapers during the last five years. In any case, it would be appreciated that the DAVP cannot pay rates higher than those charged by the newspapers from any commercial advertiser."

1.15. The Appendices I, II and III referred to in the aforesaid reply of Government, indicate that the range of DAVP approved rates during the period 1972-73 to 1976-77 in the case of big newspapers vis-a-vis medium and small newspapers had been as under :—

(Rate per single column centimetre)

Year	Big Newspapers	Medium Newspapers	Small Newspapers
	Rs.	Rs.	Rs.
1972-73	4 to 27	2.50 to 8.00	0.80 to 5.00
1973-74	5 to 27.00	Do.	0.50 to 5.00
1974-75	6.50 to 29.60	3.00 to 8.00	Do.
1975-76	Do.	3.00 to 12.00	Do.
1976-77	Do.	Do.	0.80 to 5.40

It would be seen from the above figures that during the last 5 years (1972-73 to 1976-77), while the approved DAVP rates for small and medium newspapers ranged between Re. 0.50 to Rs. 5.40 and Rs. 2.50 to Rs. 12.00 per single column centimetre respectively; the big newspapers were offered advertisements at rates ranging between Rs. 4 to Rs. 29.60 per single column centimetre.

1.16. Referring to the Committee's recommendation in paragraph 1.50, it has also been stated by Government that :

"The position has elaborately been explained in reply to para 1.48 above. Keeping in view the publicity requirements, every effort is made for increasing use of small and medium newspapers."

1.17. In reply to the Committee's recommendation in paragraph 1.51 for a larger share of advertisements to medium and small newspapers, Government have stated that :

"So far as mass campaigns are concerned, the share of small and medium newspapers in terms of cost has varied between 68 per cent and 100 per cent during 1974-75 (vide Table in para 1.19 below)—The overall percentage comes down mainly because of classified advertisements which are intended for a particular class of readership. In this connection, the statement at Appendix IX indicating the position from the year 1967-68 to 1975-76 may be seen."

1.18. Information furnished by Government in (Appendix IX) of their aforesaid reply indicates that since 1967-68, the percentage share of Classified/

Display advertisements in terms of cost in the case of small and medium newspapers was as under :

Year	Classified Advertisements		Display Advertisements	
	Big	Small & Medium	Big	Small & Medium
1967-68	68.28	31.72	33.53	66.47
1968-69	59.21	40.79	36.13	63.87
1969-70	61.28	38.72	38.13	61.87
1970-71	67.50	32.50	39.07	60.93
1971-72	67.52	32.48	43.00	57.00
1972-73	62.64	37.36	33.88	66.12
1973-74	56.13	43.74	36.29	63.71
1974-75	54.04	45.96	36.23	63.77
1975-76	48.73	51.27	29.47	70.53

It would be seen from the above table that while the medium and small newspapers got during the year 1975-76 in terms of cost, more than 70 per cent of 'display' advertisements, their share of the 'classified' advertisements was no more than 51.27 per cent.

1.19. Referring to the Committee's recommendation in para 1.52 for increased percentage of the display advertisements and monitoring of the performance in terms of objective of advertisement, Government have replied that :

"This is already being done. For instance, during 1974-75 the approximately percentage in terms of cost of display advertisements given to small and medium newspapers was as follows :

Display Advertisements	Medium & Small newspapers approx percentage in terms of cost
Metric System	79
National Integration	97
Posts & Telegraphs	84
Family Planning	97
Grow More Food	100
Small Pox Eradication	95
Nirodh	68
National Savings	77
Save Grain	83

The list of medium and small newspapers is kept under constant review on the basis of statistics collected by the Registrar of Newspaper."

1.20. The Committee note that the percentage share of 'display advertisements' in terms of cost in the case of small and medium newspapers has gone up from 66.47 per cent in 1967-68 to 70.58 per cent in 1975-76—an increase of 4 per cent in a period of 8 years. The Committee are not impressed by this achievement. The Committee, therefore, reiterate their recommendation that it should be possible for Government to give an increased percentage of the display advertisements to medium and small newspapers.

Hindi and other Languages newspapers (Paragraph 1.49, Sl. No. 2)

1.21. Stressing the need to give greater percentage of advertisements both in terms of space and value to national and regional languages newspapers, the Committee had in paragraph 1.49 of their Report observed as follows :

“The Committee find that more than 44.65 per cent of total expenditure was incurred on advertisements in 1972-73 on papers and periodicals brought out in English medium. While this percentage has gone up for English medium papers and periodicals, the percentage for Hindi medium papers and periodicals has come down from 20.8 per cent in 1972-73 to 18.8 per cent in 1973-74. The Committee consider that with the growth of papers and periodicals in national and regional languages, greater percentage of advertisements both in terms of space and value should be given to national and regional language papers.”

1.22. Government have furnished the following reply to this recommendation :

“The percentage fluctuates from year to year depending on varying publicity requirements. However, every endeavour is made that language newspapers should be increasingly used. As will be observed from the statements enclosed at Appendices IV, V, VI, VII and VIII, the percentage in the case of Hindi and other regional language newspapers and periodicals in terms of money *vis-a-vis* the English newspapers has been as under:—

	Hindi and other regional language papers/periodicals	English papers/periodicals
1971-72	57.83	42.17
1972-73	55.37	44.63
1973-74	54.06	45.94
1974-75	57.87	42.13
1975-76	65.08	34.92

While releasing advertisements, clear weightage is given to small and medium papers/periodicals and those being published in specially backward or remote or border areas. No discrimination in the rates of advertisement is made on the ground of the language of the papers/periodicals."

1.23. The Committee have not been furnished separate figures of percentage expenditure on advertisement in Hindi Newspapers/periodicals. It is, however, a matter of satisfaction that in the case of Hindi and other regional language newspapers and periodicals taken together, the said percentage increased from 57.83 per cent in 1971-72 to 65.08 per cent in 1975-76. The Committee have also been assured that "no discrimination in the rates of advertisement is made on the ground of the language of the papers periodicals". It is essential that no Indian language newspaper or periodical finds itself at a disadvantage when pitted against English language publications of a comparable character.

Readership Survey (Paragraph 1.54, Sl. No. 7)

1.24. Referring to the absence of any meaningful and comprehensive readership survey, the Committee had in paragraph 1.54 of their report recommended that :

"The representative of the Ministry has admitted that there has been no meaningful and comprehensive readership survey so as to determine whether the advertisement had, in fact, reached the desired readers. It is imperative that Government should have suitable machinery to critically and scientifically appraise the type of readership covered by papers, so that advertisements could be so placed as to get the best return for the outlay."

1.25. Accepting in principle the Committee's recommendation, Government have stated that :

"There is no denying the fact that a comprehensive report on the Indian Press giving profile of the readership of various newspapers, periodicals, etc. could be useful data for drawing out media lists on scientific basis. This, however, is a stupendous project. The Ministry has a Directorate of Evaluation for feedback studies. We have also adequate expertise located in the Indian Institute of Mass Communication for such studies. The recommendation of the Committee is accepted in principle and a survey will be made."

1.26. The Committee note that Government have accepted in principle their recommendation for a comprehensive readership survey with a view to determining whether advertisements do in fact reach the class of readers in view and also give the best return for the outlay. With the Ministry of Information and Broadcasting already having a Directorate of Evaluation for feedback studies and adequate expertise in the Indian Institute of Mass Communication such a survey should not be too difficult. The Committee urge that the job be expedited and the results communicated to them without delay.

Uniformity in Advertisement Rates (Paragraph 1 55, Sl. No. 8).

1.27. Stressing the need for laying down uniform rates for newspapers/periodicals published from the same station in the same language and having more or less the same circulation, the Committee had, in paragraph 1.55 of their Report, recommended that :

“The Committee find that the milli-rates (rate per-centimetre per 1000 circulation) allowed to some newspapers and periodicals published in the same language and with more or less the same circulation varied up to thrice nearly. Conversely, rates being the same the circulation varied as much as thrice. There was also substantial variation in making allowance for relative circulations, in the amount of payment for advertisement obtained by Newspapers and periodicals published from the same station and in the same language. The Committee would like Government to examine the entire question of fixing the milli-rate (rate per centimetre per 1,000 circulation) keeping in view the size of newspapers/periodicals with reference to its circulation, language, place of publication and the impact it has on public mind. Government may lay down uniform rates for newspapers/periodicals published from the same station in the same language and having more or less same circulation.”

1.28. In their reply dated 15th July, 1976 Government have stated that :

“Circulation is not the sole criterion for fixation of advertisement rates. Newspapers coming from the same place, same language, with almost the same circulation, do have different rates, because of their calss of readership, contents, standard and cost of production and pulling power etc. Some examples are given in Appendix X.

1.29. The Committee understand that in a meeting of the Consultative Committee of the Ministry of Information and Broadcasting held on 29th July, 1976, the Members were informed that the DAVP would observe the following principles while selecting newspapers for releasing advertisements :

- (i) The papers must observe the well known standards of journalistic ethics.
- (ii) Weightage will be given to small, medium and language papers. When circulation is the same, rates will not be lower from one newspaper to another on the ground of language.
- (iii) Weightage will be given to papers being published in specially backward or remote or border areas as well as to papers published for the weaker sections of the society.

1.30. Answering supplementaries to Starred Question No. 27, on 11-8-1976 in the Lok Sabha, the Deputy Minister in the Ministry of Information and Broadcasting (Shri Dharam Bir Sinha) stated that a Committee consisting of the Chief Cost Accountant and the Financial Adviser and of the DAVP was going into the rate structure.

1.31. Having found that the milli-rates (rate per centimetre per 1000 circulation) for newspapers periodicals published from the same

station in the same language and having more or less the same circulation varied in ratio of nearly 1 to 3, the Committee had recommended, *inter alia* that "Government may lay down uniform rates for newspaper/periodicals published from the same station in the same language and having more or less the same circulation". According to the information furnished to the Consultative Committee attached to the Ministry of Information & Broadcasting on 29th July, 1976, Government had decided, in principle, that weightage will be given to small, medium and language papers and "when circulation is the same, rates will not be lower from the one newspaper to another on the ground of language." Answering supplementaries to Starred Question No. 27 on 11-8-76 the Deputy Minister of Information & Broadcasting informed Lok Sabha that a Committee consisting of the Chief Cost Accountant and the Financial Adviser and of the DAVP was going into the rate structure. The Committee are strongly of the view that there should be no discrimination in advertisement rates on the ground of language.

News-Advertisement Ratio (Paragraph 1.56, Sl. No. 9).

1.32. In paragraph 9.7.1. of their Report, the Fact Finding Committee on Newspaper Economics (January 1975) had recommended that :

"The Press Commission recommended that the accepted ratio between news and advertisement should be 60 : 40. This ratio had been recommended by other bodies also. While agreeing with the general principle that a newspaper should devote the greater part of its space to news and that, therefore, a 60 : 40 ratio between news and advertisement would be commendable, the Committee recognises the difficulties of the present situation. The Committee also takes account of the fact that the shortage of newsprint will continue. If there is an increase in domestic production there will also be an increase in domestic demand and, therefore, the position will remain difficult. In these conditions, it is unrealistic to ask newspapers to limit the advertisement space to 40 per cent. But at the same time it will be unfair to the readers and ultimately suicidal to the newspapers themselves if a particular issue of 8 papers contains 3 full pages of advertisement (a page or two of which contain only a few lines of news, with advertisement filling up the rest of the space and another page or two in which advertisement covers more than half of the space. It should not, therefore, be unreasonable to suggest that as long as the present shortage continues, the news-advertisement ratio in the total space should be around 50 : 50. When conditions improve, the advertisement space ratio should be brought down, with the 40 per cent. ratio being regarded as the goal to be reached."

1.33. The Public Accounts Committee had, in paragraph 1.56, recommended as under :

"The Committee suggest that in determining a rational rate for advertisement, Government should also take into consideration the news coverage by the paper as compared to the space devoted to advertisements. The Committee feel that those which carry more reading matter as compared to mere advertisements should

receive more consideration while determining the release of and charges for Government advertisements. Such of those papers which do not conform to the expectations of Government in this regard should not receive the usual quota of advertisement."

1.34. Government's reply to the recommendation was :

"The Fact Finding Committee on Newspaper Economics considers 50/50 ratio between news and advertisements as a fair one. This is borne in mind by DAVP while releasing advertisements."

1.35. The Committee note that the Fact Finding Committee on Newspaper Economics had considered 50:50 ratio between news and advertisement as a fair one only "as long as the present shortage of newsprint continues". The availability of newsprint having eased since. Government should consider the question of giving a greater share of its advertisements to newspapers which devote more space to news than to advertisements and also lay down other suitable norms.

Allocation of Newsprint Quota and release of Advertisements to Black-listed Newspapers Periodicals (Paragraph 1.70, Sl. No. 16)

1.36. In the statement referred to in reply to part (a) of Starred Question No. 374 answered in Lok Sabha on 9th June, 1971, the Minister of State in the Ministry of Information and Broadcasting (Smt. Nandini Satpathy) stated *inter alia*, as under :

"Advertisements are withheld from such newspapers and periodicals which habitually indulge in virulent propaganda inciting communal passions or preaching violence, or offend socially accepted conventions of public decency and morals thus undermining the basic national interests. The Political affiliation of a newspaper is, however, not taken into consideration while releasing advertisements."

1.37. In paragraph 1.70 of their 173rd Report, the Committee had expressed their surprise and distress that though there was a provision for blacklisting of newspapers and periodicals for indulging in malpractices, in actual practice no such list was being maintained. The Committee had desired that 'effective action' should be taken to ensure that black-listed newspapers and periodicals are denied newsprint quota, advertisement etc. and are proceeded against as admissible under the law.

1.38. In their reply furnished on 15th July, 1976, Government have stated that :

"All newspapers and periodicals that violate the Government policy on advertisement are not given any advertisement by DAVP. In this context, it will be relevant to recall that Government policy on advertisement had been placed in the table of both Houses of Parliament. Newsprint quota, however, cannot be denied unless the publication of a newspaper is stopped."

1.39. Giving further information, Government have stated in their subsequent reply* dated 30th July, 1976 that :

“The Government Policy on Advertisement was placed on the Table of Lok Sabha in response to Starred Question No. 374 (on 9-6-1971). The same policy is still in vogue. The newspapers buy newsprint with their own funds and Government have assumed only certain regulatory powers to arrange supplies. In the press and Registration of Books Act, 1867 a newspaper has a right to continue, unless it has contravened this law. Opposition to the policies of Government is not a ground provided in this law for stopping the publication of a newspapers.

No lists of Newspapers/Periodicals which are black-listed for indulging in malpractices is maintained by the Ministry of Information and Broadcasting.”

1.40. The Government have recently reviewed the matter and have drawn up a new Advertising Policy. Details of this policy are contained in the Statement of the Minister of Information and Broadcasting (Shri L.K. Advani) given in Rajya Sabha on 17 November, 1977 in response to Unstarred Question No. 214 (Appendix XV).*

1.41. The Committee are surprised that even though advertisement policy announced in 1971 contained a provision for the withholding of advertisements from newspapers which “habitually indulge in virulent propaganda inciting communal passions or preaching violence or offended socially accepted conventions of public decency and morals”, no lists of Newspapers/periodicals which are blacklisted for such indulgence are maintained by the Ministry of Information and Broadcasting. The Committee cannot see how in the absence of precise information, Government can offer or deny advertisements on a principled basis. The Committee reiterate their earlier recommendation and urge Government to make sure which newspapers/periodicals are given to indulging in such pernicious practices and blacklist them specifically.

*Routing of advertisements of Public Undertakings through DAVP.
(Paragraphs 1.80 to 1.84, Sl. Nos. 22 to 25)*

1.42. In paragraphs 1.80 and 1.81 of their 173rd Report (Fifth Lok Sabha), the Committee observed that :

“The Committee on Public Undertakings in paragraphs 3.39 to 3.42 of their 47th Report (4th Lok Sabha) on Public Relations and Publicity in Public Undertakings had recommended that all commercially non-competitive Public Undertakings should route their advertisements through the DAVP to get the benefit of the concessional rates. The Committee had also stressed that the commercial competitive public undertaking should also, as far as possible and practicable, use the agency of DAVP for their advertisements. Where a commercial public undertaking found it necessary to utilise the services of a private advertising agency

*Not vetted in Audit.

it should be one out of the approved panel of agencies maintained by the DAVP. Further, while sending their enquiries for display advertisements and other publicity work to private agencies they should endorse a copy thereof to the DAVP. The Government had accepted these recommendations and had issued suitable instructions to all the Public Undertakings in April, 1970."

"The Committee were informed during evidence by the Secretary, Ministry of Information & Broadcasting that the Public Sector Undertakings under the control of Central Government 'wanted to keep their advertisement operations to themselves. They want to choose their own agencies.' The Secretary, Ministry of Information & Broadcasting added that DAVP was competent enough to undertake the job of Public Undertakings without detriment to their interest."

1.43. In their Action Taken Notes, the Ministry have stated that these statements were made by the Secretary, Ministry of Information and Broadcasting during evidence.

1.44. In paragraphs 1.82 and 1.83, the Committee had referred to the delay in furnishing the following information to the Committee :

- "(i) It is understood that the advertisement of certain Public Sector Undertakings are channelised through agencies not fully owned by Indians. Please furnish a list of the advertising agents of all public sector undertakings.
- (ii) It has been stated that details of expenditure on advertising by Public Undertakings were not available and will have to be collected. Please furnish this information in respect of Public Sector Undertakings and Government-owned companies for the years 1971-72, 1972-73 and 1973-74.
- (iii) Please furnish a statement indicating—
 - (a) the rates paid by Public Sector Undertakings and Government companies for newspaper advertisements through advertising agencies,
 - (b) how these rates compare with DAVP rates, and
 - (c) the commission paid by such undertakings/companies to the advertising agencies."

"The Committee have been merely informed that the Public Sector Undertakings have been requested to furnish the requisite information but the detailed information is still awaited despite numerous reminders."

1.45. In reply, Government have now furnished the following information :

1. 82(i) :

Name of Public Undertaking	Name of Agency	Remarks
1. Hindustan Machine Tools Limited, Bangalore	M/s. Hindustan Thompson Associates, 1971-74	..
2. Madras Fertilisers Ltd.	M/s. Advertising Consultants, 1972-74	Sister concern of M/s. Clarion Me-cann.
3. Madras Fertilisers Limited	M/s. Hindustan Thompson Associates, 1971-72	..
4. Hotel Corporation of India Limited	M/s. Hindustan Thompson Associates, 1973-74	..
5. Indian Drugs & Pharmaceuticals Ltd.	M/s Advertising Consultants, 1972-74	Sister concern of M/s. Clarion Me-cann.
6. Braithwaite & Co. (India) Ltd., Calcutta	M/s. S. H. Benson (I) Pvt. Ltd., 1971-73	..
7. Air India	M/s. Hindustan Thompson Associates, 1971-74	..
8. Mining & Allied Machinery Corporation Limited, Durgapur	M/s. Advertising Consultants, January 1974 onwards	Sister concern of M/s. Clarion Me-cann.
9. Fertilisers Corporation of India Limited.	M/s Advertising Consultants, 1973-74	Do.
10. Biecco Lawrie Limited	M/s Grant Advertising (I) Ltd., 1971-74	..

1.82(ii) :

Total advertising expenditure by the public sectors undertakings is as under year-wise :

1971-72	Rs. 4,80,96,634.23
1972-73	Rs. 5,69,21,780.41
1973-74	Rs. 5,92,64,891.91

Total expenditure incurred on behalf of Government owned companies by DAVP for press advertising is as follows :

Year	Total amount paid in the same year	Hangover payment paid in subsequent years.	Total
	Rs.	Rs.	Rs.
1971-72	10,12,477.96	11,39,312.17	21,51,790.13
1972-73	15,93,432.62	4,545.24	15,97,977.86
1973-74	17,09,757.36	3,53,847.49	20,63,604.85

1.82 (iii) :

The rates paid by undertakings to the publications through advertising agencies are the same as of DAVP excepting the following publications :

1. Times of India, New Delhi/Bombay/Ahmedabad.
2. Hindu, Madras.

3. Hindustan Times, New Delhi.
4. Statesman, New Delhi/Calcutta.
5. Amrita Bazar Patrika, Calcutta/Allahabad.

The rates paid to these publications are their tariff rates. Comparative statement is attached. (Appendix XII).

15% commission is being paid by newspapers to Advertising Agencies for the advertisements released to publications on behalf of undertakings is retained by the advertising agencies."

It would be seen from the above that the public undertakings gave substantial share of their advertisement to private agencies.

1.46. Stressing the need for DAVP to secure larger share of advertisements of Ministries and Public Undertakings, the Committee had, in paragraph 1.84, recommended that :—

"This is indicative of the fact that Government have not shown any earnestness in implementing, in letter and spirit, the accepted recommendations of the Committee on Public Undertakings. In fact, the Ministry of Information and Broadcasting should have taken full advantage of the recommendations of the Committee on Public Undertakings and pursued with the administrative Ministries concerned and Public Undertakings in order to secure ever larger share of advertisements being routed through DAVP. Had this been done during the last five years, the Committee feel that DAVP would have by now gained valuable experience in the field and demonstrated its capacity to render such service.

The Committee stress that DAVP should spare no efforts to upgrade its skill, so as to win the confidence of the Public Undertakings in the matter of display advertisements."

1.47. The following reply was received from Government to this recommendation :

"The position has been reviewed. While it is not intended that the Directorate of Advertising and Visual Publicity should take over the total advertising work on behalf of all public sector undertakings and autonomous and statutory bodies, it should have the final authority in certain respects. The size of advertising, the effort to be put in by a certain organisation, would be within its discretion, since this would be related to actual requirements as well as availability of funds for the purpose. It would also be for the organisation concerned to decide whether it would like to use the Directorate of Advertising and Visual Publicity for the physical work connected with advertising, visualisation, designing and other technical work, or do it itself and utilise an advertising agency for the purpose. Subject to this the DAVP would now have the final authority in respect of selection of newspapers/periodicals for the entire advertising work of these organisations; and the advertisement rates. Necessary orders have already been issued accordingly.

1.48. The orders referred to in the aforesaid reply of Government were issued on 23 June, 1976. A copy is appended to this Report (Appendix XVI). It will be seen from these orders that DAVP has been made the final authority in respect of (i) the selection of newspapers/periodicals for the entire advertising work of the organisation concerned and (ii) the advertisement rates. Decision as to the quantum of advertising work to be given to different newspapers/periodicals so selected also rests with the DAVP. DAVP has, it has been stated, been directed to "give full consideration to the advertisement requirement of each organisation and remain in touch with them."

1.49. **The Committee welcome Government's orders of June 1976 assigning a greater role to the DAVP for handling advertisements of Ministries and Public Undertakings and also making it the final authority in respect of the (i) selection of newspapers/periodicals for the entire advertising work of the organisation concerned and (ii) the advertisement rates. The Committee have been informed that total advertising expenditure by the public sector undertakings was Rs. 4.80 crores in 1971-72, Rs. 5.69 crores in 1972-73 and Rs. 5.93 crores in 1973-74. The total expenditure incurred on behalf of Government-owned companies by DAVP for press advertising was Rs. 0.21 crore in 1971-72, Rs. 0.75 crore in 1972-73 and Rs. 0.20 crore in 1973-74. The details given in para 1.43 indicate that public undertakings had been giving a substantial share of their advertisements to private agencies including agencies not fully owned by Indians.**

The Committee reiterate their recommendation that DAVP should spare no efforts to improve its skill so as to win the confidence of the Public Undertakings in the matter of display advertisements and to reduce to the minimum their dependence on private advertising agencies.

Accreditation of Advertising Agencies to DAVP (Paragraphs 1.90 to 1.92—Sl. Nos. 27-29)

1.50. On the 13th March 1970, Rajya Sabha adopted the following Resolution :

"This House is of opinion that pursuant to the undertakings already given in this behalf, the Government of India should issue orders, forthwith that all Government advertisements, including advertisements of railways, statutory corporations and public sector undertakings should be done only through Indian-controlled and Indian-owned advertising agencies, and that no such advertisement shall hereafter be issued through foreign advertising agencies, whether wholly or partly owned or controlled by foreigners ;

And this House is further of opinion that a Committee of Experts be appointed to go into the working of advertising agencies in India."

1.51. The following norms have been laid down for accreditation of advertising agencies to the DAVP (*vide* Appendix XIII) :

- (i) Only such advertising agencies are eligible for accreditation to the DAVP as are owned and controlled entirely by Indian nationals.

- (ii) Ordinarily the DAVP shall grant only provisional accreditation to an advertising agency and shall watch its performance for a minimum period of 2 years before considering the grant of full accreditation.
- (iii) An advertising agency must have carried on agency business for a minimum period of 1 year and must possess adequate training and professional skill to be able to handle a national advertising account employing all available media of mass communication efficiently and to the full satisfaction of the DAVP.
- (iv) It must have reasonable financial resources and be in a position to support this fact with documentary evidence. Financial resources shall be interpreted as a minimum paid-up capital of Rs. 1 lakh in case of a limited liability company and a minimum of Rs. 50,000 actually committed to business as personal resources in case of a proprietary or partnership firm, provided that the minimum assets of an advertising agency shall at any given time exceed its current liabilities at least by 10%.
- (v) It should have an annual turnover of not less than Rs. 3 lakhs.
- (vi) It should have advertising as its sole business occupation and must not be an allied department of any other business.
- (vii) Its remuneration must have been in the form of commission paid by various owners and it must retain in full the commission thus earn without sharing it with or rebating it to any client, directly or indirectly. When an agency rebates full commission to its clients and is paid a service fee for the services tendered, the amount of service fee so received shall not be less than 15% and such service fee shall be charged on the gross and not on the net amount.
- (viii) If included in DAVP's approved panel, an advertising agency must agree in writing to adhere to the general policy laid down by Government regarding encouragement to medium and small categories of newspapers and periodicals and must also undertake not to discriminate in any manner between I & ENS and non-I & ENS papers in the matter of agency commission and the period of credit, etc.
- (ix) All advertising agencies in DAVP's panel must undertake to pay all publishers' bills without exception within 75 days from the end of the month during which this advertisements billed appeared. Remissness on the account will result in cancellation of accreditation to the DAVP and withdrawal of all advertising business emanating from Government departments or public sector and other nationalised undertakings at the risk and cost of the advertising agency concerned.

1.52. During the course of evidence on the working of DAVP, the Committee were informed (*vide* paras 1.90 and 1.91 of 173rd Report, 5th Lok Sabha) by the Secretary, Ministry of Information and Broadcasting that "formerly the big advertising professions and agencies were mostly—partly or fully—owned by foreign interests. Under the Resolution adopted by Rajya Sabha and the norms laid down in this behalf, foreign advertising agencies were no longer eligible for accreditation to DAVP even if they had Indian Shareholders. The result was that Indian Shareholders broke away from foreign concerns and set up wholly Indian Companies. The Committee were also informed that in the case of the following three Indian Companies set up by Indian Shareholders after breaking away from the foreign companies, the norm that an advertising agency must have carried on agency business for a minimum period of one year was waived and accreditation to DAVP granted :

- (1) The staff of M/s. Clarion Me-Cann Advertising Pvt. Ltd. established in December, 1970 an Indian Company—"The Advertising Consultants (India) Ltd." It was accorded accreditation to DAVP on 15th March, 1971.
- (2) Mr. R. K. Swamy and other members of M/s. Hindustan Thomson Associates Ltd. (earlier M/s. J. W. Thomson Co.) set up an Indian Company—"M/s R. K. Swamy Advertising Associates Ltd., Madras" on 16th February, 1973. It was given accreditation to DAVP on 27th April, 1973.
- (3) Ex-Managing Director of M/s. Aiyars Pvt. Ltd. (formerly London Press Exchange Pvt. Ltd.) set up M/s. Chaitra Advertising Pvt. Ltd. in November, 1974. It was accredited to DAVP before the expiry of one year from the date of its formation.

1.53. In para 1.92 of their 173rd Report (5th Lok Sabha), the Committee expressed the feeling that "in extending recognition to advertising agencies, Government should go in detail into the ownership of the agency so as to see that it is truly Indian and not merely a cover for foreign interests." The Committee also observed : "The Committee see hardly any scope or justification for foreign expertise in a field where we have decades of experience."

1.54. In reply, Ministry of Information and Broadcasting has stated that :

"Norms have been laid down which, *inter alia*, provide that only such advertising agencies are eligible for accreditation to DAVP as are owned and controlled entirely by Indian nationals."

1.55. As early as March 1970, Rajya Sabha adopted a Resolution to the effect that all Government advertisements including advertisements of Railways, Statutory Corporations and public sector undertakings should be done 'only through Indian-controlled and Indian-owned advertising agencies' and that

no such advertisement shall be issued through foreign advertising agencies, whether wholly or partly owned or controlled by foreigners. The norms laid down for accreditation of advertising agencies to DAVP clearly stipulate that 'only such advertising agencies are eligible for accreditation to the DAVP as are owned and controlled entirely by Indian nationals'. During the course of evidence on the working of DAVP, it appeared that in some cases, Indian shareholders of foreign advertising agencies had set up wholly Indian Companies, apparently to gain accreditation to DAVP. It also appeared that in the case of three such Indian Companies, the normal requirement that an advertising agency must, in order to receive accreditation, have carried on agency business for a minimum period of one year, had been waived. The Committee had then called upon Government to go carefully into the question of ownership of advertising agencies in order to make sure that they were 'truly Indian and not merely a cover for foreign interest'. There being reasons to fear that foreign ownership and control, though ostensibly discarded, may still continue in devious ways, the Committee would urge Government to take special care in ascertaining that DAVP accredited advertising agencies are in fact owned and controlled entirely by Indian nationals.

Conversion of DAVP into a Commercial Organisation (Paragraphs 1.97 and 1.98—Sl. Nos. 31 and 32)

1.56. On the question of conversion of DAVP into a commercial organisation, the Committee had in paragraph 1.97 and 1.98 of their Report observed that :

“The Committee were informed that the DAVP played the role of a medium of mass communication within the I & B Ministry on the one hand and of an advertising agency for the Central Government, Departments on the other. The Committee were further informed that the role of DAVP was examined by the Chanda Committee in 1966 who recommended modifications in the functions and strengthening of professional skill at the higher level but it did not consider or suggest making DAVP a commercial organisation. To a suggestion whether it would not be better if DAVP was reorganised into various divisions, such as, newspaper advertisements, printed publicity, posters, etc., and run on commercial lines, the representative of the Ministry of I & B argued that the matter needed to be examined having regard to commercial cost consideration.” (Paragraph 1.97)

“In view of the fact that the classified advertisements budget of DAVP is at present of the order of Rs. 2 crore and that the Committee

have recommended elsewhere in this report that the advertising and publicity work of Public Undertakings should also be entrusted to DAVP, the Committee would like Government to examine in detail the feasibility of converting DAVP into a commercial organisation. Pending examination suggested, the Committee desire that there should, however be a Committee consisting of representatives of both the Houses to give guidance in the matter of advertising and publicity, since a lot of criticism has been voiced in this regard in and outside Parliament." (Paragraph 1.98)

1.57. In their reply furnished on 15 July 1976, Government stated as under :

"There is no proposal to convert DAVP into a Commercial Organisation. As regards constituting a Committee consisting of representatives of both the Houses, it is stated that the Consultative Committee for this Ministry consists of Members of both Houses of Parliament. It is proposed to place a paper on the new policy of advertisement before the Committee at their next meeting."

1.58. In a subsequent note* dated 30 July 1976, Government explained that :

"DAVP is not working with the motivation of profit or exploiting any kind of resources. It is publicity organ of the Government of India. There is, therefore, no need to convert it into a commercial organisation."

1.59. In 1966 the Chanda Committee examined the role of DAVP and recommended modifications in its functions and the strengthening of its professional skill at higher levels. It did not, however, suggest or even consider the issue of turning DAVP into a commercial organisation. The classified advertisement budget of DAVP has since grown to Rs. 2 crores. In para 1.84 of their 173rd Report, the PAC had recommended entrusting to DAVP the publicity work of Public Undertakings. Government had also been asked to examine in detail the feasibility of converting DAVP into a commercial organisation, and pending such examination, to set up a Committee consisting of representatives of both the Houses to give guidance in the matter of advertising and publicity. From the reply of Government, it appears that Government are averse to the idea of converting DAVP into a commercial organisation since, in its view, "DAVP is not working with the motivation of profit or exploiting any kind of resources." To a suggestion of the Committee that DAVP should be reorganised into various divisions, such as, newspaper advertisement, printed publicity, posters, etc., and run on commercial lines, the representative of the Ministry argued during evidence that the matter needed to be examined, especially in regard to the aspect of commercial costs. Govern-

*Not vetted in Audit.

ment's reply is silent on this point. The Committee reiterates their earlier recommendation and expect that Government would undertake a comprehensive study in order to help DAVP fulfil its role as a medium of mass communication, improve its quality of service and win the confidence of its customers through competitive rates and excellence of professional skill. The outcome of such a study and the steps to be adopted thereafter should be communicated to the Committee.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee have gathered the impression that the present system of distribution of advertisements leaves much to be desired. The Committee feel that the criteria should be spelt out in detail so as to provide a real guideline for distribution of advertisements. The Committee stress that these criteria should be such as to be entirely free from any taint of partisanship or favouritism so as to inspire confidence in all sections.

[Sl. No. 6 (Para 1.53) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)].

Action Taken*

Government have laid down certain principles for the distribution of advertisements; these are free from any taint of partisanship. The principles are as follows :—

- (i) Circulation of the paper has to be an important factor, consistent with the target readership aimed by the organisation on whose behalf the advertisement is issued.
- (ii) Weightage is to be given to medium and small papers.
- (iii) Weightage is also to be given to papers published from specially backward regions.
- (iv) No discrimination in rates has to be allowed between language papers and English papers, where other things are equal.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75—B & A, dated 15-7-1976]

Recommendation

The representative of the Ministry has admitted that there has been no meaningful and comprehensive readership survey so as to determine whether the advertisement had, in fact, reached the desired readers. It is imperative that Government should have suitable machinery to critically and scientifically appraise the type of readership covered by papers, so that advertisements could be so placed as to get the best return for the outlay.

[S. No. 7 (Para 1.54) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)].

*Not vetted in Audit.

Action taken*

There is no denying the fact that a comprehensive report on the Indian press giving profits of the readership of various newspapers, periodicals etc. would be useful data for drawing out media lists on scientific basis. This, however, is a stupendous project. The Ministry has a Directorate of Evaluation for feedback studies. We have also adequate expertise studies. The recommendation of the Committee is accepted in principle and a survey will be made.

[Ministry of Information and Broadcasting O.M. No. G-15015/3/75-B&A, dated 15-7-1976]

Recommendation

The Committee understand that because of the steep increase in the price of newsprint, the demand has temporarily fallen. This should not, however, make the Government complacent in the matter, for it is well known that there is a worldwide shortage of newsprint and till such time as our country attains self-reliance, the problem of procurement and distribution of newsprint will have to be methodically tackled. It is, therefore, imperative that objective criteria are laid down and publicised for determining the allocation of newsprint. If any agency or organisation allotted newsprint, is found to be indulging or was detected to have indulged in malpractice, such as showing inflated circulation, sale of newsprint surreptitiously in the open market, then deterrent action such as, drastic reduction or stoppage of allocation of newsprint, stoppage of Government advertisements etc. should be taken so as to serve as a warning to others.

[Sl. No. 12 (Para 1.65) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

Newsprint is allotted strictly on the basis of Newsprint Allocation Policy (copy of 1975-76 enclosed Annexure XI) which prescribes various conditions to be fulfilled by the newspapers or periodicals before the quota is issued. The newspapers have to give details regarding the performance, number of pages, page-area and circulation and also regularity of publication. The criteria are clear-cut and without room for doubt. Regarding inflated circulation, efforts are always being made to detect such cases by surprise, as well as periodic checks by the circulation teams of the Registrar of Newspapers. Regarding sale of newsprint surreptitiously, in the open market, this practice is not likely to be there now as it is a problem to get newspapers lift their authorised quota. Several newspapers, are holding on to authorisations without lifting the newsprint allotted to them. Reduction of newsprint on the basis of reports of verification of circulation is, however, made from the subsequent quota allotment.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75—B & A, dated 15-7-1976]

Recommendation

The Committee noted that in the Newsprint Allocation Policy for the year 1974-75, the daily newspapers who are entitled to a newsprint upto

*Not vetted in Audit.

25 tonnes have to get their entire supply in Nepa Newsprint. Normally it is only the medium and small newspapers who are entitled to newsprint upto 25 tonnes.

[Sl. No. 14 (Para 1.67) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

The policy for 1974-75 provided that newspapers with entitlement upto 25 tonnes, can obtain the entire quota in Nepa newsprint, if they so desire. The choice is that of the papers, Nepa newsprint is given to all newspapers on a graded basis.

The policy for 1975-76 provides utmost weightage of Nepa newsprint to small papers in view of the cheaper price of Nepa. In the case of newspapers with quota upto 300 tonnes, the entire quantity can be taken in Nepa newsprint at their option and those with quota from 301 to 500, 50% in Nepa. Practically, all newspapers in the country other than those belonging to the first 30 groups (in terms of maximum quantities of newsprint entitlement) were eligible under the 1975-76 policy to get their entire quota in Nepa newsprint, if they so desired.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75—B&A, dated 15-7-1976]

Recommendation

The Committee recommend that if a small or medium newspaper desires to have a certain proportion of newsprint of imported variety, it may not be denied to it. It is also very necessary that Nepa newsprint is made available immediately for sale at all important towns against permit on "Cash and Carry Basis." There should be no other conditions imposed on the supply system especially for medium and small newspapers, whose requirements are smaller.

[Sl. No. 15 (Para 1.68) of Appendix III to 173rd Report of P. A. C. (Fifth Lok Sabha)]

Action Taken

The policy provides a flexible arrangement under which any newspaper can take both imported and Nepa newsprint. There is no question of denial of the imported variety to any newspapers.

Regarding the case of opening depots for Nepa newsprint at important towns, it may be stated that excise duty will be leviable on newsprint if released without an authorisation from the Registrar of Newspapers. Hence newsprint transferred to depots will have to bear excise duty and will not, therefore, be purchased by newspaper, as it will be uneconomical.

[Ministry of Information and Broadcasting O.M. No. G-15015/3/75-B&A, dated 15-7-1976]

Recommendation

The Committee further recommend that in the case of display advertisements, particularly those relating to developmental and social objectives, such as, 'Grow More Food', Family Planning, etc., the medium of All India Radio may be more extensively utilised. Moreover, the Committee would

like to point out that the insertion of advertisements on subjects like 'Grow more Food' in bigger newspapers, which are primarily read by the urban population, is inappropriate.

[Sl. No. 20 (Para 1.76) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

The DAVP is making increasing use of the Commercial Broadcasting Service of All India Radio for advertisements of this nature. The advertisements pertaining to mass campaigns like 'Family Planning' and 'Grow More Food' etc. are mainly released to small and medium newspapers published from district towns to provide the desired coverage. The big papers are used only when intensive publicity is required and as these papers also have a good circulation in the rural areas.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75-B&A, dated 15-7-1976]

Recommendation

As recommended elsewhere in the Report, the Committee stress that advertisements should be released to such newspapers and periodicals which would cover the readership in view.

[Sl. No. 21 (Para 1.77) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

The position has been fully explained in para 1.76 .

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75-B&A dated 15-7-1976]

Recommendation

The Committee stress that Rules for recognition should be made more stringent and no exception should be allowed except at the level of Ministry for reasons which must be placed on record, so that advertising agencies of prove standing and merit and integrity are only accredited recognition.

[Sl. No. 30 (Para 1.93) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

The agencies are being accredited only on the basis of norms laid down. These rules are being enforced strictly. Ministry alone has the authority to make relaxation, if any.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75-B&A, dated 15-7-1976]

Recommendations

The Committee had called for the following information arising out of the evidence of the representatives of the Ministry of Information and Broadcasting on 31st January, 1975 :

- (a) The Ministry was asked to furnish a list of advertising agents of all public sector undertakings. The Ministry have stated that

they will furnish it later on receipt of the information from the public sector undertakings.

- (b) The Ministry was asked to furnish a list of periodicals and souvenirs published by various political parties in the country during the last three years which were given Government advertisements by DAVP and to indicate the expenditure incurred thereon. The Ministry in their reply have stated that information regarding the details of advertisements released to individual newspapers and souvenirs and the amount paid to them is treated as confidential between the D.A.V.P. and individual publishers.
- (c) The Ministry was asked to furnish the details of the cases against 'Indian Observer'. The Ministry in their reply have stated that further information regarding the details of cases against 'Indian Observer' is being collected from the Ministry of Home Affairs and will be furnished as soon as it becomes available.
- (d) The Ministry was asked to furnish the details of expenditure on advertising by public undertakings. The Ministry have stated that they have requested the Public Sector Undertakings to furnish the information.
- (e) The Ministry was asked to furnish the rates paid by Public Sector Undertakings and Government companies for newspaper advertisements through advertising agencies. The Ministry have stated that the information has been requested for from the Undertakings and is awaited.

A copy of D. O. letter No. 2/1/20/74/PAC, dated 16th April, 1975 from the Chairman, Public Accounts Committee to the Minister of Information & Broadcasting is reproduced in Appendix II.*

Had the information been furnished in time as desired by the Committee they would have been in a better position to go into the matter covered by this Report.

[S. Nos. 33, 34 and 35 (Paras 1.102, 1.103 and 1.104) of Appendix III to 173rd Report of the PAC (Fifth Lok Sabha)]

Action Taken

- (a) (d) & (e) The details collected are given with reference to **para 1.82.
 - (c) Details are given in Appendix XIV.
- [Ministry of Information & Broadcasting O.M. No. G-25015/3/75/B&A, dated the 15th July, 1976]

*of 173rd Report of PAC.

**Please see Chapter IV of this Report.

CHAPTER III
RECOMMENDATIONS /OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW
OF THE REPLIES FROM GOVERNMENT

Recommendation

The Committee find that Government were getting till 1966, 15% commission on classified advertisements, but this was given up by Government. The Committee have been given to understand that some newspapers, however, continue to give commission to other private agencies for placing advertisements with them. If this is correct, the Committee would like DAVP to pursue this matter earnestly so as to secure the commission of 15 per cent, if not more, particularly from bigger newspapers, as they provide them with sizeable custom.

[Sl. No. 10 (Para 1.57) of Appendix III to 173rd
Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

As per trade practice, no commission is allowed by newspapers on advertisements published in classified columns. Earlier, 15 per cent, commission was being afforded to DAVP by non-IENS member Newspapers. This was given up to avoid discrimination against those who are not members of the IENS.

[[Ministry of Information and Broadcasting O. M.
No. G-25015/3/75-B & A, dated 15-7-1976]

Recommendation

The Committee note that the DAVP have been able to secure an additional 10 per cent series discount on UPSC display-cum-series advertisements. The Committee recommend that Government should pursue with the big newspapers the extension of this additional 10 per cent discount for other Government display advertisements also.

[Sl. No. 11 (Para 1.58) of Appendix III to 173rd
Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

Since these advertisements bring regular revenue and lend prestige to newspapers, a special 10 per cent discount was agreed to. The display advts. do not fall in this category. There was a proposal to negotiate and obtain a series discount of 10 per cent on some other categories of display not classified advertisements, besides those emanating from the U.P.S.C. but this was dropped in view of the critical situation facing the newspaper industry as a result of reduction of newsprint quota and the steep rise in the price of newsprint.

[Ministry of Information and Broadcasting O.M. No.
G-25015/3/75—B & A, dated 15-7-1976]

Recommendation

In order to ensure that no newspaper is unfairly treated in the matter of allocation of newsprint, they recommend that a Standing Committee should be appointed which should also review the position about allocation of newsprint from time to time.

[Sl. No. 13 (Para 1.66) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

Newsprint is allotted to newspapers in accordance with the Newsprint Allocation Policy announced by Government from year to year. The policy is notified by the Ministry of Commerce (Chief Controller of Imports and Exports) on the basis of draft prepared by the Ministry of Information and Broadcasting. Every newspaper in the country registered under the Press and Registration of Books Act, is eligible to obtain newsprint on the basis of the policy. The policy has to be applied uniformly and there is no scope at all of discrimination or unfair treatment to anyone. In view of the policy and procedure followed there appears to be no need for Standing Committee for Supervision.

[Ministry of Information and Broadcasting C.M. No. G-25015.3.75-B & A, dated 15-7-1976]

Recommendation

The Committee were informed that most of the classified advertisements issued by the UPSC, Public Sector Undertakings and other advertisements for recruitment of all India Character were published in big newspapers as desired by the Ministries issuing agencies and also because of wider circulation of such newspapers.

To a suggestion by the Committee whether recruitment advertisements could not be broadcast over the AIR by enlarging the hours of broadcast so that these reach all parts of the country, the representative of the Ministry of Information and Broadcasting expressed difficulties in implementing such a suggestion because of the existing pressure on broadcasting time. It was further stated that all the details especially regarding technical, engineering advertisements could not be spelt out precisely in oral broadcast.

The Committee realise that the difficulties pointed out by the Ministry of Information and Broadcasting are real. The Committee suggest that one way of overcoming them is to make an announcement on All India Radio giving only essential information about vacancies and the office from where detailed information could be obtained by the interested candidates.

[Sl Nos. 17, 18, 19 (Paras 1.73, 1.74 and 1.75) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken*

These suggestions have been considered. Under the decisions now taken, the DAVP has the final authority to select newspapers to which advertisements would be given. In doing this, it has been enjoined upon the

*Not Vetted in Audit.

DAVP that they should safeguard the interests of medium and small newspapers. For further dissemination of information regarding public vacancies, the DAVP are now bringing out a Weekly, in four languages, named 'Employment News', which contains all such advertisements and it is being distributed far and wide. This scheme is being expanded further so as to cover all parts of the country and all classes of the society. In view of this, it is now not considered necessary to make an announcement on the All India Radio.

[Ministry of Information and Broadcasting O.D.O. No. G-25015/3/75-
B&A, dated 30-7-1976]

CHAPTER IV

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

Recommendation

The Committee find that while advertisements released by Government to the press occupy as much as 80 per cent in terms of space in small and medium newspapers, they get no more than 50 per cent of the total advertisement charges paid by Government. As Diwakar Committee had pointed out as early as 1965, this is due to the fact that while the rates for small and medium newspapers are low, the bigger newspapers charge very high rates. Moreover, while the bigger newspapers have been permitted to raise their rates many times, the small newspapers are being paid even lower rates than those recommended by the Press Commission as far back as 1954.

[S. No. 1 (Para 1.48) of Appendix III to 173rd Report of the P.A.C.
(Fifth Lok Sabha)]

Action Taken

Rate of advertisements in the newspapers are fixed by the publishers keeping in view the market demand for the space in their Publications and the rate that they can charge in competition with other newspapers. The following factors dominate in the matter of determining rates :—

- (i) Circulation : It is the most important element particularly because the number of copies sold (which can be easily verified) determine the reach of the advertisement ;
- (ii) The market potential of the area covered ;
- (iii) The purchasing power of its readership ;
- (iv) Standard of production.

The circulation is the main factor for the determination of rate-higher the circulation higher would be the rate. (These space of an advertisement is the same whether the paper is big, medium or small). For example the cost of an advertisement measuring 100 col. cms. in a newspaper with a circulation of 3,00,000 copies and a rate of Rs. 30/- p.s.c. cm. would be Rs. 3,000/- to achieve the same circulation we will use 300 newspapers of small category having 1000 circulation each. Even if they are paid at the minimum rate of Rs. 1.20 p.s.c.cm. plus 30 per cent surcharge the total cost in 300 newspapers would come to about Rs. 46,800/- per insertion.

Speaking, spacewise, while the space in a big newspaper would be :
 $1 \times 100 = 100$ col. cms., the total space in the 300 small papers would be
 $300 \times 100 = 30,000$ col. cms. Space is, therefore, not worked on the basis

of factual copies printed or circulation of a newspaper. Space and cost percent thus would work out to :—

	Space %	Cost %
Big	0.33	6.02
Small	99.67	93.98

Generally the DAVP resist an attempt on the part of big newspapers to put up their advertisement rates from year to year. Where reasonable rates cannot be negotiated, in the case of a particular paper, its use for Government advertisements had been discontinued. In the case of medium and small newspapers by and large their rate card rates/the rates demanded by them at the time of review of rates every year are accepted taking a liberal view of their financial position. By way of illustration, three statements are attached at Appendices I, II and III indicating the card rates/rates demanded by 20 big newspapers, 20 medium newspapers and 20 small newspapers during the last five years. In any case, it would be appreciated that the DAVP cannot pay rates higher than those charged by the newspapers from any commercial advertiser.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75—
B & A, dated 15-7-1976]

Recommendation

The Committee find that more than 44.65 per cent of total expenditure was incurred on advertisements in 1972-73 on papers and periodicals brought out in English medium. While this percentage has gone up for English medium papers and periodicals, the percentage for Hindi medium papers and periodicals has come down from 20.8 per cent in 1972-73 to 18.8 per cent in 1973-74. The Committee consider that with the growth of papers and periodicals in national and regional languages, greater percentage of advertisements both in terms of space and value should be given to national and regional language papers.

[S. No. 2 (Para 1.49) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

The percentage fluctuates from year to year depending on varying publicity requirements. However, every endeavour is made that language newspapers should be increasingly used. As will be observed from the statement enclosed at Appendices IV, V, VI, VII and VIII, the percentage in the case of Hindi and other regional languages newspapers and periodicals in terms of money *vis-a-vis* the English newspapers has been as under:—

	Hindi and other regional language papers/periodicals	English papers/periodicals
1971-72	57.83	42.17
1972-73	55.37	44.63
1973-74	54.06	45.94
1974-75	57.87	42.13
1975-76	65.08	34.92

While releasing advertisements, clear weightage is given to small and medium papers/periodicals and those being published in specially backward or remote or border areas. No discrimination in the rates of advertisement is made on the ground of the language of the paper/periodicals.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75—
B & A, dated 15-7-1976]

Recommendation

The Committee were informed that the Government have not accepted the recommendation of the Diwakar Committee on the ground that they could not force the big newspapers to accept lower rates than what they have been getting and it would have been a severe drain on the resources of the Government if newspapers charging lower rates were to be allowed suddenly to enhance their charges. The Committee further note that in May 1967, the Government announce its policy regarding advertisement rates which was more or less a recognition of the existing position and in fact gave more freedom to the big newspapers to fix their own advertising rates.

[S. No. 3 (Para 1.50) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

The position has elaborately been explained in reply to para 1.48 above. Keeping in view the publicity requirements, every effort is made for increasing use of small and medium newspapers.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75—
B & A dated 15-7-1967]

Recommendation

The Committee are perturbed to find that in spite of Government's avowed policy of entrusting the medium and small newspapers with a large share of advertisements there has been no marked increase in the percentage of advertisement in terms of revenue given to them. It has stood at about 50 per cent for the last five years. It is indicative of the fact that no serious effort has been made by Government in this behalf.

[S.No. 4 (Para 1.51) of Appendix III of 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

So far as mass campaigns are concerned, the share of small and medium newspapers in terms of cost has varied between 68 per cent and 100 per cent during 1974-75. The overall percentage comes down mainly because of classified advertisements which are intended for a particular class of readership. In this connection, the statement at Appendix IX indicating the position from the year 1967-68 to 1975-76 may be seen.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75—
B. & A, dated 15-7-1976]

Recommendation

The Committee recommend that it should be possible for Government to give an increased percentage of the display advertisements to medium and small newspapers in terms of advertisements charges. This objective can be achieved if Government undertake a systematic survey of all the medium and small newspapers language-wise and area-wise and release display advertisements to them keeping in view the readership coverage desired in terms of the objective of advertisement. The performance in this behalf should be monitored at the level of the Ministry so that effective remedial measures as necessary may be taken without delay.

[Sl. No. 5 (Para 1.52) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

This is already being done. For instance, during 1974-75 the approximate percentage in terms of cost of display advertisements given to small and medium newspapers was as follows :

Display Advertisements	Medium and Small newspapers Approx. percentage in terms of cost
Metric system	79
National Integration	97
Posts & Telegraphs	84
Family Planning	97
Grow More Food	100
Small Pox eradication	95
Nirodh	68
National Saving	77
Save Grain	83

The list of medium and small newspapers is kept under constant review on the basis of statistics collected by the Registrar of Newspapers.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75—
B.&A. dated 15-7-1976]

Recommendation

The Committee find that the milli-rates (rate per-centimetre per 1000 circulation) allowed to some newspapers and periodicals published in the same language and with more or less same circulation varied upto thrice nearly. Conversely, rates being the same the circulation varied as much as

thrice. There was also substantial variation in making allowance for relative circulations, in the amount of payment for advertisements obtained by Newspapers and periodicals published from the same station and in the same language. The Committee would like Government to examine the entire question of fixing the milli-rate (rate per centimeter per 1000 circulation) keeping in view the size of newspapers/periodicals with reference to its circulation language, place of publication and the impact it has on public mind. Government may lay down uniform rates for newspapers/periodicals published from the same station in the same language and having more or less same circulation.

[Sl. No. 8 (Para 1.55) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

Circulation is not the sole criterion for fixation of advertisement rates. Newspapers coming from the same place, same language, with almost similar circulation, do have different rates because of their class of readership, contents, standard and cost of production and pulling power, etc. Some examples are given in Appendix X.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75— B. & A., dated 15-7-1976]

Recommendation

The Committee suggest that in determining a rational rate for advertisement, Government should also take into consideration the news coverage by the paper as compared to the space devoted to advertisements. The Committee feel that those which carry more reading matter as compared to more advertisements should receive more consideration while determining the release of and charges for Government advertisements. Such of those papers which do not conform to the expectations of Government in this regard should not receive the usual quota of advertisement.

[Sl. No. 9 (Para 1.56) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

The Fact Finding Committee on Newspaper Economics considers 50:50 ratio between news and advertisements as a fair one. This is borne in mind by DAVP while releasing advertisements.

[Ministry of Information and Broadcasting O.M. No. G-25015/3/75— B & A, dated 15-7-1976]

Recommendation

The Committee are surprised as well as distressed to note that though there is a provision for black-listing of newspapers and periodicals for indulging in malpractices, in actual practice no such list is being maintained. If no such black-list is maintained and the parties indulging in malpractices are not denied advertisements or allocation of newsprint quota, the very objective underlying such black-listing would not be served. The Committee would like Government to take effective action to ensure that black-listed news-

papers and periodicals are denied newsprint quota, advertisements, etc. and are also proceeded against as admissible under the law.

[Sl. No. 16 (Para 1.70) of Appendix III to 173rd Report of P.A.C.—(Fifth Lok Sabha)]

Action Taken

All newspapers and periodicals that violate the Government policy on advertisement are not given any advertisement by DAVP. In this context, it will be relevant to recall that Government policy on advertisement had been placed on the table of both Houses of Parliament.

Newsprint quota, however, be denied unless the publication of a newspaper is stopped.

(Ministry of Information and Broadcasting O.M. No. G-25015/3/75—
B. & A., dated 15-7-1976)

Further Information*

The newspapers buy newsprint with their own funds and Government have assumed only certain regulatory powers to arrange supplies. In the Press and Registration of Books Act, 1867 a newspaper has a right to continue, unless it has contravened this law. Opposition to the policies of Government is not a ground provided in this law for stopping the publication of a newspaper.

No lists of Newspapers/Periodicals which are black-listed for indulging in malpractice is maintained by the Ministry of I. and B.

(Ministry of Information and Broadcasting D.O. No. G-25015/3/75—
B & A dated 30-7-1976)

Recommendation

The Committee on Public Undertakings in paragraphs 3.39 to 3.42 of their 47th Report (4th Lok Sabha) on Public Relations and Publicity in Public Undertakings had recommended that all commercially non-competitive Public Undertakings should route their advertisements through the DAVP to get the benefit of the concessional rates. The Committee had also stressed that the Commercial Competitive Public Undertakings should also as far as possible and practicable, use the agency of DAVP for their advertisements. Where a commercial public undertaking found it necessary to utilise the services of a private advertising agency it should be one out of the approved panel of agencies maintained by the DAVP. Further, while sending their enquiries for display advertisements and other publicity work to private agencies they should endorse a copy thereof to the DAVP. The Government had accepted these recommendations and had issued suitable instructions to all the Public Undertakings in April, 1970.

[Sl. No. 22 (Para 1.80) of Appendix III to 173rd Report
of P.A.C.(Fifth Lok Sabha)]

*Not vested in Audit

Action Taken

It pertains to the statement made by the Secretary, Ministry of I.&B. during evidence.

(Ministry of Information and Broadcasting O.M. No. G-25015/3/75—B&A, dated 15-7-1976).

Recommendation

The Committee were informed during evidence by the Secretary, Ministry of Information & Broadcasting that the Public Sector Undertakings under the control of Central Government "wanted to keep their advertisement operations to themselves. They want to choose their own agencies." The Secretary, Ministry of Information & Broadcasting added that DAVP was competent enough to undertake the job of Public Undertakings without detriment to their interest.

[Sl. No. 23—(Para 1.81) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

It is a statement made by the Secretary, Ministry of I. & B. during evidence.

(Ministry of Information and Broadcasting O.M. No. G. 25015/3/75—B & A, dated 15-7-1976).

Recommendations

The Committee desired to have the following information in respect of Public Undertakings :—

- (i) "It is understood that the advertisement of certain Public Sector Undertakings are channelised through agencies not fully owned by Indians. Please furnish a list of the advertising agents of all public sector undertakings."
- (ii) "It has been stated that details of expenditure on advertising by Public Undertakings were not available and will have to be collected. Please furnish this information in respect of Public Sector Undertakings and Government-owned companies for the years 1971-72, 1972-73 and 1973-74."
- (iii) "Please furnish a statement indicating—
 - (a) the rates paid by Public Sector Undertakings and Government companies for newspaper advertisements through advertising agencies,
 - (b) how these rates compare with DAVP rates, and
 - (c) the commission paid by such undertakings/companies to the advertising agencies."

[Sl. No. 24 (Para 1.82) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

The required information is given below :—

Name of Public Undertaking	Name of Agency	Remarks
1 Hindustan Machine Tools Limited, Bangalore.	M/s. Hindustan Thompson Associates. 1971-74	—
2 Madras Fertilizers Limited	M/s Advertising Consultants. 1972-74.	Sister concern of M/s Clarion Me-cann.
3 Madras Fertilizers Limited	M/s. Hindustan Thompson Associates. 1971-72.	—
4 Hotel Corporation of India Limited.	M/s. Hindustan Thompson Associates. 1973-74.	—
5 Indian Drugs & Pharmaceuticals Limited.	M/s Advertising Consultants. 1972-74	Sister concern of M/s Clarion Me-cann.
6 Brainwaite & Co. (India) Limited, Calcutta	M/s S. H. Benson (I) Pvt. Limited. 1971-73	—
7 Air India	M/s. Hindustan Thompson Associates. 1971-74	—
8 Mining & Allied Machinery Corporation Limited, Durgapur.	M/s. Advertising Consultants. January, 1974 onwards.	Sister concern of M/s. Clarion Me-cann.
9 Fertilizers Corporation of India Limited.	M/s. Advertising Consultants. 1973-74.	Do.
10 Biecco Lawrie Limited	M/s. Grant Advertising (I) Limited. 1971-74	—

x. 2a (ii)

Total advertising expenditure by the public sector undertakings is as under year-wise:—

	Rs.
1971-72	4,80,36,634.23
1972-73	5,69,21,780.41
1973-74	5,92,64,891.91

Total expenditure incurred on behalf of Government owned companies by DAVP for press advertising is as follows:—

Year	Total amount paid in the same year	Hangover payment paid in subsequent years
	Rs.	Rs.
1971-72	10,12,477.96	11,39,312.17
1972-73	15,93,432.62	4,545.24
1973-74	17,09,757.36	3,53,847.49

1.8a (iii).

The rates paid by undertakings to the publications through advertising agencies are the same as of DAVP excepting the following publications:—

1. Times of India New Delhi/Bombay/Ahmedabad.
2. Hindu, Madras.
3. Hindustan Times, New Delhi.
4. Statesman, New Delhi/Calcutta.
5. Amrita Bazar Patrika, Calcutta/Allahabad.

The rates paid to these publications are their tariff rates. Comparative statement is attached (Appendix XII).

15% commission is being paid by newspapers to advertising Agencies for the advertisements released to publications on behalf of undertakings, is retained by the advertising agencies.

(Ministry of Information and Broadcasting O.M. No. G. 25015/3/75
B&A, dated 15-7-1976).

Recommendation

The Committee have been merely informed that the Public Sector Undertakings have been requested to furnish the requisite information but the detailed information is still awaited despite numerous reminders.

[Sl. No. 25 (Para 1.83) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

The details of expenditure etc. by the Public Sector Undertakings year-wise 1971-72 to 1973-74 are given in reply to Para 1.82;

(Ministry of Information and Broadcasting O. M. No. G. 25015/3/75—
B&A, dated 15-7-1976).

Recommendation

This is indicative of the fact that Government have not shown any earnestness in implementing, in letter and spirit, the accepted recommendations of the Committee on Public Undertakings. In fact, the Ministry of Information and Broadcasting should have taken full advantage of the recommendations of the Committee on Public Undertakings and pursued with the administrative Ministries concerned and Public Undertakings in order to secure ever larger share of advertisements being routed through DAVP. Had this been done during the last five years, the Committee feel that DAVP would have by now gained valuable experience in the field and demonstrated its capacity to render such service. The Committee stress that DAVP should spare no efforts to upgrade its skill, so as to win the confidence of the Public Undertakings in the matter of display advertisements.

[Sl. No. 26 (Para 1.84) of Appendix III to 173rd Report of P. A. C. (Fifth Lok Sabha)].

Action Taken

The position has been reviewed. While it is not intended that the Directorate of Advertising & Visual Publicity should take over the total advertising work on behalf of public sector undertakings and autonomous and statutory bodies, it should have the final authority in certain respects. The size of advertising, the effort to be put in by a certain organisation, would be within its discretion, since this would be related to actual requirements as well as availability of funds for the purpose. It would also be for the organisation concerned to decide whether it would like to use the Directorate of Advertising & Visual Publicity for the physical work connected with advertising, visualisation, designing and other technical work, or do it itself and utilise an advertising agency for the purpose. Subject to this the DAVP would now have the final authority in respect of selection of newspapers/periodicals for the entire advertising work of these organisations; and the advertisement rates. Necessary orders have already been issued accordingly.

(Ministry of Information & Broadcasting O.M No. G
25015/3/75 B&A, dated 15-7-1976)

Recommendation

The Committee were informed that Government have laid down criteria for recognising Advertising Agencies and Accredited Agencies for the purposes of advertisement. The Committee were also informed that formerly, the big advertising agencies were mostly—partly or fully—owned by foreign interests. In pursuance of two resolutions passed by Parliament for Indianisation of these agencies, many companies broke up and Indian shareholders started separate companies. In some cases the top executives, who were all along in the advertising business, broke away from the foreign concern and formed a wholly Indian Company.

[Sl. No. 27 (Para 1.90) of Appendix III to 173rd Report
of P.A.C. (Fifth Lok Sabha)].

Action Taken

It is a statement made by the Secretary, Ministry of I. & B. during evidence.

(Ministry of Information and Broadcasting O.M. No.
G-25015/3/75 B & A, dated 15-7-1976)

Recommendation

The Committee note that there have been cases where foreign concerns have been controlling Indian advertising agencies. The Secretary, Ministry of Information and Broadcasting during evidence stated:—

“It may be stated that an Indian owned advertising Company to do some international business which it can not do directly, so it comes into agreement with some company outside and says, for

this consideration we will get into international business. That we will have to consider on merits."

[Sl. No. 28 (Para 1.91) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

It is a statement made by the Secretary, Ministry of I. & B. during evidence.

(Ministry of Information and Broadcasting O. M. No. G-25015/3/75 B & A, dated 15-7-1976)

Recommendation

The Committee feel that in extending recognition to advertising agencies, Government should go in detail into the ownership of the agency so as to see that it is truly Indian and not merely a cover for foreign interest. The Committee see hardly any scope or justification for foreign expertise in a field where we have decades of experience.

[Sl. No. 29 (Para 1.92) of Appendix III to 173rd Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

Norms have been laid down which *Inter-alia*, provide that only such advertising agencies are eligible for accreditation to D.A.V.P. as are owned and controlled entirely by Indian nationals.

A booklet containing norms for accreditation of advertising agencies to the DAVP is enclosed (Appendix XIII).

(Ministry of Information and Broadcasting O. M. No. G-25015 3,75 B & A, dated 15-7-76).

Recommendations

The Committee were informed that the DAVP played the role of a medium of mass communication within the I&B Ministry on the one hand and of an advertising agency for the Central Government, Departments on the other. The Committee were further informed that the role of DAVP was examined by the Chanda Committee in 1966 who recommended modifications in the functions and strengthening of professional skill at the higher level but it did not consider or suggest making DAVP a Commercial Organisation. To a suggestion whether it would not be better if DAVP was reorganised into various divisions, such as, newspaper advertisements, Printed Publicity, Posters, etc., and run on commercial lines, the representative of the Ministry of I&B argued that the matter needed to be examined having regard to commercial cost consideration.

In view of the fact that the classified advertisements budget of DAVP is at present of the order of Rs. 2 crores and that the Committee have recommended elsewhere in this report that the advertising and publicity work

of Public Undertakings should also be entrusted to DAVP, the Committee would like Government to examine in detail the feasibility of converting DAVP into a commercial organisation. Pending the examination suggested, the Committee desire that there should, however, be Committee consisting of representatives of both the Houses to give guidance in the matter of advertising and publicity, since a lot of criticism has been voiced in this regard in and outside Parliament.

[Sl. Nos. 31 and 32 (Paras 1.97 and 1.98) of Appendix III to 173rd Report of PAC—(Fifth Lok Sabha)]

Action Taken

There is no proposal to convert DAVP into a Commercial Organisation.

As regards constituting a Committee consisting of representatives of both the Houses, it is stated that the Consultative Committee for this Ministry consists of Members of both Houses of Parliament. It is proposed to place a paper on the new policy of advertisement before the Committee at their next meeting.

(Ministry of Information and Broadcasting O.M. No. G-25015/3/75 B & A, dated 15-7-1976).

Further Information*

D.A.V.P. is not working with the motivation of profit or exploiting any kind of resources. It is publicity organ of the Government of India. There is, therefore, no need to convert it into a Commercial organisation.

Ministry of Information and Broadcasting O.M. No. G-25015/3/75 B & A, dated 30-7-1976)

*Not vetted in Audit.

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

NIL

NEW DELHI :

December 20, 1977

Agrahayana 29, 1899 (S).

[G. M. STEPHEN.

Chairman,
Public Accounts Committee.

APPENDIX I

Statement indicating the Card rates/rates demanded by 20 big newspapers and D.A.V.P approved rate during 1972-73 to 1976-77

Sl. No.	Name of the publication	1972-73			1973-74		
		Circulation	Card Rate/ demanded Rate (ex- cluding unauthorised merging of surcharge)	DAVP approved rate	Circulation	Card Rate/ demanded Rate (ex- cluding unauthorised merging of surcharge)	DAVP approved rate.
1	2	3	4	5	6	7	8
<i>English Dailies</i>							
1.	Times of India, Delhi/Bombay/Ahmedabad	271000	27.00	27.00	266000	31.00	27.00
2.	Indian Express, South Indian editions.	210000	23.17	18.75	206000	23.17	18.75
3.	Tribune, Chandigarh	103000	8.50	8.50	109000	10.00	10.00
4.	Statesman, Delhi/Calcutta	189000	20.00	20.00	187000	26.00	20.00 (Use dis- continued)
5.	Hindustan Times, New Delhi.	148000	20.00	18.50	140000	20.00	18.50
6.	Amrit Bazar Patrika N.I.P. Calcutta/Allahabad.	153000	15.60	15.60	139000	18.63	15.00
7.	<i>Hindu, Madras Hindi Dailies</i>	180000	22.72	18.25	181000	22.72	18.25
8.	Hindustan, New Delhi.	158000	14.00	14.00	162000	14.00	14.00

1	2	3	4	5	6	7	8
9.	Nav Bharat Times, Delhi/Bombay.	240000	18.50	18.50	240000	18.50	18.50
10.	Nai Duniya, Indore	50000	4.00	4.00	50000	5.00	5.00
<i>Malayalam Dailies</i>							
11.	Malayala Manorama, Kottayam	314000	14.00	14.00	240000	16.81	16.81
12.	Mathrubhoomi, Calicut	262000	11.00	14.00	260000	16.81	16.81
13.	Kerala Kaumudi, Trivanchuram	135000	8.00	7.00	120000	8.40	8.40
<i>Marathi Dailies</i>							
14.	Lok Satta, Bombay	130000	9.50	9.50	124000	9.50	9.50
15.	Maharashtra Times, Bombay	90000	7.50	7.50	122000	7.50	7.50
<i>Gujarati Dailies</i>							
16.	Bombay Samachar, Bombay	86000	8.00	8.00	110000	10.90	10.90
17.	Gujarat Samachar, Bombay	90000	9.00	9.00	98000	9.00	9.00
<i>Bengali Dailies</i>							
18.	Ananda Bazar Patrika, Calcutta	304000	26.00	26.00	306000	26.00	26.00
19.	Jugantar, Calcutta.	205000	17.30	17.30	186000	20.45	17.30
<i>Tamil Dailies</i>							
20.	Dinamani, Madras/Madurai	170000	8.50	8.50	168000	8.54	8.50

APPENDIX I—Contd.

Statement indicating the Card rates/rates demanded by 20 big Newspapers and DAVP approved rate during 1972-73 to 1976-77—Contd.

Circulation	1974-75			1975-76			1976-77		
	Card Rate/ demanded Rate (Ex- cluding unauthorised merging of surcharge)	DAVP approved rate	Circulation	Card Rate/ demanded Rate (Ex- cluding unauthorised merging of surcharge)	DAVP approved rate	Circulation	Card/Rate demanded Rate (Ex- cluding unauthorised merging of surcharge)	DAVP approved rate	Circulation
9	10	11	12	13	14	15	16	17	
296000	31.00	29.60	290000	34.54	29.60	297000	34.54	29.60	29.60
198000	23.17	18.75	216000	23.17	21.00	214000	25.00	21.00	21.00
112000	10.00	10.00	115000	12.00	10.00	120000	12.00	12.00	12.00
190000	26.92	(Use discon- tinued)	193000	26.92	(Use discontinued)	194000	26.92	(Use Discon- tinued)	
146000	20.00	18.50	153000	22.72	Do.	175000	24.54	Do.	
143000	18.63	15.60	147000	21.23	18.50	146000	21.23	18.50	
215000	22.72	21.82	216000	22.72	21.82	227000	25.00	21.82	
155000	14.00	Not being used	158000	14.00	13.00	146000	14.00	13.00	
241000	19.32	18.50	278000	19.32	19.32	265000	19.32	19.32	

9	10	11	12	13	14	15	16	17
62000	6.50	6.50	62000	6.50	6.50	71000	6.50	6.50
311471	16.81	16.81	250000	22.72	22.72	299000	22.72	22.72
270000	16.81	16.81	250000	22.72	22.72	248000	22.72	22.72
134000	9.09	9.09	133000	9.09	9.09	128000	11.36	11.36
137000	12.27	9.50	129000	12.27	9.50	141000	12.27	10.35
124000	10.00	9.55	109000	10.00	8.60	116000	10.00	8.60
116000	10.90	10.90	118000	10.90	10.90	125000	10.90	10.90
102000	10.00	10.00	98000	10.00	10.00	110000	10.00	10.00
298000	26.00	26.00	278000	35.45	26.00	265000	36.45	26.00
184000	20.45	17.30	191000	27.27	17.30	190000	27.27	17.30
177000	8.54	8.50	161000	10.45	10.45	165000	10.45	10.45

APPENDIX II

Statement indicating the Card rates / rates demanded by 20 Medium Newspapers and DAVP approved rate during 1972-73 to 1976-77.

Name of the Publication	1972-73			1973-74		
	Circulation	Card Rate/ Demanded Rate ex- cluding unauthorised margins of surcharge	DAVP approved rate	Circulation	Card Rate/ Demanded Rate ex- cluding unauthorised margins of surcharge	DAVP approved rate
1	2	3	4	5	6	7
<i>English Dailies</i>						
1. Patriot, New Delhi	49000	4.00	4.00	46000	5.45	5.45
2. Nagpur Times, Nagpur.	19000	5.00	5.00	18000	5.00	5.00
3. Mail, Madras.	27000	5.80	5.80	23000	5.80	5.80
4. Free Press Bulletin, Bombay . . . . .	..	..	..	..	..	..
5. Searchlight, Patna	18000	3.50	3.50	18000	4.00	4.00
6. Pioneer, Lucknow	20000	5.25	5.25	20000	5.50	5.50
7. Indian Express, Ahmedabad.	17000	4.00	4.00	16072	4.00	4.00
<i>Hindi Dailies</i>						
8. Pradeep, Patna	15000	2.50	2.50	19000	3.00	3.00

1	2	3	4	5	6	7	
9.	Swatantra Bharat, Lucknow.	. . . . .	4.50	4.50	28000	5.45	5.25
10.	Aj, Varanasi	43000	7.00	7.00	42000	7.00	7.00
11.	Dinman, Delhi (Weekly)	. . . . .	8.00	8.00	46000	8.00	8.00
	<i>Marathi Dailies</i>						
12.	Vishal Sahyadri, Poona	20340	2.50	2.50	22000	2.50	2.50
	<i>Telugu Dailies</i>						
13.	Andhra Bhoomi, Secunderabad	18000	3.00	3.00	16000	3.00	3.00
	<i>Kannada Dailies</i>						
14.	Kannada Prabha, Bangalore	33500	4.00	4.00	465000	4.00	4.00
15.	Udaivani, Manipal	22000	2.50	2.50	31000	2.50	2.50
	<i>Gujarati Dailies</i>						
16.	Phul Chhab, Rajkot	39000	3.00	3.00	43000	3.00	3.00
17.	Jai Hind, Rajkot Ahmedabad.	46016	6.00	6.00	43500	6.00	6.00
	<i>Urdu Dailies</i>						
18.	Milap Delhi	35000	3.60	3.60	35000	3.60	3.60
	<i>Punjabi Dailies</i>						
19.	Ajit, Jullunder	19600	4.00	4.00	20900	4.00	4.00
20.	Hindvasi (Sindhi Weekly), Bombay	20109	3.50	3.50	19747	4.25	4.25

APPENDIX II—Contd.

Statement indicating the Card rates/rates demanded by 20 Medium Newspapers and DAVP approved rate during 1972-73 to 1976-77

Circulation	1974-75		Circulation	1975-76		Circulation	1976-77	
	Card Rate/ Demanded Rate ex- cluding unauthorised margins of surcharge	DAVP approved rate		Card Rate/ Demanded Rate ex- cluding unauthorised margins of surcharge	DAVP approved rate		Card Rate/ Demanded Rate ex- cluding unauthorised margins of surcharge	DAVP approved rate
8	9	10	11	12	13	14	15	16
1. 30000	5.45	5.45	29000	5.45	5.45	37000	6.54	6.54
2. 20000	5.00	5.00	20000	5.00	5.00	21000	5.00	5.00
3. 20000	5.80	5.80	17000	5.80	5.80	15000	5.80	5.80
4. ..	..	..	22870	4.20	4.20	20415	4.20	4.20
5. 22000	4.00	4.00	22000	4.50	4.50	20000	4.50	4.50
6. 21000	5.50	5.50	19000	5.50	5.50	23000	6.14	6.14
7. 16000	4.00	4.00	18000	4.00	4.00	16470	4.00	4.00
8. 22000	3.00	3.00	28000	4.50	4.50	28000	4.50	4.50
9. 30000	5.45	5.25	33000	6.35	6.15	40000	7.27	7.27
10. 39000	7.00	7.00	39000	7.00	7.00	42000	7.00	7.00

	8	9	10	11	12	13	14	15	16
11.	46000	8.00	8.00	47,000	12.00	12.00	49000	12.00	12.00
12.	21000	3.15	3.15	14000	3.15	3.15	14000	3.15	3.18
13.	17000	3.00	3.00	15000	3.00	3.00	16000	3.00	3.00
14.	46500	4.00	4.00	49500	4.00	4.00	17200	4.00	4.00
15.	33000	3.15	3.15	32500	4.10	4.10	37000	4.45	5.45
16.	48000	4.54	4.50	45000	4.54	4.50	46000	4.54	4.50
17.	48000	6.08	6.00	39000	6.08	6.00	35000	6.08	6.00
18.	31000	3.85	3.85	28000	3.85	3.85	25000	3.85	3.85
19.	22300	4.00	4.00	24000	4.00	4.00	24533	5.39	5.39
20.	18804	4.25	4.35	17455	4.25	4.25	16886	5.07	5.07

APPENDIX III

Serives indicating the Card Rate/Rates demanded by 20 Small Newspapers and DAVP approved rate during 1972-73 to 1976-77.

Name of the Publication	1972-73			1973-74			
	Circulation	Card Rate Demanded/ rate (ex-cluding unauthorised margins surcharge)	DAVP approved rate	Circulation	Card Rate/ Demanded rate ex-cluding unauthorised margins surcharge	DAVP approved rate	
	1	2	3	4	5	6	7
1 Link, English Weekly New Delhi		12267	1.00	4.00	10000	4.00	4.00
2 Nadrem, Urdu daily, Bhopal	800	0.50	0.50
3 Jaaran, Hindi-daily, Jhansi		15206	3.00	3.00	14754	3.00	3.00
4 Afkar, Urdu daily, Bhopal	600	0.80	0.80
5 Zamindar, Urdu daily, Srinagar		3119	1.25	1.25	3750	1.25	1.25
6 Milap, Urdu daily, Hyderabad		3825	1.25	1.25	3713	1.25	1.25
7 Avlokam, Hindi daily, Raikam	1950	0.50	0.50
8 Blitz, Marathi Weekly, Bombay	11170	4.00	4.00
9 Prabhat, Hindi daily, Meerut		1900	1.00	1.00	1900	1.00	1.00
10 Hindustan, Marathi daily, Anravati
11 Desh Dorot, Hindi daily, Allahabad		9511	2.50	2.50	9074	2.50	2.50

	1	2	3	4	5	6	7
12	New Wave, English Weekly, New Delhi.	6937	5.00	5.00	6590	5.00	5.00
13	Hindustan Overseas, weekly, New Delhi.	3041	4.00	4.00	3182	4.00	4.00
14	Andaman Times, English Weekly, Port Blair.	5187	3.00	3.00	5205	3.00	3.00
15	Kerala Sree, Malayalam, Alleppey.	3250	0.80	0.80	3250	0.80	0.80
16	Hindustan, Sindhi daily, Bombay.	15000	3.00	3.00	15000	3.75	3.75
17	Syasat, Urdu daily, Hyderabad.	10000	2.00	2.00	10000	2.00	2.00
18	Khidmat, urdu daily, Srinagar.	1505	1.25	1.25	1579	1.25	1.25
19	Yugantar, Hindi daily, Balia.	..	..	..	1863	1.02	1.00
20	Hindustan Times, Evening News, New Delhi.	12000	4.00	4.00	11000	4.00	4.00

APPENDIX III—Contd.

Statement indicating the Card rates/rates demanded by 20 Small Newspapers and DAVP approved rate during 1972-73 to 1976-77.

	1974-75				1975-76				1976-77			
	Circulation	Card Rate/ Demanded rate ex- cluding unauthorised margins of surcharge	DAVP approved rate ¹⁾	Circulation	Card Rate/ Demanded rate ex- cluding unauthorised margins of surcharge	DAVP 1 approved rate	Circulation	Card Rate/ Demanded rate ex- cluding unauthorised margins of surcharge	DAVP approved rate	Circulation	Card Rate/ Demanded rate ex- cluding unauthorised margins of surcharge	DAVP approved rate
	8	9	10	11	12	13	14	15	16			
1.	970	4.00	4.00	10503	4.00	4.00	10520	4.80	4.80			
2.	85	0.50	0.50	735	0.50	0.50	750	1.00	1.00			
3.	1472	3.00	3.00	14384	3.00	3.00	13492	3.00	3.00			
4.	600	0.80	0.80	725	0.80	0.80	750	0.80	0.80			
5.	368	1.25	1.25	3850	1.25	1.25	3850	1.25	1.25			
6.	355	1.54	1.50	3300	1.54	1.50	2700	1.54	1.50			
7.	150	0.50	0.50	1050	0.50	0.50	1050	1.00	1.00			
8.	1013	4.00	4.00	9731	4.00	4.00	11792	4.00	4.00			
9.	100	1.00	1.00	1900	1.00	1.00	1900	1.00	1.00			
10.	..	..	..	4796	1.04	1.00	4487	1.04	1.04
11.	912	2.50	2.50	9146	2.50	2.50	9035	2.50	2.50			

	8	9	10	11	12	13	14	15	16
12.	662	5.00	5.00	6733	5.00	5.00	6613	5.00	5.00 ⁰
13.	918	4.00	4.00	2728	4.00	4.00	2561	4.00	4.0 ⁰
14.	594	3.00	3.00	3900	3.00	3.00	3000	3.00	3.0 ⁰
15.	370	1.00	1.00	3783	1.25	1.25	3788	1.50	1.5 ⁰
16.	14000	3.75	3.75	14000	3.75	3.75	13000	5.40	5.4 ⁰
17.	10000	3.00	2.70	10000	3.00	3.00	10000	3.00	3.0 ⁰
18.	1619	1.25	1.25	1615	11.25	11.25	1619	1.25	1.2 ⁵
19.	1815	1.00	1.00	1815	1.00	1.00	1819	1.00	1.0 ⁰
20.	10000	4.00	4.00	12000	4.00	4.00	14000	4.20	4.0 ⁰

APPENDIX IV

Statement showing Language-wise Distribution of space and cost during 1971-72

Languages	Classified				Display				Total					
	No. of papers	No. of inser-tions	Space in col. cms.	Cost	No. of papers	No. of inser-tions	Space in col. cms	Cost	No. of inser-tions	%	Space	%	Cost	%
English	111	35177	734587	5691794	350	8867	364721	2255666	44044	37.92	1099308	24.68	7949460	42.17
Hindi	159	12108	368367	1887013	476	13189	704388	1816830	25297	21.55	1072755	24.08	3703843	19.65
Urdu	50	4326	121781	219849	182	6597	630710	496801	10923	9.48	752491	16.89	746650	3.96
Punjabi	14	1116	40511	83336	60	2149	111329	179384	3265	2.58	151840	3.40	262720	1.39
Sindhi	4	243	9911	25791	16	589	31277	56588	832	0.86	41188	0.92	82379	0.43
Bengali	10	1524	51616	703659	79	1928	104425	426228	3452	2.58	156041	3.50	1129887	5.99
Assamese	4	773	38658	88246	10	653	36717	81809	1426	0.93	75375	1.69	170055	0.96
Oriya	6	725	35399	115014	13	801	43156	117598	1526	1.32	78555	1.76	232612	1.23
Marathi	41	2829	114465	323203	91	4540	167609	473051	7369	6.48	282074	6.33	796254	4.22
Gujarati	21	2020	109072	435572	63	2653	147354	349759	4673	4.31	256426	5.75	776331	4.11
Tamil	23	2657	59231	299115	51	2425	81014	1310526	5082	4.81	140245	3.15	160641	8.53
Telugu	9	1745	45659	165861	32	1273	61602	133029	3018	2.78	107261	2.41	298890	1.58
Kannada	16	948	31765	139108	38	2467	69494	194217	2415	1.62	101259	2.27	333325	1.76
Malayalam . . .	18	1383	66092	486901	38	1435	75004	271968	2818	2.78	141096	3.17	758869	4.02
TOTAL	486	67574	1827114	10694462	1499	48566	2628800	8154454	116140	100%	4455914	100%	18848916	100%

Note: The figures do not include the amount spent on *ad-hoc* releases in souvenirs on production of process.

APPENDIX V

Statement showing Language-wise Distribution of Space and cost during 1972-73

Languages	Classified				Display				Total					
	No. of papers	No. of insertions	Space in col. cms.	Cost Rs.	No. of papers	No. of insertions	Space in col. cms.	Cost Rs.	No. of insertions	%	Space	%	Cost	%
English	111	27708	601961	5368105	355	10604	553314	3228217	38312	32.46	1155275	23.67	8596322	44.63
Hindi	175	12074	408566	1871201	561	14498	909905	2120420	26572	22.51	1318471	27.02	400021	20.18
Urdu	70	5532	153906	334242	205	13401	473580	662249	18933	16.05	627486	12.87	996491	5.18
Punjabi	21	1527	55279	144686	73	3103	189838	327845	4630	3.94	245117	5.02	472531	2.44
Sindhi	3	141	9853	25638	15	650	44057	85666	791	0.08	53910	1.10	11304	0.58
Bengali	10	2260	48015	7726144	90	2484	157025	560457	4744	4.05	205040	4.20	1286601	6.80
Assamese	9	794	26500	61168	13	644	40327	85415	1438	1.29	66827	1.36	146583	0.76
Oriya	6	664	32550	94098	11	527	34615	98937	1191	1.00	67165	1.38	193035	1.00
Marathi	43	3105	126476	458075	117	3342	209286	390303	6447	5.66	335762	6.89	848378	4.50
Gujarati	222	2159	92143	416293	68	2360	146491	349404	4519	3.81	238634	4.88	765697	4.00
Tamil	18	1554	63963	291464	57	1642	100000	288399	3196	2.70	163963	3.36	579863	3.01
Telugu	7	1060	44453	140925	30	1109	69350	151949	2169	1.85	113803	2.33	292874	1.62
Kannada	11	1032	52577	172408	40	1309	80599	130826	2341	2.00	133176	2.73	303234	1.68
Malayalam	17	1484	66684	364314	43	1586	89018	294983	3070	2.60	155702	3.19	659297	3.62
TOTAL	537	61094	1782926	10468761	1678	57259	3097405	8784070	118353	100%	4880331	100%	19252831	100%

Note: The figures do not include the amount spent on *ad-hoc* releases in souvenirs and on production of process material.

APPENDIX VI

Statement showing Language-wise Distribution of Space and cost during 1973-74

Language	Classified				Display				Total					
	No. of papers	No. of inser-tions	Space in Col.	Cost Rs.	No. of papers	No. of inser-tions	Space in cms.	Cost in Rs.	No. of inser-tions	%	Space	%	Cost	%
English . . .	110	24784	54761	4709133	282	8537	343568	2307177	35321	36.29	908329	26.69	7016310	45.94
Hindi . . .	187	10393	418788	1803825	533	6479	395725	1067878	16872	17.33	814433	23.93	2871703	18.80
Urdu . . .	72	17220	267034	539321	267	4936	318274	470665	22156	22.76	585308	17.20	1009986	6.61
Punjabi . . .	24	1419	60727	142005	83	1489	87597	174452	2908	2.99	148324	4.36	316457	2.07
Sindhi . . .	5	220	14605	38699	13	235	13039	26920	455	0.47	27644	0.81	65619	0.43
Bengali . . .	16	1530	58088	717749	100	991	56229	244033	2528	2.60	114317	3.36	957782	6.27
Assamese . . .	8	638	27220	69919	12	264	13901	35585	902	0.93	41121	1.21	105504	0.79
Oriya . . .	6	656	35842	118046	12	359	20609	57120	1015	1.04	56511	1.66	175166	1.15
Marathi . . .	50	3207	130729	431839	129	1660	75439	150706	4867	5.00	26168	6.06	582585	3.81
Gujarati . . .	29	2135	92331	453436	76	907	47888	142777	3042	3.13	140219	4.12	595813	3.90
Tamil . . .	18	1503	60691	320668	64	665	35659	139959	2188	2.25	96350	2.83	460627	3.02
Telugu . . .	7	1039	48411	171787	32	540	30804	85619	1579	1.62	79215	2.33	257406	1.69
Kannada . . .	17	882	44265	187006	48	568	33127	96275	1450	1.48	77392	2.28	285281	1.86
Malayalam . . .	18	1303	68235	399407	51	747	39466	176336	2050	2.11	107701	3.16	575743	3.76
TOTAL . . .	567	68929	1891647	10098840	1702	28404	1511385	5175102	97333	100.00	3403032	100.00	15273942	100.00

APPENDIX VII

Statement showing Language-wise Distribution of Space and cost for the year 1974-75

Languages	Classification				Display				Total				
	No. of papers	No. of inser- tions	Space in cms.	Cost in Rs.	No. of papers	No. of inser- tions	Space in cms.	Cost in Rs.	No. of inser- tions	%	Space in cms.	Cost in Rs.	%
English	126	23138	380292	497145	330	5538	245932	1923686	28676	35.41	625924	5994831	42.13
Hindi	236	11451	304296	1839378	627	6212	280179	1045930	17693	21.85	654475	2884108	20.27
Urdu	95	6279	205068	469022	314	5116	213080	535090	11395	14.07	418682	1002012	7.05
Punjabi	31	1245	36218	123535	89	1135	54842	144151	2380	2.94	91060	272686	1.92
Sindhi	5	219	10300	31220	13	184	8395	20660	493	0.50	18785	51940	0.36
Bengali	21	1827	49068	529884	101	820	38975	236058	2647	3.26	88043	765042	5.38
Assamese	7	605	20840	67452	12	291	12329	36666	896	1.11	33169	104118	0.73
Oriya	6	713	25834	98831	11	330	16638	57110	1013	1.29	42472	155971	1.10
Marathi	57	3602	107948	477125	131	1497	66383	215845	5009	6.19	174331	692970	4.87
Gujarati	27	2047	73682	460081	74	832	41891	197692	2879	3.55	115573	657773	4.62
Tamil	23	1828	54186	327684	69	662	32304	157441	2490	3.08	86490	485125	3.41
Telugu	10	1057	35557	154575	33	466	22446	71420	1523	1.88	58003	225995	1.59
Kannada	25	1144	40529	186247	59	631	33722	118800	1775	2.19	74551	305137	2.14
Malayalam	23	1469	55362	447168	52	687	39078	183322	2156	2.66	89340	630430	4.43
TOTAL	692	56624	1469210	9289847	1996	24341	1100794	494991	80965	100	2570004	14230238	100

APPENDIX VIII

Statement showing Language and Nature of Advertisement wise Distribution of Insertions, Space and cost etc. during 1975-76 (1-4-1975 to 31-3-1976).

Languages	Classified				Display				Total					
	No. of papers	No. of insertions	Space col. cms.	Cost Rs.	No. of papers	No. of insertions	Space col. cms.	Cost Rs.	No. of insertions	%	Space col. cms.	%	Cost Rs.	%
English .	159	24462	464070	4472708	380	7511	449272	3236595	31973	32.51	913342	20.08	7709303	34.92
Hindi .	257	14626	473605	2697163	688	9549	797009	2938486	24175	24.58	1270714	27.94	5635649	25.54
Urdu .	88	6830	239457	623155	365	6708	539914	1087753	13538	13.77	779371	17.14	1710908	7.75
Punjabi .	27	1441	42167	145497	91	1593	123689	333663	3034	3.09	165856	3.65	479160	2.17
Sindhi .	5	201	9164	34108	14	252	18693	58668	453	0.46	27857	0.61	92776	0.42
Bengali .	24	2116	67819	610468	115	1366	1131888	517180	3482	3.54	181007	3.98	1157648	5.25
Assamese .	8	622	20248	75388	19	400	31207	72641	1022	1.04	51455	1.13	148020	0.67
Oriya .	5	641	20774	88305	10	368	33825	128960	1009	1.03	54599	1.20	217265	0.93
Marathi .	51	3591	117588	490010	143	1936	184429	500071	5527	5.62	302017	6.64	990081	4.49
Gujarati .	31	2451	91382	563923	90	1411	123142	500212	3862	3.93	214524	4.72	1064135	4.82
Tamil .	26	1981	60745	302085	76	1049	95700	305861	3030	3.08	156445	3.44	607946	2.76
Telugu .	11	1272	45402	176695	51	387	76358	235570	2159	2.20	121760	2.68	412265	1.87
Malayalam .	25	1431	56696	605241	64	1102	94751	669302	2533	2.58	151447	3.33	1274543	5.78
Kannada .	21	1216	45550	211882	51	1006	93992	309887	2222	2.26	139542	3.07	521769	2.36

Mizo & Khasi.	14	91	1889	6192	9	103	7286	22613	194	0.20	9175	0.20	28810	0.13
Konkani	1	6	182	311	3	54	5181	9807	60	0.06	5363	0.12	10118	0.05
Sanskrit	1	1	24	40	6	50	2970	8452	51	0.05	2994	0.07	8492	0.04
TOTAL	754	62979	1756762	11133171	2125	35345	2790696	10985726	98824	100%	4547458	100%	22083897	100%

NOTE: The figures do not include the amount spent on ad hoc releases in souvenirs on production of process.

APPENDIX IX

Statement showing share of (i) Small and Medium Newspapers and (ii) Big Newspapers in terms of cost during the years 1967-68 to 1975-76

Years	Category	Classified cost %	Display Cost %
1967-68	Small and Medium	31.72	66.47
	Big	68.28	33.53
	TOTAL	100.00	100.00
1968-69	Small and Medium	40.79	63.87
	Big	59.12	36.13
	TOTAL	100.00	100.00
1969-70	Small and Medium	38.72	61.87
	Big	61.28	38.13
	TOTAL	100.00	100.00
1970-71	Small and Medium	32.50	60.93
	Big	67.50	39.07
	TOTAL	100.00	100.00
1971-72	Small and Medium	32.48	57.00
	Big	67.52	43.00
	TOTAL	100.00	100.00
1972-73	Small and Medium	37.36	66.12
	Big	62.64	33.88
	TOTAL	100.00	100.00
1973-74	Small and Medium	43.87	63.71
	Big	56.13	36.29
	TOTAL	100.00	100.00
1974-75	Small and Medium	45.96	63.77
	Big	54.04	36.23
	TOTAL	100.00	100.00
1975-76	Small and Medium	51.27	70.53
	Big	48.73	29.47
	TOTAL	100.00	100.00

APPENDIX X

Statement showing examples where Newspapers coming from the same place, same language, with almost similar circulation had different rates.

Circulation Card rate Milli rate Davp rate

HINDI DAILIES

1. Vir Arjun, New Delhi	22,000	4.00	18.18	3.96
1(a) Janayug, New Delhi	21,000	12.00	57.14	7.80
2. (a) Swatantra Bharat, Lucknow	33,000	8.40	25.45	8.40
(b) Puniab Kesari, Jullundur	50,000	6.00	12.00	5.98

ENGLISH DAILIES

3 (a) Indian Express, New Delhi	88,000	13.00	14.77	11.70
(b) Hindustan Times, New Delhi.	1,53,000	26.40	17.25	24.05 (now not being used)
4. (a) Indian Express, (S.I. Eds.)	2,16,000	33.00	15.27	27.90
(b) Hindu	2,17,000	33.00	15.35	28.36

MALYALAM DAILIES

5(a) Light Trichur	1,600	1.50	75.00	1.90
(b) Telegraph, Trichur	5,333	1.95	20.00	1.62

ENGLISH DAILIES

Economic Times, Bombay/Delhi	44,000	28.80	65.50	Not being used
Indian Express, Bombay/Ahmedabad	1,10,000	18.00	16.3	13.00

APPENDIX XI

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

Import Trade Control

Public Notice No : 34—ITC(PN)/75

New Delhi, The 19th May, 1975

SUBJECT :—Import Policy for Newsprint-Printing and Writing paper (excluding laid marked paper) which contains mechanical wood pulp amounting to not less than 70 per cent of the fibre contents—(S. No. 44/V)—for the year April, 1975—March, 1976

The import policy for Newsprint (S.No. 44/V) for the year April, 1975—March, 1976 is given in Annexures I to IV to this Public Notice and shall be applicable with effect from the 1st April, 1975.

Sd/-

(B.D. KUMAR)

Chief Controller of Imports and Exports

Copy to all concerned :

By order etc.

Sd/-

(A. RAMACHANDRAN)

Dy. Chief Controller of Imports and Exports

[Issued from file No. IPC(44/V)/75]

Annexure I to Public Notice No. 34-ITC(PN)/75

Dated May 19, 1975

Part & S.No. of I.T.C. Schedule	Description	Licensing Authority	Policy for Established imports	Validity of licence	Remarks
44/V	White printing paper (Excluding laid marked paper) which contains mechanical wood pulp amounting to not less than 70% of the fibre content	CCI&E	NIL	Twelve months	1. Licence issued for newsprint will also be valid for import of water-lined newsprint provided it contains mechanical wood pulp amounting to not less than 70% of the fibre content.

II. A.U. for publishers/Printers of newspapers/periodicals, text books or books of general interest.

III. A.U. applications in 'J' Form from publishers and/or printers of newspapers and periodicals for newsprint will be submitted, complete in all respects, through the Registrar of Newspapers for India, Ministry of Information and Broadcasting, Shastri Bhawan, New Delhi.

Applications from other consumers of newsprint as set out in clause 2 of Newsprint Control Order, 1962 will be submitted to the Controller of Newsprint, Office of Registrar of Newspapers for India, Shastri Bhawan, New Delhi.

IV. The last date for receipt of applications is 31-3-1976. An application received after the prescribed date is liable to be summarily rejected.

- V. (a) The entitlement of individual newspaper/periodical will be based on its performance in 1974-75, taking into account the average circulation, average number of pages and average page-area actually published by utilising newsprint authorised for that period, increased by fifteen per cent.
- V. (b) The entitlement worked out in V(a) above will be increased by five per cent to provide for growth.
- V. (c) In the case of others, the entitlement will be determined on the basis of performance in 1974-75 by utilising newsprint or on the merits of the case and on documentary evidence.
- V. (d) In the case of newspapers/periodicals whose circulation has been assessed lower than the claimed circulation for 1973 or 1974, the entitlement of such periodicals or newspapers will be calculated on the basis of assessed circulation and claimed number of pages, page-area and number of publishing days. These papers will not be eligible for benefit under Remarks V(a) and V(b).
- V. (e) Allocation of newsprint is subject to availability of foreign exchange or newsprint or both. In case of short fall, appropriate cuts will be made.
- V. (f) The entitlement for standard newsprint as also Nepa newsprint will be worked out on 53 grammes substance.
- V. (g) A compensation of 6 per cent of entitlement will be given for wastage in transit and/or machine room.
- V. (h) The entitlement of newspaper/periodical, if allotted in Nepa newsprint will be increased by 10 per cent as compensation for higher grammage.
- VI. The entitlement of each application will be met by issue of allotments of newsprint mentioned in Schedule I of Newsprint Control Order, 1962, as amended from time to time. In case of imported newsprint, the entitlement will be issued either for imports through

the State Trading Corporation of India Ltd., New Delhi on high-sea sale basis or authorisations on buffer stocks of State Trading Corporation of India Ltd.

The basis of allocation on indigenous and imported newsprint will be as follows :—

Annual entitlement	Quantity to be allowed in indigenous newsprint	Quantity to be allowed in imported newsprint
(a) up to 300 tonnes	Full quantity on option	Balance quantity
(b) 301 tonnes to 500 tonnes	Fifty per cent on option	Balance quantity
(c) 501 tonnes to 1000 tonnes	20%	80%
(d) Above 1001 tonnes	15%	85%

N.B. The Registrar of Newspapers for India can make such change in the proportion of Nepa and imported newsprint as may be necessary in the light of availability/stocks from time to time. Newspapers/Periodicals option for Nepa newsprint will have to obtain their requirements in sizes that Nepa Mills can make available.

Notes :

1. (a) Newsprint imports from abroad are canalised through the State Trading Corporation of India Ltd. Newspapers/Periodicals can arrange delivery on high sea sale basis themselves through STC or through an established importer or through State Industrial Development Corporation for the permissible quantity. Otherwise they will be granted authorisations on buffer stock of STC.
- (b) Applicants who fail to lift quota after asking for imports on high-sea sale basis will not be given further quota on high sea sale basis or on Nepa Mills until they have lifted equivalent quantity from STC buffer stocks.
- (c) Ten per cent of the allotment, subject to a minimum of one tonne, on imported newsprint will be made on STC buffer stock. This will not apply if the entire quota is issued on Nepa Mills.
2. Periodicals entitled to glazed/rotogravure newsprint will be allotted on request the full quantity in rotogravure/glazed newsprint, subject to availability. New periodicals will be considered for allotment of rotogravure/glazed newsprint after three months of publication.
3. Allotment in all categories, standard, roto and glazed will be made in reels only. An additional quantity for conversion of reels into sheets at the rate of 10 per cent will be granted to newspapers/periodicals using only sheets.

4. Since Nepa Mills are not in a position to despatch consignments of less than one wagon load, Nepa newsprint in lots of less than 12 1/2 per cent tonnes or 25 tonnes, as the case may be, will not be allotted. Allotments of smaller quantities may, however, be made to recipients who are willing to take delivery of their quota at the Nepa Mills, and arrange for its transport.

VII(a) Newsprint is allotted to each individual newspaper/periodical and the newspaper/periodical is the recipient of the newsprint. Newspapers/periodicals will not be permitted to adjust between them the quota allotted to each of them even when the publications are under the same ownership and/or bear the same title/name.

VII(b) The authorised quota of newsprint allotted under this policy to a newspaper/periodicals may, however be used for a news addition of the same newspaper/periodicals and the newsprint, if so used, shall be accounted for separately.

Note : For the above purpose an 'addition' is a newspaper/periodical which, irrespective of the place of publication, bears the same name/title is in the same language and has the same periodicity as the newspaper/periodical already being published by the same ownership/management, and is a reprint/separate run of the newspaper/periodical with variations dictated by the time factor and to meet requirements of existing local readership and speedier distribution.

VIII (a) Clearance regarding availability of newsprint for new daily newspapers/periodicals .

Publishers of new daily newspapers and periodicals intending to apply for newsprint quota will obtain clearance regarding availability of newsprint from the Registrar of Newspapers for India before commencing a publication. Information as per Annexure-III shall be furnished while applying for clearance under the allocation policy.

(b) *New Dailies*

New daily newspapers will be allotted an initial quota which will be determined by the Registrar of Newspapers for India calculated on the basis of an average circulation of up to 5,000 copies of 8 pages of standard size (2540 sq. cms.) per publishing day during the first four months, newsprint will be released, provided the applicants execute bonds duly guaranteed by scheduled banks, for 10 per cent of the value applied for under column 10 of Actual Users application ('J' Form). The bonds, which are intended to ensure that the newsprint is utilised for publishing the proposed newspapers, will be cancelled on production of the documentary evidence to the satisfaction of the Registrar of Newspapers for India that the Newsprint has been utilised for the publication of the newspapers concerned.

The bank guarantee will not be insisted upon if an existing newspaper in receipt of newsprint quota wants to start another irrespective of its periodicity

or the periodicity itself of the existing paper is changed resulting in higher newsprint entitlement for the year, but in the latter case, the initial quota will not exceed that for a new newspaper. After three months of regular publication, the new dailies will be required to produce evidence (Chartered Accountant's Certificate in the form given in Annexure-II to this Public Notice) of the average circulation achieved and the average page area and number of pages printed during the first three months, and their entitlement will be fixed on the average circulation actually achieved and to average number of pages and page area actually printed in the first three months.

- (c) New Weeklies, Tri-weeklies, Bi-weeklies, Fortnightlies, Quarterlies, Half-yearlies and Annuals, or other type of periodicals.

New weeklies, tri-weeklies, bi-weeklies, fortnightlies and monthlies will be allowed an initial quota of newsprint which will be calculated on the basis of an average circulation of up to 5,000 copies of 16 pages of standard size (2540 sq. cms per publishing day during the first four months, newsprint will be released provided the applicants execute bonds, duly guaranteed by scheduled banks, for 10 per cent of the value applies for under Column 10 of Actual Users application ('J' Form). The bonds which are intended to ensure that the newsprint thus granted is utilised for publishing the proposed newspapers will be cancelled on production of documentary evidence to the satisfaction of the Registrar of Newspapers for India to show that the newsprint has been utilised for the publication of the newspapers concerned. After three months of regular publication, the new weeklies, tri-weeklies, bi-weeklies, fortnightlies and monthlies will be required to produce evidence (Chartered Accountant's Certificate in the form given in Annexure-II to this Public Notice) to show the average circulation achieved and the average page-area and the number of pages printed during the first three months, and their entitlement will be fixed on the average circulation actually achieved and the average number of pages and page-areas actually printed in the first three months.

In the case of quarterlies and journals of longer periodicity the initial quota will be limited to the first publication not exceeding 5000 copies of 15 standard pages. Further quota will be based on the basis of actual performance.

- (d) The bank guarantee will be waived in case of newspapers/periodicals which are in existence for more than three months.
- (e) Existing newspapers which have not so far obtained clearance for the use of newsprint or licence/authorisation will be allowed quota on the basis of performance in 1974-75. In case, the circulation is more than 2,000 copies the performance particulars must be certified by a Chartered Accountant.

IX. If any newspaper/periodical had not fully utilised the quantity allocated in 1974-75, the unutilised quantity shall be adjusted against its

entitlement for 1975-76. To enable the Registrar of Newspapers for India to determine the consumption of newsprint in 1974-75, the particulars (month wise) of circulation, pages, page-area and number of publishing days in 1974-75 should be furnished by the newspaper(s)/periodical(s) in the form given in Annexures-II and IV to this public Notice. The consumption in 1974-75 will be worked out on the actual number of days published in the period. The particulars furnished in Annexure-II referred to above should be certified by the Chartered Accountant. The Chartered Accountant's Certificate need not be submitted where the circulation of newspaper/periodical is 2,000 copies or less per publishing day.

Note :—

Allotment obtained in 1974-75 under schemes for Export Promotion etc. will also be taken into account for determining quantity utilised/held in stock by the newspapers in 1974-75. For this purpose, information shall be furnished in Annexure-IV to this Public Notice Columns 11 and 12 of Actual Users application ('J' Form).

X. The number of copies distributed free, unsold returns or any other copies printed but neither sold nor distributed free, will be taken into consideration for purpose of allotment/consumption of newsprint, provided these represent a reasonable percentage of the print-order and not in any case exceeding the following limits.

Circulation	Dalies tri- and bi-week- lies	Weeklies and fort- nightlies	Monthlies, quarterlies and others
Up to 2,500	10%	20%	25%
Between 2,500 and 5,000	10%	15%	20%
Between 5,000 and 10,000	10%	10%	15%
Above 10,000	5%	5%	10%

XI. Where the newspapers/periodicals have not supplied copies of their issues stated to be published in the year 1974-75, as required under Section 11B of the Press and Registration of Books Act, 1867 read with Rule 5 of Registration of Newspapers (Central) Rules, 1956, the consumption worked out *vide* Remark X above, will be subjected to a cut as follows :

Regularity of more than 50% but less than 75%	25%
Regularity of more than 25% but less than 50%	50%
No quota will be released to newspapers whose regularity is less than 25%	

XII. Newspapers whose entitlement for newsprint is less than forty tonnes per annum shall be exempted from production of Income-tax verification number.

Applicants for less than forty tonnes shall be exempted from licence fee.

XIII. For the purpose of this Public Notice, the Registrar of Newspapers may make such adjustments in the distribution of Nepa, Standard, Roto-gravure and glazed newsprint to newspapers/periodicals as may be considered necessary in the circumstances. In case where an application is not formally complete or does not comply with any of the remarks above, the Registrar of Newspapers may, on the merits of the case, and on documentary evidence, waive the procedural requirements on good and valid reasons. The decision of the Registrar of Newspapers shall be final.

ANNEXURE II TO PUBLIC NOTICE NO. 34—PTC (PN)/75 dated May 19, 1975
issued by the Ministry of Commerce

Form of Chartered Accountant's Certificate regarding circulation etc., for the period April 1974—March 1975.
 (To be typed on the letter-head of the Chartered Accountant)

1. Name of Newspaper/Periodical
 2. Place of Publication

3. Language
 4. Periodicity

April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Average from the period from 1-4-74 to 31-3-75.
74	74	74	74	74	74	74	74	74	75	75	75	

- (a) Average number of copies printed monthwise per publishing day from 1-4-74 to 31-3-75.
 (b) Average number of copies sold, monthwise, per publishing day from 1-4-74 to 31-3-75.
 (c) Average number of copies distributed free, monthwise per publishing day (including complimentary, voucher, exchange, bonus, sample and office copies from 1-4-74 to 31-3-75.
 (d) Average number of monthwise unsold returns and other copies printed but not included in (b) and (c).
 (e) Average size of the page monthwise, of the newspaper/periodical in sq. cms. from 1-4-74 to 31-3-75
 (f) Average number of pages, monthwise, of the newspapers/periodicals per publishing day from 1-4-74 to 31-3-75.
 (g) Actual number of publishing days, monthwise from 1-4-74 to 31-3-75.

Signature of the Publisher

Date.....

CERTIFICATE OF THE CHARTERED ACCOUNTANT

I/We have examined the books and accounts of _____
(Name of the paper, language and periodicity)

Published from _____ (Address) _____
for the period 1-4-74 to 31-3-75 and have obtained all the information and explanations required by us.

In my/our opinion, the statement set forth above reflects true and correct analysis of circulation, pages, size and number of publishing days for the period from 1-4-1974 to 31-3-1975 to the best of my/our information and belief and according to the explanation given to me/us by the books of accounts etc.

Signature _____

Date _____

Stamp of the Chartered Accountant

-
1. 1. Name and signature of the person who has signed the certificates : _____
 2. Registration No. _____
 3. Address _____

N.B. The Chartered Accountant's Certificate regarding average circulation per 'publishing day showing separately, the average number of copies printed, sold and distributed free etc., number of pages and page-area should be, furnished, if monthwise average circulation exceeds 2,000 copies. If the monthwise average circulation is 2,000 copies or below, particulars in the above annexure should be furnished under the signature of the publisher.

ANNEXURE III TO THE MINISTRY OF COMMERCE, PUBLIC
NOTICE NO. 34ITC(PN/7)

Dated May 19, 1975

Notes :

1. The following clearance particulars are required to be furnished in the case of all new dailies and periodicals, applying for newsprint. Existing dailies and periodicals which were not allowed newsprint in the past have also to furnish the particulars.

2. These clearance particulars may be sent along with an 'application (in duplicate) in the latest Actual Users' Form (Form 'J').

3. All answers should be given in words, dashes or cross marks should not be used.

1. Title of the newspapers.

2. Language

3. Periodicity:—

(in the case of a daily, it may be stated whether the paper is published on all the seven days of a week. In the case of a weekly, it may be indicated whether it is published every week or four times in a month).

4. Full Postal address of the paper.

5. In case the paper has not yet commenced publication :

(a) the proposed date of publication,

(b) the proposed size of one page of the paper :

(i) Length————— Centimetres.

(ii) Width —————Centimetres.

(iii) Page area————— —————Sq. Centimetres.

(c) Average number of page per copy of the proposed paper.

(d) The proposed average circulation:

(i) Average number of copies proposed to be printed.

(ii) Average number of copies expected to be sold.

6. (a) Name and address of owner

Name

Address

(b) If the owner is a company, firm, etc. name(s), address(es), etc. of Director(s), shareholders, partners, etc.

Name

Address

Whether
Director
Partner
etc.Percentage
of shares
held in the
company

(c) Are/were the owners (which terms includes a company, firm, etc.) and any of the persons whose names are required to be given against (b) above associated at present or at any time since 1962 with the publication of any other paper?

(d) If the reply to (c) above is in the affirmative, names of owners etc. and details of the newspapers with which they are associated may be given in the following form:—

Sl. No.	Name of owner	Details of paper with which associated		Period of Association		Capacity in which associated	If a shareholder in the company etc. mention in Col. 4 percentage of shares held,
		Title, language and place of publication	If the paper is run by a company etc.	From	To		
1	2	3	4	5	6	7	8

7. (a) Are/Were any member of the family of the owner of any of the Persons whose names are required to be given against 6 (b) above associated at present or at any time since 1962 with the publication of any other paper?

(b) If the reply to (a) is in the affirmative, names of the members of family and details of the newspapers with which associated may be given in the following form,

(i)

Sl. No.	Name of the owner etc. whose members of family is associated with another paper	Name of the member of the family concerned	Address of the member of the family	Relationship with the owner etc.
1	2	3	4	5

(ii)

Sl. No.	Name of the member of family	Details of papers with which connected		Period of association from to	Capacity in which associated.	If a shareholder in the company etc. mentioned in Col. 4 percentage of shares held
		Title language, periodicity and place of publication	If the paper is run by a company etc. the name of the company etc.			

8. Classification % (Nature of contents) of the paper.

Signature of the Publisher.....

Name (in block letters).....

Place.....

Date

* Item 6 (b)—Information is required to be given about the following categories of Persons :

Sl. No. 1	Ownership type	Category of persons in respect of whom information is required
1.	Company	(a) Directors (b) Shareholders holding a share of 10% or more.
2.	Firm	Partners.
3.	Society	(a) Members holding a share of 10% or more. (b) Office bearers and members of the Managing body.
4.	Association	Office bearers and members of the Managing body.
5.	Trust	Trustees.

② Items 6 (c) and (7) (a) Information about association with the following categories of papers is also to be given :—

- (1) A different edition of the papers for which newsprint is being applied for.
- (2) A paper with the same title as that of the paper for which newsprint is being applied for, but in a different language or with a different periodicity.

†Item 7(a) Member of family for the purpose of this statement means a member of family (father, mother, wife/husband, brother, brother's wife, sister, son, daughter-in-law, daughter, etc.) who are members of a joint family or are dependent on the owner Director etc.

% Item 8 The paper may be placed in one of the following categories :—

News and Current Affairs ; Literary and Cultural serialised fiction ; religion and philosophy ; Commerce and Industry, Journals meant primarily to promote sale of goods or services ; House Journals/Magazines brought out by individuals/firms/industrial concerns ; price lists and catalogues ; Medicine and Health ; Film, Social Welfare ; Labour ; Education ; School/College Magazines ; Teaching Journals/Teaching Guides ; Law and Public Administration ; Engineering and Technology ; Agriculture and Animal Husbandry ; Children ; Transport and Communication ; Insurance ; Banking and Co-operation ; Science ; Finance and Economics ; Women Art ; Radio and Music ; Sports ; Racing Guides .

ANNEXURE IV TO PUBLIC NOTICE NO. 34-ITC(PN)/75 dated May 19, 1975

Statement showing consumption of newsprint for publication of newspapers/periodicals during the period from 1-4-74 to 31-3-75-

Sl. No.	Title of the paper, its language, periodicity and place of publication	Consumption of Newsprint (in tonnes)					REMARKS			
		Glazed		Rotogravure	Unglazed (Imported)	Nepa		Total		
1	2	Cms.	Cms.				3		4	5	6	7	8	9

Signature of the Publisher.....
 Name in block letters.....

 Place.....
 Date

NOTE : Consumption of news print against regular entitlements and export promotion entitlement to be furnished separately.

APPENDIX XIII

NORMS FOR ACCREDITATION OF ADVERTISING AGENCIES TO THE DAVP

An advertising agency applying for accreditation to the DAVP must satisfy the following basic conditions :

- (i) Only such advertising agencies are eligible for accreditation to the DAVP as are owned and controlled entirely by Indian Nationals.
- (ii) Ordinarily the DAVP shall grant only provisional accreditation to an advertising agency and shall watch its performance for a minimum period of 2 years before considering the grant of full accreditation.
- (iii) An advertising agency must have carried on agency business for a minimum period of year and must possess adequate training and professional skill to be able to handle a national advertising account employing all available media of mass communication efficiently and to the full satisfaction of the DAVP.
- (iv) It must have reasonable financial resources and be in a position to support this fact with documentary evidence. Financial resources shall be interpreted as a minimum paid-up capital of Rs. 1 lakh in case of a limited liability company and a minimum of Rs. 50,000 actually committed to business as personal resources in case of a proprietary or partnership firm, provided that the minimum assets of an advertising agency shall at any given time exceed its current liabilities at least by 10 per cent.
- (v) It should have an annual turnover of not less than Rs. 3 lakhs.
- (vi) It should have advertising as its sole business occupation and must not be an allied department of any other business.
- vii) Its remuneration must have been in the form of commission paid by various media owners and it must retain in full the commission thus earned without sharing it with or rebating it to any client, directly or indirectly. When an agency rebates full commission to its clients and is paid a service fee for the services rendered, the amount of service fee so received shall not be less than 15 per cent and such service fee shall be charged on the gross and not on the net amount.
- (viii) If included in DAVP'S approved panel, an advertising agency must agree in writing to adhere to the policy laid down by Government regarding advertisements to newspapers and periodicals and must also undertake not to discriminate in any manner between

I&ENS and non-I&ENS papers is the matter of agency commission and the period of credit etc.

- (ix) All advertising agencies in DAVP'S panel must undertake to pay all publishers' bills without exception within 75 days from the end of the month during which this advertisements billed appeared. Remissness on the account will result in cancellation of accreditation to the DAVP and withdrawal of all advertising business emanating from Government departments or public sector and other nationalised undertakings at the risk and cost of the advertising agency concerned.

DECLARATION

An advertising agency applying for accreditation to the DAVP must furnish, in writing, the following Declaration:

On behalf of M/s.

.....

I hereby make the following declaration. It is understood that any inaccuracy or omission there in, accidental or otherwise, will entitle the DAVP to cancel the accreditation granted to my agency without any notice being given :

- (1) Press advertising and audio-visual publicity is the sole business occupation of my advertising agency, which is not an allied department of any other business.
- (2) My agency has been in continuous existence for at least one full year.
- (3) My agency has its own well-occupied Media, Copy, Art Production and Market Research departments and full arrangements to prepare language adaptations etc. to be able to service a national account by employing all available media of mass communication.
- (4) My agency has reasonable financial resources which have at any given time exceeded its current liabilities at least by 10% ; .
- (5) My agency's annual turnover is not less than Rs. 3,00,000 and I am in a position to furnish documentary evidence to that effect.
- (6) The sole remuneration of my agency is the agency commission of 15% allowed by various media owners and I solemnly declare that my agency retains this remuneration in full and does not share it with or rebate it to any of its clients.

I certify that my agency charges a uniform 15% agency commission from all publishers, whether members of the I&ENS or otherwise and that these publishers are not discriminated against in so far as the period of credit for payment of their bills is concerned.

- (8) My advertising agency undertakes to implement Government's advertising policy regarding newspapers and periodicals in consultation with the DAVP.

Chairman/Managing Director/
Proprietor/Partner

per pro

Date.....
Place.....

**QUESTIONNAIRE CUM
APPLICATION FORM**

*To be filled in by an advertising agency
seeking accreditation to the DAVP*

On behalf of M/s.....
.....I hereby apply for accreditation to the DAVP, Government of India, I certify that the Declaration prescribed by the DAVP has already been made in writing by my advertising agency and that the information furnished hereunder is absolutely correct.

1. NAME OF AGENCY.....
2. WHEN ESTABLISHED.....
3. HEAD OFFICE.....
4. BRANCH OFFICES.....
5. ARRANGEMENTS FOR PUBLICITY ABROAD
(Please give complete details of arrangements for undertaking publicity & public relations campaigns abroad).

6. CONSTITUTION

(a) *If a Limited Company*

- (i) Date of registration.....
- (ii) Registered Office.....
- (iii) Branch Offices, if any.....
- (iv) Paid-up Capital with documentary evidence.....
- (v) Names of Directors.....
- (vi) Names of Directors who take an active part in the conduct of the business.....

Note —Please enclose a copy of Articles of Association.

(b) *If private business*

- (i) Sole proprietor, if any.....
- (ii) Names and addresses of partners, if any.....

- (iii) Partners who are not active participants in business.....
- (iv) Head Office.....
- (v) Branch Offices, if any.....
- (vi) Financial resources with details of working capital with documentary evidence.....
- (vii) Any other financial support.....
- 7. ACCOUNT EXECUTIVES with names and qualifications
- 8. COPY DEPARTMENT.....
- 9. ART DEPARTMENT.....
- 10. MEDIA DEPARTMENT.....
- 11. PRODUCTION DEPARTMENT.....
- 12. OUTDOOR DEPARTMENT.....
- 13. MARKET RESEARCH DEPARTMENT.....
- Note* :—Please furnish names and qualifications of all Departmental Heads and the strength of each Department.
- 14. ARRANGEMENTS FOR TRANSLATIONS/ADAPTATIONS in Indian/foreign languages and schedule of rates charged.....
- 15. ARRANGEMENTS FOR PRODUCTION of blocks (on copper as well as zinc), stereotypes, matrices, bromides, charbas and schedule of rates charged.....
- 16. ARRANGEMENTS FOR TYPESETTING and rates charged.....
- 17. ARRANGEMENTS FOR CALLIGRAPHY in languages and rates charged.....
- 18. ART WORK CHARGES
 - (a) for rough of advertisements, folders, posters, etc.
 - (b) finished artwork of advertisements, folders, posters, etc.
- 19. AGENCY COMMISSION derived from
 - (a) *Publisher* :
 - (i) members of the I&ENS.....
 - (ii) non-I&ENS publications.....
 - (b) *Media owners other than publishers* :
 - (i) Printers.....
 - (ii) Block-makers
 - (iii) other suppliers, such as translation agencies.....
- 20. TERMS AND CONDITIONS OF AGENCY SERVICE
 - (i) Planning and creative work.....
 - (ii) Market Research.....
 - (iii) Media Research.....

- iv) Any other specified service available in the fields of outdoor publicity (hoarding sites, neon signs, screening of cinema slides, advertisements in trains, buses, etc.), commercial broadcasting, television and film production.....

21. ACCOUNTS HANDLED

- (a) Commercial (Indian, foreign & collaboration).....
 (b) Government (Central or State).....
 (c) Autonomous bodies, public sector undertakings, statutory bodies, etc.....
 with complete details of the media employed and break-up of budgetary outlay in each case.

22. TOTAL ANNUAL TURNOVER with a copy of your last Income-tax Clearance Certificate, audited balance sheet, trading and profit and loss account.

23. LIST OF NEWSPAPERS used during the last 12 months

- (a) *English Dailies and Periodicals*
 (i) with circulation upto 10,000.
 (ii) between 10,000 and 50,000 circulation,
 (iii) between 50,000 and 1,00,000 circulation and
 (iv) above 1,00,000 circulation
 (b) *Language Dailies and Periodicals*
 (i) with circulation upto 10,000,
 (ii) between 10,000 and 50,000 circulation,
 (iii) between 50,000 and 1,00,000 circulation and
 (iv) above 1,00,000 circulation

Note :—Please mention the amounts spend on each category.

It is hereby understood and agreed that the accreditation, if granted, shall be subject to cancellation without prior notice should there be any remissness in furnishing annual returns under all heads in the Questionnaire above or any omission or incorrect information furnished intentionally or otherwise, or for any reason considered sufficient by the DAVP, whose discretion will be final.

Chairman/Managing Director/Proprietor/Partner

per pro

Place.....
 Date.....

APPENDIX—XIV

DETAILS OF CASES FILED AGAINST INDIAN OBSERVER, AS OBTAINED FROM THE DELHI ADMINISTRATION THROUGH THE MINISTRY OF HOME AFFAIRS, WITH REFERENCE TO PARA 102 (C) OF 173RD REPORT OF PUBLIC ACCOUNTS COMMITTEES.

1. Case FIR No. 501 dated 2-5-65 u/s 292 IPC Pt. Street, New Delhi. Convicted by the court of Shri N. L. Kakkar MIC, New Delhi on 15-7-67 and fined Rs. 500.
2. Case FIR No. 368 dated 30-3-65 u/s 292 IPCPS. Pt. Street, Convicted by the court of Shri N. L. Kakkar MIC, New Delhi on 15-7-67 and fined Rs. 500.
3. Case FIR No. 500 dated 2-5-65 u/s 292 IPCPS. Pt. Street acquitted by the court of Shri N. L. Kakkar MIC New Delhi on 6-6-77.
4. Case FIR No. 141 dated 19-3-65 u/s 292 IPCP S. Kotla Mubarakpur New Delhi. The accused was acquitted on 30-3-68 by the Court of Shri B. B. Tondon, SDM, New Delhi.
5. Case FIR No. 546 dated 15-10-65 u/s 292 IPC P. S. K. M. Pur, Delhi Convicted for one month on 7-3-67 by the court of Shri Umesh Sehgal MIC, New Delhi.
6. Case FIR No. 130 dated 30-3-65 u/s 292 IPC P. S. Hauz Quazi Delhi. Convicted for three months by the court of Shri A. C. Kher MIC Delhi on 22-4-68.
7. Case FIR No. 510 dated 30-9-65 u/s 292 IPC P. S. Kotla Mubarakpur court of Shri Jagmohan MIC, New Delhi.
8. Case FIR No. 1236 dated 16-11-65 u/s 292 IPC, P. S. Pt. Street New Delhi. Acquitted by the court of Shri Umesh Sehgal MIC New Delhi.
9. Case FIR No. *1268 dated 24-11-65 u/s 292 IPC, P. S. Pt. Street, New Delhi. Acquitted by the court of Sh. Umesh Sehgal MIC New Delhi on 7-3-67.
10. Case FIR No. 1156, dated 27-10-65 u/s 292 IPC, P. S. Pt. Street, New Delhi. Acquitted by the court of Sh. Umesh Sehgal, MIC New Delhi on 7-3-67.
11. Case FIR No. 1031, dated 27-9-65 u/s IPC, P. S. Street New Delhi. Convicted for 15 days by the court of Shri Umesh Sehgal, MIC New Delhi on 7-3-67.
12. Case FIR No. 647 dated 7-12-65 u/s 292 IPC P. S. Kotla Mubarakpur, convicted for 1 month on 7-3-67 by the court of Shri Umesh Sehgal, MIC New Delhi.

13. Case FIR No. 1266, dated 24-11-65 u/s 292 IPC P. S. Pt. Street, New Delhi on 7-3-67.

14. Case FIR No. 609 dated 12-11-65 u/s 292 IPC P. S. Kotla Mubarakpur New Delhi. Convicted for one month on 7-3-67 by the court of Sh. Umesh Sehgal MIC, New Delhi.

15. Case FIR No. 231 dated 4-3-66 u/s 292 IPC P. S. Pt. Street New Delhi, the accused was acquitted on 30-3-68 by the court of Sh. B. B. Tondon SDM, New Delhi.

16. Case FIR No. 69 dated 21-1-66 u/s 292 IPC PS. Pt. Street, New Delhi. Acquitted by the court of Sh. B. B. Tondon, MIC, New Delhi on 30-3-68.

17. Case FIR No. 122 dated 5-2-66 u/s 292 IPC P. S. Pt. Street, New Delhi. Acquitted by the court of Shri B. B. Tondon MIC New Delhi on 30-3-68.

18. Case FIR No. 333 dated 29-3-66 u/s 292 IPC P. S. Pt. Street, New Delhi. Acquitted by the court of Shri B. B. Tondon MIC New Delhi on 30-3-68.

19. Case FIR No. 604 dated 31-6-66 u/s 292 IPC PS. Pt. Street, New Delhi. Convicted for 15 days by the court of Shri Umesh Sehgal MIC New Delhi on 7-3-67.

20. Case FIR No. 214 dated 28-4-66 u/s 292 IPC PS. Kotla Mubarakpur New Delhi. Convicted for one month by the court of Shri Umesh Sehgal MIC, New Delhi on 7-3-67.

21. Case FIR No. 325 dated 15-6-66 u/s 292 IPC P. S. Kotla Mubarakpur New Delhi and fined Rs. 500 on 7-3-67.

22. Case FIR No. 141 dated 8-3-66 u/s 292 IPC P. S. Kotla Mubarakpur, New Delhi. Acquitted by the court of Shri B. B. Tondon, MIC, New Delhi on 30-3-68.

23. Case FIR No. 364 dated 6-4-68 u/s 292 IPC P. S. Parliament St., New Delhi.

- (i) Sh. Durlabh Singh, s/o Sh. Sant Singh r/o 22, Babar Road, New Delhi.
- (ii) Shri Bhupinder Singh, s/o Sh. Durlabh Singh r/o 22, Babar Road, New Delhi.
- (iii) Sh. Kulbir Singh, s/o Sh. Durlabh Singh, r/o 22, Babar Road, New Delhi.

24. Case FIR No. 601, dated 2-6-65 u/s 292 IPC PS. Pt. Street, New Delhi convicted by the court of Sh. B. B. Tondon, MIC, New Delhi on 30-3-68 for 15 days.

25. Case FIR No. 1239 dated 21-11-67 u/s 292 IPC PS. Pt. Street, New Delhi.

- (i) Durlabh Singh s/o Sh. Sant Singh, r/o 22, Babar Road, New Delhi.
- (ii) Sh. Kulbir Singh s/o Sh. Durlabh Singh, r/o 22, Babar Road, New Delhi.

- (iii) Sh. Bhupinder Singh s/o Sh. Durlabh Singh, r/o 22, Babar Road, New Delhi.
26. Case FIR No. 1291, dated 4-12-67, 292 IPC PS. Pt. Street, New Delhi.
- (i) Sh. Durlabh Singh s/o Sh. Sant Singh r/o 22, Babar Road, New Delhi.
- (ii) Sh. Kulbir Singh s/o Sh. Durlabh Singh, r/o 22, Babar Road, New Delhi.
- (iii) Sh. Bhupinder Singh s/o Sh. Durlabh Singh, r/o 22, Babar Road, New Delhi.
27. Case FIR No. 76 dated 16-1-68 u/s 292 IPC P. S. Pt. Street, New Delhi.
- (i) Sh. Durlabh Singh, s/o Sh. Sant Singh, r/o 22, Babar Road, New Delhi.
- (ii) Sh. Kulbir Singh, s/o Sh. Durlabh Singh, r/o 22, Babar Road, New Delhi.
- (iii) Sh. Bhupinder Singh, s/o Sh. Durlabh Singh, r/o 22, Babar Road, New Delhi.
28. Case FIR No. 316 dated 13-3-68 u/s 292 IPC. P.S. Pt. Street, New Delhi.
- (i) Durlabh Singh s/o Sh. Sant Singh, r/o 22, Babar Road, New Delhi.
- (ii) Shri Kulbir Singh s/o Sh. Durlabh Singh, r/o 22, Babar Road, New Delhi.
29. Case FIR No. 369, dated 30-3-65 u/s 292 IPC P. S. Pt. Street, New Delhi. The case was cancelled on 28-9-65.
30. Case FIR No. 64 dated 20-1-66 u/s 292 P. S. Pt. Street, New Delhi on 30-3-68 both the accused (Durlabh Singh and Kulbir Singh) were acquitted.
31. Case FIR No. 340/68 u/s 292 IPC P. S. Pt. Street, New Delhi. Acquitted by the court on 30-4-74.

APPENDIX XV

STATEMENT MADE BY THE MINISTER OF INFORMATION AND BROADCASTING IN RAJYA SABHA ON 17-11-77 IN ANSWER TO PART (B) OF UNSTARRED QUESTION No. 214

Advertising Policy of the Government

The Directorate of Advertising and Visual Publicity, which is the centralised publicity organisation of the Government of India, places advertisements in various newspapers and periodicals on behalf of Ministries and Departments of the Government of India and their attached and subordinate offices and a number of autonomous bodies. The primary objective of Government advertising is to secure the widest possible publicity coverage. Political affiliations will not be taken into account in placing Government advertisements. Advertisements will not be issued, however, to newspapers and periodicals which incite communal passions or preach violence or offend socially accepted conventions of public decency and morals.

2. A balanced and equitable placing of advertisements is aimed at. Government advertisements are not intended to be a measure of financial assistance. In pursuance of broader social objectives of Government, however, weightage or consideration will be given to :

- (a) Small and medium newspapers and periodicals ;
- (b) Language newspapers and periodicals ;
- (c) Specialised, scientific and technical journals ;
- (d) Papers and periodicals being published especially in backward, remote or border areas.
- (e) Any other category which Government may consider appropriate for special and bonafide reasons.

3. Small, medium and big newspapers periodicals shall be categorised as under :

- (i) Small : Upto 15,000 of circulation
- (ii) Medium : Between 15,000 and 50,000 of circulation
- (iii) Big : above 50,000 of circulation

4. In selecting newspapers for placing advertisements, the following considerations will be taken into account within the funds available :

- (a) To aim at coverage of readers from different walks of life, particularly in the case of national campaigns.
- (b) To reach specific sections of people depending upon the message of advertisements.

(c) To use only newspapers/periodicals with a minimum paid circulation of not less than 2,000. Relaxation will be made in the case of the following :

(i) In the case of Urdu and Sindhi language papers and specialised, scientific and technical journals, the minimum paid circulation of 1000 will qualify for Government advertisements.

(ii) In the case of Sanskrit papers and papers published especially in the backward, border and remote areas or in tribal languages or primarily for tribal readers, the minimum paid circulation of 500 will qualify for Government advertisements.

(d) The newspapers/periodicals should have uninterrupted and regular publication for a period of not less than one year.

(e) To use only genuine newspapers which circulate news or writings on current affairs likewise to use only standard journals/periodicals on a science, art, literature, sports, films, cultural affairs, etc.

(f) House magazines and souvenirs shall be excluded.

(g) 'Pulling-power', production standards and the language and areas that are intended to be covered.

5. In regard to production standards, the following specifications shall apply :

A daily newspapers should have a minimum of four pages daily and should be having size not less than 45 cms. x 7 standard col. width or equivalent printed space. Weeklies and fortnightly should have the following size and number of pages :

<i>Print area not less than</i>	<i>Minimum number of pages</i>
30 cms × 4 cols	8 or equivalent printed space
24 cms × 3 cols	16
15 cms × 2 cols	32

Periodicals other than weeklies and fortnightlies should have the following size and number of pages :

<i>Size</i>	<i>Minimum number of pages</i>
20 cms × 3 cols	32
15 cms × 2 cols	40

Exceptions will be made only in the case of papers/periodicals being published in tribal languages or for tribal audience.

6. For big and medium papers/periodicals, the circulation will be acceptable on the basis of a certificate from a professional and reputed body or

institution. In the case of small papers/periodicals, the circulation figure should be certified by a registered Chartered Accountant. The circulation figures, if proved incorrect, will render the papers/periodicals ineligible for advertisements, besides any other action which Government may deem appropriate.

7. Advertisement Rates

The rate-structure for Government advertisements will be based on the principles enunciated above.

APPENDIX XVI

No. 5/16/76-MUC

GOVERNMENT OF INDIA

MINISTRY OF INFORMATION AND BROADCASTING

New Delhi, the 23rd June, 1976

OFFICE MEMORANDUM

SUBJECT : Advertisements through newspapers by Government Organisations, public sector undertakings and autonomous bodies: role of the Directorate of Advertising and Visual Publicity of the Ministry of Information and Broadcasting.

The undersigned is directed to say that the role of the Directorate of Advertising and Visual Publicity of the Ministry of Information and Broadcasting in the issuance of advertisements to newspapers/periodicals on behalf of the Ministries and Departments of Central Government as well as the public sector undertakings and autonomous bodies under their control has been under consideration for some time and certain decisions have now been taken with the approval of the Cabinet.

2. Government have been pleased to decide that, while it is not intended that the Directorate of Advertising and Visual Publicity should take over the total advertising work on behalf of the above organisations, it should have the final authority in certain respects. In these matters, the role of the Directorate of Advertising and Visual Publicity would cover, without exception, all Ministries and Departments and all public sector undertakings and autonomous and statutory bodies.

3. The size of the advertising effort to be put in by a certain organisation would be within its discretion, since this would be related to actual requirements as well as funds available to it for the purpose during a year. It would also be for the organisation concerned to decide whether it would like to use the Directorate of Advertising and Visual Publicity for the physical work connected with advertising, such as visualisation, designing and other technical work, or whether it would like to do the physical advertising work itself or utilise an advertising agency for the purposes. However, the Directorate of Advertising and Visual Publicity shall have the final authority in respect of the following :—

- (i) The selection of newspapers/periodicals for the entire advertising work of the organisation concerned.
- (ii) The Advertisement rates.

4. It is also suggested that the quantum of advertising work to be given to the different newspapers/periodicals so selected may be decided by the Directorate of Advertising and Visual Publicity.

5. Except when it handles physical advertising work also, the Directorate of Advertising and Visual Publicity would not charge for the services mentioned above.

6. The Directorate of Advertising and Visual Publicity is being directed to give full consideration to the advertising requirement of each organisation and remain in consultation with them. The Directorate of Advertising and Visual Publicity is also being directed to ensure that no delay is caused in carrying out the advertising work of any organisation as a result of these arrangements. It is requested that the organisations concerned may also build up working relations with the Directorate of Advertising and Visual Publicity in order to implement the above decisions.

7. This communication is being issued in pursuance of the decision taken by the Cabinet that a directive be issued to all Ministries, Departments, undertakings and organisations under the Central Government, including nationalised banks, requesting them to comply with the instructions contained in paras 2-3 above. All Ministries are requested to convey the directive to the public sector undertakings and other organisations under their control. A copy of this Office Memorandum is being sent also to the Chairman, Bureau of Public Enterprises.

8. It is requested that the receipt of this communication kindly be acknowledged.

Sd/-

Officer on Special Duty.

To

Secretaries of all Ministries in Government of India.

Copy to :

The Chairman, Bureau of Public Enterprises, New Delhi.

Sd/-

Officer on Special Duty.

APPENDIX XVII

Statement of Conclusions/Recommendations

Sl. No.	Para of Report	Ministry/Department	Conclusion/Recommendation
1	2	3	4
1	1·6	Ministry of Information and Broadcasting.	The Action taken notes on recommendations/observations made by the Committee in their 173rd Report (Fifth Lok Sabha) on the Directorate of Advertising and Visual Publicity were received from the Ministry of Information and Broadcasting in July, 1976 instead of November 1975. There was thus a delay of more than 9 months in furnishing action taken notes. The Ministry of Information and Broadcasting have apologised for this inordinate delay. The Committee would, however, like to emphasise that action on recommendations/observations made by them should in future be initiated by the Ministry of Information and Broadcasting soon after presentation of Reports to the House so as to avoid delays in furnishing of a action taken notes to the Committee.
2	1·20	Do.	The Committee note that the percentage share of 'display advertisement in terms of cost in the case of small and medium newspapers has gone up from 66·47 per cent in 1967-68 to 70·53 per cent in 1975-76 an increase of 4 per cent in a period of 8 years. The Committee are not impressed by this achievement. The Committee, therefore, reiterate their recommendation that it should be possible for Government to give an increased percentage of the display advertisements to medium and small newspapers.
3	1·23	Do.	The Committee have not been furnished separate figures of percentage expenditure on advertisement in Hindi Newspapers/periodicals. It is, how-

ever, a matter of satisfaction that in the case of Hindi and other regional languages newspaper and periodicals taken together, the said percentage increased from 57.8 per cent in 1971-72 to 65.08 per cent in 1975-76. The Committee have also been assured that "no discrimination in the rates of advertisement is made on the ground of the language of the papers/periodicals." It is essential that no Indian language newspaper or periodical finds itself at a disadvantage when pitted against English language publications of a comparable character.

4 1.26

Do.

The Committee note that Government have accepted in principle their recommendation for a comprehensive readership survey with a view to determining whether advertisements do in fact reach the class of readers in view and also give the best return for the outlay. With the Ministry of Information and Broadcasting already having a Directorate of Evaluation for feedback studies and adequate expertise in the Indian Institute of Mass Communication, such a survey should not be too difficult. The Committee urge that the job be expedited and the results communicated to them without delay.

5 1.31

Do.

Having found that the milli-rates (rate per centimetre per 1000 circulation) for newspapers/periodicals published from the same station in the same language and having more or less the same circulation varied in ratio of nearly 1 to 3, the Committee had recommended, *inter alia* that "Government may lay down uniform rates for newspaper/periodicals published from the same station in the same language and having more or less the same circulation". According to the information furnished to the Consultative Committee attached to the Ministry of Information and Broadcasting on 29th July, 1976, Government had decided, in principle, that weightage will be given to small, medium and language papers and "when circulation is the same, rates will not be lower from the one newspaper to another on the ground of language." Answering supplementaries to Starred question No. 27 on 11-8-76, the Deputy Minister of Information and Broadcasting informed Lok Sabha that a Committee consisting of the Chief Cost Accountant and the Financial Adviser and of the DAVP was going into the rate structure. The Committee are strongly of the

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view that there should be no discrimination in advertisement rates on the ground of language.

6 1·35 Ministry of Information
 and Broadcasting.

The Committee note that the Fact Finding Committee on Newspaper Economics had considered 50 : 50 ratio between news and advertisement as a fair one only "as long as the present shortage of newsprint continues". The availability of newsprint having eased since, Government should consider the question of giving a greater share of its advertisements to newspapers which devote more space to news than to advertisements and also lay down other suitable norms.

7 1·41 Do.

The Committee are surprised that even though advertisement policy announced in 1971 contained a provision for the withholding of advertisements from newspapers which "habitually indulge in virulent propaganda inciting communal passions or preaching violence or offended socially accepted conventions of public decency and morals", no lists of Newspapers/periodicals which are blacklisted for such indulgence are maintained by the Ministry of Information and Broadcasting. The Committee cannot see how in the absence of precise information, Government can offer or deny advertisements on a principle basis. The Committee reiterate their earlier recommendation and urge Government to make sure which newspapers/periodicals are given to indulging in such pernicious practices and blacklist them specifically.

8 1·49 Do.

The Committee welcome Government's orders of June 1976 assigning a greater role to the DAVP for handling advertisements of Ministries and Public Undertakings and also making it the final authority in respect of the (i) selection of newspapers/periodicals for the entire advertising work of the organisation concerned and (ii) the advertisement rates. The Committee have been

informed that total advertising expenditure by the public sector undertakings was Rs. 4.80 crores in 1971-72, Rs. 5.69 crores in 1972-73 and Rs. 5.93 crores in 1973-74. The total expenditure incurred on behalf of Government-owned companies by DAVP for press advertising was Rs. 0.21 crore in 1971-72, Rs. 0.75 crore in 1972-73 and Rs. 0.20 crore in 1973-74. The details given in para 1.45 indicate that public undertakings had been giving a substantial share of their advertisements to private agencies including agencies not fully owned by Indians.

The Committee reiterate their recommendation that DAVP should spare no efforts to improve its skill so as to win the confidence of the Public Undertakings in the matter of display advertisements and to reduce to the minimum their dependence on private advertising agencies.

9 1.55 Ministry of Information
and Broadcasting

As early as March, 1970, Rajya Sabha adopted a Resolution to the effect that all Government advertisements, including advertisement of Railways, Statutory Corporations and public sector undertakings should be done only through Indian-controlled and Indian-owned advertising agencies, and that no such advertisements shall be issued through foreign advertising agencies whether wholly or partly owned or controlled by foreigners. The norms laid down for accreditation of advertising agencies to DAVP clearly stipulate that 'only such advertising agencies are eligible for accreditation to the DAVP as are owned and controlled entirely by Indian nationals'. During the course of evidence on the working of DAVP, it appeared that in some cases, Indian shareholders of foreign advertising agencies had set up wholly Indian Companies, apparently to gain accreditation to DAVP. It also appeared that in the case of three such Indian Companies, the normal requirement that an advertising agency must, in order to receive accreditation, have carried on agency business for a minimum period of one year, had been waived. The Committee had then called upon Government to go carefully into the question of ownership of advertising agencies in order to make sure that they were 'truly Indian and not merely a cover for foreign interest'. There being reasons to fear that foreign ownership and control though ostensibly discarded, may still continue in devious ways, the Committee would urge

Government to take special care in ascertaining that DAVP accredited advertising agencies are in fact owned and controlled entirely by Indian nationals.

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Ministry of Information
and Broadcasting

In 1966 the Chanda Committee examined the role of DAVP and recommended modifications in its functions and the strengthening of its professional skill at higher levels. It did not, however, suggest or even consider the issue of turning DAVP into a commercial organisation. The classified advertisement budget of DAVP has since grown to Rs. 2 crores. In para 1-84 of their 173rd Report, the PAC had recommended entrusting to DAVP the publicity work of Public Undertakings. Government had also been asked to examine in detail the feasibility of converting DAVP into a commercial organisation, and pending such examination, to set up a Committee consisting of representatives of both the houses to give guidance in the matter of advertising and publicity. From the reply of Government, it appears that Government are averse to the idea of converting DAVP into a commercial organisation since, in its view, "DAVP is not working with the motivation of profit or exploiting any kind of resources". To the suggestion of the Committee that DAVP should be reorganised into various divisions, such as, newspaper advertisement, printed publicity, posters etc., and run on commercial lines, the representative of the Ministry argued during evidence that the matter needed to be examined, especially in regard to the aspect of commercial costs. Government's reply is silent on this point. The Committee reiterate their earlier recommendation and expect that Government would undertake a comprehensive study in order to help DAVP fulfil its role as a medium of mass communication, improve its quality of service and win the confidence of its customers through competitive rates and excellence of professional skill. The outcome of such a study and the steps to be adopted thereafter should be communicated to the Committee.

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
DELHI.			33	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.	68
24.	Jain Book Agency, Connaught Place, New Delhi.	11	34.	People's Publishing House, Rani Jhansi Road, New Delhi.	76
25.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3	35.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88
26.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	9	36.	Hird Book House, 82, Janpath, New Delhi.	95
27.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	37.	Bookwell, 4, Sant Naran-kari Colony, Kingsway Camp, Delhi-9.	96
28.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15	MANIPUR		
29.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20	38.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annexe, Imphal.	77
30.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23	AGENTS IN FOREIGN COUNTRIES		
31.	Bahree Brothers, 188 Lajpatrai Market, Delhi-6.	27	39.	The Secretary, Establishment Department, The High Commission of India India House, Aldwych, LONDON, W. C.-2.	59
32.	Jayana Book Depot, Chapparwala Kuan, Karol-Bagh, New Delhi.	66			

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