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**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2004-2005)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF INFORMATION  
AND BROADCASTING**

*[Action taken by Government on the Recommendations/Observations of the  
Committee contained in their Fifty-fifth Report (Thirteenth Lok Sabha) on  
'Working of Directorate of Field Publicity (DFP)']*

**SEVENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 2004/Agrahayana, 1926 (Saka)*

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'Working of Directorate of Field Publicity (DFP)']*

*Presented to Lok Sabha on 14.12.2004*

*Laid in Rajya Sabha on 14.12.2004*



LOK SABHA SECRETARIAT  
NEW DELHI

*December, 2004/Agrahayana, 1926 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY (2004-2005)

Shri M.M. Pallam Raju—*Chairman*

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*Lok Sabha*

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3. Shri Mani Cherenamoi
4. Shri Sanjay Dhotre
5. Kunwar Jitin Prasad
6. Shri Kailash Joshi
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21. Shri Ram Kripal Yadav

*Rajya Sabha*

22. Shri Vijay J. Darda
23. Shri Ashwani Kumar
24. Dr. Akhilesh Das

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\*Nominated *w.e.f.* 20.8.2004.

(iv)

25. Shri Balbir K. Punj
26. Shri Dara Singh
27. Smt. Sarla Maheshwari
28. Shri N.R. Govindraj
29. Shri K. Rama Mohana Rao
30. Shri Motiur Rahman
31. Shri Sanjay Nirupam

SECRETARIAT

- |                            |   |                             |
|----------------------------|---|-----------------------------|
| 1. Shri P.D.T. Achary      | — | <i>Additional Secretary</i> |
| 2. Shri Raj Shekhar Sharma | — | <i>Deputy Secretary</i>     |
| 3. Shri K.L. Arora         | — | <i>Under Secretary</i>      |
| 4. Shri D.R. Shekhar       | — | <i>Assistant Director</i>   |

## INTRODUCTION

I, the Chairman of the Standing Committee on Information Technology (2004-05) having been authorised by the Committee to submit the Report on its behalf, present this Seventh Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Fifty-Fifth Report (Thirteenth Lok Sabha) on "Working of Directorate of Field Publicity (DFP)" relating to the Ministry of Information and Broadcasting.

2. The Fifty-Fifth Report was presented to Lok Sabha on 22.12.2003 and was laid in Rajya Sabha on 23.12.2003. The Ministry furnished Action Taken Notes on the recommendations contained in the Report on 24.3.2004.

3. The Report was considered and adopted by the Committee at its sitting held on 25.11.2004.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

5. An analysis of Action Taken by Government on the recommendations contained in the Fifty-Fifth Report (Thirteenth Lok Sabha) of the Committee is given at Appendix-II.

NEW DELHI;  
7 December, 2004  
16 Agrahayana, 1926 (Saka)

M.M. PALLAM RAJU,  
*Chairman,*  
*Standing Committee on*  
*Information Technology.*

## CHAPTER I

### REPORT

This Report of the Standing Committee on Information Technology deals with action taken by the Government on the recommendations contained in the Fifty-Fifth Report (Thirteenth Lok Sabha) on Working of Directorate of Field Publicity relating to Ministry of Information and Broadcasting.

2. The Fifty-Fifth Report was presented to Lok Sabha on 22 December, 2003 and was laid on the table of Rajya Sabha on 23 December, 2003. It contained 11 recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received and categorised as under:

- (i) Recommendations/Observations which have been accepted by the Government:

Paragraph Nos. 24, 28, 29, 40, 47.

Total: 5

Chapter-II

- (ii) Recommendations/Observations which the Committee does not desire to pursue in view of the reply of the Government:

Paragraph Nos. 27, 50, 53, 57.

Total: 4

Chapter-III

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Paragraph Nos. 25, 26.

Total: 2

Chapter-IV

- (iv) Recommendations/Observations in respect of which replies are of interim nature:

Paragraph Nos. Nil.

Total: Nil

Chapter-V

4. The Committee trust that utmost importance would be given to the implementation of the recommendations accepted by the Government. In case, for any reason it is not possible for the Ministry to implement the recommendations in letter and spirit, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desires that Action Taken Notes on the recommendations/observations contained in Chapter-I of this Report be furnished to it urgently and in no case later than six months of the presentation of the Report.

5. The Committee will now deal with Action Taken by the Government on some of its recommendations.

#### **A. Purchase of Portable Video Projectors (PVPs)**

##### **Recommendation Para No. 25**

6. In its fifty-fifth report the Committee had noted that 48 Portable Video Projectors (PVPs), for which supply order was issued on 31 March, 1997 were delivered by the supplier in three instalments, the last being as late as on July, 1997. The Committee was apprehensive and failed to understand the urgency for which orders were placed on the last day of the financial year 1996-1997 when supply against the earlier supply orders dated 3 December, 1996 and 10 January, 1997 for 3 Nos. and 30 Nos. of PVPs were pending and the supplier was seeking extension of time repeatedly.

7. The Department, in its action taken notes have stated that in the year 1996-97, Rs. 60 lakhs were provided under the Plan Scheme of DFP and administrative approval of the Ministry was given for purchase of 30 PVPs and related equipment's. Further, the Ministry have informed that Plan Scheme of DFP was augmented at the final Grant stage and additional Rs. 99 Lakhs was provided under the scheme. With regard, to the placement of order on the last day of financial year, it has been informed that the final grant 1996-97 was communicated on 21 March, 1997 and the approval of the Ministry was issued on 27 March, 1997 for procurement of 48 PVPs and related equipments. Consequently, DFP placed order on 31 March, 1997. According to the Department, the supply orders dated 03.12.1996 and 10.01.1997 for purchase of 3 PVPs and 30 PVP were completed on 17.03.1997.



8. From the above reply of the Department, the Committee concludes that there is a lack of proper planning and foresight in spending the budgetary allocations. This culminates into a frantic race for expenditure at the end of the financial year.

9. From the sequence of events for the financial year 1996-97, it is seen that the purchase order for 33 PVPs and related equipment for Rs. 60 lakhs was placed with the firm on 03.12.1996 and 10.01.1997. Again the purchase order for 48 PVPs for Rs. 99 lakhs was placed on 31.03.1997. Obviously, the supply order for 33 PVPs was placed as late as December, 1996 and January, 1997 because the funds would have been made available to the Directorate as late as December, 1996 and January, 1997 i.e., at the fag end of the financial year 1996-97, a situation similar to the release of funds for 48 PVPs on 27.03.97.

10. The delay in the supply of PVPs against the provisions in the contract is another factor, which has been of concern to the Committee. However, for the financial year 1996-97, the delay in the sanction for the purchase of equipment is the main factor, which has caused a disruption in the placement of the order and supply.

11. The Committee are of the considered view that rush of expenditure towards the end of a financial year should not be resorted to by the Ministry and sufficient advance planning should be done for release of budgetary amounts during the early part of the financial year. The Ministry should also devise an effective mechanism for monitoring and implementation of the scheme in time and prevail upon the Department to abide by the provisions of contract.

#### **B. Irregularities in purchase of PVPs**

##### **Recommendation Para No. 26**

12. The Committee had pointed out in its earlier report that out of the 80 PVPs ordered in the year 1997-98, only 39 were received before the end of that financial year and the remaining PVPs were delivered in batches extending up-to June 1998. Similarly, the supply of 58 PVPs ordered during the year 1998-99 actually materialized as late as in January, 2001. Out of the 48 PVPs for which supply orders were placed on 3.12.1999 the Committee noted that 15 were received

in February, 2001 i.e. after a lapse of 14 months and the orders for the remaining 33 PVPs was cancelled because the Ministry had realised that some irregularities were committed. The Committee seriously viewed the fact, as the award of contract for supply of PVPs and the second part dealing with annual maintenance contract was completely ignored which has serious financial implication running into crores. The Committee in its report also pointed out that the orders were placed on the last day of financial year and supplies were executed much after the stipulated ate, repeated extensions were given to the firm without any convincing justification and above all DFP drew the cheques in favour of the supplier even though the supply had not even commenced. The Committee therefore, recommended that Ministry should look into the matter and to ensure that there was no mala-fide intention.

13. The Ministry, in its Action Taken Notes, has stated that during 9th Plan (1997-2002) administrative approval of the Ministry was given for purchase of 178 PVPs and related equipments by the DFP under the Plan Schemes 'Purchase of Projectors/Generators'. The Ministry has further stated that after the notice of irregularities committed in 2000, it *prima facie* held DFP responsible due to which the remaining supply was cancelled in 2001. The Ministry further informed that a preliminary inquiry was conducted to ascertain the extent of irregularities committed and cut-in-pension proceedings have initiated against the then DF (Retd.) DFP on the advice of CVC. It has further been informed that a disciplinary proceeding has also been initiated by Accounts Office/Chief Controller of Accounts to fix responsibility in the P&AO for the lapses. A system audit by the internal Audit Unit has also been stated to find out whether the operation of the civil accounts manual failed in the office of PAO (DAVP).

14. With regard, to the issue of Annul Maintenance Contract (AMC) the Ministry has stated that it was discussed in detail in the review meeting of DFP which was headed by Secretary, I&B on 05.02.1998 and it was decided not to enter into Annual Maintenance Contract at the stage as prices were falling every year. It has also been stated that DFP will undertake a study of the whole issue of AMC particularly in the light of the fact that DFPs staff will be imparted training in user friendly equipment. Also, AMC, if and when entered will be capped out a maximum of 5% only.

15. The matter of forfeiting of security deposit made by the supplier for non-execution of supply within time and non-adherence of the spirit of the tender conditions is stated to be under the consideration of the DFP.

16. The Committee are highly perturbed by the fact that serious financial irregularities were committed by the Directorate of Field Publicity in the process of procurement of Portable Video Projectors (PVPs) and the decision of the Ministry for not entering into Annual Maintenance Contract for the PVPs resulted in heavy loss to the Government exchequer. The Committee are also unhappy over the inordinate delay in forfeiting the security deposit for non-execution of supply within stipulated time alongwith non-adherence of the spirit of the tender conditions. The Ministry should have taken urgent action in executing the forfeiture rather than leaving it for the Department of Field Publicity, which is hand in glove in the entire deal.

17. The Committee are of the opinion that the Ministry should take immediate steps towards forfeiting the security deposit of the supplier and evolving suitable and effective monitoring mechanism like framing guidelines for use of delegated and discretionary powers with great care and prudence, conducting periodical review meetings of the performance of DFP, strictly following all rules regulations framed for the purpose, to avoid such irregularities in future. The Committee would like to be apprised of the latest position and action taken by the Ministry in this regard.

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation (Para No. 24)**

The Committee notes that DFP initiated the process for procuring Portable Video Projectors (PVPs) in 1995-96 from Plan funds. Such procurement was stated to be necessitated by the advent of Video technology as well as due to obsolescence of 16 mm sound projectors which were in use at that time in the Directorate of Field Publicity. But what followed the procurement of PVPs from the year 1995-96 to 1999-2000, has been proved to be recurring financial improprieties, gross irregularities, clear favouritism to the supplier firm by flouting established procedures and norms and causing loss to the exchequer and defiance of authority as has been brought out in the succeeding paragraphs.

#### **Action Taken by the Government**

The powers for purchase of audio video equipments have been delegated to the Director, Field Publicity. Initially the PVPs were purchased on experimental basis and from 1996-97 onwards DFP started purchasing them in a phased manner. During 9th Plan (1997-2002), administrative approval of Ministry of Information & Broadcasting was given for purchase of 178 PVPs and related equipments by the Directorate of Field Publicity (DFP) under the Plan Scheme 'Purchase of Video Projectors/Generators'. The PVPs were to be purchased by the DFP under the delegated powers as per the rules and regulations in force. However, it came to the notice of the Ministry during the year 2000 that irregularities were being committed in the purchase of PVPs by the DFP. *Prima facie* the irregularities were found to be committed by the DFP and supply order for remaining PVPs from the supplier was cancelled. A preliminary enquiry was conducted thereafter to ascertain the extent of irregularities committed in the procurement of PVPs. Cut-in-pension proceedings have been initiated against the then Director General (Retd.) of DFP.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

**Recommendation (Para No. 28)**

28. The Committee finds that the award of contract was continued with the same firm i.e. M/s Infinity System Pvt. Ltd. Despite it being a defaulter; rate per unit of PVPs was arbitrarily enhanced at the request of the supplier on the pretext of enhanced customs duty and cheques were revalidated without exercising any check/control on the propriety of expenditure or even receipt of material. The Central Vigilance Commission (CVC) has of course advised initiation of cut-in-pension proceedings against the then DG, DFP after finding him responsible for extending undue favours to the firm i.e. M/s Infinity Systems Pvt. Ltd. but the matter should not rest there. The Committee wants the Ministry to devise suitable measures to strengthen the procedure to prevent occurrence of such lapses in future.

**Action Taken by the Government**

The Director of the DFP is the Head of Department (HOD) and enjoys all the powers delegated to the HODs under Delegation of Financial Power Rules (DFPRs). The Ministry does not interfere in the day to day work of the Directorate and Director is required to carry out the activities of DFP within its broad mandate under the powers delegated following rules, regulations and procedures given in the GFRs/DFPRs and other related instructions issued by the Government from time to time.

DFP has been advised to exercise their delegated and discretionary powers with great care and prudence duly following all the rules and regulations. DFP has been asked to make their officers responsible for the affairs of the Directorate.

The review of expenditure/monitoring of expenditure is also being done on a regular basis at the level of PAO/DCAs/CCAs. The Budget Division of this Ministry is reviewing and analyzing the trend of expenditure on the basis of figures provided by the DDOs as well as by the PAOs. Instructions have been issued to avoid bunching of expenditure towards the end of the financial year.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

**Recommendation (Para No. 29)**

**The Committee takes a serious view of the fact that wrong information was furnished to them by the Directorate of Field**

**Publicity and no action has been taken by the Ministry. But for the media reports, this fact would have gone unnoticed. Stringent action is required to deal with such cases of wilful neglect and disrespect of Parliament and its institutions. The Ministry should inform the Committee about the action taken in this regard.**

#### **Action Taken by the Government**

The issue of wrong information furnished to the Standing Committee of Parliament was inquired into by this Ministry. The then Director General (Retd.), DFP was warned and displeasure of the President was conveyed to him for the incorrect information furnished to the Ministry of I&B for onward transmission to the Standing Committee of Parliament on Communications. DFP has informed that all the concerned officials have been instructed to be more careful in future and have a better co-ordination while submitting reports/returns.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

#### **Recommendation (Para No. 40)**

The Committee notes that exhibition of films constitutes one of the important activities in the publicity campaign of the DFP. The Committee notes that the mandate of the Directorate of Field Publicity is of distribution, exhibition showing films and conducting programmes and not production of films. However, funds had been received from other Ministries/Government Department/International bodies such as UNICEF, BBC etc. by the Directorate of Field Publicity directly for giving publicity to some programmes. In this context, it is pertinent to note that the Director, DFP submitted proposals to the Ministry of I&B which happens to be the administrative Ministry to permit production of films through private producers instead of getting them made by any of the organs of the Ministry engaged in such activities like Films Division, NFDC etc. The Ministry also gave permission for 3 films as a special case after Kargil conflict. The Committee is not convinced by the reasons advanced by the Ministry in this regard when its own Films Division was having ample infrastructure and was engaged in production of films. The Committee is surprised to note that the Director, DFP went ahead and got a number of films produced through private producers which were financed by sources other than the Ministry of I&B and funds were taken from these Government Ministries/International Agencies direct and maintained

outside the Ministry of I&B accounts. Thus, proper procedure was not followed by the DFP. The Committee feels that it is a clear deviation from the prescribed procedure. Notwithstanding the fact that the matter has been referred to the Central Vigilance Commission (CVC), the Committee is of the opinion that the Ministry must look into all these aspects and get the accounts audited to ensure that there was proper utilization of funds advanced by the different Ministries and other International Agencies. Proper measures should be taken to prevent recurrence of such incidents in future. The Committee expresses its dissatisfaction on the manner in which DFP handled funds advanced by the other Ministries/Agencies for the procurement of films. There is no plausible explanation for preferring private producers when other arms of the Ministry namely Films Division, NFDC and Children's Film Society are engaged in production of films. It is a moot point whether these organizations were consulted at all for production of films. The Committee therefore, urges the Ministry to take up the matter with C&AG for auditing the accounts of funds to ensure proper utilization. The Committee will also like to be apprised of the action taken on the report of the CVC.

#### **Action Taken by the Government**

Directorate of Field Publicity has been time and again reminded of their mandate and objectives. They have been told that the production/commissioning of films is not their mandate and they should not venture into the area of film production. The permission for production of three films was given in view of the current tense situation along the LOC in the State of J&K especially in Kargil Sector at that time. This was agreed to as a special case and was subject to approval of the expenditure by the Films Pricing Committee in Films Division. This exception was not to be quoted by DFP as an excuse for production of films.

This Ministry does not, in normal course, interfere in the programmes of DFP as this is a specialized body for carrying out publicity programmes. DFP has intimated that the Plan of Action for the special programmes organized on behalf of other Departments/Agencies have been prepared in consultation with the Departments/Agencies concerned. Funds are provided by other Ministries/Agencies on the basis of Action Plan submitted by the DFP. In the case of M/o Labour, UNICEF, WHO and BBC funds had been provided by cheques and in the case of NACO and M/o Health & Family Welfare,

the funds were routed through Pay & Accounts Office. DFP ought not to have taken up film production and should have included such funds under the normal budget under the Ministry of Information & Broadcasting.

It was noticed that DFP was receiving funds from other Departments/Agencies not following the prescribed procedures. Consequently, the Personal Deposit Account of DFP has been closed on the directions of the Ministry. DFP has been advised to get the funds routed through the Pay & Accounts Office and follow the proper accounting procedure in respect of the funds received from International Agencies. DFP has now informed that funds from other Ministries are routed through the Pay and Accounts Office, New Delhi and redistributed through the Pay and Accounts Office all over the country for organizing publicity programmes by the Field Publicity Units. As desired by the Committee C&AG has been requested for a special audit.

The production of films by the DFP transgressing their mandate has also been viewed seriously in this Ministry. Preliminary enquiry has been conducted into the whole issue of production/purchase of films/cassettes. Disciplinary proceedings for imposing major penalties has been initiated on the advice of the Central Vigilance Commission against the then Director General, Joint Director, Deputy Director (Programmes), Field Publicity Officer and Assistant Programme Officer of DFP.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

**Recommendation (Para No. 47)**

The Committee notes that selection procedure of themes depends on the proactive role of the client Ministries as to how they want to propagate socially relevant events. The Committee feels that DFP can play a greater role in the present scenario as it has greater penetration at the grass root level. DFP can also portray the exact depiction of society and can help in curbing social evils and in strengthening national integration and communal harmony. The Committee further wishes that while selecting subjects, the DFP should consult the people living in the rural and remote areas about their problems. This can lead to a two-way system of feed back which in the real sense can fulfill the objectives of DFP.



**Action Taken**

DFP has directed their respective Field Publicity Units to suggest themes which are relevant in their area of working. The Field Publicity Units gather people's reactions to various programmes and policies of the Government and their implementation down to the village level, which are then sent to the Government through consolidated feedback reports for corrective measures and appropriate action.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

### CHAPTER III

#### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE IN VIEW OF THE REPLY OF THE GOVERNMENT

##### **Recommendation (Para No. 27)**

Moreover, the DFP met the expenditure of 3 PVP's from the Non-Plan funds during the year 1999-2000 without any reference of advice from the Ministry. It is also indicative of the inadequate or even non-existent monitoring system on the part of the ministry. The Committee gets the impression that the DFP was given a *Carte Blanche* to function in its own way disregarding all established norms. It was the responsibility of the Ministry of Information & Broadcasting to ensure that such irregularities were not committed by the DFP.

##### **Action Taken by the Government**

The Director of the DFP is the Head of Department (HoD) and enjoys all the powers delegated to the HoDs under Delegation of Financial Power Rules (DFPRs). The Ministry does not interfere in the day to day work of the Directorate and the Director is required to carry out the activities of DFP within its broad mandate under the delegated powers following the rules, regulations and procedures given in the GFRs/DFPRs and other Government rules/guidelines.

As stated earlier, based on the memorandum submitted by DFP for the Standing Finance Committee of the Ministry for approval of the Plan Scheme 'Purchase of Video Projectors/Generators', administrative approval was given for purchase of 178 PVPs and related equipments by DFP during the 9th Plan. As per the proposal of DFP, 48 PVPs were to be purchased during the Annual Plan 1999-2000 under this Plan Scheme. Based on the administrative approval, DFP placed the order for supply of 48 PVPs during 1999-2000 using their delegated powers. Subsequently, the supplier made a request to the DFP for enhancement of price per unit of portable video projector on account of increase customs duty. To absorb this increase DFP purchased three PVPs out of the Non-Plan funds during 1999-2000 under their delegated powers. The matter has been examined in the Ministry and disciplinary

action has been initiated against the then DG, DFP for this loss to the Government.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

#### **Recommendation (Para No. 50)**

The Committee note that there are large number of filed publicity units which were created for publicizing and taking the people into confidence and mobilizing their support in the North-Eastern areas. The Committee regret to note that Ministry has taken a decision to declare the cadre of officers who are operating in the border publicity units as a dying cadre and there are number of vacancies. As there is a need for looking into the problems of the people living in the North-East, programmes of national integration and communal harmony should be dubbed into major dialects, which are understood by the people of the North-Eastern States. This will ensure a wider diffusion of information in these areas. The Committee trusts that proper attention will be paid in this regard and believes that lack of funds will not hamper progress while implementing the same.

#### **Action Taken by the Government**

Funds are being made available under different Plan schemes of DFP for the benefit of North Eastern region. During the last five year *i.e.* 2000-01 to 2004-05 almost 30% of the funds under the Plan are allocated for the benefit of NE Region.

The matter of Field Publicity Officers (Border) is sub-judice in the High Court of Kolkata. In view of the recommendations of Expenditure Reforms Commission and Government policies towards appointments in the direct entry grade, DFP is facing problems in filling up the vacancies. However, DFP is carrying out its publicity works in the North Eastern Region. DFP do not produce the publicity material/software of their own and procure it as per their needs from the Films Division, Prasar Bharati, DAVP, etc. Though it is not always possible to get the films and publicity material in local dialects, the oral/interactive programmes and special programmes are being carried out in the local language/dialects.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

**Recommendation (Para No. 53)**

The Committee is concerned to note that the performance of the DFP has hampered due to shortage of staff especially in the field publicity units where 110 units are functioning without field officers. The Committee recommends that the Ministry should take urgent steps to address the concern of shortage of staff in the Directorate with special attention to the grades of field publicity officers.

**Action Taken by the Government**

As stated in para 50, the Expenditure Reforms Commission has recommended for winding up of the Directorate of Field Publicity. However, this Ministry while favouring the continuance of DFP has taken up the matter with the Ministry of Finance for right sizing of the Directorate as a response to the ERC recommendations. The vacancies in DFP have also been reduced following the instructions/ procedures for appointment in the direct recruitment level. DFP has taken action to fill up the vacant posts, which are to be filled up by the direct recruitment as per the Government guidelines on optimisation of civilian posts.

There are two grades of Field Publicity Officers (FPO) in DFP, one belonging to FPO (Border) cadre and the other to FPO (IIS) cadre. The matter of FPO (Border) is sub-judice in the High Court of Kolkata. Proposal to fill up the vacant posts of FPO (IIS) is under consideration in the Ministry. The posts which are to be filled up by the direct recruitment are pending clearance from Screening Committee. Simultaneously, a proposal is being considered in consultation with the Deptt. of Personnel & Training for augmenting the posts in promotion quota.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

**Recommendation (Para No. 57)**

The Committee is happy to note that the DFP has been organizing conducted tours to remote rural areas, especially for those belonging to the tribal and other backward sections of the society. The aim of conducted tours has been to generate national integration and patriotism amongst the people, and also to imbibe the farming practices practiced in the progressive States. It is a commendable job, which needs to be encouraged. The Committee, therefore, feels that the

frequency of tours should be increased and more and more funds be allocated for the same. The Committee, would however, like to emphasize the fact that proper monitoring should be adhered to so that funds earmarked for conducted tours are not misutilised.

#### **Action Taken by the Government**

Conducted Tours was one of the Plan Schemes of DFP during the 9th Plan (1997-2002). This Scheme has since been discontinued in the 10th Plan (2002-2007). As many as 90 Units of DFP are located in tribal/backward areas of the country and they perform the publicity work in these areas through film shows, photo exhibitions, arranging group discussions and holding special programmes like rallies, rural sports competitions, baby shows, etc.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

#### **Recommendation (Para No. 25)**

The Committee finds that 48 PVPs, for which supply order was issued on 31st March, 1997 were delivered by the supplier in three installments, the last being as late as in July, 1997. The Committee fails to understand the urgency for which orders were placed on the last day of the financial year 1996-97 when supply against the earlier supply orders dated 3 December, 1996 and 10 January, 1997 for 3 Nos. and 30 Nos. PVPs were pending and the supplier was seeking extension of time repeatedly.

#### **Action Taken by the Government**

Initially in the year 1996-97, Rs. 60 lakhs were provided under the Plan Scheme of DFP and administrative approval of this Ministry was given for purchase of 30 PVPs and related equipments. Subsequently, the provision under the Plan Scheme of DFP was augmented at the Final Grant Stage and additional Rs. 99 lakhs were provided under this scheme. The Final Grant 1996-97 was communicated on 21st March, 1997. DFP submitted memorandum for approval of the Standing Finance Committee of M/o I&B for utilisation of the fund and administrative approval of this Ministry could be issued on 27th March, 1997 for procurement of 48 PVPs and related equipments. Consequently, DFP placed order on 31st March, 1997. The supply orders dated 03.12.1996 and 10.01.1997 for purchase of 3 PVPs and 30 PVPs were completed on 17.03.1997.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

#### **Comments of the Committee**

(Please see Para Nos. 8, 9, 10 & 11 of Chapter-I)

**Recommendation (Para No. 26)**

Out of the 80 PVPs ordered in the year 1997-98, only 39 were received before the end of that financial year. The remaining PVPs were delivered in batches extending up to June 1998. Similarly, the supply of 58 PVPs ordered during the year 1998-99 actually materialized as late as in January 2001. Out of the 48 PVPs for which supply orders were placed on 3.12.1999, 15 were received in February, 2001 *i.e.* after a lapse of 14 months and the orders for the remaining 33 PVPs was cancelled because the Ministry had come to realized that some irregularities were committed. Secretary, Ministry of I&B's statement that the real deterioration started from 1998-1999 onwards, does not impress the Committee for the irregularities were actually committed much before and even at the time of placing supply orders as has been narrated above. Even in the award of contract for supply of Portable Video Projectors, second part of the contract dealing with Annual Maintenance Contract was completely ignored which had serious financial implications running into crores. Orders were being placed as late as on the last day of a particular financial year, supplies were executed much after the stipulated date, repeated extensions were given to the firm for effecting the supply without any convincing justification and all sorts of financial and procedural improprieties were committed. It is a matter of grave concern that serious financial irregularities were committed by the Directorate of Field Publicity by drawing the cheques in favour of the supplier even though the supply had not even commenced and the supplier was seeking repeated and unjustified extensions of time. No punitive action was taken against the supplier for repeated defaults on its part. The Directorate did not even bother to inform the Ministry about these irregularities. The matter came to the notice of the Ministry only when reports appeared in the media and the Committee took note of it. The Committee is perplexed at the generosity of the Directorate of Field Publicity in acceding to each request of the supplier for extension of time which ranged upto 18 months from March, 1999 to July, 2000. The Committee is also at a loss to understand why three cheques were drawn when there was only one supply order for 34 projectors. The Ministry should look into this aspect also to ensure that there was no *malafide* intention.

**Action Taken by the Government**

During 9th Plan (1997-2002) administrative approval of this Ministry was given for purchase of 178 PVPs and related equipments by the

DFP under the Plan Schemes 'Purchase of Video Projectors/Generators'. The PVPs were to be purchased as per the rules and regulations in force under the delegated powers of DFP. However, it came to the notice of the Ministry during the year 2000 that irregularities were being committed in the purchase of PVPs by the DFP. *Prima facie* the irregularities were found to be committed by DFP and the remaining supply of PVPs from the supplier was cancelled in February, 2001. A preliminary enquiry was conducted, thereafter, to ascertain the extent of irregularities committed in the procurement of PVPs and cut in pension proceedings have been initiated on the advice of Central Vigilance Commission against the then Director General (Retd.) of DFP. Departmental Inquiry in the case is going on. Disciplinary proceedings has also been initiated by the Accounts Office/Chief Controller of Accounts to fix responsibility in the Pay & Accounts Office for their lapses. A system audit by the Internal Audit Unit has also been ordered to find out whether the operation of the Civil Accounts Manual failed in the office of PAO (DAVP).

The issue of Annual Maintenance Contract was discussed in detail in the review meeting of DFP taken by Secretary, I&B on 05.02.1998. It was decided that since the prices were falling every year, it would not be advisable to enter into an AMC at this stage. DFP may undertake a study of the whole issue of AMC particularly in the light of the fact that DFP's own staff would now be imparted training in this user friendly equipment. The maintenance facilities for the PVPs be provided on a regional basis and the AMC, if and when entered into, may be capped at a maximum of 5% only.

The matter of forfeiting of Security deposit made by the supplier for non-execution of supply within time and non-adherence of the spirit of the tender conditions is under consideration of DFP.

[M/o I&B O.M. No. 20/2/04-IP&MC dated 24.03.2004]

#### **Comments of the Committee**

(Please see Para Nos. 16 & 17 of Chapter-I)



CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH  
REPLIES ARE INTERIM IN NATURE

-Nil-

NEW DELHI;  
7 December, 2004  

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16 Agrahayana, 1926 (Saka)

M.M. PALLAM RAJU,  
Chairman,  
Standing Committee on  
Information Technology.

## APPENDIX I

### MINUTES OF THE FOURTEENTH SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2004-2005)

The Committee sat on Thursday, 25 November, 2004 from 1100 hours to 1330 hours in Committee Room No. 'G-074', K-Block, Parliament Library Building, New Delhi.

#### PRESENT

Shri M.M. Pallam Raju—*Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri Nikhil Chaudhary
3. Shri Mani Cherenamei
4. Shri Sanjay Dhotre
5. Shri P.P. Koya
6. Shri P.S. Gadhavi
7. Col. G. Nizamuddin
8. Shri Sohan Potai
9. Shri Chander Shekhar Sahu
10. Shri Ram Kripal Yadav

##### *Rajya Sabha*

10. Smt. Sarla Maheshwari
12. Shri N.R. Govindarajar
13. Shri K. Rama Mohana Rao
14. Shri Motiur Rahman

#### SECRETARIAT

- |                            |   |                             |
|----------------------------|---|-----------------------------|
| 1. Shri Raj Shekhar Sharma | — | <i>Additional Secretary</i> |
| 2. Shri K.L. Arora         | — | <i>Deputy Secretary</i>     |
| 3. Shri D.R. Shekhar       | — | <i>Assistant Director</i>   |

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the following Draft Reports and adopted the same with certain amendments/modifications:

- |       |   |     |     |
|-------|---|-----|-----|
| (i)   | ***   | *** | *** |
| (ii)  | ***   | *** | *** |
| (iii) | Draft Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in its Fifty-Fifth Report on "Working of Directorate of Field Publicity (DEP)" relating Ministry of Information & Broadcasting. |     |     |
| (iv)  | ***   | *** | *** |
| (v)   | ***   | *** | *** |
| (vi)  | ***   | *** | *** |

3. The Committee also decided to undertake a weekend Study Tour to Chandigarh and Amritsar on 17 and 18 December, 2004.

4. The Committee, then, authorised the Chairman to finalise and present the above mentioned Reports to House.

*The Committee, then, adjourned.*

## APPENDIX II

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE FIFTY-FIFTH REPORT (THIRTEENTH LOK SABHA)

[Vide Paragraph No. 5 of Introduction]

- (i) Recommendations/Observations which have been accepted by the Government:  
Paragraph Nos.: 24, 28, 29, 40, and 47  

Total: 5  
Percentage: 45.45%
- (ii) Recommendations/Observations which the Committee does not desire to pursue in view of the replies of the Government:  
Paragraph Nos.: 27, 50, 53 and 57  

Total: 4  
Percentage: 36.36%
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:  
Paragraph Nos.: 25 and 26  

Total: 2  
Percentage: 18.18%
- (iv) Recommendations/Observations in respect of which replies are of interim nature:  
Paragraph Nos.: Nil  

Total Nil  
Percentage: Nil