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**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2010-11)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF INFORMATION AND BROADCASTING**

**DEMANDS FOR GRANTS**

**(2011-12)**

**TWENTY-SECOND REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*August, 2011/Sravana, 1933 (Saka)*

**TWENTY SECOND REPORT**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2010-11)**

**(FIFTEENTH LOK SABHA)**

**MINISTRY OF INFORMATION AND BROADCASTING**

**DEMANDS FOR GRANTS  
(2011-12)**

***Presented to Lok Sabha on 4<sup>th</sup> August, 2011***

***Laid in Rajya Sabha on 4<sup>th</sup> August, 2011***



**LOK SABHA SECRETARIAT  
NEW DELHI**

*July, 2011/Sravana, 1933 (Saka)*

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**COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY**  
**(2010-2011)**

**Shri Rao Inderjit Singh - Chairman**

**Lok Sabha**

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Vacant \*\*
5. Dr. Charles Dias
6. Shri Rajen Gohain
7. Smt. Darshana Vikram Jardosh
8. Shri Mithilesh Kumar
9. Shri Sadashivrao Dadoba Mandlik
10. Shri Inder Singh Namdhari
11. Shri Adhalrao Shivaji Patil
12. Shri Abdul Rahman
13. Shri Prem Das Rai
14. Shri Tufani Saroj
15. Shri Tathagata Satpathy
16. Smt. M. Vijaya Shanti
17. Dr. Bholu Singh
18. Shri Dhananjay Singh
19. Shri Sushil Kumar Singh
20. Shri C. Sivasami
21. Shri Dharmendra Yadav

**Rajya Sabha**

22. Shri M.P. Achuthan
- \*23. Shri Mohammed Adeeb
24. Shri Salim Ansari
- \*25. Shri Rajeev Chandrasekhar
- \*26. Shri Rajkumar Dhoot
27. Shri Prabhat Jha
28. Prof. Alka Balram Kshatriya
29. Shri Ravi Shankar Prasad
30. Shri P. Rajeeve
31. Shri Jesudasu Seelam

**SECRETARIAT**

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director
3. Shri H.R. Kamboj - Additional Director

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\* Nominated to the Committee w.e.f. 21<sup>st</sup> September, 2010.

\*\* vice Shri Milind Deora, ceased to be a member of the Committee consequent on his appointment as Minister of State for Communications and IT on 12.07.2011.

## INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2010-11) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-second Report on Demands for Grants (2011-12) of the Ministry of Information and Broadcasting.

2. The Standing Committee on Information Technology (2010-11) was constituted on 31<sup>st</sup> August, 2010. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider Demands for Grants of the concerned Ministry/Department and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Information and Broadcasting for the year 2011-12 which were laid on the Table of the House on 15<sup>th</sup> March, 2011. The Committee took oral evidence of the representatives of the Ministry of Information and Broadcasting on 21<sup>st</sup> April, 2011.

4. The Report was considered and adopted by the Committee at their sitting held on 15<sup>th</sup> June, 2011.

5. The Committee wish to express their thanks to the officers of the Ministry of Information and Broadcasting for appearing before the Committee and furnishing the information, that the Committee desired in connection with the examination of the Demands for Grants.

6. For facility of reference and convenience Recommendations/Observations of the Committee have been printed in bold letters in Part-II of the Report.

**New Delhi**  
**22 July, 2011**  
**31 Sravana, 1933 (Saka)**

**RAO INDERJIT SINGH**  
**Chairman**  
**Standing Committee on**  
**Information Technology**

# **REPORT**

## **PART – I**

### **I. Introductory**

The Ministry of Information and Broadcasting, through the mass communication media consisting of radio, television, films, press and print publications, advertising and traditional modes of communications such as dance and drama, play an effective role in helping people to have access to free flow of information. The Ministry are expected to play an important role in catering to the entertainment and intellectual needs of various age groups and focusing attention of the masses on issues of national integrity, environmental protection, health care and family welfare, eradication of illiteracy and issues relating to women, children and other weaker sections of the society.

2. The Ministry of Information and Broadcasting, as per the allocation of Business Rules, have a wide mandate in respect of information, education and entertainment to be executed with functions relating to print and electronic media as also films.

3. The following is the mandate of the Ministry of Information and Broadcasting:

- to create enabling environment and set up policy framework for healthy development of various mass media in the country;
- to keep the people informed about Government's policies and programmes through the mass media;
- to educate and motivate the people for greater involvement in the various development activities and programmes of the Government;
- to liaise with State Governments and their Organisations in the field of information and publicity; and
- to serve as a constant link between the Government and the Press and act as a clearing house of official information and authentic data pertaining to the Union Government's plans and programmes.

4. The Ministry are assisted and supported in their activities through 14 Attached and Subordinate offices, 06 Autonomous Organizations and 02 Public Sector Undertakings. The Ministry is broadly divided into three sectors viz.

- (i) The Broadcasting Sector
- (ii) The Information Sector; and
- (iii) The Film Sector.

**II. Implementation status of recommendations of the Committee contained in Sixth Report on Demands for Grants (2010-11) of the Ministry of Information and Broadcasting.**

5. The Standing Committee on Information Technology presented/laid the Sixth Report on Demands for Grants (2010-11) relating to the Ministry of Information and Broadcasting to Lok Sabha/Rajya Sabha on 21<sup>st</sup> and 22<sup>nd</sup> April, 2010 respectively. Out of 32 recommendations, 21 recommendations (Sl.Nos.1, 2, 3, 4, 7, 8, 11, 12, 13, 14, 16, 18, 19, 20, 21, 22, 23, 24, 29, 31 and 32) were accepted by the Government. The Committee reiterated 6 of their recommendations (Sl.No.5, 6, 9, 10, 15 and 17) in their Nineteenth Report. Replies to 5 recommendations (Sl.No.25, 26, 27, 28 and 30) were interim in nature. Hon'ble Minister made a statement regarding the status of implementation of recommendations contained in Sixth Report on 7<sup>th</sup> December, 2010 in Lok Sabha and on 13<sup>th</sup> December, 2010 in Rajya Sabha in pursuance of Direction 73A of the Directions by the Speaker, Lok Sabha.

**III. Eleventh Plan**

6. The Committee have been informed that for the Eleventh Five Year Plan outlay (2007-12) for the Ministry was fixed at Rs. 5439.00 crore. During the Mid Term Appraisal the outlay for Eleventh Five Year Plan (2007-12) was enhanced to Rs.6311 crore due to additional outlay earmarked for 'High and Lower Power Transmitters for J&K Border Areas' and 'Commonwealth Games, 2010 and Related Programmes' which are for Rs.389 crore and Rs.483 crore respectively. The entire amount of Rs.6311.00 crore is the DBS component. There is no IEBR component in the XI Plan outlay. The sector-wise allocation is as follows:-

- |       |                     |            |
|-------|---------------------|------------|
| (i)   | Information Sector  | 314 crore  |
| (ii)  | Film Sector         | 450 crore  |
| (iii) | Broadcasting Sector | 5547 crore |

**IV. Demands for Grants (2011-12)**

7. Demand No. 60 presented to Parliament on 15<sup>th</sup> March, 2011 by the Ministry of Information & Broadcasting has provision for expenditure of the Secretariat of the

Ministry, their media units and Grants-in-aid/Budgetary support to the autonomous/statutory bodies under the administrative control of the Ministry for the financial year 2011-12. The Demands for Grants were passed without the same being referred to the concerned Departmentally Related Standing Committees after suspension of Rules 331G of the Rules of the Rules of Procedure and Conduct of Business in Lok Sabha. However, as per the ruling of Hon'ble Speaker, the Demands have been referred to the Standing Committees for examination and report.

8. In the aforesaid background, the Committee in this Report have inter-alia analyzed the position of outlay and expenditure in the context of examination of Demands for Grants (2011-12).

9. The Table below shows the Demands in brief:

(Rs. in crore)

<b>Revenue</b>	<b>Plan</b>	<b>Non-Plan</b>	<b>Total</b>
Voted	273.46	1782.68	2056.14
Charged		0.03	0.03
<b>Capital</b>			
Voted	587.54	--	587.54
Charged	-	-	
<b>Grand Total</b>	<b>861.00</b>	<b>1782.71</b>	<b>2643.71</b>

10. The details of the Revised Estimates for the year 2010-11 and Budget Estimates for the year 2011-12 are given in the table below:

(Rs. in crore)

	<b>RE – 2010-11</b>		<b>BE – 2011-12</b>	
	<b>Plan</b>	<b>Non-Plan</b>	<b>Plan</b>	<b>Non-Plan</b>
<b>Revenue</b>	326.36	1768.13	273.46	1782.71
<b>Capital</b>	523.64	-	587.54	-
<b>Total</b>	850.00	1768.13	861.00	1782.71

11. The detailed position of proposed outlay, BE, RE and actual expenditure during each year of the Eleventh Five Year Plan under Plan, Non-Plan, Capital and Revenue Section has been given at **Appendix I**.



12. The overall position under proposed outlay, BE, RE during the first four years of Eleventh Plan and proposed outlay and BE for the year 2011-12 under each of Plan, non-Plan, Revenue and Capital segment is as under:-

**Plan**

(Rs. in crore)

	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
<b>Plan</b>					
<b>Proposed</b>	1777.90	1072.00	1466.17	1777.30	1718.75
<b>BE</b>	475.00	700.00	800.00	850.00	861.00
<b>RE</b>	400.00	600.00	507.00	850.00	
<b>Actual</b>	398.10	424.80	473.38	635.32(up to Feb.2011)	

**Non-Plan**

(Rs. in crore)

	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
<b>Proposed</b>	1222.68	1219.08	2204.56	2296.87	2026.11
<b>BE</b>	1206.91	1210.07	1768.07	1754.25	1782.71
<b>RE</b>	1210.07	1425.06	1600.07	1768.13	-
<b>Actual</b>	1187.63	1441.82	1596.86	1374.03(up to Feb.2011)	-

(Rs. in crore)

<b>Revenue</b>					
<b>Proposed</b>					
<b>BE</b>	184.88	287.67	351.99	515.46	273.46
<b>RE</b>	177.19	277.06	316.67	326.36	-
<b>Actual</b>	175.76	173.39	303.45	409.42(up to Feb.2011)	-
<b>Capital</b>					
<b>BE</b>	290.12	412.33	448.01	334.54	587.54
<b>RE</b>	222.81	322.94	190.33	523.64	-
<b>Actual</b>	222.34	251.41	169.93	225.91(up to Feb.2011)	-

13. The sector wise allocation at BE, RE stages and the actual expenditure in respect of the three Sectors of the Ministry during 2010-11 is as under:

<b>(Rs. in crore)</b>			
<b>Sector</b>	<b>Amount at BE stage</b>	<b>Amount at RE stage</b>	<b>Actual expenditure (upto Feb.2011)</b>
<b>Information</b>	121.75	128.41	74.21
<b>Film</b>	88.00	96.82	68.68
<b>Broadcasting (excluding Commonwealth Games)</b>	640.25	624.77	492.42
<b>Total</b>	850.00	850.00	635.32

14. As per the Table, the total Plan expenditure of the Ministry of Information and Broadcasting during the year 2010-11 i.e. the fourth year of Eleventh Plan up to 28<sup>th</sup> February, 2011 is 74.74%. The Plan expenditure during Annual Plan 2010-11 in all the three sectors namely Information, Film and Broadcasting are 57.79%, 70.93% and 78.81% respectively. When asked about the reasons for under spending of outlay, the Ministry have stated that as on 31st March, 2011, the expenditure (Provisional) is reported at Rs. 772.54 crore, which is 90.89 percent of BE. It is a fact that the Ministry could not utilize the Plan outlay as approved at BE level during the first four years of the Eleventh Plan 2007-12. The broad reasons for under utilization of plan outlay as stated by the Minister are-(i) delay in approval of the new schemes;(ii) long procurement processes of Prasar Bharati for procurement of goods and services; (iii) litigation involved in implementation of some of the schemes of Prasar Bharati; and (iv) due to Model Code of Conduct Guidelines issued by Election Commission of India for General Election, 2009, the expenditure on the publicity programme of the Ministry during the first quarter of financial year 2009-10 could not be undertaken. The expenditure could only, therefore, start from the second quarter of the financial year i.e. 2009-10.

15. In the context of under spending, the Committee desired to know about the measures proposed to be taken by the Ministry to ensure that under performance during each of the Annual Plan of Eleventh Plan does not repeat during 2011-12. In reply thereto, the Ministry have stated that in order to make the implementation more effective and to improve Plan expenditure, periodic reviews, mid-term evaluation of all major schemes, regular monitoring meetings etc. were undertaken. Review of the progress of physical and financial targets in respect of the schemes was held at the meetings of the senior officers of the Ministry chaired by the

Secretary (I&B) on a weekly basis. During the past one year or so, there has been substantial improvement in approval of the schemes. Except for four schemes – Global Film School, Setting up of National Centre for Animation, Gaming and Special Effects, National Film Heritage Mission and International Channel, all other schemes stand approved. With regard to these four schemes, these are very actively being reviewed by the Ministry, presentations of DPRs have been made, in consultation with the Planning Commission and it is expected that the BE allocation in 2011-12 will be fully utilized.

16. Elaborating about utilization of funds, the Secretary, Ministry of Information and Broadcasting during the course of oral evidence stated :

“We completely agree xx xx xx xx xx that our annual expenditure vis-à-vis the outlay for the first three years of the Plan was quite poor. I will come to the reasons. But I would like it to bring it to the notice of the hon. Committee that in the year 2010-11, the financial year immediately preceded the current one, we achieved much better performance. First of all, the Budget Estimates for the year was Rs.850 crore. We were able to retain it in the Revised Estimates unlike the previous year where we had suffered quite a lot of cuts at the Revised Estimates stage. Our expenditure provisionally has been Rs.790 crore which is about 93 per cent of the Budget Estimates.

## **V. ON GOING/NEW SCHEMES**

17. During examination of the previous year Demands for Grants (2010-11), the Committee were informed that out of total 38 new schemes, 13 schemes were awaiting approval and out of 28 on-going schemes, the approval for 2 schemes was pending. The Committee desired to know the number of schemes pending approval/clearance for the Annual Plan 2011-12. In reply, the Ministry have stated that approval of all major schemes of 11th Plan has been completed except the following:

### **Film Sector:**

- (i) Global Film School (new scheme)
- (ii) Setting up of National Centre of excellence for Animation, Gaming and Special Effects(new scheme)
- (iii) National Film Heritage Mission (new scheme)

## **Broadcasting Sector:**

(iv) International Channel (new scheme)

18. The Committee were also informed that all the new schemes were proposed at the beginning of Eleventh Plan except National Film Heritage Mission, which was included during 2010-11.

19. Having noted that the schemes of the Ministry were still awaiting clearance/approval when the Annual Plan (2011-12) is the last Plan of the Eleventh Plan, the Committee enquired about the steps proposed to be taken by the Ministry to streamline the approval system so that the schemes do not languish for years together and approvals are expedited. Replying to this, the Ministry have stated that as compared to the first three years of the Eleventh Plan, the position has improved quite substantially as 10 schemes have been approved in 2009-10 and 2010-11. According to the Ministry, it has to follow all established procedures such as preparation of Detailed Project Report, consultation with stake holders, in-principle approval, appraisal and approval. In the process of consulting stake holders and eliciting feedback, delays occur at times. Besides, an inter-departmental consultation which is a part of the process also takes considerable time. Despite expediting the approval process for the new schemes, four schemes are yet to be approved. All these schemes required a great deal of consultation with various stake holders as three of these involve creation of institutions.

20. Explaining the reasons for delay in approval of the schemes, the Secretary, Ministry of Information and Broadcasting during the course of oral evidence stated:

“As far as the approval of schemes is concerned, here again, I would with some sense of satisfaction like to report to the Committee that out of the total of about 65 schemes which were approved at the beginning of the Eleventh Plan, a number of schemes having high budget were not approved in the first two years. But over the last two years, we have been able to approve as many as 17 schemes. Out of the 65 schemes, only four schemes are left which have not yet been approved. We admit that it is quite late in the day, particularly when the Eleventh Plan is going to end at the end of the current financial year.”

## **VI. BROADCASTING SECTOR**

21. The Committee have been informed that the Broadcasting Sector constitutes the Prasar Bharati, an autonomous corporation established under the Prasar Bharati

Act, 1990 and a PSU, the Broadcasting Engineering Consultants (India) Limited (BECIL). The Prasar Bharati has two wings viz. All India Radio and Doordarshan.

**(i) Prasar Bharati - Budget Estimates 2011-12**

22. The Committee have been informed that the Annual Plan 2011-12 for Prasar Bharati has been fixed at Rs.531.77 crore. Government will provide total financial support in the form of Grant-in-aid and loan. There will be no IEBR support by Prasar Bharati towards the Plan component. The break-up of the Plan outlay approved in the Annual Plan 2011-12 is as under:

<b>(Rs. in crore)</b>			
<b>Budget Head</b>	<b>AIR</b>	<b>DD</b>	<b>Total</b>
<b>(i) Revenue</b>			
<b>Normal</b>	14.75	1.00	15.75
CWG	0.00	0.00	0.00
J&K Special Package	2.00	53.89	55.89
North East Special Package	0.25	20.00	20.25
<b>Total of Revenue</b>	<b>17.00</b>	<b>74.89</b>	<b>91.89</b>
<b>(ii) Capital</b>			
Normal	174.87	192.40	367.27
J&K Special Package II	0.50	2.20	2.70
J&K Special Package III	10.00	0.00	10.00
North East Special Package	58.00	1.91	59.91
<b>Total of Capital</b>	<b>243.37</b>	<b>196.51</b>	<b>439.88</b>
<b>Grand Total</b>	<b>260.37</b>	<b>271.40</b>	<b>531.77</b>

**NON-PLAN**

23. The approved allocation for Prasar Bharati under Revenue non-Plan for the financial year 2011-12 is Rs.1412.35 crore. The Government provides financial support under Revenue non-Plan in the form of Grant-in-aid. The details are as under:-

<b>Budget Head</b>	<b>All India Radio</b>	<b>Doordarshan</b>	<b>Total</b>
Revenue Non-Plan (Grant-in-aid)	735.42	677.93	1412.35

24. The proposed outlay, BE, RE and actual expenditure in respect of Prasar Bharati for the years 2007-08, 2008-09, 2009-10, 2010-11 and BE for 2011-12 is as under :-

## Plan

(Rs. in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Proposed Outlay</b>	1430.45	888.62	1130.07	1064.57	
<b>BE</b>	385.59	572.72	657.00	637.25	531.77
<b>RE</b>	329.89	466.04	348.59	621.77	-
<b>Actual</b>	329.87	314.27	328.35	491.89	-

### (ii) Commonwealth Games and Related Issues

#### (a) Revenue generated by Prasar Bharati from Commonwealth Games

25. Prasar Bharati was the host broadcaster for the Commonwealth Games, which were held at New Delhi from 3 to 14 October, 2010. In the context of revenue generation from Commonwealth Games, the Committee were informed that as per the agreement entered into between Host Broadcaster and OC, the net revenue realization on International Broadcast Rights sales by the OC of the games from outside the territory of India has been agreed in the ratio of 70% to OC and 30% to Prasar Bharati. Television broadcast and radio broadcast of the Games by Doordarshan and AIR in the territory of India was agreed in the ratio of 60% to OC and 40% to Doordarshan and AIR. Therefore, the Committee sought to know about the revenue projections and net revenue earned by Prasar Bharati during the Commonwealth Games, 2010. The Ministry, in their reply, have stated that Prasar Bharati had not made any revenue projection in this regard. However gross revenue of Rs. 60.48 crore viz. DD Rs.58.30 crore and AIR Rs.2.18 crore from commercial advertisements on these events within the territory of India was realized by Prasar Bharati. The details are given in **Appendix-II**.

#### (b) High Level Committee headed by Shri V.K. Shunglu

26. In the wake of irregularities being reported in the media about award of contract by Prasar Bharati for execution of various projects related to Commonwealth Games, 2010, a High Level Committee headed by Shri V.K. Shunglu was constituted by the Government on 25.10.2010 to look into the issues relating to the organizing and conduct of Commonwealth Games, 2010 and lessons to be learnt for the future. The Committee in January, 2011 submitted its report to the Government. On being asked to furnish the gist of major recommendations made by Shunglu Committee in their Report, the Ministry have stated that the recommendations made by High Level Committee are as follows:

- (i) The value of services provided in Production and Coverage contract are estimated at below 100 crore. Certain other expenditures have been incurred contrary to the contract. These are to be viewed in the context of 147.60 crore (60% of contract price) paid by Prasar Bharati upto October 2010 and the need to recover the 'excess' amount from SIS LIVE.
- (ii) The relationship between Government and Prasar Bharati, in matters where Government has a role to play, and that between the Executive and the Board of Prasar Bharati need to be redefined.
- (iii) Government may decide on action against the then CEO, Prasar Bharati (Shri B.S.Lalli) and Director General (Doordarshan) (Ms. Aruna Sharma, IAS) and others who acted in concert with them for providing undue gain to SIS LIVE /ZOOM Communications Ltd.
- (iv) Certain actions seem to attract penal provisions under the Indian Penal Code and Prevention of Corruption Act. This aspect also needs to be separately investigated.

27. The Committee enquired about the follow up action taken by the Ministry and other concerned authorities on the recommendations made in the above Report. In their reply, the Ministry have stated that it has been decided that the Ministry of Information and Broadcasting would review the payments due to the contractor with reference to the terms of the contract, the services actually rendered and the expenses incurred by the contractor. It is to be ensured that that there is no overpayment and in the event of any overpayment having been made by Prasar Bharati, the amount would need to be recovered. Due diligence has in this regard has to be done by Prasar Bharati and Ministry in consultation with their financial advisors and wherever appropriate legal advice is also required to be obtained for affecting the recovery. Accordingly Prasar Bharati vide this Ministry's letter dated 3.3.2011 was directed to immediately place these issues after due examination before the Prasar Bharati Board for its recommendations. The reply of the Prasar Bharati in this regard is still awaited in the Ministry.

28. The Ministry in their reply have further stated that consequent upon the recommendations of High Level Committee on Host Broadcasting, the Government has added the following two Terms of Reference (ToR) in addition to the existing ToR of the GoM on Prasar Bharati:

- a) to look into the issue of relationship between the Government and Prasar Bharati as also between Chief Executive Officer, Prasar Bharati and the Board of Prasar Bharati; and

- b) to examine the existing governance structure, in particular, the oversight mechanism put in place by the Ministry of Information and Broadcasting for host broadcasting arrangements, and recommend measures that could be put in place for appropriately strengthening the governance structure.

29. The Committee were also informed that the views of the Ministry on the recommendations of High Level Committee have been placed before the GoM in the Meeting held on 24.03.2011. The GoM has decided to deliberate on the issue in its next meeting. Further, the Ministry of Information & Broadcasting had sought the explanation of Shri B.S. Lalli, CEO, Prasar Bharati (under suspension) and Ms. Aruna Sharma, the then DG:Doordarshan on each of the allegations made against them in the report of the Committee. The explanations of these officers have since been received in the Ministry and are under examination.

30. The Ministry have also stated that a copy of the report of High Level Committee has been referred to the Central Bureau of Investigation (CBI) through Department of Personnel & Training for further action as deemed appropriate. CBI has since been permitted by the Ministry under Section 6(A) of Delhi Special Police Establishment (DSPE) Act, 1946 for registration of a regular case and initiation of criminal investigation against Shri B.S.Lalli under Section 120-B r/w 420 IPC r/w 13(2) r/w 13(1) (d) of Prevention of Corruption Act, 1988.

**(c) Production and Coverage facilities for Commonwealth Games, 2010 - Award of work by Prasar Bharati to M/s SIS Live.**

31. While furnishing Action Taken replies on the recommendations made by the Committee in their Sixth Report on Demands for Grants (2010-11), the Ministry of Information and Broadcasting had informed the Committee that for Production and Coverage activities, the contract between Prasar Bharati and M/s. SIS Live, UK has been signed on 5.3.2010 at a contract value of Rs.246 crore. On being asked to state about the selection of M/s SIS Live, the Ministry in their reply have stated that in response to Expression of Interest floated by Prasar Bharati, responses were submitted by 10 entities. After evaluation and obtaining the legal advice from Attorney General of India, five entities were short listed for issuance of RFP on 7<sup>th</sup> July, 2009. However, only two entities, namely M/s SIS Live and M/s NCL submitted their bids. The bids were opened by the Opening Committee. The Technical Evaluation Committee (TEC) of Prasar Bharati evaluated the two bids.



The bid of M/s NCL contained a letter from its consortium partner M/s CBC vide which the latter declined to continue as a consortium member and as a lead partner. Accordingly, it was found that the bid submitted by M/s NCL was not eligible in accordance with the RFP document clause No. 2.9 (a) and (b) read with Form Tech-2 and the definition of 'entity'.

32. The Technical Evaluation Committee (TEC) after completing the technical evaluation process found that the technical bid received from SIS Live is a technically qualified bid and also recommended that since the NCL bid does not meet the eligibility criteria as per Clause 2.9(b) of the RFP document, the question of evaluating it any further does not arise. The TEC recommendations dated 7.9.09 were considered in HBMC meeting. It was mentioned in the HBMC minutes that 'the entire process of issuance of RFP, pre-bid meeting and related activities were undertaken in the most transparent manner, following all procedural rules and regulations. The progress of the activities of the HB was also reviewed, at different points of time, at the level of Monitoring cum Coordination Committee, Empowered Committee, meetings at the level of Cabinet Secretary and the GOM. The recently constituted Oversight Committee co-chaired by the Hon'ble Minister for Information & Broadcasting and the Hon'ble Minister for Law has also reviewed the process. On the basis of the TEC Report, the HBMC recommendations, and other correspondence made available to the Ministry and the detailed reasoning, justification and analysis and taking note of the fact that there was hardly any time left to explore other alternatives, and that the entity had to be finalized at the earliest so that it got sufficient time to prepare and taking note of the fact that the bids were filed in a competitive environment which resulted in filling of two bids through one of them had not been found technically eligible, and that it was not a single tender situation, the Ministry accepted the HBMC recommendations regarding the bid of M/s. NCL and M/s. SIS Live and conveyed approval of the Competent Authority vide Ministry's OM dated 19.09.2009 to Prasar Bharati to proceed with the evaluation of the financial bid submitted by M/s. SIS live and furnish its recommendations.

33. A detailed note was also sent to CVC on 19.9.2009 seeking its guidance/ advice after bringing all the facts to its notice. The CVC in its reply dated 14.10.2009 mentioned that the Commission had noted the facts of the case but it mentioned that it did not consider it feasible to undertake an in depth examination

of the tender in question. It further advised the Ministry and Prasar Bharati to take a decision on merits keeping in view the existing rules, procedures and guidelines on the subject.

34. After considering the assessment with regard to the reasonability and acceptability of the bids as furnished in the FEC reports and the HBMC recommendations, the comparison provided with regard to the Doha Games and the Melbourne Games and with RFI and the approved budget estimates and also taking note of the fact that due scrutiny was also undertaken by the Cost Estimates Committee at the time of granting budgetary approvals, other correspondences made available and also taking note of the fact that the HBMC had made all possible efforts during negotiations to arrive at the best price, the approval of the competent authority was conveyed vide this Ministry's OM Dated 22.10.09 to Prasar Bharati on the following:-

- (i) selection of M/s SIS Live, UK for providing the facilities and services for the production and coverage activities for the Commonwealth Games 2010 at the negotiated price of Rs 246 (two hundred and forty six ) crore.
- (ii) authorizing Prasar Bharati to finalize and execute the contract in accordance with the draft contract annexed to the RFP, as approved by the Competent Authority, subject to such legal vetting as deemed necessary.

35. A detailed note was again forwarded to CVC on 30.11.2009 appraising it of further developments and the approval granted by the Ministry for selection of the entity.

36. Explaining in this regard, the Secretary, Ministry of Information and Broadcasting during the course of oral evidence stated:

"As far as the Ministry is concerned, regarding the award of the contract to M/s. SIS Live, a very transparent process was followed and the due diligence that was shown in the Ministry on the recommendations of Prasar Bharati was quite unprecedented. I think we have taken note of almost every aspect of what Prasar Bharati recommended to us and we feel quite satisfied that there was no shortcoming on the part of the Ministry while giving its approval for the award of the contract."

37. When a clarification was sought in the matter, the Secretary of the Ministry during the course of oral evidence stated:

"Yes, it was excessive. It was more than what was actually required. However, although it is very voluminous, we had examined this whole

issue. The cost estimates for the production and coverage had gone through various stages of examination. Of course, this was about four to five years back. But nevertheless, it has gone through various stages of examination. Finally, the Ministry had appointed a committee under the then Financial Advisor which also consisted of experts from the Department of Expenditure, Cost Accountants and Cost Estimate Experts. In fact, this figure of Rs.246 crore was a figure which this committee had reached. It was not exactly Rs. 246 crore. I do not have the exact figure right now but we will provide those details. But, nevertheless, this was around the same figure that the Committee had reached. A lot of due diligence had been taken based on the estimates which they had seen from different games, similar games held in different countries, or games held in India etc. There was really no reason to doubt that the figure which had been arrived at was excessive. That was the first aspect which Shunglu Committee had commented upon."

38. After conclusion of the Commonwealth Games, 2010, it was reported in the media that the contract for Production and Coverage activities was outsourced by M/s. SIS Live to Zoom Communications for Rs.177 crore. The Committee enquired from the Ministry as to whether as per the contract M/s. SIS Live was authorized to outsource the awarded work to another firm viz. M/s Zoom Communications, the Ministry in their reply stated that the Ministry was not aware of any sub contracting having been done to M/s Zoom by M/s SIS. The issue came to the knowledge of the Ministry through news paper reports consequent to Income Tax raids on M/s Zoom's premises at Okhla in the month of September-October 2010. The Ministry then called for comments from Prasar Bharati. Prasar Bharati in its reply on the audit para had also denied any prior knowledge of subcontracting. The clause 14 of the Contract Document signed between Doordarshan and SIS Live on 05.03.2010 mentioned that:

"Entity shall not assign or transfer the contract or any part thereof but HB acknowledges that the entity will utilize sub-contractors/production associate for the performance of the services."

39. On a request of DG, Doordarshan and Member (Finance), Prasar Bharati, opinion of a learned Law Officer was sought from the Ministry of Law & Justice specifically raising the following issues :-

- i) Whether the sub-contract by M/s. SIS Live with M/s. Zoom Communication Ltd. can be treated as a breach of the terms and conditions as provided in Clause 14 of contract between the Host Broadcaster (Doordarshan) and M/s. SIS Live?

- ii) If so, what legal action can be taken by HB as per the terms and conditions for such breach of the contract? Whether and to what extent damages can be claimed either from the outstanding payments to M/s. SIS Live or by encashment of the performance bank guarantee furnished by M/s. SIS Live or by any other means? If so under which contractual provisions?

"The Law Ministry, with approval of the Minister, has forwarded the opinion of Learned ASG on these issues. Learned ASG, after taking into account various contractual provisions as contained in the contract signed between the two, the observations of Member (Finance), various Court judgements in this regard, in his opinion has categorically opined that the arrangement between M/s SIS Live and M/s. Zoom Communications Ltd. cannot be held to be a breach of Clause 14 of the Principal contract. Learned ASG has made a distinction between the "assignment" of a contract and "sub-contracting". The benchmark to hold it as an assignment is the responsibility towards the contractual obligations. If while passing the work stipulated under the contract, in full or part, the party transferring also transfers its own responsibility, it can be said to have assigned the contract or sub-part thereof. Whereas, in a sub-contract agreement the Contractor will be fully liable for the defaults of the sub-contractor as if they were the defaults of the Contractor himself. The general principle is that the contractor is responsible for performance of his obligations and cannot excuse his breach by reference to having sub-contracted a part of his performance."

40. According to the Ministry, in the instant case, it has been held by Learned ASG that even after entering into the secondary contract, the responsibility for the successful performance of the Principal Contract lay with M/s. SIS Live alone. The liability for any default or deficiency in the deliverables also lay with the entity alone and accordingly it cannot be held to be an assignment of the contract. On the issue of the extent of sub-contracting and the premise that this resulted in an ineligible firm performing the Principal Contract, Learned ASG has observed that though it is true that a large portion of the Principal Contract has been sub-contracted, the Principal contract does not impose any restrictions on the usage of sub-contractor and the extent or ambit or scope of sub-contracting. It has also been observed that in a project of this magnitude it may be necessary for a foreign contractor to take recourse to local staff and supplies which the Principal contract specifically permits.

41. During the course of oral evidence, the Secretary, Ministry of Information and Broadcasting stated as under:-

"The third aspect on which the High Level Committee headed by Shri Shunglu had made adverse comments was on the fact that M/s. SIS Live had sub-contract a large part of their contract to another firm called M/s Zoom Communications. Here I would like to say that this aspect of the sub-contract, we were not aware of it in the Ministry till it came out because there was a query or a survey done by the Income Tax Department on M/s Zoom Communications which also came out in the media. But once it came out in the media, we have asked the Prasar Bharati as to the details. Prasar Bharati also replied that they themselves came to know of this at a much later stage and they were not aware of it in the beginning. Nevertheless, they sought legal opinion which we forwarded to the Ministry of Law. Finally the advise of the Law Ministry which came to us was that the sub-contract by M/s SIS Live to M/s Zoom Communications was not in violation of the clause which existed in the contract between Prasar Bharati and M/s SIS Live.

Xx                    xx                    xx                    xx                    xx                    xx

They also observed that in a project of this magnitude, it may be necessary for a foreign contractor to take recourse to local staff and supplies which the principle contract specifically permits. This is the legal advice that has been tendered."

42. The witness further stated:

"The Prasar Bharati, after the high-level committee report was received, has appointed a committee under the Chairperson which is looking into all aspects of the Commonwealth Games based on the various points which the high-level committee has made as well as *suo motu* on its own. We expect that we would get much more details after the report of this committee are received. In the meantime, based on the high-level committee report, the Government had referred the matter through the Department of Personnel to the CBI and the CBI had sought permission from us to launch a criminal investigation against the CEO. This permission has been accorded and the CBI investigation also is in progress. The CBI had also sought permission for criminal investigation against the Director-General, DD. The Ministry had sought the explanation from both the CEO and the Director-General, DD. While their explanation for various allegations made in the report are under examination, the Ministry had not accorded permission to the CBI to launch criminal investigation against the DG, DD because prima facie it was felt that there was no criminal charges there. However, a view on disciplinary action or administrative action against the DG, DD would be considered as and when her reply is examined. This matter is already under examination and we hope that very shortly we will take a final view in the matter."

43. About the settlement of bills submitted by M/s SIS Live, the Committee have been informed that approximately 60% of the payment due to M/s SIS Live have been made an 40% remains to be paid. Further, the Performance Bank Guarantee

submitted by the entity, the validity of which was to expire on 31.3.2011 has also been encashed by Prasar Bharati.

44. Informing about the payment, the Secretary of the Ministry during the course of oral evidence stated :

“Sir, we have taken the report of the high level committee very seriously in the Government and taking note of their observations, we have asked the Prasar Bharati to look at whatever payments are remaining to be paid to this entity to have a close look at it and to come back to us before any further payment is made. As far as payment is concerned, 40 per cent of the payment is yet to be made which is quite a substantial amount. In addition to that, there is a 10 per cent performance guarantee which has also been given by this entity. In fact, certain areas of performance, the Prasar Bharati found the performance not up to the mark. Therefore, in fact, they have been encashed this performance guarantee also. So, roughly speaking, about 50 per cent of the payment is yet to be made. We are awaiting the report of the Prasar Bharati before we take a final view in consultation with our Financial Advisor whether and how this payment should be made at all.”

**(iii) Financial Viability of Prasar Bharati**

45. The revenue projections, revenue receipts and expenditure incurred during each year of the Eleventh Plan including expenditure under Revenue Non-Plan is as under:

<b>(Rs. in crore)</b>				
<b>Year</b>	<b>Revenue projections</b>	<b>Revenue receipts</b>	<b>Expenditure</b>	<b>Gap</b>
2007-08	1190.57	1035.86	2057.92	<b>1022.06</b>
2008-09	1364.27	1096.78	2518.88	<b>1422.10</b>
2009-10	1247.52	1176.26	2949.40	<b>1773.14</b>
2010-11	1562.37	968.69	2506.49	<b>1537.80</b>
2011-12	16450.00			

46. When asked about the efforts being made to bridge the gap between the revenue receipts and expenditure, the Ministry have stated that Prasar Bharati has been adopting various marketing strategies to increase the revenue receipts. However, being a public service broadcaster, it is not principally guided by commercial considerations and has to primarily maintain its public broadcasting

character in its programmes. Therefore, Prasar Bharati depends to a large extent on Governmental grants to meet its operating expenses.

47. The Committee enquired about the financial viability of Prasar Bharati and how it foresees the operating expenses for the year 2011-12. In reply, the Ministry have stated that Prasar Bharati being a Public Service Broadcaster is not principally guided by commercial motive in its functioning. It has been vested with responsibility of organizing and conducting public broadcasting services to inform, educate and entertain the public and to ensure a balanced development of broadcasting on radio and television. In view of this peculiar mandate, Prasar Bharati has to rely on Government funding for its operations as its revenues have not increased as projected by them whereas costs particularly under the salary head have gone beyond their expectation. In view of this, Prasar Bharati has recently made a revised projection of its operating Cost/ Expenditure and its sharing between Government & Prasar Bharati for the period from 2010-11 to 2019-20, a copy of which is enclosed (**Appendix –III**). As can be seen in the projections, Prasar Bharati has to heavily depend on Government support.

48. When the Committee enquired as to how Prasar Bharati proposes to mobilize funds to meet its operational expenses and reduce dependence on Government's grants, the Ministry in their reply have stated that the GoM, among other things, looked into the financial viability of Prasar Bharati and recommended that 50% of the annual operating expenses of Prasar Bharati should be borne by Prasar Bharati from its Internal Extra Budgetary Resources (IEBR) and the remaining 50% to be met from Non-Plan grants-in-aid by the Government. The GoM made this recommendation based on the projections submitted by Prasar Bharati to the GoM. However, the employees of Prasar Bharati expressed apprehensions in various fora on the financial viability of Prasar Bharati to meet 50% of the expenditure through IEBR. Prasar Bharati was requested to re-examine the funding pattern based on the factual position of income and expenditure. After examining the issue, Prasar Bharati has informed that revenues have not increased as per the earlier projections while the costs, particularly under the salary head, have gone beyond the projections made at the time of consideration of the earlier proposal by the GoM. As a result, the total operating expenditure has been increasing sharply. Prasar Bharati, having assessed the non-Plan budgetary support provided by the Government during 2009-10, 2010-11 and projections for the year 2011-12 as also

10% growth in revenues during 2011-12, has estimated a deficit to the tune of Rs.804 crores for these three years. If that be the situation, the entire available reserves of Prasar Bharati would be wiped out, resulting in immense financial distress in the working of the Corporation. In this scenario, it is not possible for Prasar Bharati to bear 50% of the annual operating expenses from its IEBR, as recommended by the GoM. Consequently, Prasar Bharati has proposed for review and re-fixation of quantum of Governmental support to meet its financial obligations. Prasar Bharati has proposed the following funding pattern:-

- (i) 100% salary and salary related expenses and augmentation/replacement of capital assets to be borne by the Government
- (ii) Other Administrative expenses to be borne by the Government and Prasar Bharati in 50:50 ratio
- (iii) 100% programming expenditure to be met by Prasar Bharati

49. The Committee were also informed that the above proposal was placed before the GoM in its meeting held on 24.3.2011 for re-consideration of its earlier recommendations on funding pattern of Prasar Bharati. The GoM has decided to take up this matter in the next meeting.

50. During the course of oral evidence, the representative of Prasar Bharati stated as under :-

“Prasar Bharati just tried to generate some commercial revenue largely from two or three sources one of which is advertising revenue on Doordarshan and All India Radio and the other is rentals which comes from leasing tower space to radio operators and some minor rental here and there. The commitment made before Committee that the Prasar Bharati would end up generating 50 per cent of the requirement of the total required funds. They would look at Government for 50 per cent. This was also discussed in the Group of Ministers and on that count they have failed miserably. There are, of course, varieties of reasons.”

51. About the measures being taken by Prasar Bharati to generate revenue, the Ministry have stated that it proposed to move towards greater use of tools provided by IT to enable automation of various functions so as to bring down the manpower requirement. Further, Doordarshan is in the process of increasing the number of



channels in its DTH platform and these channels are proposed to be allocated by way of auction and thereby generating more revenue.

52. The representative of the Prasar Bharati, during the course of oral evidence further added that:

“xx xx xx on the DTH platform, 200 channels waiting in line, we are currently working on an auction model for selling our channels. You will be surprised to know that in the past, we have been selling our channels on allotment basis.

xx xx xx xx xx xx

But the fact is we are not generating the kind of revenue which we would and we are starved for revenue.”

**(iv) Filling up of Essential Categories of Posts in Prasar Bharati**

53. During the course of deliberation, the Committee were informed that GoM has recommended that the ban on recruitment in Prasar Bharati may be relaxed. Prasar Bharati is required to submit a proposal for filling up essential categories of posts to the Ministry of I&B/Department of Expenditure giving full justifications for such recruitment and based on the report of NPC.

54. When asked about the essential categories and the number of posts which were required to be filled up in Prasar Bharati, the Ministry in their reply have stated that according to Prasar Bharati against the sanctioned strength of 48,173 there are 11,498 vacancies in various cadres as on 31.3.2010 as per the following details:

<b>Sl.No.</b>	<b>Wing</b>	<b>Sanctioned strength</b>	<b>Vacancies</b>
1.	Programme Wing	10679	3746
2.	Engineering Wing	18262	3998
3.	Administration Wing	17382	3489
4.	News Wing	393	94
5.	Civil Construction Wing	1457	171
	<b>Total</b>	<b>48173</b>	<b>11498</b>

55. About the essential categories of posts, the Ministry have stated that as informed by Prasar Bharati, 3452 essential categories of posts are lying vacant in

Prasar Bharati (Programme Wing – 1546; Engineering Wing – 1876; and Administration Wing – 30). Regarding filling up of these posts, the Ministry have stated that Prasar Bharati had sent the proposal to Department of Expenditure. However, the Department of Expenditure returned the proposal with their observation to submit the proposal based on the NPC report and with other information, inter alia, containing whether PB has adequate provision of funds to meet the expenditure on recruitment and operation of these posts. Since Prasar Bharati is not in agreement with the NPC report, the matter has been placed again before the GoM for consideration.

56. On being asked to state about the recommendations made by NPC in their report and whether the report has been examined by Prasar Bharati, the Ministry in their reply have stated that though NPC has made certain recommendations with regard to organizational restructuring of Prasar Bharati, Prasar Bharati in various review meetings at the level of the Ministry has informed that NPC has not been able to factor in a number of organizational and structuring issues and that its report cannot be relied upon. Prasar Bharati proposes to place the recommendations of NPC before the Prasar Bharati Board to reject the NPC report. It is also mentioned that the GoM on Prasar Bharati has been apprised of the unacceptability of the findings contained in NPC report in the meeting held on 24.3.2011.

#### **(v) Finalization of Recruitment Rules**

57. Prasar Bharati is required to take steps to frame and notify Recruitment Regulations and Service Conditions for its employees and set up Recruitment Boards as envisaged under the Prasar Bharati Act, 1990. During examination of `The Prasar Bharati (Broadcasting Corporation of India) Amendment Bill, 2010, the Committee were informed that the notification with regard to setting up of Recruitment Board has been sent to the Government for clearing. With regard to recruitment regulations, out of 190 cadres, the work relating to only 88 cadres could be finalized. The then CEO, Prasar Bharati was confident of finishing the work by 31<sup>st</sup> March, 2011.

58. When the Committee enquired whether the notification for setting up of Recruitment Board for Prasar Bharati has been cleared by the Government, the Ministry have stated that Prasar Bharati submitted the draft Notification for setting

up of Recruitment Board after it was approved by the Prasar Bharati Board. The Ministry has sent the draft Notification to DoP&T for their comments on 17.02.2011. After receipt of comments from DoP&T, the Ministry of Law will be consulted for legal vetting and translation prior to Notification.

59. About finalization of recruitment regulations for various cadres of posts in Prasar Bharati, the Ministry have stated that as informed by Prasar Bharati, they have finalized 195 Recruitment Rules (RRs) which were considered by the Prasar Bharati Board in its meeting held on 16.3.2011. These have not been received in the Ministry from Prasar Bharati Board so far. Once these are received from Prasar Bharati, it would be sent to DoP&T for scrutiny/comments. Thereafter it would be sent to Ministry of Law for legal vetting before being sent to Prasar Bharati for notification.

60. Explaining the position in this regard, the Secretary of the Ministry during the course of oral evidence stated:

“The second aspect which the Committee had highlighted was about the recruitment regulations because these had been pending for a long time. The regulations for all the 195 cadres in Prasar Bharati have now been approved by the Board. These have also been just received in the Ministry. We are sending it to the Department of Personnel and the Ministry of Law. After their scrutiny and comments, we would notify all these 195 regulations. The Standing Committee had also wanted that Prasar Bharati should consult the National Federation of Akashvani and Doordarshan Employees – this is one of the umbrella organisations within Prasar Bharati – while framing these regulations. However, the organisation itself has taken the view that they want that Prasar Bharati employees should be continued for all time to come as Government employees and therefore they are not in support of making any separate regulations and they should only be as Government Employees. However this is not the view that has been taken. Therefore, the regulations would now be notified after the due process is followed.”

**(vi) Prasar Bharati Act, 1990**

61. During the course of examination of ‘The Prasar Bharati (Broadcasting Corporation of India) Amendment Bill, 2010’ the Committee were informed that GoM in their meeting held on 17th June, 2010 has asked the Ministry of Information and Broadcasting to have a comprehensive look at the provisions of the Prasar Bharati Act and recommended such amendments as are required to be made Act in the light of developments over the last 20 years subsequent to the Shunu Sen

Committee report. The Committee were also informed that these proposals would be finalized by 30 September, 2010 and placed before the GoM thereafter.

62. When enquired whether the Ministry has reviewed the provisions of the Prasar Bharati Act, 1990 the Ministry have stated that as recommended by the GoM on Prasar Bharati the Ministry has finalized a draft proposal for amendments to the Prasar Bharati Act and the same has been placed before the GoM in the meeting held on 24.3.2011. The proposal, in brief, seeks to amend the present provisions with regard to the composition of Prasar Bharati Board, eligibility criteria, term of office and appointing authority for the Board Members, the role of the Government, the mandate given to Prasar Bharati, issues relating to status of staff as well as action procedure and grounds for removal of Members of the Board.

63. During the course of oral evidence, the Secretary of the Ministry stated as under:-

“xx xx xx about the amendments to the Prasar Bharati Act, this issue had come up actually when one amendment had come before this hon. Committee for Section 11. At that time, the hon. Committee had made a number of observations. We have ensured necessary follow up action on those recommendations.”

#### **(vii) Policy for Introduction of Mobile TV**

64. The Ministry has been working on the regulatory framework for introduction of mobile television services in India. When enquired about the proposed regulatory mechanism proposed to be set up, the Ministry have stated that the Government is working presently on laying down a suitable policy framework for enabling the private players to provide mobile TV services. The proposed policy for mobile TV would be based on the recommendations of TRAI and in consultation with the stakeholders. The recommendations of TRAI which inter-alia include the nature of technology to be used, the license area, allocation of spectrum, tenure of license, cross-holding restrictions, FDI limits, content regulation mechanism etc. would form the basis of the proposed mobile TV policy.

65. The Committee desired to know whether the recommendations made by TRAI have been accepted by the Ministry. In reply, the Ministry have stated that the Ministry has agreed to the majority of recommendations of TRAI on mobile services. The finalization of Mobile TV is hanging fire due to non availability of 96

MHz spectrum in the UHF Band V (585-806 MHz). Although TRAI has recommended initially UHF Band V (585-806 MHz) for Mobile TV services, TRAI in its subsequent recommendations on "Spectrum Management and licensing framework" dated 11.5.2010 has allocated UHF Band (585-698 MHz) for broadcasting services, including Mobile TV while remaining frequency in band V for IMT applications. Since the spectrum requirement of Doordarshan for its digitalization process is also to be met within this band, there is a constraint of sufficient spectrum for Mobile TV. The matter has been taken with DoT. In addition, issues such as determining the service area of licences and number of service providers / licences and roll out obligation are also under finalization.

66. When asked as to when a final decision on the above proposal is likely to be taken, the Ministry have stated that the finalization of policy depends on the availability of adequate spectrum and resolution of others issues.

67. When the Committee enquired about the steps being contemplated by the Ministry to ensure transparency in allocation of spectrum, bidding process for introduction of mobile TV, the Ministry have stated that TRAI on "Issues Relating to Mobile Television Service" has recommend closed tender process, as followed in FM Phase-II, for award of Mobile TV license. However, the GoM on FM Phase-III has recommended e-auction methodology, as was followed in 3-G auction, in the case of allocation of channels in FM Phase-III to ensure transparency. TRAI has also concurred with the recommendations of the GoM on FM Phase-III. In view these developments, the Ministry proposes to follow the e-auction process in awarding Mobile TV license as well.

## **VII. INFORMATION SECTOR**

68. The provision under this Sector covers the activities viz. (a) Secretariat Expenditure; (b) Research & Training in Mass Communications; (c) Advertising & Visual publicity; (d) Press Information Services; (e) Field Publicity Division; (f) Song & Drama Division; (g) Publications Division; (h) Photo Division; (i) Registrar of Newspapers for India; (j) Employment News; & (k) Electronic Media Monitoring Centre (erstwhile Central Monitoring Service).

72. The proposed outlay BE, RE and actual expenditure in respect of Information Sector for the year 2007-08, 2008-09, 2009-10, 2010-11 and BE for 2011-12 is as under:

**Plan**

**(Rs. in crore)**

	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
<b>Proposed Outlay</b>	108.26	70.59	66.24	171.48	
<b>BE</b>	42.55	51.28	76.00	121.75	162.99
<b>RE</b>	36.00	75.89	85.27	128.41	
<b>Actual</b>	35.27	66.86	78.49	74.21 (up to Feb.2011)	

**(Rs. in crore)**

	<b>Revenue</b>					<b>Capital</b>				
	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12
<b>B.E.</b>	30.40	41.83	56.90	93.60	83.31	12.15	9.45	19.10	28.15	79.68
<b>R.E.</b>	32.86	66.44	67.17	92.20		3.14	9.45	18.10	36.21	
<b>Actual</b>	32.15	63.68	63.22	61.89		3.12	3.18	15.27	12.32	

**(i) Press Council of India**

69. Press Council of India is a statutory autonomous body created by Parliament. The Press Council of India was set up in 1966 on the recommendations of the First Press Commission. In the discharge of its twin fold function of preserving the freedom of the press and maintaining and improving the standards of the press, the Council performs a multi-faceted role. It acts on the one hand as a quasi judicial authority with all powers of the civil court and on the other, in its advisory capacity; it guides the press as well as the authorities on any matter that may have a bearing on the freedom of the press and on its preservation.

70. The Committee were informed that the Council is funded by the revenue collected by it as fee levied on the registered newspapers in the country on the basis of their circulation and the deficit being made good by way of grant by the Central Government. On being asked about the amount of fee collected by the Council from these registered newspapers/periodicals and news agencies, the Ministry have stated that in the financial year 2010-11, the Registrar of Newspapers for India (RNI) has supplied circulation of 8,810 publications to the Council. The Council had issued the Demand Notices for levy fee to all publications whose circulation figure is above 5,000 and also to two News agencies. The total amount of fee collected by the Council during the financial year 2009-10 was Rs.34,27,128/- and it was Rs.37,29,542/- during the financial year 2010-11.

71. When asked whether all the registered newspapers/periodicals and news agencies have regularly been paying their dues to the Council, the Ministry have stated that the registered newspapers/periodicals and news agencies are not regularly paying their dues to the Council. As on 31.03.2010, a total demand of Rs.4,13,48,186/- was outstanding as arrears. The district-wise list of the defaulter publications along with the levy fee arrears has been uploaded on the website of the Council.

72. When asked as to when was the fee fixed and the authority competent to fix the fee, the Ministry have stated that The Central Government is the competent authority to fix the rates at which fee may be levied under the Press Council Act, 1978. The fee was fixed in the year 1979 and was last revised in the year 1988. On being asked whether the fee is enhanced periodically, the Ministry have stated that The Rule 10 of the Press Council Rules, 1979 provides the structure for collection of levy fee. Any enhancement in the rates of levy fee requires an amendment to Rule 10 of the Press Council Rules, 1979 by the Central Government. In the Rules, there is no periodicity laid down for enhancement in the rates of levy fee.

73. The Committee were informed that the proposal for amendment to Press Council Act is under active discussion with the Ministry of Information and Broadcasting. When asked as to when the proposed amendments are likely to be finalized, the Ministry have stated that the proposal to amend the Press Council Act, 1978 for providing adequate powers to PCI is under consideration of the Government for comprehensive examination. The proposed amendments are to be examined carefully after carrying out wide consultations with all stake holders and evolving consensus on important issues related to the media. A Group of Ministers (GoM) has been constituted to look into the recommendations made by PCI in its report on Paid News. Since one of the recommendations in the report of the PCI relates to the amendment of the Press Council Act, 1978, it is proposed to submit this recommendation also for consideration of GoM on 'Paid News'.

## **(ii) Indian Institute of Mass Communication**

74. As per Outcome Budget (2011-12) the Plan scheme 'Converting IIMC into International Media University' has been renamed as 'Upgradation of IIMC to International Standards' as per the recommendations of SFC. It is proposed that

from the academic year 2011-12, the Post Graduate Diploma Courses of IIMC will be for two years' duration with a view to make it equivalent to a Master degree. The proposed upgradation includes setting up of four IIMC branches in four States i.e. J&K, Mizoram, Vidarbha (Maharashtra) and Kerala.

75. The Committee desired to know whether approval of the Ministry of Human Resource Development (HRD) has been obtained to convert the existing one year Post Graduate diploma courses of IIMC into two year Advanced Post Graduate Diploma courses. In reply, the Ministry have stated that the Ministry of Human Resource Development was requested in November 2010 to grant equivalence to MA Degrees for the proposed two-year Advanced Post-graduate Diploma Programmes of IIMC. The matter is under consideration of Ministry of HRD. Subsequently, Hon'ble Minister for Information & Broadcasting has also written to Hon'ble Minister for HRD in March 2011 with a request to expedite approval for the proposal. The Executive Council of IIMC have decided to start two-year courses only after equivalence is granted by the Ministry of HRD.

76. When asked what preparatory works are still required to be completed to enable IIMC to award degree and allow international collaboration, the Ministry have stated that an Act of Parliament deeming IIMC "An Institution of National Importance" is required to be enacted to enable IIMC to award degrees and for meaningful international collaborations/participation. A draft Act is under preparation, which will be finalized in consultation with the Ministry of Law etc. and introduced in Parliament after approval of Cabinet.

#### **(VIII) FILM SECTOR**

77. The Committee have been informed that the provisions under this Sector cover activities viz. (a) Film Division; (b) Establishment expenses of Directorate of Film Festivals; (c) National Film Awards; (d) expenditure on Panorama of Indian Films in the Film Festivals; (e) National Film Archive of India; (f) Grants to Children's Film Society, India; (g) Grants to Film and Television Institute of India, Pune and Satyajit Ray Films and TV Institute, Kolkata; (h) Central Board of Film Certification; and (i) Investment in National Film Development Corporation.

78. The proposed outlay, BE, RE and actual expenditure in respect of Film Sector for the years 2007-08, 2008-09, 2009-10, 2010-11 and BE for 2011-12 is as under:-



## Plan

	(Rs. in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Proposed Outlay</b>	128.19	97.14	119.93		
<b>BE</b>	41.98	67.00	60.00	88.00	163.24
<b>RE</b>	30.00	50.06	66.84	96.82	
<b>Actual</b>	29.00	37.69	62.84	68.68	

	(Rs. in crore)									
	Revenue					Capital				
	2007-08	2008-09	2009-10	2010-11	2011-12	2007-08	2008-09	2009-10	2010-11	2011-12
<b>B.E.</b>	29.95	49.12	43.08	50.10	97.45	12.03	17.88	16.92	37.90	65.79
<b>R.E.</b>	24.97	45.44	49.92	51.50		5.03	4.62	16.92	45.32	
<b>Actual</b>	24.42	33.37	46.12	46.21		4.58	4.32	16.72	22.47	

### (i) Film and Television Institute of India, Pune

79. The Film Institute was set up in 1960 in Pune for imparting training in the art and technique of film making. The Institute was renamed as 'Film and Television Institute of India'. The Institute has been conducting Post Graduate Diploma in Film and Television in various disciplines, namely, Direction, Cinematography, Audiography, Editing etc. FTII also runs various short courses for working professionals.

80. Since the Institute has been conducting Post Graduate Diploma courses in Film and Television in various disciplines, the Committee enquired whether a need has been felt to upgrade the status of the Institute by giving the power to conduct degree courses rather than Diploma. In reply, the Ministry have stated that FTII is conducting post-graduate diploma courses in film and television in various disciplines. However, the PG Diplomas awarded by the institute do not enable the students to take up higher studies and research. The possibility of getting equivalence status for its PG Diplomas from the Ministry of HRD/ Association of Indian Universities as in the case of National School of Drama is being explored. Simultaneously, recognition of FTII as an "Institute of National Importance" through Act of Parliament is also being considered to upgrade the position of FTII at the national and international levels. It is expected that these measures would help to attract talented faculty, staff and students and to start high level research and innovation schemes related to Film, TV and allied media.

**PART II**  
**OBSERVATIONS/RECOMMENDATIONS**

**I. Budgetary Grants for 2011-12**

The Committee observe that as per Demand No.60 relating to the Ministry of Information and Broadcasting, the Budgetary allocation is for a total amount of Rs.2643.71 crore which include Rs.861 crore as Plan Outlay and Rs.1782.71 crore as non-Plan outlay. As against this, the Budgetary support for 2010-11 was Rs.2604.25 crore (Plan Rs.850 crore + Rs.1754.25 crore as non-Plan) which was increased to Rs.2618.13 crore at Revised Estimates stage. The Committee note that on the Revenue (Plan) side, the outlay has been decreased from Rs.326.36 crore (RE) in 2010-11 to Rs.273.46 crore (BE) during 2011-12. However, on the Revenue (non-Plan) side the outlay has been enhanced from Rs.1768.13 crore (RE) in 2010-11 to Rs.1782.71 crore during 2011-12. On the Capital (Plan) side the outlay has been enhanced from Rs.523.64 crore (RE) in 2010-11 to Rs.587.54 crore during 2011-12. The overall outlay for 2011-12 has been increased by Rs.25.58 crore over the Budgetary Allocation (RE) for 2010-11, which works out to insignificant increase of 0.97%.

The Committee note that for the Eleventh Plan (2007-12) Planning Commission has approved total outlay of Rs.5439 crore. During Mid Term Appraisal, the outlay was enhanced to Rs.6311 crore due to additional outlay for 'High and Lower Power Transmitters for J&K Border Areas' and 'Commonwealth Games,2010 and Related Programmes'. The actual expenditure during the first four years of the Eleventh Plan is Rs.1917.42 crore (Information Sector Rs.254.83 crore, Film Sector Rs.198.25 crore and Broadcasting Sector Rs.1464.38 crore) which is just 30.38 per cent of the total Budgetary allocation. The figures speak out the unsatisfactory performance of the Ministry in utilization of outlay. Expressing serious concern over inability of the Ministry to fully utilize the outlay, the Committee in their Sixth Report on Demands for Grants (2010-11) had pointed out that under utilization of funds is a perennial problem with the Ministry, which is an indicator of its poor budgeting mechanism and failure of monitoring mechanism to review the implementation of various

schemes/projects. In spite of that underutilization still persists under different schemes/projects in all three sectors of the Ministry. Besides inability of the Ministry to fully utilize the outlay, delay in approval of important schemes of the Ministry, as discussed in the subsequent part of the report, are areas of concern. The Committee, therefore, impress upon the Ministry to take steps to make the implementation mechanism more effective. The Committee, therefore, desire that the Ministry should endeavour to analyze the reasons for under utilization of outlay scheme/sector-wise and gear up its monitoring mechanism to ensure that the allocated funds are fully utilized. Further all the on-going schemes may be strictly monitored to keep pace with the expenditure. The Committee would like to be apprised about the specific steps taken by the Ministry in this regard.

## **II. On-going and new schemes**

2. According to the Ministry, at the beginning of the Eleventh Plan the Ministry had formulated 86 schemes. However, at the time of Zero Based Budgeting exercise undertaken by the Planning Commission in May, 2007, the total number of schemes was reduced to 65. During examination of the previous year Demands for Grants (2010-11), the Committee had noted that out of total 38 new schemes, 13 schemes were awaiting approval and out of 28 on-going schemes, approval for 2 schemes was pending. Thus in total 15 schemes were pending clearance/approval. Having observed that delay in approval of the schemes was one of the factors responsible for under utilization of outlay, the Committee in their Sixth Report on Demands for Grants (2010-11) had desired that the Ministry should work out a more streamlined approval system. In spite of that four important schemes of the Ministry which include Global Film School, Setting up of National Centre of Excellence for Animation, Gaming and Special Effects, National Film Heritage Mission under Film Sector and International Channel under Broadcasting Sector are still awaiting approval/clearance even when Annual Plan 2011-12 is the last year of Eleventh Plan. The Secretary of the Ministry during the course of oral evidence admitted that it is quite late particularly when the Eleventh Plan is going to end at the end of the current financial year. The Committee

**disapprove the way projects are being planned by the Ministry. All the above schemes were formulated at the beginning of the Eleventh Plan and in the process four precious years have already been lost and even then the schemes of the Ministry are awaiting approval/clearance. It clearly indicates that there are serious problems in the whole planning process which is not conducive for the overall functioning of the Ministry. The Committee desire that the Ministry should work out a more streamlined approval system so that the situation of non-clearance of the schemes does not persist. The Committee recommend that the Ministry should take corrective measures so that the situation of non-clearance of schemes does not repeat during the Twelfth Plan.**

### **III. Commonwealth Games**

**3. The XIX Commonwealth Games were held at New Delhi from 3<sup>rd</sup> to 14<sup>th</sup> October, 2010. Prasar Bharati was the Host Broadcaster for the games. The entire coverage of the games was telecast in High Definition (HDTV) format. A Gross revenue of Rs.60.48 crore was realized by Prasar Bharati through commercial advertisements.**

**The Committee observe that post Commonwealth Games, various irregularities were reported in the media about award of contract by Prasar Bharati for execution of projects related to Commonwealth Games, 2010 particularly with regard to selection of M/s SIS Live, UK to carry out the work for Production and Coverage facilities. It was reported in the media that the contract awarded by Prasar Bharati to M/s SIS Live for Rs.246 crore was outsourced by the entity to M/s Zoom Communications for Rs.177 crore. About selection of M/s SIS Live, UK, the representative of the Ministry during the course of oral evidence informed the Committee that a transparent process was followed in the award of contract and they feel quite satisfied that there was no shortcoming on the part of the Ministry while giving its approval for the award of the contract. Regarding outsourcing of work by M/s SIS Live to M/s Zoom Communications, the Ministry have informed the Committee that neither they nor Prasar Bharati were aware of it and the fact came to their notice at a later stage.**

However, when the advice of the Law Ministry was sought, they opined that the sub-contract by M/s. SIS Live to M/s Zoom Communications was not in violation of the clause which existed in the contract between Prasar Bharati and M/s SIS Live.

In the wake of irregularities being reported in the media, the Government on 25<sup>th</sup> October, 2010 constituted a High Level Committee headed by Shri V.K. Shunglu to look into the issues relating to organizing and conduct of CWG, 2010 and lessons to be learnt for future. The Committee in January, 2011 submitted its report to the Government. The Committee have been informed that after seeking the explanation on each of the allegations contained in the report, the CEO, Prasar Bharati has been placed under suspension. The Ministry has also permitted CBI for registration of a regular case and initiation of criminal investigation under the provisions of Prevention of Corruption Act, 1988 against the CEO, Prasar Bharati. The then DG, Doordarshan has also been repatriated to her parent cadre. The Committee also note that the views of the Ministry on the recommendations of High Level Committee were placed before the Group of Ministers in the meeting held on 24<sup>th</sup> March, 2011 and the GoM has decided to deliberate the issue in its next meeting.

4. The Committee are deeply concerned about the controversy surrounding the award of work for Production and Coverage facilities for the Commonwealth Games, 2010 to M/s SIS Live, UK for Rs.246 crore. The Ministry have justified the selection process as well as the cost estimates. However, the fact remains that the contract which M/s SIS Live got from Prasar Bharati for Rs.246 crore was outsourced by the entity to M/s Zoom Communications for Rs.177 crore. The High Level Committee constituted by the Government under Shri V.K. Shunglu has estimated the work below Rs.100 crore. Although the basis for calculating the amount is not known to the Standing Committee, yet it raises a serious question mark about the reasonableness of the rate quoted by the selected firm. The Committee are also surprised to note the opinion given by the Law Ministry that the sub-contract was not in violation of the clause which existed between Prasar Bharati and M/s. SIS Live. The Committee note that the Ministry seems to be in dilemma as the Secretary during the course of oral evidence before

the Committee, initially stated that the cost was excessive but subsequently he justified the cost estimate as the same figure was arrived at by a Committee constituted by the Ministry. The High Level Committee constituted by the Government under the chairmanship of Shri V.K. Shunglu after in-depth scrutiny of documents and conducting the inquiry, has submitted its report to the Government. The report of High Level Committee is pending before the Group of Ministers. As such, the Committee, at this stage, only urge the Government for early decision in the matter. The Committee also note that CBI is conducting investigation in this regard. The Committee desire that the alleged irregularities in the award of work for Production and Coverage facilities may be scrupulously probed by the investigating agency and the report submitted to the Government at the earliest. The recommendations of the Group of Ministers and the findings of CBI alongwith the action taken by the Ministry in this regard should be communicated to the Committee.

#### **IV. Broadcasting Sector**

##### **Financial status of Prasar Bharati**

5. The Committee's examination of budgetary documents has revealed that the revenue receipts of Prasar Bharati have been gradually declining and the gap between the revenue receipts and expenditure has been steeply increasing. During the year 2009-10, against the revenue projections of Rs.1247.52 crore, the revenue receipts were Rs.1176.26 crore and the expenditure was Rs.2949.40 crore thus leaving a gap of Rs.1773.14. The revenue projections for 2010-11 were Rs.1562.37 crore against which the revenue receipts were Rs.968.69 crore and the expenditure was Rs.2506.49 crore. The Committee find that the Group of Ministers had recommended that 50 per cent of the annual operating expenses of Prasar Bharati should be borne by Prasar Bharati from its Internal Extra Budgetary Resources (IEBR) and the remaining 50 per cent will be met from non-Plan grants-in-aid from the Government. According to the Ministry, however, the revenue of Prasar Bharati has not increased as per the earlier projections while the cost, particularly under the salary head, has gone beyond the projections.

**After assessing the non-Plan budgetary support provided by the Government during 2009-10, 2010-11 and projections for the year 2011-12 as also 10% growth in revenue during 2011-12, Prasar Bharati has estimated a deficit to the tune of Rs.804 crores for these three years. According to the Ministry, if this trend continues, the entire available reserves of Prasar Bharati would be wiped out, resulting in immense financial distress in the working of the Corporation. Since Prasar Bharati is unable to bear 50 per cent of the annual expenses from its IEBR as recommended by GoM, it has now proposed a new funding pattern for re-fixation of Government support to meet its financial obligations. The new funding pattern is likely to be decided by the Group of Ministers in its next meeting.**

**The Committee express serious concern over the increasing gaps between the revenue projections and revenue receipts. The Ministry has rightly expressed apprehensions that this trend would result into wiping out the entire available reserve of Prasar Bharati and the organization may find itself in immense financial distress. While appreciating the fact that Prasar Bharati is a public service broadcaster and not principally guided by commercial consideration, the Committee are of the firm opinion that its mandate does not restrict it from generating adequate revenue to meet its operational cost. In fact, in the Outcome Budget 2011-12 it has specifically been mentioned that AIR can generate revenue through Public Private Participation (PPP) during the next 10 to 15 years through schemes like sharing of Prasar Bharati infrastructure such as towers etc., building and land with private broadcasters, mobile service providers on licence basis; providing value added service such as IVRS and SMS based service to the listeners; rationalization of rate structure of the rental resources; turnkey solutions for establishing 50/100 watt community radio stations to Universities/Colleges/residential schools etc and through Data Audio Channel service. It is inexplicable as to why Prasar Bharati has not been able to implement the above schemes which in their own admission can generate revenue through Public Private Participation for the next 10 to 15 years. The Committee are of the firm opinion that Prasar Bharati by taking the desired initiatives as mentioned in the Outcome Budget as well as by adopting suitable marketing strategies, content improvement and**

introduction of DTH services can reasonably enhance its revenue. The Committee exhort Prasar Bharati to take all the required initiatives to increase the revenue. Besides, all the economic measures should be taken to reduce the working expenses of Prasar Bharati. The Committee at the same time would like the Government to bear the gap between the working expenses and the earnings of Prasar Bharati by budgetary support till Prasar Bharati is able to generate the mandated revenue to attain self sufficiency.

#### **Filling up of essential categories of posts and finalization of Recruitment Rules in Prasar Bharati**

6. One of the focal point of successive Reports of the Committee has been finalization of Recruitment Rules by Prasar Bharati. The Committee note that against the sanctioned strength of 48,172, there are 11, 498 vacancies in various cadres as on 31<sup>st</sup> March, 2010. There are 3452 essential categories of posts which are lying vacant in Prasar Bharati. To fill up such posts, the proposal submitted to the Department of Expenditure has been returned and Prasar Bharati has been requested to re-submit the proposal based on the report of National Productivity Council. The Committee have been informed that since Prasar Bharati is not in agreement with the NPC report, it proposes to reject the NPC report. Further Prasar Bharati has apprised the Group of Ministers about unacceptability of NPC Report in the meeting held on 24<sup>th</sup> March, 2011. The Committee find that there seems to be no solution in sight in the near future. The report of NPC is not acceptable to Prasar Bharati and the Department of Expenditure had desired Prasar Bharati to submit the proposal for filling up of essential categories of posts based on NPC report. The disagreement is bound to create further problems for Prasar Bharati which is already reeling under shortage of manpower. While appreciating the administrative comments raised by the Department of Expenditure, the Committee desire the Department of Expenditure to realize the problems that Prasar Bharati is facing due to vacant essential posts and as such some relief ought to be given to Prasar Bharati so as to enable it to augment its staff strength.



**7. About finalization of the Recruitment Rules, the representative of the Ministry during the course of oral evidence informed the Committee that the regulations for all 195 cadres in Prasar Bharati have been finalized and the same are being forwarded to the Department of Personnel and the Ministry of Law. After their scrutiny, these regulations would be notified. The Committee are relieved that long pending issue of framing Recruitment Rules for various categories of Posts in Prasar Bharati, is coming to a logical conclusion. The Committee desire that the matter should be vigorously followed up with the Department of Personnel and Ministry of Law to ensure that these Recruitment Rules are urgently examined and thereafter notified at the earliest.**

#### **Prasar Bharati Act, 1990**

**8. The Committee in their successive Reports have been recommending the Ministry to implement the provisions contained in the Prasar Bharati Act, 1990 relating to constitution of a Parliamentary Committee and a Broadcasting Council. Having observed that the above provisions were never put into operation, the Committee in their Sixth Report on Demands for Grants (2010-11) had observed that there were two alternatives before the Government i.e. either to constitute the Parliamentary Committee and Broadcasting Council as per the provisions of the Prasar Bharati Act, 1990 or to amend the Act in view of the recommendations of two Committees of Prasar Bharati (Sengupta Committee report dated August 1996 and Narayanmurthy Committee Report dated 20<sup>th</sup> May, 2000) according to which there is no need for these provisions in the light of Standing and Consultative Committees of Parliament.**

**The Committee observe that proposal with regard to comprehensive amendment to 'The Prasar Bharati Act, 1990' was placed before the Group of Ministers in the meeting held on 24 March, 2011. As informed by the Ministry, the proposal in brief seeks to amend the present provisions with regard to composition of Prasar Bharati Board, eligibility criteria, term of office and appointing authority for the Board Members, the role of the Government, the mandate given to Prasar Bharati, issues relating to status of staff as well as action procedure and grounds for removal of Members of**

the Board. The Committee find that in spite of continuous pursuance of the issue in various reports, the Ministry have neither taken action for constitution of a Parliamentary Committee and a Broadcasting Council as per the provisions of the Prasar Bharati Act, 1990 nor any mention has been made in the draft proposal for deletion of the provision relating to constitution of the two bodies as recommended by the two Committees set up Prasar Bharati. The Ministry while reviewing the provisions of the Prasar Bharati Act, 1990 should have taken a decision in the matter. While deploring the way the Ministry has handled the issue, the Committee exhort the Ministry to take decision in this regard without any further delay.

#### **V. Policy for introduction of mobile television**

9. The Committee note that the Ministry has been working to frame a suitable policy enabling the private players to provide mobile television services in India. The proposed policy for mobile television would be based on the recommendations of TRAI. The policy is proposed to be finalized on availability of adequate spectrum and resolution of other issues with the Department of Telecommunications which inter-alia include nature of technology to be used for mobile television, license area, tenure of license, cross holding restrictions, FDI limits, contention regulation mechanism etc. The Committee have also been informed that the Ministry proposes to follow e-auction process in awarding mobile television. The Committee desire that all pending issues viz. identifying and allocation of spectrum for mobile operators, determining the service area of licences and number of service providers/licences in each service area etc. may be urgently resolved with the Department of Telecommunications to finalize the policy for introduction of mobile television. The Committee would like to be apprised about the measures taken by the Ministry in the above context.

#### **VI. INFORMATION SECTOR**

10. The Committee observe that out of total Plan allocation of Rs.6311 crore for the Eleventh Plan, the Information sector has been allocated Rs.314 crore, which works out to 4.9% of the budgetary allocation. The

Committee's examination reveal that there has been under utilization of outlay. During the year 2009-10, the RE stage allocation was Rs.76 crore, which was enhanced to Rs.85.27 crore and the actual expenditure was Rs.78.49 crore which comes to 92.04%. During the year 2010-11, the BE stage allocation was Rs.121.75 crore which was increased to Rs.128.41 crore at RE stage out of which only Rs.74.21 crore could be utilized up to February, 2011, which works out to 57.79%. As compared to the year 2009-10, the performance during 2010-11 under the Information Sector is clearly unsatisfactory. The Committee desire that various projects/schemes being implemented under the Information Sector should be critically analyzed and remedial action taken to effectively utilize the outlay.

### Press Council of India

11. Press Council of India is a statutory autonomous body created by Parliament. In the discharge of its twin fold function of preserving the freedom of the press and maintaining and improving the standards of the press, the Council performs a multi-faceted role. It acts on the one hand as a quasi judicial authority with all powers of the civil court and on the other, in its advisory capacity; it guides the press as well as the authorities on any matter that may have a bearing on the freedom of the press and on its preservation. The Committee note that under Section 16 of the Press Council Act, 1978 the Council collects levy of fees from registered newspapers/periodicals in the country and news agencies. The total amount of fee collected by the Council during 2009-10 was Rs.34,27,128 and it was Rs.37,29,542 during 2010-11. The Committee have been informed that all the registered newspapers/periodicals and news agencies are not regularly paying their dues to the Council and as on 31<sup>st</sup> March, 2010, a total demand of Rs.4,13,48,186 was outstanding as arrears. Considering the quantum of outstanding dues involved, the Committee feel that not only legal action should be taken against the defaulters but also the matter should be pursued vigorously by the Council to recover the outstanding dues from them. The Committee also desire that strict action may be taken against the habitual defaulters by the Council.

12. The Committee also observe that Rule 10 of the Press Council of India Rules, 1979 provides the structure for collection of levy fee. The Council collect levy fee from the registered newspapers/periodicals whose circulation figure is above 5000. The fee was fixed in the year 1979 and was last revised in 1988. The Committee have been informed that no periodicity has been laid down in the Rules for enhancement in the rates of levy fee. The enhancement in the rates of levy fee requires an amendment to Rule 10 of the Press Council Rules, 1979 by the Central Government. Keeping in view the fact that no revision in levy fee has taken place since 1988, the Committee recommend that the same may be suitably enhanced. The Committee further recommend that the Press Council Act, 1979/Rules may be suitably amended to incorporate the provision for periodic enhancement in the rates of levy fee.

#### **Indian Institute of Mass Communication**

13. Established on 17<sup>th</sup> August, 1965, the Indian Institute of Mass Communication has been conducting a number of Post Graduate Diploma courses to meet the diverse requirements of rapidly changing media and communication industry in modern times. As of now, the Institute cannot award degrees which is seriously hampering its potential as a premier institute vis-à-vis other institutions in the field of mass communication. Therefore, the Ministry proposes to convert IIMC into International Media University to allow it to award its own degree in place of existing Post-Graduate diploma courses. For that purpose an Act of Parliament deeming IIMC 'An Institution of National Importance' would be required, which according to the Ministry, is under preparation and will be finalized in consultation with the Ministry of Law and introduced in Parliament after approval of Cabinet. The Committee also note that the Ministry of Human Resource Development has been requested to give its approval to make Post Graduate Diploma courses of IIMC equivalent to Master degree. The Executive Council of IIMC have decided to start two-year course only after equivalence is granted by the HRD Ministry.

The Committee are disappointed to note that the Ministry has been extremely slow in implementing the scheme. The scheme was initiated at

the beginning of the Eleventh Plan and four years later, the Committee find that various preparatory work and approvals are still pending. The approval of the Ministry of HRD is still awaited to upgrade one year Post Graduate Diploma course into two year advanced Post Graduate Diploma course to make it equivalent to Master degree. The Institute as of now cannot award degree for which an Act of Parliament is required. The Ministry of Law is being consulted to prepare the draft Bill for this purpose. The Committee are pained to note that the Ministry have not acted on the recommendations contained in its Sixth Report on Demands for Grants (2010-11) to expedite clearance of all preparatory work. The Committee therefore, would like the Ministry to put the scheme on fast track and introduce the Bill to Parliament to enable IIMC to award its own degree and allow international collaboration. The Committee also desire that the Ministry of HRD may be requested to give its approval to make Post Graduate Diploma courses of IIMC equivalent to Master degree so that the two years course starts at the earliest.

## **VII. Film Sector**

### **Film and Television Institute of India, Pune**

14. The Film Institute was set up in 1960 in Pune, as a premier Institute for imparting training in art and technique of Film making. The Institute has been conducting Post Graduate Diploma in Film and Television in various disciplines, namely, Direction, Cinematography, Audiography, Editing etc. FTII also runs various short courses for working professionals. The Committee have been informed that PG diploma courses in various disciplines of film and television, awarded by the institute do not enable the students to take up higher studies and research. Therefore, the possibility of getting equivalence status for its PG Diplomas from the Ministry of HRD/ Association of Indian Universities as in the case of National School of Drama is being explored. Simultaneously, recognition of FTII as an "Institute of National Importance" through Act of Parliament is also being considered to upgrade the position of FTII at the national and international levels to attract talented faculty, staff and students and to start high level research and innovation schemes related to Film, TV and

**allied media. The Committee are concerned to note that the Post Graduate Diploma courses awarded by the Institute do not enable the students to take up research and higher studies. The Institute was set up in 1960 and no initiatives have been taken to upgrade the status of FTII. The Ministry is still exploring the possibilities of getting equivalent status for its diploma courses from the Ministry of HRD. Further recognition of FTII as an `Institute of National Importance' through an Act of Parliament is also being explored. The Committee desire the Ministry to upgrade FTII to global standards with due promptness. The Committee would like to be apprised about the definite plan of the Ministry for completion of the proposal for this purpose at the earliest.**

**New Delhi  
22 July,2011  
31Sravana 1932 (Saka)**

**RAO INDERJEET SINGH  
Chairman  
Standing Committee on  
Information Technology**