

FORTY-THIRD REPORT
PUBLIC ACCOUNTS COMMITTEE
(2002-2003)
(THIRTEENTH LOK SABHA)
LOWER CATEGORISATION LEADING TO
LOSS OF RS. 352.30 LAKHS
MINISTRY OF INFORMATION &
BROADCASTING

*[Action Taken on 12th Report of Public Accounts Committee
(11th Lok Sabha)]*



Presented to Lok Sabha on 3.3.2003

Laid in Rajya Sabha on 3.3.2003

LOK SABHA SECRETARIAT
NEW DELHI

March, 2003/ Phalguna, 1924 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2002-2003)

Sardar Buta Singh — *Chairman*

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* Shri Chhatrapal Singh ceased to be Member of the Committee consequent upon his appointment as Minister on 29 January, 2003.

** Elected on 7.8.2002 *vice* Dr. Sahib Singh Verma ceased to be Member of the Committee consequent upon his appointment as Minister on 1.7.2002.

INTRODUCTION

I, the Chairman, Public Accounts Committee, having been authorised by the Committee to present the Report on their behalf, do present this Forty-third Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 12th Report (11th Lok Sabha) on "Lower Categorisation leading to loss of Rs. 352.30 lakh."

2. This Report was considered and adopted by the Public Accounts Committee at their sitting held on 25th February, 2003. Minutes of the sittings form *Part II* of the Report.

3. For facility of reference and convenience, the recommendations and observations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix to the Report.

4. The Committee would like to express their thanks to the Public Accounts Committee (2001-2002) which considered the Action Taken Notes received from the Ministry of Information & Broadcasting on the Report at their sitting held on 20th August, 2001.

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

NEW DELHI;
26 February, 2003

7 Phalguna, 1924 (Saka)

SARDAR BUTA SINGH,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by Government on the observations/recommendations of the Committee contained in their Twelfth Report (Eleventh Lok Sabha) on paragraph 3.5 of the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1995 (No. 2 of 1996), Union Government (Civil) relating to 'Lower categorisation leading to loss of Rs. 352.30 lakhs'.

2. The Twelfth Report which was presented to Lok Sabha on 22 April, 1997 contained 20 observations/recommendations. The action taken notes in respect of all the observations/recommendations have been received from the Ministry of Information and Broadcasting and are broadly categorized as follows:

- i) Recommendations and Observations which have been accepted by the Government;
Sl. Nos. 1, 4, 6-7, 11, 13-14, 16-20
- ii) Recommendations and observations which the Committee do not desire to pursue in the light of replies received from the Government;
Sl. No. 15,
- iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration;
Sl. Nos. 2-3, 5, 8-10, 12
- iv) Recommendations and observations in respect of which the Government have furnished interim replies;

—Nil—

3. The action taken notes furnished by the Ministry on the various observations/recommendations of the Committee contained in the Report have been reproduced in the relevant chapters of this Report. In the succeeding paragraphs, the Committee deal with the action taken by Government on some of their recommendations.

Irregularities in the telecast of the programme "The World This Week"

4. The programme "The World This Week" produced by New Delhi Television Ltd. (NDTV) was telecast in Doordarshan from 25 November, 1988 to 28 April, 1996 both under commissioned and sponsored categories and 291 episodes in all, were telecast during the period. The programme was initially telecast under commissioned category from 25 November, 1988 till 16 February, 1990 for 52 episodes. Subsequently, the programme was telecast under sponsored category from 16 February, 1990 till 5 March, 1995 for 186 episodes. Thereafter, the

programme was again converted back to commissioned category and was telecast from 5 March, 1995 to 28 April 1996 for 53 episodes.

5. In their 12th Report, the Committee had found that the treatment of the programme "The World This Week" under sponsored category was beset with irregularities of varied nature. These broadly included, improper application of the Guidelines, unusual categorisation of the programme in violation of all the norms in Doordarshan, failure to enforce conversion of the programme from category 'A' to 'A-special', doubtful role of the Ministry in respect of retention of the programme in the lower category, non-availability of files/records, loss of revenue to Doordarshan, irregularities in respect of facilities extended to the producer, inadequacies in monitoring utilisation of foreign exchange released in favour of the producer etc. The Committee had observed that the producer of the programme was undoubtedly given preferential treatment in the instant case. They had also expressed their serious concern over non-production of certain files pertaining to the programme, which were reportedly not traceable in Doordarshan. While summing up their findings in paragraph 87 of the Report, the Committee deplored the prevalent unfortunate state of affairs in the Ministry of Information & Broadcasting/Doordarshan and had recommended that in the light of the facts brought out in their Report, the whole matter regarding the telecast of the programme "The World This Week" in Doordarshan should be entrusted to an appropriate Investigative Agency to be decided by the Cabinet Secretary for a thorough inquiry including loss of files.

6. In their action taken notes furnished to the Committee, the Ministry of Information and Broadcasting have merely reiterated what was deposed by them before the Committee. The Ministry, however, on the recommendation of the Committee referred the matter to the Cabinet Secretariat, who in turn entrusted it to the Central Bureau of Investigation for investigation. The action taken note furnished by the Ministry in this regard reads as follows:—

"In compliance of the directions given by PAC, the matter was referred to the Cabinet Secretariat. They have entrusted the matter to CBI for investigation. It has been intimated by CBI that during the investigation in preliminary enquiry, omission of a cognizable offence including criminal conspiracy and resultant loss to Doordarshan has been revealed and on the basis of such revelations, a regular criminal case has been registered on 9 January, 1988 against accused persons. The matter is still under investigation of CBI. The result of investigation by CBI and action taken thereon by the Ministry/Doordarshan will be intimated to the PAC in due course."

7. The Committee had sought from the Ministry the latest position of the case being investigated by the CBI. In their communication dated 28 June, 2001, the Ministry of I&B *inter-alia* intimated the Committee that as per communication received by them from CBI on 20 June, 2001, the investigation into the case had been completed, but the opinion of learned Attorney General of India was sought on certain legal issue. On receipt of his opinion, final results of investigation was to be communicated to the Ministry by the CBI.

8. The Ministry of I&B in their communication dated 19th September, 2002 have further submitted the update of the CBI inquiry into the case, which *inter-alia* reads as follows:

"The Secretary, Information and Broadcasting wrote to Director, CBI on 03.09.2001 conveying the concern expressed by the PAC in its sitting held on 20.08.2001 over delay in CBI investigation and requested expeditious submission of CBI report. In response, the CBI intimated on 17.9.2001 that after conclusion of the investigation, it was considered necessary to obtain opinion of the Attorney General on certain legal issues. The reference to the Attorney General was made by CBI on the 20.6.2001 and they are awaiting Attorney General's opinion for finalisation of their findings. CBI has also intimated *vide* its letter dated 3.6.2002 that final results of the investigation would be communicated soon after receipt of Attorney General's opinion. This Ministry has once again sent a reminder to Director, CBI on 4.9.2002 for sending their report in the matter. CBI's response is still awaited."

9. In their 12th Report, the Committee had highlighted several irregularities in the telecast of the programme 'The World This Week' in Doordarshan. The Committee were shocked to find that certain vital files pertaining to the programme under examination by them were also not traceable in Doordarshan. The Committee had concluded that the producer of the programme was undoubtedly given preferential treatment and in the process Doordarshan suffered an estimated loss to the tune of Rs. 4.78 crores. The unwarranted interference by the Ministry in the decision making process of Doordarshan in the instant case also raised doubts in the mind of the Committee. Deploring the sordid state of affairs prevalent in the Ministry/Doordarshan, the Committee had *inter-alia* recommended that the whole matter regarding telecast of the programme in Doordarshan should be entrusted to an appropriate Investigative Agency for a thorough inquiry including loss of files pertaining to the programme. The Committee note that in pursuance of their recommendation, the matter was entrusted to the Central Bureau of Investigation (CBI) for investigation. In their action taken notes, the Ministry have merely reiterated what was deposed by them before the Committee. The Committee, therefore, cannot but reiterate their recommendations as categorised in Paragraph 2 (iii) of this Report and urge upon the Ministry to review their action taken in the light of the outcome of CBI Report, as and when received. The Committee have been informed that during the investigation in preliminary enquiry by CBI, omission of a cognizable offence including criminal conspiracy and resultant loss to Doordarshan was revealed and on the basis of such revelations, a regular criminal case was registered on 9 January 1998 against the accused persons. Giving the latest position of the case under investigation, the Ministry intimated the Committee that the

investigation into the case had been completed, but the opinion of the learned Attorney General of India was sought on certain legal issues by CBI. On receipt of the opinion of the Attorney General of India, the final result of investigation was to be communicated to the Ministry by CBI. Even though more than five years have elapsed since the presentation of Original Report to Parliament, the investigation into the case by CBI is yet to be completed. While expressing their concern over the elongated delay in the matter, the Committee desire that the Ministry of I&B should convey the anxiety of the Committee to the CBI as to the urgency of expeditious completion of investigation into the case. They would also like to be apprised of the result of investigation by the CBI and conclusive action taken thereon by the Ministry within a period of three months on receipt of CBI report.

**Other programmes by the same producer
(Sl. No. 18, Paragraph 88)**

10. In their original Report, the Committee found that undue favour was also extended to the producer in respect of some other programmes produced by him and telecast in Doordarshan. In this connection, the Committee in Paragraph 88 of 12th Report had recommended as follows:

"What has further agitated the Committee is that the case under examination does not seem to be an isolated one where this producer was shown undue favour. The facts emerging from the information/documents made available to the Committee in respect of the programmes "News Tonight", "South Asia News Capsule" and "Today" have been briefly recorded in paras 58 to 61 of this Report. The nature of concession extended in respect of the programme "News Tonight" and the manner in which two other programmes, viz. "South Asia News Capsule" and "Today" were allowed to be telecast by-passing all the rules and procedures are suggestive of the nebulous nexus which existed between certain authorities in Doordarshan and the producer. The Committee's examination further revealed that the producer was also extended the facilities of microwave and satellite uplinking without proper record and realisation of charges leviable. The Committee cannot but express their serious concern over this state of affairs in Doordarshan. they, therefore, recommended that all these cases should also be referred to the Investigative Agency for a thorough investigation alongwith the case of the programme "The World this Week", as recommended by the Committee in paragraph 87 of this Report with a view to finding out the elements responsible for violation of rules/norms/guidelines/procedures etc. besides having indulged in undesirable tendencies and causing losses to the exchequer. The Committee would like to be informed of the results of the investigation and the conclusive action taken thereon in the matter within a period of six months."

11. In their action taken note the Ministry stated that the matter was under investigation of CBI.

12. The Committee note that in pursuance of their recommendation, investigation into programmes relating to "News Tonight", "South Asia News Capsule" and "Today" produced by NDTV and telecast in Doordarshan was also entrusted to the CBI. According to the Ministry, the Report was awaited from CBI. The Committee would like the Ministry to convey their concern and anxiety over the elongated delay in the investigation to the CBI and requested them to expedite their report into these collateral cases as well. The Committee would like to be appraised of the action taken by the Government in the matter within three months of receipt of CBI Report.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation

Doordarshan accepts proposals of programmes from outside producer/directors under two categories, namely, "Commissioned and Sponsored". While the commissioned programmes are funded by Doordarshan, the sponsored ones are financed by the sponsor/producers. With a view to streamlining the producers for Consideration, processing and approval of proposals received from outside producers/directors for telecast of programmes, Government have codified policy parameters in the form of 'Guidelines' laid down separately in respect of programmes under both the categories. The issues arising out of outside production particularly under commissioned category were examined and commented upon by the Public Accounts Committee in their 57th and 106th Reports (10th Lok Sabha). In fact, guidelines were issued for the first time for commissioned programmes in 1992 as a result of the examination of the subject by the Committee.

Sl. No. 1 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 71 (1996-97) [Eleventh Lok Sabha]

Action taken

The Commissioned Scheme started in 1981-82 to bring improvement in quality of the programmes telecast by Doordarshan and to encourage talent available in the country to produce programmes on behalf of Doordarshan. Though the Commissioned Scheme started under the Non-Lapsable Fund Scheme in the initial years, regular commissioning was undertaken under the 'Special Software Plan Scheme' launched in the year 1986-87. The exercise to formulate detailed guidelines on the Commissioned Programme Scheme initially was undertaken in December, 1991 in pursuance of the judgement delivered by the Madras High Court. Written guidelines were issued on 1-1-1992. These guidelines were, however, revised on 17-3-1992 and 7-5-1993.

Prior to formulation of the formal guidelines for commissioned programmes, all the proposals were processed in the Central Commissioning unit headed by Controller of Programmes. This unit was responsible for preparing the agenda notes for the Costing Committee which included the gist of the storyline/concept, the experience and track record of the Director/producer, camera crew etc. The recommendations of the Kendra in respect of the programme to be telecast locally were also incorporated in the said agenda notes. The Executive Committee comprising Director General, Doordarshan, Additional Director General/Deputy Director General concerned, Controller of Programmes, Director (Finance) was an expert committee to select the programme as well as to approve the production cost of each programme.

Incidentally, the subject 'Outside production—Doordarshan' was also examined in detail by the Audit and the para on this subject was included in the Report of C&AG for the year ended 31-12-1990 which *inter-alia* highlighted the shortcoming of the absence of written guidelines for commissioned scheme. This para was also selected by the Public Accounts Committee (PAC) and included in its 57th Report to the Lok Sabha on 4-3-94. On the basis of discussions held with the PAC during oral evidence in 1992 and 1993, the guidelines issued on 1-1-92 were revised on 17.3.1992 and 7.5.1993.

Finally, the PAC under para 171 of the 57th Report recommended that Ministry should at least keep a close watch on the guidelines issued with a view to ensuring that production of commissioned programmes by outside producers is done methodically and within the laid down producers and policies. Presently, the guidelines on commissioned programmes are being adhered to scrupulously by Doordarshan.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 6.5.98]

Recommendation

This unusual categorisation which was neither based on the guidelines/rules laid down nor without any comparable precedent was sought to be explained by the Ministry of Information & Broadcasting (I&B) in the absence of relevant records as a "commercial decision" taken by the then Director General of Doordarshan in an aggressive marketing scenario. The Committee during their course of examination found that in terms of the delegation of financial and administrative powers by the Ministry to the Director General, the powers are to be exercised by the Director General, Doordarshan in consultation with the Internal Financial Adviser. Unfortunately, these provisions were given a go-by and the decision to place the programme in 'A' category for purposes of sponsorship fee/FCT and in 'A-Special' category for spot-buys was initially taken by the then Director General without consulting the Internal Financial Adviser. The Committee, therefore, regret to conclude that such a decision by the then Director General, Doordarshan was not only imprudent in terms of the financial interests of Doordarshan and its overall policy parameters but also violative of the procedures prescribed in the application of the delegated financial and administrative powers.

Sl. No. 4 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 74 (1996-97) [Eleventh Lok Sabha]

Action taken

The decision to place the programme in 'A' category for the purpose of sponsorship and in 'A Special' category for spot-buys was taken by the then Director General without consulting the Internal Financial Adviser. However, at present in all cases where concessions are offered to any programme from the rates prescribed in the commercial rate card of the Doordarshan, prior concurrence of the Internal Financial Adviser is invariably being taken by Doordarshan.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 6.5.98]

Recommendation

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

Sl. No. 6 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 76 (1996-97) [Eleventh Lok Sabha]

Action taken

Doordarshan has been delegated full powers to rationalise its commercial rate structure for categorisation of its programmes as well as to grant extension to the running programmes. The Ministry does not interfere in fixation of the commercial rates of the programmes. Thus, Doordarshan has been given a reasonable degree of flexibility in such matters in the increasing qualitative broadcasting scenario in the country so as to make adjustment in the commercial terms to maximise Doordarshan's revenue as well as to maintain the quality of the programmes telecast on Doordarshan.

In keeping with the position brought out above, action for changing the category of the programme was to be taken by Doordarshan. They did undertake some exercise in this direction in June 1990 but unfortunately the matter was not followed up subsequently. The Ministry of Information & Broadcasting came into picture only in June, 1992 when a proposal was made to it to recategorise the programme as 'A Special' and to give additional FCT to compensate the producer. The Ministry had agreed to the recategorisation of the programme as 'A Special' but had not agreed to the grant of additional FCT. Subsequently, Doordarshan again referred the matter to the Ministry in October, 1992 for the retention of the programme in 'A' category and to make it a one-hour programme instead of 30/45 minute programme. The Ministry conveyed its no objection to the retention of the programme in 'A category' but did not agree to extend its duration.

From the position explained above and a perusal of notes from Ministry's file No. 2105/11/88-TV(P2) being enclosed herewith, it is clear that no reference was made by Doordarshan to the Ministry between 16.2.90 (when the programme was introduced in sponsored category) and June, 1992 regarding recategorisation of the programme. As such the question of non-action on the part of the Ministry during this period does not arise.

Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 23.11.98]

Recommendation

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

Sl. No. 7 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 77 (1996-97) [Eleventh Lok Sabha]

Action taken

It may be clarified that in June, 1992 Director General, Doordarshan proposed to upgrade the category of the programme to 'A Special' for sponsorship fee as well as to give additional FCT and NDTV in lieu of the enhanced sponsorship fee. This proposal to upgrade the category to 'A Special' for sponsorship fee and spot buy was approved by Secretary (I&B) in consultation with the Integrated Finance Division of the Ministry on 5.8.92. However, the then Secretary (I&B) did not agree to Doordarshan's proposal for giving additional FCT to compensate the producer as FCT is linked to the categorisation. As already mentioned, the producer of the programme represented against the decision and requested to maintain the *status quo*. Since the decision to upgrade the category of the programme was taken by the Ministry, DG, Doordarshan did not feel appropriate to reverse Ministry's decision at his level and sent a proposal to the Ministry in this regard. The matter was examined in the Ministry in the light of DG, Doordarshan's proposal and it was decided to retain the programme in 'A' category in October, 1992.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 6.5.98]

Recommendation

The Committee are shocked to note that the files containing the chronological development of events relating to the decision to retain the programme in 'A' category are currently not traceable in Doordarshan. In the absence of the same, the Committee were unable to examine the matter in all its

ramifications. It is intriguing to note that the files which were earlier made available to Audit were subsequently found missing. As regards efforts made to trace those files, the Ministry merely stated that a circular was issued on 14 July, 1995 in Doordarshan in this regard. But to the utter surprise of the Committee, no follow-up action was taken thereafter to locate those files. This speaks volumes of the callous attitude of the authorities in Doordarshan, which is greatly deplorable. The Committee desire that the loss of files should be thoroughly inquired into and responsibility fixed for the lapses. Doordarshan/Ministry should also take suitable steps to improve their system of records so as to check recurrence of such cases. The Committee would like to be informed of the action taken in the whole matter.

Sl. No. 11 Appendix II of Twelfth Report of Public Accounts
Para No. 81 Committee (1996-97) [Eleventh Lok Sabha]

Action taken

Currently the matter is under investigation by Central Bureau of Investigation. Necessary action to enquire into the loss of files and fix responsibility will be taken once the report is received.

With a view to avoid recurrence of such lapses in future. Doordarshan are now strictly following the system as prescribed in the Manual of Office Procedure with regard to the maintenance of files.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 23.11.98]

Recommendation

Another area where the Committee came across certain disturbing facts was in respect of the facilities extended to the producer in the instant case. The Committee have been informed that the producer was given access to vis-news footage which was being received by Doordarshan Kendra at Bombay and also the recording. As regards terms and conditions for providing such facilities to the producer, the Ministry stated that there appeared to be an informal understanding between Doordarshan and NDTV for a mutual exchange of footage free of cost. However, according to them, no records could be traced to that effect. The Committee was informed that as per records, there was no prescribed amount recoverable from the producer for the facilities extended to him. However, the Committee's examination of certain documents made available to them by Audit revealed that though the producer was free to use vis-news footage, he was required to pay technical charges to Doordarshan. No bill was stated to have been raised on that count till then. Since relevant information on this score was not made available to the Committee, they were unable to appreciate the further action taken in this regard.

Sl. No. 13 Appendix II of Twelfth Report of Public Accounts
Para No. 83 Committee (1996-97) [Eleventh Lok Sabha]

Action Taken

In late 1995 when M/s ANI and other agencies approached Doordarshan for uplinking facilities, the matter for fixing the rates for uplinking facilities was taken up by Doordarshan and rates for this purpose were fixed by them on 13.8.96 after making a comparative study of the rates in existence in other countries and VSNL, India. In pursuance of these rates, M/s NDTV alongwith other agencies were requested to make payment of uplinking facility charges retrospectively *w.e.f.* 22.2.95. As per calculation made by Doordarshan, an amount of Rs. 1,25,50530.00/- only is due from M/s NDTV on account of uplinking charges for the period from 22.2.95 to 31.1.98. However, M/s NDTV refused to pay these charges contending that it would be most unfair and unjudicious to levy charges retrospectively *w.e.f.* 22-2-95. According to them, no charges for uplinking were considered when the programme. 'The News Tonight' went on air. As per M/s NDTV's stance, the arrangement was that they would be given uplinking facilities free of charge while Doordarshan would have the unhindered right to use their footage. According to M/s NDTV their footage was frequently used in regular Doordarshan bulletins on various Doordarshan channels free of charge. It was further contended by M/s NDTV that if the uplinking charges are made restrospective, then Doordarshan would have to pay for the use of all the NDTV's footage used, everyday, in each of Doordarshan's various channels. This would imply Doordarshan owing M/s NDTV several crores of rupees when the footage is valued at market rates. In fact M/s NDTV have claimed that an amount of Rs. 9,19,15,161.00 is to be paid to them by Doordarshan on account of various charges for the programmes produced by them for Doordarshan. They have filed a writ petition (Suit No. 296/98) in the High Court of Delhi for the recovery of these charges. The matter is presently sub-judice.

The Programme Exchange Unit (PEU) in Dordarshan is responsible for raising the bills for providing technical facilities to the private agencies. No action was taken by them in this regard till August, 1996 as the matter was not brought to their notice till that time by the Programme/ Engineering Wing of Doordarshan.

[Ministry of I&B, F.N. 804/15/95-TV(P1),
dated 23.11.98]

Recommendation

The Committee further note that during the period when the programme was under commissioned category, the producer, as per mutual understanding, was extended the facilities of vis-news, but when the programme was brought under sponsored category, the same were withdrawn. Amazingly, the Committee's examination revealed that the facilities were actually withdrawn only from 29 March, 1993 *i.e.*, after the programme was telecast for more than three years under sponsored category. The Committee deprecate the patent failure of authorities whereby the producer was allowed to continue utilisation of the facilities at the cost of Doordarshan even after the programme was changed to the sponsored category. They desire that responsibility should be fixed for the lapses. The

Committee also desire that in the current environment where outside production of programmes has gone up manifold, it is necessary for Doordarshan to strengthen their machinery for properly monitoring the use of their infrastructure by private producers with a view to adequately safeguarding the interests of Doordarshan.

Sl. No. 14 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 84 (1996-97) [Eleventh Lok Sabha]

Action taken

As suggested by the Committee the system needs to be suitably strengthened. Doordarshan's Programme Exchange Unit is monitoring the use of Doordarshan's infrastructure by private producers with a view to adequately safeguarding the interests of Doordarshan. Prasar Bharati, which has come into existence has been requested to strengthen their machinery for properly monitoring the use of their infrastructure by private producers.

As regards utilisation of Doordarshan facilities by the producer without paying any charges, the matters is under investigation by CBI. The result of the investigation by and the action taken thereon by the Ministry/Doordarshan will be intimated to the PAC in due course.

[Ministry of I&B's, letter No. 804/15/95-TV(P1),
dated 23.11.98]

Recommendation

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

are convinced that the actual utilisation of foreign exchange by the producer in connection with the production of the programme "The World This Week" needs to be further looked into in order to ensure that the same had been spent for the purpose for which it was sanctioned/released.

Sl. No. 16 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 86 (1996-97) [Eleventh Lok Sabha]

Action taken

Department of Economic Affairs were requested to look into the matter relating to utilisation of foreign exchange by M/s NDTV in accordance with the provisions of Foreign Exchange Regulation Act. They have *inter-alia* intimated that the matter has been considered by them in consultation with the Reserve Bank of India and that authorised dealer had been releasing foreign exchange to M/s NDTV as per the relevant overseas invoices submitted by M/s NDTV and within the overall ceiling of approval accorded by the Government. It has further been intimated by the Department of Economic Affairs that the procedure for monitoring utilisation of release was in order. As per the information furnished by the Department of Economic Affairs the total amount sanctioned in foreign currency to M/s NDTV was US \$ 20,56,438.00. Against this, they had utilised an amount of US \$ 17,69,592.19. An unutilised amount of US \$ 1,17,445.81 was surrendered to RBI. Foreign exchange permit of US \$ 1,69,400.00 was not obtained from RBI.

On a proposal received from RBI, the Department of Economic Affairs have decided to remove all restrictions on shooting of films abroad including production of news related films and to allow release of foreign exchange by RBI on requests supported by suitable documents.

[Ministry of I&B's, letter No. 804/15/95-TV(P1),
dated 23.11.98]

Recommendation

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

furnished by the Ministry on the ground that these were not traceable. Although non-production of the relevant files adversely affected the examination of the subject to some extent, the Committee on the basis of the evidence available cannot but conclude that the producer was undoubtedly given preferential treatment. The change of programme from commissioned to sponsored and *vice versa* effected in 1990 and 1995 respectively when viewed in the context of the trend of revenue from this programme (para 55 of this Report) gives an unmistakable impression that the intention was always to accommodate the producer under any circumstances. The Committee deplore this unfortunate state of affairs and recommend that in the light of the facts brought out in this Report, the whole matter regarding the telecast of the programme 'The World This Week' in Doordarshan be entrusted to an appropriate Investigative Agency to be decided by the Cabinet Secretary for a thorough inquiry including loss of files. The Committee would like to be apprised of the action taken thereon within a period of six months.

Sl. No. 17 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 87 (1996-97) [Eleventh Lok Sabha]

Action taken

In compliance of the directions given by PAC the matter was referred to the Cabinet Secretariat. They have entrusted the matter to CBI for investigation. It has been intimated by CBI that during the investigation in preliminary enquiry, omission of a cognizable offence including criminal conspiracy and resultant loss to doordarshan has been revealed and on the basis of such revelations, a regular criminal case has been registered on 9.1.98 against the accused persons. The matter is still under investigation of CBI. The result of investigation by CBI and action taken thereon by the Ministry/Doordarshan will be intimated to the PAC in due course.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 23.11.98]

Recommendation

What has further agitated the Committee is that the case under examination does not seem to be an isolated one where this producer was shown undue favour. The facts emerging from the information/documents made available to the Committee in respect of the programmes "New Tonight", "South Asia News Capsule" and "Today" have been briefly recorded in paras 58 to 61 of this Report. The nature of concession extended in respect of the programme "News Tonight" and the manner in which two other programmes, *viz.*, "South Asia News Capsule" and "Today" were allowed to be telecast by-passing all the rules and procedures are suggestive of the nebulous nexus which existed between certain authorities in Doordarshan and the producer. The Committee's examination further revealed that the producer was also extended the facilities of microwave and satellite uplinking without proper record and realisation of charges leviable. The Committee cannot but express their serious concern over this state of affairs in Doordarshan. They, therefore, recommend that all these cases should also be referred to the Investigative Agency for a thorough investigation alongwith the case of the

programme "The World This Week", as recommended by the Committee in paragraph 87 of this Report with a view to finding out the elements responsible for violation of rules/norms/guidelines/procedures etc. besides having indulged in undesirable tendencies and causing losses to the exchequer. The Committee would like to be informed of the results of the investigation and the conclusive action taken thereon in the matter within a period of six months.

Sl. No. 18 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 88 (1996-97) [Eleventh Lok Sabha]

Action taken

The matter is under investigation of CBI. The Committee would be informed of the results of the investigations as soon as things are available and necessary action also be taken immediately thereafter.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 6.5.98]

Recommendation

The Committee find that apart from the subject dealt with in this report, the Comptroller & Auditor General of India's Report No. 2 of 1996 also revealed certain other cases *viz.* paragraph 3.6 relating to 'Loss due to injudicious contract' and paragraph 3.12 "Acceptance of sub-standard serial" highlighting alleged irregularities in the programmes produced by outside producers for Doordarshan. In view of these facts, the Committee are of the firm belief that the existing guidelines of Doordarshan for outside production particularly relating to selection of programme, categorisation etc. should be looked into further with a view to eliminating chances of arbitrariness/favouritism. The Ministry of I&B, subsequent to evidence have informed the Committee that efforts in this direction were under way. The Committee desire that the exercise should be expedited by the Ministry keeping in view the general impression that an atmosphere of non-accountability had been prevailing persistently in Doordarshan so far as outside production of programmes was concerned. The review of the guidelines should also take into account the quality of programmes produced/telecast by Doordarshan in the highly competitive environment in prevalence. The Committee would like to be apprised of the conclusive action taken in this regard.

Sl. No. 19¹ Appendix II of Twelfth Report of Public Accounts Committee
Para No. 89 (1996-97) [Eleventh Lok Sabha]

Action taken

The existing guidelines issued by the Government in the matter were hitherto being followed by Doordarshan. However, with the coming into force of Prasar Bharati Board, formulation of further guidelines or revising the existing ones, now fall exclusively under the purview of Prasar Bharati. Prasar Bharati were

requested to take necessary action in this regard. Action Taken by them is as follows:—

A. Commissioned Programmes

With a view to ensure that commissioning of programmes is not done indiscriminately, without relating them to the available telecast time on Doordarshan or targeting them at any specific areas of public interest, the system of empanelling was scrapped and the following guidelines have been prescribed:—

- (i) Doordarshan and Regional Kendras will first decide the subject on which it is necessary to engage outside producers to make programmes.
- (ii) Competent producers for each subject would be identified, approached and programmes assigned to them.
- (iii) The proposals submitted by these producers shall be examined by the Evaluation and Costing Committee in the Headquarters and the Regional Kendras, and a decision taken purely on the merits of each case. This Committee at the Headquarters would comprise the following:—

DG, Doordarshan
 DDG (Programmes)
 DDG (Finance) and
 CP (Central Commissioning Unit)

The Regional kendras will continue with the existing committee and the above procedure would be followed in their case also.

It should be ensured that the commissioned programmes produced as above conform to international standards of audio and video levels, besides satisfying programme requirements in accordance with the theme, format and the treatment. Programmes should meet CCIR specifications for video and chrominance levels: Typically maximum luminance; 1 volt p-p with 0.7 volts of video and 0.3 volts of syne. Pulse, Maximum Chrominance Saturation = 100%. Audio level of the programme should be within the range of -5db to +3db. Full payment would be released after a certificate to this effect has been furnished by the concerned official.

These guidelines supersede the existing instructions only to the extent they are at variance with them. The remaining guidelines will continue to be followed as before.

B. Sponsored programmes

The system of sponsored programmes was introduced with two objectives:—

- (i) to invite talented outside producers to make programmes for Doordarshan; and
- (ii) to earn substantial and commercial revenues for the organisation.

Before the formulation of Prasar Bharati, private producers submitted their proposals to Doordarshan for approval and their cases were processed according

to a set of guidelines. They were also required to pay sponsorship fee and get Free Commercial Time as per the Rate Card.

But over the years the quality of Doordarshan programmes had gone down owing to various reasons. In view of this, instead of relying exclusively on the proposals submitted by private producers on their own, some of the most eminent producers in the country were invited to make sponsored programmes for Doordarshan, and the response was most encouraging. But looking to the stature of these producers and the fact that they were invited by Doordarshan to make programmes for it, the existing guidelines were modified as follows:—

These producers were not required to deposit the processing fee or go through the maze of other formalities. Their proposals were cleared on priority so as to secure their programmes for Doordarshan without any procedural delays. But in all other aspects their proposals were duly processed by the concerned committee, they were required to submit the pilot, and a suitable time slot allotted only thereafter.

The same facility is being extended to young and budding producers who have graduated from National School of Drama and FTII etc.

C. Royalty programmes

Some producers approach Doordarshan for the telecast of their programmes which they have produced on their own and without Doordarshan's formal approval. These programmes are accepted only after their quality is examined and approved by a Programme Evaluation and Costing Committee. Thereafter royalty is paid to these producers according to the prescribed scale.

In respect of this category the existing guidelines would continue to be followed as no amendment had been made.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 23.11.98]

Recommendation

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

Sl. No. 20 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 90 (1996-97) [Eleventh Lok Sabha]

Action taken

All out efforts will be made to ensure that such cases are accorded top-priority and disposed off within the stipulated time. Instructions have been

issued by the Ministry from time to time considering urgency involved in such matters.

It is also submitted that the importance of such matters and their time-boundness is reiterated to all concerned while sending communications to the concerned offices/media units. With a view to ensure timely submission/disposal of these matters, periodical review meetings are also taken by Additional Secretary & Financial Adviser and Chief Controller of Accounts, Ministry of I&B with the officers of the various media units.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 23.11.98]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

The Committee were informed by the Ministry of Finance (Department of Economic Affairs) (DEA) during the course of examination that an amount of US \$ 20.56 lakhs was sanctioned during 1988-96 for the production of the programme. Although they were not apprised of the precise extent of utilisation of foreign exchange by the producer against the sanctioned amount mentioned above, the Committee's examination revealed certain unsatisfactory aspects arising out of sanction and utilisation of foreign exchange in such areas. During examination, the Ministry of I&B stated that the release of foreign exchange in favour of the programme to the producer was done after 16 November, 1989 by the DEA on the basis of extension in the number of episodes by the Ministry of I&B and on satisfaction of the bonafide utilisation of earlier releases. They also stated that since the DEA were directly monitoring and satisfying themselves on the issue of actual utilisation of foreign exchange released, the Ministry of I&B were not required to create any monitoring mechanism for this purpose. However, the DEA maintained that foreign exchange was released on each and every occasion to NDTV on the basis of the specific recommendations of the Ministry of I&B/Doordarshan and it was for the administrative Ministry to satisfy themselves whether the release of foreign exchange to NDTV for a particular purpose was necessary or not. While stating that misutilisation of foreign exchange, if any, will be taken care of by the provision of Foreign Exchange Regulation Act (FERA), the DEA, however, admitted that there were no specific guidelines under the exchange control regulations for release of foreign exchange for such purposes and each case is considered only on the recommendations of the administrative Ministry. The ambiguity evident in the positions expressed by the two different Ministries concerned clearly establishes that the present system of sanction of foreign exchange and monitoring of its utilisation in the type of cases under examination leaves a lot to be desired. The Committee, therefore, recommend that Government should seriously address to this issue and take appropriate measures with a view to ensuring that the scarce foreign exchange resources of the country are appropriately utilised for bonafide purposes only.

Sl. No. 15 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 85 (1996-97) [Eleventh Lok Sabha]

Action taken

The programme 'The World This Week' was commissioned in November, 1988 for 52 episodes at the rate of Rs. 2 lakhs per episode. The entire amount for the commissioned 52 episodes was made by Doordarshan in rupees only. Two sanc-

tions for release of foreign exchange to M/s NDTV were issued separately by this Ministry after the proposal of this Ministry was duly approved by Department of Economic Affairs (DEA). Out of these two sanctions, a sanction dated 3.5.88 for release of foreign exchange not exceeding US \$ 1,07,250 (equivalent to Rs. 13.95 Lakhs) and another sanction dated 25.10.89 for release of foreign exchange not exceeding US \$ One Lakh (equivalent to Rs. 16.58 lakhs) were issued. In these sanctions this Ministry had laid a condition that the producer will render detailed account of actual foreign exchange, expenditure incurred by him to the Reserve Bank of India as advised by the DEA while approving the proposals for release of foreign exchange to M/s NDTV. The producer was drawing necessary foreign exchange as per his requirement on the basis of this Ministry's above sanctions after making payment from the funds already paid by Doordarshan in Indian rupees. As already explained this Ministry was not required to create any mechanism for monitoring the utilisation of foreign exchange release to M/s NDTV. It is also submitted that the 'The World This Week' was the only programme which was given sanctions for foreign exchange. There is no case of similar nature where foreign exchange has been/is required to be released.

After the conversion of the programme to sponsored category, further release of foreign exchange were released by the Department of Economic Affairs after ascertaining the number of episodes granted to this programme.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 6.5.98]

CHAPTER IV

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

Recommendation

The Committee note that the programme 'The World This Week' produced by New Delhi Television Ltd. (NDTV) was telecast in Doordarshan from 25 November, 1988 to 28 April, 1996 both under Commissioned and sponsored categories and 291 episodes in all were telecast during the period. The programme was initially telecast under commissioned category from 25 November, 1988 till 16 February, 1990 for 52 episodes. Subsequently, the programme was telecast under sponsored category from 16 February, 1990 till 5 March, 1995 for 1986 episodes. Thereafter, the Programme was again converted back to commissioned category and was telecast from 5 March, 1995 to 28 April, 1996 for 53 episodes. The Audit Paragraph and further examination of the subject by the Committee, have revealed several disquieting aspects in the application of the Guidelines laid down for outside production of programmes in Doordarshan.

Sl. No. 2 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 72 (1996-97) [Eleventh Lok Sabha]

Action taken

It is submitted that the guidelines laid down for production of programmes by outside producers are being followed scrupulously by Doordarshan.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 6.5.98]

Recommendation

For the telecast of sponsored programme, the sponsor pays to Doordarshan such telecast fee as prescribed from time to time in Doordarshan's Rate Card on the basis of categorisation of a programme. The programmes have been categorised under 'Super A Special', 'A-Special', 'A', 'B' etc., in the Rate Card depending upon the time, day, nature etc., of programme sought to be telecast and other relevant considerations. Sponsor is entitled to utilise free of cost such period of time (known as FCT) as specified in Doordarshan's Rate Card for each category of programme. Doordarshan is also entitled to telecast commercial spot advertisement of products/service other than those of the sponsor of the programme (known as spot-buy). As per Doordarshan's Rate Card, the category of sponsorship fee, FCT and spot-buy should be uniform. The Committee note that the programme 'The World This Week' was initially approved for 52 episodes under commissioned category after which it was decided to convert it as a sponsored programme under category 'A' in January, 1990. Later, Doordarshan decided in April, 1990 to upgrade it to category 'A-Special' with effect from 1 June, 1990 taking into account the popularity of the Programme. But the producer

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

Sl. No. 3 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 73 (1996-97) [Eleventh Lok Sabha]

Action taken

The categorisation of the programme is done as per the classifications mentioned in the Rate Card. However, Doordarshan being a public broadcaster serves many social objectives such as promotion of national integration, stimulation of scientific temper, dissemination of information, to promote population control, family welfare, agricultural production, environment preservation, ecological balance etc. To achieve this objective Doordarshan telecasts programmes in various formats in order to inform, educate and entertain its viewers. The proposals like news and current affairs programmes are less preferred by the sponsors in comparison to the film and song based programmes. Besides this, it also become difficult to find sponsors for unpopular slots like early morning slots, late night slots etc. In order to sustain such programmes, Doordarshan is required to consider granting some concessions to such programmes in deviation from the provisions of the Rate Card. Moreover, with the advent of the satellite/cable channels marketing scenario in the TV industry has undergone major changes as private channels are offering lucrative and flexible packages and incentives to clients/producers to telecast programmes on their channels. All the programme exigencies arising out of this complex scenario cannot be anticipated and incorporated in the Rate Card. Thus the occasional diversion from the provisions of the Rate Card cannot be ruled out altogether. However, in order to prevent the misuse of any such relaxation, a committee consisting of DDG (C&S), DDG (F), Channel Manager DD-1/DD-2 and the Controller of Sales has been constituted which looks into the proposals requiring deviation from the provision of the Rate Card. This ensures both objectivity and fair play.

So far as the case of the programme 'The World This Week' for retaining it in 'A' category for sponsorship fee and FCT is concerned, it is submitted that if Doordarshan had persisted with its decision to continue the programme in 'A Special' category for sponsorship fee and FCT as well despite producer's reluctance to accept the new rates, in all probability, it would have resulted in the popular programme going off the air causing a real loss to Doordarshan. Moreover, continuation of this programme on Doordarshan was also considered a programme requirement.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 23.11.98]

Recommendation

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

Sl. No. 5 Appendix II of Twelfth Report of Public Accountants
Para No. 75 Committee (1996-97) [Eleventh Lok Sabha]

Action taken

As per practice, Doordarshan does not invite offers from any outside producer for any kind of programme. *Suo-moto* proposals for telecast of programmes on Doordarshan are received from outside producers and approved by Doordarshan keeping in view their programme requirement and the suitability. The slot of 9.30 p.m. was a current affairs slot and it was indicated that there were no offers from outside producers of current affairs programme to occupy the slot under the sponsored category.

Doordarshan has increased the spot buy rates in respect of some other programmes with a view to increase their revenues. These programmes are as under:—

(i) *Ramayana*:

Rate for spot buy was increased from Rs. 40,000/- to Rs. 70,000/- with effect from 7th February, 1988.

This 39 episode programme was reintroduced with effect from Friday the 9th December, 1988 at 9.00 p.m. The sponsorship fee was under 'Super A' category while the rate for spot buy was under 'Super A Special' i.e. Rs. 80,000/- instead of Rs. 65,000/- for 10 seconds.

(ii) *Mahabharata:*

The Programme was introduced with effect from October 2, 1988. The programme, though slotted on Sunday morning, was placed in 'Super A' category. The rate for spot buy of Rs. 65,000/- for 10 seconds was increased to Rs. 80,000/- with effect from January 1, 1989 (Super A Special) and subsequently increased to Rs. 1 lakh for 10 seconds with effect from May 1, 1989. The category for sponsorship was not changed.

(iii) *Vishwamitra:*

This 15 episode serial was introduced on Sunday morning with effect from October 8, 1989. The category for sponsorship was 'A Special' while the rate for spot buy was Rs. 65,000/- for 10 seconds (Super A).

(iv) *The Sword of Tipu Sultan:*

The programme was introduced with effect from 19th May, 1990 for telecast at 9.50 p.m. on Saturdays. The rate for spot buy and sponsorship was in category 'A'. The rate for spot buy was increased from Rs. 30,000/- to Rs. 50,000/- for 10 seconds with effect from 4th August, 1990. The category for sponsorship was not changed.

The rate for spot buy was increased from Rs. 50,000/- (A Special) to Rs. 80,000/- (Super A) with effect from January, 5, 1991. The category of sponsorship was upgraded to 'A Special' (instead of 'A') with effect from 20th January, 1991.

[Ministry of I&B's letter No. 804/15/95-TV(P1),
dated 6.5.98]

Recommendation

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

- (a) *Status quo* be maintained with sponsorship continuing in 'A' category as it was in the past.

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

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

Sl. No. 8 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 78 (1996-97) [Eleventh Lok Sabha]

Action taken

Doordarshan's proposal at (a) and (b) in the above recommendation of the PAC was examined carefully in the Ministry. Doordarshan's recommendation at (a) was approved by the Ministry and the proposal at (b) for making the programme of one hour duration was however rejected.

It is also seen from the records that the producer of the programme had made a representation to DG, Doordarshan on 22-9-92 against the upgradation of the category of the programme for sponsorship fee and FCT which was sent for Ministry's consideration by DG, Doordarshan *vide* his letter dated 14-10-92. It also appears from the letter dated 14-10-92 addressed to then AS&FA by DG, Doordarshan that the producer had met Secretary (I&B), AS&FA and DG, Doordarshan in connection with government's decision to apply 'A Special' category commercial rates to the programme 'The World This Week'. The records do not show whether any agreement had been reached between the producer and the officers of the Ministry in the said meeting. However, a decision for retention of the programme in 'A' category and maintenance of *status-quo* regarding the duration of the programme was taken in the Ministry on the basis of Doordarshan's proposal.

[Ministry of I&B's letter No. 804/15/95-TV (P1),
dated 6-5-98]

Recommendation

While processing the proposal in the Ministry, it was observed that since categorisation of various programmes was done by the DG, Doordarshan and in his commercial judgement, the category of this programme might remain as 'A' the Ministry had no objection in the matter. In so far as the duration of the programme was concerned, the Ministry observed that there was no case for agreeing to make it a one hour programme especially when it was only an extension. It was, therefore, decided that the duration of the programme might be maintained at the existing level, i.e. 45 minutes for non-Parliament days and 30 minutes for Parliament days. Accordingly, the decision of the Ministry to retain the programme in 'A'

category without changing the existing duration of the programme was conveyed to Doordarshan. From the sequence of events recounted above, it is abundantly clear that the decision taken in October, 1992 to retain the programme under lower category on the request of the producer was not concurred in by the Ministry, but was rather taken at the instance of the Ministry. The committee, therefore, cannot but conclude that in the instant case, the Ministry unwarrantedly interfered in the decision making process of Doordarshan.

Sl. No. 9 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 79 (1996-97) [Eleventh Lok Sabha]

Action taken

Doordarshan has been delegated full powers to rationalise its commercial rate structure/categorisation of its programmes in consultation with Internal Finance Division. This Ministry does not interfere in fixation of commercial rates of any programme. Thus, Doordarshan has been given a reasonable degree of flexibility in such matters in increasing the competitive broadcasting scenario in the country so as to make adjustment in the commercial terms to maximise Doordarshan's revenue as well as to maintain the quality of programmes telecast on Doordarshan.

As already mentioned in reply to recommendation No. 77, Doordarshan's proposal to upgrade the category of the programme for sponsorship fee, FCT and spot buys was approved by the Ministry in August, 1992. When the producer represented against Ministry's decision to upgrade the category of the programme, DG, Doordarshan did not think it appropriate to reverse Ministry's decision in order to retain the programme in 'A' category. Accordingly, DG, Doordarshan approached the Ministry to reverse its decision whereby the category of the programme was upgraded to 'A-Special'. Doordarshan's proposal was examined in the Ministry and Secretary (I&B) approved the proposal to retain the programme in 'A' category.

From the position brought out above it will be seen that the Ministry had only concurred in the proposal of DG, Doordarshan in respect of the categorisation of this programme.

[Ministry of I&B's letter No. 804/15/95-TV (P1),
dated 6-5-98]

Recommendation

The Committee were informed that Director General, Doordarshan had been given the entire financial powers of the Ministry enabling him to take decision on financial matters. During examination, the Ministry repeatedly harped on the point that Director General and other officers in Doordarshan make commercial judgements from time to time keeping in view the market scenario and that in the decision making in the cases, as the one under examination, the Ministry do not

get into such matters unless Doordarshan required their guidance or advice. The Committee are, however, unable to accept this contention considering the manner in which the decision for retention of the programme, 'The World This Week' in the lower sponsorship category was simply forced on the Doordarshan by the Ministry. Pertinently, according to the Ministry, no reference of similar nature appeared to have been made to the Ministry during the relevant period. Keeping in view the manner in which the whole issue relating to the programme, 'The World This Week' was dealt with, the role of the authorities concerned in the Ministry, in the present case, cast doubts in the mind of the Committee.

Sl. No. 10 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 80 (1996-97) [Eleventh Lok Sabha]

Action taken

As already mentioned this Ministry does not interfere in fixation of commercial rates of any programme. Since the programme 'The World This Week' was continuing in 'A-Special' category for spot buys and remained in 'A' category for sponsorship fee for quite long time (since June, 1990), DG, Doordarshan felt that the category of the programme for sponsorship fee may also be upgraded to 'A-Special' and sent a proposal to the Ministry in June, 1992 suggesting to upgrade the category of the programme. On the basis of DG, Doordarshan's proposal this Ministry decided to upgrade the category of the programme to 'A-Special'. When the producer represented against Ministry's decision, Doordarshan again approached the Ministry for retaining the programme in 'A' category. Later on, the Ministry decided to retain the programme in 'A' category for sponsorship fee on the basis of the proposal received from Doordarshan.

Ministry of I&B's letter no. 804/15/95-TV(P1),
dated 6.5.98]

Recommendation

The Committee are perturbed to note that retention of the programme 'The World This Week' under category 'A' inspite of it being fit enough to be categorised as 'A-Special' resulted not only in realisation of lower sponsorship fee to Doordarshan but also extended undue favour to the producer in terms of avilment of more free commercial time, which was not otherwise available. Lamentably, in the entire process, Doordarshan suffered an estimated loss amounting to about Rs. 4.78 crores in terms of the actual duration of each episode from the date of partial conversion of the programme to 5 March, 1995. It is incredible and yet true that the recurring loss of revenue to Doordarshan on this count did not, at any stage, engage the specific attention of the authorities concerned while granting repeated extensions to the programme. Significantly, extensions were accorded to the programme on six occasions. The Ministry contended that by raising the spot buy rate, Doordarshan benefitted

to a large extent through spot-buys at 'A-Special', rate were retained by Doordarshan. The Committee are not convinced with this explanation and are of the firm view that it is an abrasive attempt to gloss over the loss which Doordarshan actually suffered because of not enforcing the upgradation of the category of the programme itself from 'A' to 'A-Special'.

Sl. No. 12 Appendix II of Twelfth Report of Public Accounts Committee
Para No. 82 (1996-97) [Eleventh Lok Sabha]

Action taken by the Government

The initial slotting of the programme 'The World This Week' in 'A' category was done in February, 1990 as per the time zone classification in terms of the prevalent rate card. Considering the popularity of the programme Doordarshan decided to upgrade the category of the programme to 'A-Special' in May, 1990. Since these terms were not acceptable to the producer, Doordarshan decided to retain the programme in 'A' category for sponsorship fee and upgraded the category to 'A-Special' for the spot buys in order to get benefit in their earnings.

[Ministry of I&B's letter no. 804/15/95-TV(P1),
dated 6.5.98]

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

-NIL-

NEW DELHI;
26 February, 2002

7 Phalgun, 1924 (Saka)

SARDAR BUTA SINGH,
Chairman,
Public Accounts Committee.

APPENDIX

Recommendations and Observations

Sl. No.	Para No.	Ministry/ Deptt. concerned	Recommendations and Observations
9		Information & Broadcasting	<p>In their 12th Report, the Committee had highlighted several irregularities in the telecast of the programme 'The World This Week' in Doordarshan. The Committee were shocked to find that certain vital files pertaining to the programme under examination by them were also not traceable in Doordarshan. The Committee had concluded that the producer of the programme was undoubtedly given preferential treatment and in the process Doordarshan suffered an estimated loss to the tune of Rs. 4.78 crores. The unwarranted interference by the Ministry in the decision making process of Doordarshan in the instant case also raised doubts in the mind of the Committee. Deploring the sordid state of affairs prevalent in the Ministry/ Doordarshan, the Committee had <i>inter-alia</i> recommended that the whole matter regarding telecast of the programme in Doordarshan should be entrusted to an appropriate Investigative Agency for a thorough inquiry including loss of files pertaining to the programme. The Committee note that in pursuance of their recommendation, the matter was entrusted to the Central Bureau of Investigation (CBI) for investigation. In their action taken notes, the Ministry have merely reiterated what was deposed by them before the Committee. The Committee, therefore, cannot but reiterate their recommendations as categorised in Paragraph 2(iii) of this Report and urge upon the Ministry to review their action taken in the light of the outcome of CBI Report, as and when received. The Committee have been informed that during the investigation in preliminary enquiry by CBI, omission of a cognizable offence including criminal conspiracy and resultant loss to Doordarshan was revealed</p>

Sl. No.	Para No.	Ministry/ Deptt. concerned	Recommendations and Observations
			<p>and on the basis of such revelations, a regular criminal case was registered on 9 January 1998 against the accused persons. Giving the latest position of the case under investigation, the Ministry intimated the Committee that the investigation into the case had been completed, but the opinion of the learned Attorney General of India was sought on certain legal issues by CBI. On receipt of the opinion of the Attorney General of India, the final result of investigation was to be communicated to the Ministry by CBI. Even though more than five years have elapsed since the presentation of Original Report to Parliament, the investigation into the case by CBI is yet to be completed. While expressing their concern over the elongated delay in the matter, the Committee desire that the Ministry of I&B should convey the anxiety of the Committee to the CBI as to the urgency of expeditious completion of investigation into the case. They would also like to be apprised of the result of investigation by the CBI and conclusive action taken thereon by the Ministry within a period of three months on receipt of CBI report.</p>
2.	12	Information & Broadcasting	<p>The Committee note that in pursuance of their recommendation, investigation into programmes relating to "News Tonight", "South Asia News Capsule" and "Today" produced by NDTV and telecast in Doordarshan was also entrusted to the CBI. According to the Ministry, the Report was awaited from CBI. The Committee would like the Ministry of convey their concern and anxiety over the elongated delay in the investigation to the CBI and request them to expedite their report into these collateral cases as well. The Committee would like to be apprised of the action taken by the Government in the matter within three months of receipt of CBI Report.</p>

PART II

MINUTES OF THE SEVENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2001-2002) HELD ON 20 AUGUST, 2001

The Committee sat from 1500 hrs. to 1645 hrs. on 20th August, 2001 in
Committee Room "C", Parliament House Annexe, New Delhi.

PRESENT

Shri Narayan Datt Tiwari—*Chairman*

MEMBERS

Lok Sabha

2. Shri Vijay Goel
3. Dr. Madan Prasad Jaiswal
4. Shri Rupchand Pal
5. Shri Chandresh Patel
6. Shri C. Sreenivasan

Rajya Sabha

7. Shri Anantray Devshanker Dave
8. Shri K. Rahman Khan

SECRETARIAT

1. Shri P.D.T. Achary — *Joint Secretary*
2. Shri Devender Singh — *Deputy Secretary*
3. Shri R.C. Kakker — *Under Secretary*

Officers of the office of C&AG of India

1. Shri T.S. Narsimhan — *Additional Deputy C&AG*
2. Shri Kanwal Nath — *Director General (P&T Audit)*
3. Shri Sadu Israel — *Director (Reports-P&T)*

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| 3. *** | *** | *** | *** |

4. The Committee then took up for consideration the Action Taken replies on the recommendations contained in the 12th Report of PAC (Eleventh Lok Sabha) on the subject—"Lower Categorisation leading to loss of Rs. 352.30 lakhs" as furnished by the Ministry of Information & Broadcasting. The Committee were not satisfied with the replies of the Ministry in regard to the implementation of their recommendations contained in the Report. The Committee desired that the Ministry may be asked to convey the concern of the Committee to the CBI for expediting the investigation in the matter and furnish the revised action taken replies on the outcome of the investigation so that the action taken by the Ministry on the CBI report could be considered by the Committee before giving the Action Taken Report on the 12th Report of 11th Lok Sabha.

The Committee then adjourned.

MINUTES OF THE TWENTIETH SITTING OF THE PUBLIC ACCOUNTS
COMMITTEE (2002-2003) HELD ON 25TH FEBRUARY, 2003

The Committee sat from 1600 hrs. to 1630 hrs. on 25th February, 2003 in Committee Room "B", Parliament House Annexe, New Delhi.

PRESENT

Shri N. Janardhana Reddy—*in the Chair*

MEMBERS

Lok Sabha

2. Shri M.O.H. Farook
3. Dr. M.V.V.S. Murthi
4. Shri Rupchand Pal
5. Shri Kirit Somaiya

Rajya Sabha

6. Shri Santosh Bagrodia
7. Shri Prasanta Chatterjee
8. Shri K. Rahman Khan
9. Shri Bachani Lekhraj

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Shri Devender Singh — *Deputy Secretary*
3. Shri R.C. Kakkar — *Under Secretary*
4. Shri B.S. Dahiya — *Under Secretary*

2. In the absence of Chairman, the Committee chose Shri N. Janardhana Reddy to act as Chairman for the sitting under Rule 258 (3) of Rules of Procedure and Conduct of Business in the House.

3. The Committee then took up for consideration the following draft Reports:

(i) Action Taken on the recommendations contained in 12th Report of PAC (11th Lok Sabha) relating to "Lower Categorisation leading to loss of Rs. 352.30 lakh".

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| (ii) | *** | *** | *** |
| (iii) | *** | *** | *** |

4. The Secretariat briefed the Committee on the Draft Reports. The Committee adopted the Reports without any modifications and amendments.

5. The Committee also authorised the Chairman to finalise these Draft Reports in the light of verbal and consequential changes, if any, arising out of factual verification by Audit and present the same to the Houses in the current session of Parliament.

The Committee then adjourned.