

**MINISTRY OF INFORMATION
AND BROADCASTING—**

NEWSPRINT POLICY

**ESTIMATES COMMITTEE
1992-93**

TENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

EIGHTEENTH REPORT
ESTIMATES COMMITTEE
(1992-93)

(TENTH LOK SABHA)

MINISTRY OF INFORMATION AND BROADCASTING—
NEWSPRINT POLICY



सत्यमेव जयते

Presented to Lok Sabha on 12 August, 1992

LOK SABHA SECRETARIAT
NEW DELHI

August, 1992 Sravana, 1914 (Saka)

E.C. No. 1288

Price : Rs. 12.00

©1992 LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in the Lok Sabha (Seventh Edition) and Printed by the Manager, P.L. Unit, Government of India Press, Minto Road, New Delhi-110002.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I NEWSPRINT POLICY	1
— Long Term Newsprint Policy— Constraints and Prospects	4
— Allotment of Newsprint—Import oriented	7
— Physical and Fiscal Control	9
— Clubbing of Newspapers	11
— To import or produce	12
— Canalisation of Newsprint Imports	16
— Pricing Mechanism and Duty Structure	20
— Other Policy Aspects	23
— Glazed Newsprint	23
— Wastage of Newsprint	24
CHAPTER II IMPLEMENTATION OF NEWSPRINT ALLOCATION POLICY-PROBLEMS AND SOLUTIONS	31
 APPENDICES	
Appendix I	
Main features of Newsprint Allocation Policy	46
Appendix II	
Kelkar Committee Recommendations	48
Appendix III	
Name, language, periodicity and place of publi- cation, circulation claimed by the publisher as well as assessment of RNI, percentage of exagg- eration and period for which debarred from newsprint allocation	51
Appendix IV	
List of Members of Estimates Committee (1990-91)	53
Appendix V	
Statement of recommendations/observations	54

PART II*

**Minutes of the sittings of the Estimates Committee held on 18.9.90 (AN)
and 6.8.92 (AN)**

* Not printed. One cyclostyled copy laid on the Table of the House and 5 copies placed in Parliament Library.

LIST OF MEMBERS OF THE ESTIMATES COMMITTEE (1992-93)

CHAIRMAN

Shri Manoranjan Bhakta

MEMBERS

2. Shri Abraham Charles
3. Shri Rajendra Agnihotri
4. Shri Mumtaz Ansari
5. Shri Ayub Khan
6. Shri Sartaj Singh Chhatwal
7. Shri Somjibhai Damor
8. Shri Pandurang Pundlik Fundkar
9. Shri Santosh Kumar Gangwar
10. Shrimati Girija Devi
11. Shri Nurul Islam
12. Shri R. Jeevarathinam
13. Dr. Viswanatham Kanithi
14. Shri C.K. Kuppaswamy
15. Shri Dharampal Singh Malik
16. Shri Manjay Lal
17. Shri Hannan Mollah
18. Shri G. Devaraya Naik
19. Shri Rupchand Pal
20. Shri Sriballav Panigrahi
21. Shri Harin Pathak
22. Shri Harish Narayan Prabhu Zantye
23. Shri Amar Roy Pradhan
24. Shri Ebrahim Sulaiman Sait
25. Shri Moreshwar Save
26. Shri Manabendra Shah
27. Shri Mahadeepak Singh Shakya
28. Shri Rajnath Sonkar Shastri
29. Shri Manku Ram Sodhi
30. Shri Braja Kishore Tripathy

SECRETARIAT

1. Shri G.L. Batra—*Additional Secretary*
2. Shri K.K. Sharma—*Joint Secretary*
3. Shri B.B. Pandit—*Director*
4. Shri K.L. Narang—*Under Secretary*
5. Shri R.C. Gupta—*Assistant Director*

INTRODUCTION

1, Chairman of the Estimates Committee having been authorised to submit this Report on their behalf, present the 18th Report on the Ministry of Information and Broadcasting — Newsprint Policy.

2. The Estimates Committee (1990-91) undertook the examination of the subject and considered replies given by the Ministry of Information and Broadcasting to the detailed questionnaire issued on the subject. Thereafter they took evidence of the representatives of the Ministry on 18.9.1990. The Estimates Committee (1992-93) at their sitting held on 6th August, 1992 considered and adopted the Report.

3, The Committee wish to express their thanks to the officers of the Ministry of Information and Broadcasting and the Registrar for Newspapers for India for placing before them detailed written notes on the subject and for furnishing whatever information they desired in connection with the examination of the subject. The Committee also appreciated the frankness with which the officers shared their views, perception and constraints with the Committee. The Committee also wish to place on record the cooperation extended to it by various newspaper organisations like ILNA, INS, IFSMN in sharing their views with the Committee.

4. The Committee have divided the Report into two Chapters. In the First Chapter the Committee have discussed the evolution of Newsprint Policy and its current constraints and prospects. The Second Chapter dwells upon the role of Registrar of Newspapers for India, verification of circulation of figures, blocking of titles and misuse of newsprint etc.

5. In the Report the Committee have stressed the need for Government to formulate a long-term Policy for encouraging indigenous production of Newsprint based on cheaper raw material like baggasse, raw jute, sticks etc. as the country cannot remain dependent on the import of newsprint for all times to come, particularly when the demand for newsprint is bound to increase in the coming years. They have also desired that the research and development effort should be stepped up and directed at identifying such plants/trees which can be used as a cost effective raw material for production of newsprint.

6. In order to encourage consumers as well as producers in moving away from excessive dependence on imported newsprint, the Committee have pointed out in their report that bias inherent in the existing tariff policy in favour of the imported newsprint should be eliminated. To this end appropriate changes in the tariff have been recommended so as to give a clear price advantage to the indigenous newsprint provided it is environmentally compatible and ecologically harmless.

7. The Committee have also suggested that cut off mark for importing full requirement of newsprint may be brought down to 50 MT from 200 MT at present as recommended by the Kelkar Committee and in respect of newspapers entitled to newsprint more than the cut off limit consumption of domestic newsprint may be enforced only in respect of newsprint required over and above the cut off limit.

The Committee have further desired that the recommendations of the Kelkar Committee in regard to long-term policy on newsprint should be implemented without any further delay and a newsprint allocation regime based on fiscal control ushered in so as to minimise import orientation of newsprint industry.

8. In view of the decanalisation of newsprint import the Committee have also recommended that the Ministry should assist small and medium newspapers in setting up 'Newsprint Consumers Cooperatives' so that they are able to enjoy the same economies of scale as would be enjoyed by bigger newspapers. They have also desired that efforts should be made to make indigenous newsprint available to small and medium newspapers at various regional locations.

The Committee have recommended that immediate steps should be taken for rectifying the present functional imbalance in the office of RNI which should accord due importance to its statutory functions. For this purpose, human and financial resources commensurate with its tasks may be given to this organisation.

9. The Committee have also stressed the urgency of amending the Press and Registration of Books Act in order to simplify the procedure for registration of newspapers and to obviate the 'blocking of titles'. Simultaneously, they have also desired that registration work may be decentralised to make it an easy exercise for newspapers spread in the length and breadth of the country.

10. The Committee have further recommended that immediate steps, legal as well as administrative, should be taken to make the verification of circulation figures regular, effective and commensurate with the overall magnitude of newspaper industry so as to make estimation of newsprint requirement in the country realistic and to discourage the sale and purchase of newsprint outside the allocatory regime so long as Newsprint Control Order remains in force. For this purpose, they have desired that the Audit Bureau of Circulation may be made more independent and broad based and its working methodology be modernised appropriately.

11. The Committee would like to express their thanks, to the Estimates Committee (1990-91) for taking evidence on the subject and obtaining valuable information thereon. The composition of the Committee (1990-91)

(vii)

is given at Appendix IV. For facility and reference the conclusions/ recommendations have been printed in thick type in the body of the Report and have also been reproduced in consolidated form in Appendix V of the Report.

NEW DELHI;
August 10, 1992

Sravana 19, 1914 (S)

MANORANJAN BHAKTÀ,
Chairman,
Estimates Committee.

CHAPTER I

NEWSPRINT ALLOCATION POLICY

Definition of Newsprint

Newsprint is the most essential raw material for a newspaper. India has never been self-sufficient in the matter of newsprint supply. Therefore, bulk of demand for newsprint is met through imports which has necessitated regulation of its supply through a Newsprint Control Order issued in the year 1962 under the Essential Commodities Act, 1955.

1.2 Clause 2(e) of the Newsprint Control Order defines newsprint as "paper of any of the descriptions specified in Schedule-I, (of the order) used for printing and shall in odd size newsprint whether produced indigenously by any mill as specified in item 3 of Schedule-I or imported and certified to be as such by the Controller." Schedule-I of the Newsprint Control Order describes newsprint as follows:

- Which Printing Paper (excluding laid marked paper) with fibre content of not less than 70% mechanical wood pulp.
- Glazed newsprint.
- * Indigenous newsprint manufactured by NEPA Mills, Mysore Paper Mills, Hindustan Paper Corporation (Kerala Newsprint Project) and any other mill notified by the Central Government in the official Gazette as a mill producing newsprint.

Newsprint Allocation Policy — Determinant Factors

1.3 The allocation of newsprint to various newspapers, periodicals, etc. is made on the basis of Newsprint Allocation Policy which has generally been announced by Government every year. Over the years this Policy has been circumscribed by—

- (i) demand and supply imbalance;
- (ii) low domestic production; and
- (iii) Consequent dependence on imported newsprint.

1.4 The following allocations of newsprint were made between 1982-83 and 1987-88 by the Registrar of Newspapers:—

RNI ALLOCATIONS OF DOMESTIC AND IMPORTED NEWSPRINT (TONNES)

Year	Indigenous	Imported	Total
1977-78	54,000	2,07,992	2,61,992
1978-79	40,000	2,62,931	3,02,931

* This paragraph has been modified from time to time to include new units producing newsprint.

Year	Indigenous	Imported	Total
1979-80	45,000	2,97,900	3,42,900
1980-81	40,000	3,29,484	3,69,484
1981-82	54,822	3,16,796	7,71,618
1982-83	96,570	2,87,717	3,84,287
1983-84	1,63,417	2,41,442	4,04,859
1984-85	2,37,643	2,17,661	4,55,304
1985-86	2,44,265	2,40,220	4,84,485
1986-87	2,76,815	2,55,121	5,31,936
1987-88	2,95,916	3,06,670	6,02,586

1.5 Allocation of imported as well as indigenous newsprint made by RNI during 1988-89 to 1990-91 and the estimated allocation for the year 1991-92 are as under:—

1988-89	6.15 lakh MT
1989-90	5.82 lakh MT
1990-91	5.73 lakh MT
1991-92	5.85 lakh MT

The existing rate of growth of consumption is to the order of 7%.

1.6 The projected demand and supply position upto 1995 is expected to be as follows:

Projected Supply-Demand Gap - 1995.

(Lakh Tonnes)

Year	Capacity	Production	Estimated Demand	Supply-Demand Gap (Imports)
1992-93	3.53	3.36	7.87	4.51
1993-94	3.53	3.36	8.45	5.08
1994-95	3.53	3.36	9.12	5.76

1.7 The latest policy on the subject envisages a rate of growth of 7% in the consumption of newsprint in the country. Except during the years emergency (1975-76), imports during the entire decade of 70s constituted over 80% of total supply of newsprint in India. In the first two years of 1980s the proportion of imports rose still higher *i.e.* from 85 to 87%. It has further been estimated that by 1994-95 the annual import newsprint may be about 6 lakh MTs for which an amount of Rs. 600 crores in foreign exchange will be required.

* Pre-devaluation prices.

1.8 So far as the domestic production is concerned between 1970-71 to 1981-82 NEPA was the only producer. Its annual production varied from a low of 37000 tonnes a high of 55000 tonnes during this period. Since then it has improved its capacity utilisation, even exceeding marginally its installed capacity in 1987. Two new units Hindustan Newsprint Ltd. (HNL) and Mysore Paper Mills (MPM) commenced production in 1982-83 and attained fully capacity utilisation by 1986-87, by which time the Tamil Nadu Newsprint Ltd. (TNNPL) also commenced production. Total output by 1987-88 from the 4 public/state sector mills reached a record of 2.91 lakh tonnes. The private sector Rayalseema Paper which was licensed to produce 20,000 tonnes of newsprint from its existing plant produced 7000 tonnes. Thus country's total newsprint output in 1987-88 reached 2.98 lakh tonnes.

1.9 Asked about the steps Government propose to take to meet the ever increasing demand for newsprint, the Ministry in a written note stated:

“Five Mills (two in Central Public Sector, two in State Sector and one in Private Sector) are licensed for manufacture of newsprint in the country with an installed capacity of 3.13 lakh Tonnes. News-print Mill in the Private Sector has not been reporting production for some time. In addition, a capacity of 7.94 lakh Tonnes by way of Industrail Licences/Letters of Intent has been sanctioned. As per the new Industrial Policy, newsprint based on minimum 75% pulp from bagasse, agri-residues and other non-conventional raw-materials has been exempted from licensing.”

Evolution of Newsprint Policy

1.10 The Newsprint Allocation Policy has been need based and the gap between demand and supply is made up through imports. In this context the Ministry, in a written note, submitted as follows:—

“The basic principles of newsprint allocation policy being formulated by the Ministry of I&B have been:—

- (i) Self reliance
- (ii) Need-based
- (iii) Freedom of Expression
- (iv) Growth; and
- (v) Checking of misuse

Dependence on foreign countries for years to come for newsprint which is the basic raw material for newspapers by a free democratic country like ours involves no doubt a great risk for obvious reasons. Hence efforts have been on to manufacture newsprint indigenously and increase the capacity gradually.”

1.11 Newsprint Allocation Policy is a formal policy notified in the Gazette of India and the copies of which are placed on the Tables of both the Houses of Parliament. The Policy is generally announced by the

Government every year. The longest period for which the Policy had been in force is two years during 1986-88.

Asked how newspaper organisations had reacted to the short durations for which newsprint allocation policy had remained in force, the Ministry stated that no representation had been received from any newspaper organisation for changing the duration of the policy.

Newsprint Allocation Policy

1.12 The relevant excerpts from note indicating changes and corrections affected in the newsprint Allocation Policy over the years are reproduced at Appendix I.

1.13 The Ministry indicated the following circumstances which may necessitate modifications in Policy:

- (i) Availability of indigenous newsprint.
- (ii) Foreign Exchange constraints.
- (iii) Variation of ratio of imported and indigenous newsprint to be serviced to various categories of newspapers.
- (iv) Removing difficulties and problems faced by the implementing agencies, servicing organisations, and in the interest of newspapers industry — as a whole.

1.14 It was further stated that there has been no comprehensive debate in the Parliament before the Policy is finally announced every year. The subject is discussed in the Newsprint Advisory Committee consisting of Members of Parliament and representatives of newspaper organisations besides the official members representing various Ministries concerned with the subject. Their views are taken into consideration while formulating the policy.

(a) Long Term Newsprint Policy—Constraints and Prospects

1.15 The Government of India acting on the basis of recommendations, the Committee of Secretaries made in 1986, set up in 1988 an expert Committee under Dr. Vijay L. Kelkar to evolve a Long Term Newsprint Allocation Policy. The Kelkar Committee recommended a two-step policy regime, the first being in the nature of transition and the second being the totally control-free tariff based regime. These recommendations are reproduced in Appendix II.

In a note furnished to the Committee the Ministry stated that apart from the suggestions received from newspaper organisations and the evaluation made by Registrar of Newspapers with regard to the requirement of newsprint, indigenous production and foreign exchange availability, the modifications in the policy 1989-90 and 1990-91 were also based on the recommendations of Kelkar Committee.

1.16 The Ministry also clarified that the basic thrust of Kelkar Committee Report is on self-reliance in Newsprint and that in this context

the recommendations in Step-II have wider implications and involve number of Ministries/Departments of Food and Civil Supplies, Directorate General Technical Development and State Trading Corporation. Their comments have been obtained and are under consideration of the Government.

Conflicting Interests and Perceptions

1.17 In a written note to the Committee, the Ministry summed up the reaction of various newspaper organisations to the recommendations of Kelkar Committee, as follows:—

“The members of newspaper organisations representing Big, Medium and Small as well as the Language Newspaper Organisations were associated with the Kelkar Committee. Excepting the dissenting notes (attached to the report) by the members of the all India Small and Medium Newspapers Federation and the Indian Language Newspapers Association on the duty free import limit and the members representing ILNA & Indian Newspaper Society on tariff rate of glazed and standard imported newsprint, the recommendations have been acceptable to them. The All India Small and Medium Newspapers Federation was aggrieved since special concessions for small and medium newspapers were not suggested and indicated that they were not party to the recommendations of Kelkar Committee Report.”

1.18 In this context the Secretary Information and Broadcasting, Govt. of India stated during evidence before the Committee:—

“Our difficulty in respect of the Kelkar Committee arise out of dualism in the constituency that we deal with, apparently the great divergence, in the interests of the large newspapers and the small and medium newspapers, as they have been articulated to us.”

1.19 Specifying these areas of divergence and the views of the Ministry, the Secretary, I & B stated.:—

“As far as the newspaper owners are concerned, they are looking for a regime which is uncontrolled, where there are no restrictions on imports, where there are no customs duties on import, and in effect, there is really no control. The only control that probably exists is the market forces. The Kelkar Committee, if I have understood it properly, starts with the assumption that we should move towards a totally de-regulated situation in as far as the individual newspaper owner's ability to import the newsprint is concerned and should also generate the regime which would increase the production of indigenous newsprint using the

right technology. While keeping in mind the peculiarities in the country and the environmental requirements.”

The recommendations of the Kelkar Committee given as the first step were acted upon by the Government barring the move into the situation where a regime of import duties would be imposed in a manner that could lead in the future years a free market and de-canalisation from STC and at the same time would protect the home industry. This aspect at one stage in respect of some kind of newsprint has been implemented and there have been interferences from the courts and we are back to a situation where a particular kind of a duty is levied.”

1.20 These differences in perception and somewhat conflicting interests of various segments of newspapers industry were confirmed when the Committee called upon various newspaper organisations to inform the Committee about their views on the subject, as also when the Committee met some representatives of these organisations in October, 1990 at Bombay.

1.21 The Newspaper Society of India in a written memorandum (1990) to the Committee highlighted the following issues:—

“The Newsprint Control Order which was promulgated at a time when there were total imports of newsprint and the newsprint availability was scarce, needs to be rescinded and the newspaper establishments should be allowed to purchase newsprint from a source which it finds suitable. Similarly, the import of newsprint both standard and glazed should be allowed under OGL. For the purposes of free imports, the Government should, in consultation with the industry representatives estimate the requirement and allocate the foreign exchange accordingly.

The other issues relating to the Newsprint Allocation Policy like annual growth, wastage compensation etc. should be based on actuals rather than fixing a particular percentage which is far below the requirements.”

1.22 Representatives of various newspaper organisations including Indian Language Newspapers Association had discussion with the Committee at Bombay in October, 1990.

The following points emerged from this discussion:—

1. The Policy (Newsprint Allocation Policy) should conform with the policy to support small and medium newspapers.
2. Under the Newsprint Allocation Policy 1990-91 the publications allocated 250 MTs have been given 35% imported newsprint and 65% indigenous newsprint. In this case they have been given 87.5 MTs imported newsprint and 162.5 indigenous newsprint which is quite discriminatory to other newspapers.

3. For the indigenous newsprint price there should be Price Fixation Committee.
4. In the name of Freedom of Press attempts are being made by some interested parties for stopping canalising import of newsprint through the State Trading Corporation of India which should be continued.
5. There should not be any custom duty for medium newspapers.
6. RNI offices should be decentralised in five zones North, East, West, South and Centre.
7. Indigenous mills should open their sales depots in various States to enable small and medium newspapers to lift their newsprint quota from such decentralised marketing set up.
8. Central Sales-Tax should be abolished.

1.23 Some other views expressed during discussions at Bombay are as under:—

1. Canalisation of import of newsprint through STC and a controlled distribution of indigenous newsprint under the Newsprint Control Order have created vested interests and opportunities for mal-practices Control on its distribution should be dispensed with.
2. Import of newsprint should be put on Open General Licence for Newspapers and others who use this as raw material.
3. For small newspapers, Government can provide relief by means of a concessional customs duty on import.
4. Indigenously produced newsprint should also be completely decontrolled, the newsprint control order should be abolished.
5. The requirement of newsprint of the small and medium newspapers upto 10 MT should be met by imported or indigenous newsprint at the option and choice of the concerned newspaper.
6. A long term newsprint allocation policy may be adopted *i.e.* at least for three years.

(b) Allotment of Newsprint-Import oriented

1.24 Imports have been the main source of newsprint supply. At present the share of indigenously produced newsprint to meet the total requirement of the newspaper industry is estimated between 50-60% depending upon the actual performance of newsprint mills, and the rest of the quantity is to be met from imported variety. Producing all the newsprint that the country would need does not appear to be feasible in the near future. Therefore, in coming years dependence on import would increase still more.

Except for a few years in 70s the imported newsprint has been relatively cheaper. Since tariff mechanism has not been used to equate the domestic and imported newsprint price, a strict control mechanism was devised for rationing newsprint under a dual price regime.

1.25 The Newsprint Allocation Policy 1990-91 provided that:—

¹“Wherever applicable, it shall be incumbent upon the newspaper to first lift the indigenous quantity. ²(Allocations for the subsequent quarters will be made on the basis of the lifting of newsprint during the previous quarter(s) and imported newsprint shall be withheld proportionate to the quantity not lifted from the scheduled indigenous newsprint mills. Whatever quantity of imported newsprint remains withheld at the end of the licencing year on account of non-lifting of indigenous newsprint shall stand forfeited along with the non-lifted quantity of ³(indigenous) newsprint.”

Further according to that Policy:—

“A newspaper with a basic annual entitlement of 200 MT and below will have the option to obtain indigenous or imported standard newsprint either in part or in full. ⁴(The allocation of standard newsprint for a newspaper whose entitlement is above 200 MT will be as follows:

Imported	35%
Mysore Paper Mills Ltd.	19%
Hindustan Newsprint Mills Ltd. (Kerala)	19%
Nepa Ltd.	17%
Tamil Nadu Newsprint and Papers Ltd.	10%

1.26 In this context, the Kelkar Committee has recommended as follows:—

“The Committee is of the view that the indigenously produced newsprint should be consumed fully and that imports should be treated only as a supplementary measure. Therefore, the existing limit of 300 MT of imported newsprint supplied to small and medium newspapers at nil or reduced duty, be scaled down to 50 MT. This 50 MT of duty free imports shall be extended to all newspaper irrespective of the size of circulation. Any newspaper requiring over and above 50 MT, shall be subject to the indigenous and imported ratio.”

1.27 While making this recommendation (Step-I) the Committee has taken note of the fact that 50 MT would cover all small newspapers whose average circulation is 5500 copies, assuming 4 standard pages. This was expected to help in curbing the phenomenon of non-lifting of domestic newsprint.

1.28 The Committee enquired why cut off limit for allotting entire requirement from imported newsprint had been fixed at 200 MT, when

1 ‘A newspapers shall lift its allotment from high sea saies buffer stock or from indigenous mills within three months in case of imported and six months in the case of indigenous newspaper from the date of issue of authorisation.’ added in the beginning in Newsprint Allocation Policy 1991-92.

2 Substituted by ‘subsequent allocations will be made on the basis of lifting of newsprint allocated previously.’

3 Deleted.

4 Para 7.3 Substituted ‘The allocation of imported standard newsprint for a newspaper when entitlement is above 200MT will be made to the extent of 35 percent of its annual entitlement, subject to availability of foreign exchange. The balance 65 percent will be allocated from scheduled indigenous newsprint mills in Newsprint Allocation Policy 1991-92.

Kelkar Committee had recommended a cut off limit of 50 MT in this regard. The Ministry in a written note clarified that this had been done in view of the dissent notes submitted by members of the Kelkar Committee representing small and medium newspapers and the Indian Language Newspapers against this particular recommendation of Kelkar Committee.

1.29 In this context the Ministry also stated that the recommendation of the Kelkar Committee in regard to the re-classification of category of newspapers were accepted by the Government and circulation limit of big, medium and small newspapers was raised. Accordingly, the small newspapers' circulation was raised from 0-15000 to 0-25000. While fixing 50 MT of imported newsprint for all newspapers the Committee noted that it would cover newspapers with 5500 circulation of 4 standard pages. Accordingly, 200 MT would cover newspaper with 22000 circulation and thus most of the small newspapers will be covered by this 200 MT formula. The basic for this provision has been the intention to protect the interests of small and medium newspapers.

1.30 One newspaper from Calcutta drew the attention of the Committee to anomalous treatment given to newspapers requiring a little above 200 MT. It was pointed out that while newspapers requiring 200 MT of newsprint are allowed 200 MT from imported category, those whose requirement is over 200 MT *viz.* 210 MT or more, then the Ministry allows only 73.5 MT *i.e.* 35% from the imported category. Asked what was the reason for this anomaly, the Secretary of the Ministry stated in reply that... "There has to be cut-off point somewhere."

1.31 Asked if the newspapers are growing and the requirement goes up from 200 MT to 225 MT the entitlement comes to certain percentage and whether it would not lead to financial loss to the newspaper, the witness stated:—

"You are absolutely right... the cost of imported newsprint is much less. If we work out the economic factor then with 200 MT or with a small similar circulation the owner will be better off. Economically though he will not grow quickly."

(c) Physical & Fiscal Control

1.32 It has been observed from information furnished that newspaper organisations tend to prefer imported newsprint and hesitate in lifting indigenously available newsprint. Even amongst indigenously available sources newspapers have been showing preferences and, therefore Government/RNI has resorted to compulsory lifting of indigenous newsprint before allocating the imported newsprint. In this context, the Ministry were asked whether the Government has thought about replacing physical controls with fiscal controls *i.e.* price mechanism. In a written reply the Ministry (1990) stated:—

"Recommendations of Kelkar Committee in Step-II are for a policy based on fiscal measures and market determined price.

However, increase in duty or any increase in the price of newsprint is likely to be resisted by newspaper industry and the small and medium newspapers may need some protection. The recommendations are under the consideration of Govt."

1.33 The Kelkar Committee had drawn following conclusions in this regard:—

"The Allocatory Policy for newsprint has to be viewed in the broader perspective of long term options for meeting the expanding newsprint demand. The policy has to be such as to provide appropriate market signals to the domestic industry to gear up to the task of meeting this objective. Import substitution through tariff related market price should provide the appropriate signals—that there is no statutory price control regime for domestic newsprint, and yet, the price is not determined by the market. Individual retention prices based on normative costs are prescribed for each domestic producer with an added proviso of statutory allocation to ensure that domestic newsprint is lifted before the balance is allowed to be met from imports. The system does not operate satisfactorily—there is a lag in lifting domestic newsprint, as the present system implies built-in incentive towards increasing imports at the expense of even efficient domestic producer. This mainly is because the effective rate of protection on the domestic newsprint is negative if the existing policy of making available imports at negligible tariff levels continues—that an allocatory regime as it exists today is tantamount to rationing, involving Governmental intervention for fixation of quotas which is cumbersome and time-consuming. This task is further complicated as the circulation statistics received by RNI which form the basis for allocations are inadequate and not totally reliable. Many newspapers do not even approach RNI for allocations and hence their circulation is not registered by RNI—that the quantitative restrictions implicit in the allocatory policy convey wrong signals to both the producers of the newsprint as also the consumers. To the producer it implies cost plus pricing which does not provide adequate incentives to reduce costs. To the consumer the allocatory policy ensures a virtually tariff free import (Rs. 550 per tonne is less than 6% tariff and that too paid by only big and partly by medium newspapers) thus conveying the wrong signal to be profligate in newsprint imports."

1.34 When asked during evidence whether fiscal controls could not be allowed to substitute for physical control upto a certain monetary limit, the Secretary I&B stated:—

"Well, this certainly is being examined. Some of the people involved are inclined to feel including Mr. Kelkar himself that there will again be some form of regulation."

(d) Clubbing of Newspapers

1.35 Referring to the reasons for clubbing the newspapers for their entitlement for newsprint, the Ministry in a note furnished to the Committee stated that.....the clubbing provisions have been included in the Policy since 1983-84. Accordingly, newspapers having the same title, language, periodicity and ownership have been clubbed to determine the category and entitlement of newsprint. The objective of the clubbing provisions is to safe-guard the interest of small and medium newspapers. An owner of a number of editions with the same title, language and periodicity; even if his one individual edition falls in the small category with annual entitlement of newsprint below 200 MT for that single edition is definitely better off than the owner of a single edition of small newspaper. This is the reason for retention for this provision even though big newspaper organisations have been pleading for its exclusion from the Policy. But the Government could not accept their request.

1.36 Pointing out problems arising out of clubbing provision, the Indian Newspaper Society has stated that the last policy like the previous policies deviates from established principles and practices in regard to treatment of different editions of a newspaper for the purpose of calculating the newsprint entitlement as separate entities. Different editions of newspapers have been clubbed for the purpose of calculating quotas. This is unfair and not proper of several accounts. The policy denies the benefit of a lower and differential pricing followed in the case of small and medium newspapers under the scheme followed by the Finance Ministry. Editions of a newspaper, which on the basis of their individual circulation are to be treated as small and medium, are, by virtue of this clubbing provision unjustly taken to a higher category with a consequential higher cost burden to the establishment.

1.37 It has further been pointed out that the Press and Registration of Books Act, treats each edition as a separate entity and each edition is required to be registered separately and statutory returns are also required to be submitted individually.

1.38 The Kelkar Committee which also addressed itself to this issue in its report has pointed out that the objective of the clubbing provision is to provide certain safeguards to small and medium newspapers. However, newspaper publishers feel that the provision should be dropped because such a publication is given newsprint on the basis of its own performance as a single unit. It has been noted that some of them find it easier to take new titles and start new publications than trying to increase the circulation of their existing newspapers.

(e) To Import or Produce

1.39 Kelkar Committee in their report stated that the allocation policy for supply of newsprint to media industry so far followed is more import oriented. There was some rationale for this policy during the decade of 70s and early 80s when domestic production of newsprint met a very small proportion (15% to 20%) of total demand.

1.40 The demand for newsprint has accelerated (at 7% annually) and despite sizeable capacity additions during 1982-85, the gap between supply and demand is likely to widen from present 40%.

1.41 Since there is no additional newsprint capacity under active implementation (present domestic capacity being 3.1 lakh tonnes) higher level of imports each year from 1988 would be inevitable. As against 1987 imports of 2.5 lakh tonnes the country would require to import nearly 6 lakh tonnes by 1994-95 which is anticipated to cost over* Rs. 600 crores.

1.42 Evidence available suggests that domestic newsprint industry is efficient in conversion costs, yet the domestic costs are higher by 30% of cif price mainly because of inferior quality of raw materials—bamboo and hardwood—requiring higher use of chemicals for bleaching and energy as compared to U.S. and Canadian Industry. This cost disadvantage cannot be corrected since India has hardly any coniferous forests to rely upon as a source of raw materials. Besides, denudation of forests has serious ecological implications and therefore precludes any further expansion of wood based industry in the country.

1.43 Alternate raw material to sustain expansion of newsprint industry is seen in renewable bagasse which the country has in abundance. The success of Tamil Nadu Newsprint Ltd. based on this renewable raw material route has opened up a new vista and, if the country adopts a proper mix of fiscal and market related policies, India can produce all the newsprint that the country needs.

In this context the Ministry in written note stated, "Producing all the newsprint that the country would need does not appear to be feasible in the near future."

1.44 In this regard the Kelkar Committee has observed as follows:—

"It would not be in the national interest to have a growing and vigorous press media remain dependent continuously on the vagaries of international markets as also on the uncertainty of foreign exchange allocation depending upon BOP (Balance of Payment) situation."

"Even though the international market price of imported newsprint has been 20 to 30% lower than the domestic price,

* Pre-devaluation prices.

there is reason to believe that as India emerges as a large importer in view of growing consumption requirements (7% annual growth in consumption), the import bill is likely to reach over* Rs. 600 crores by the end of 8th Plan and may even be higher thereafter. The Indian entry with large orders may push up the international price, thus raising the import bill even beyond* Rs. 600 crores by 10 to 15%."

"The current level of import cannot be sustained especially if the vigorous growth of domestic press media is to be maintained at the current growth rate of 7% annual compound. This rate of growth can only be sustained through domestic production. Policy frame work should, therefore, attempt to provide a thrust in this direction for sustaining long term growth in press media."

1.45 Asked what was the risk in continuing reliance on imported newsprint, the Secretary, Information and Broadcasting stated that if there are some factors which create difficulties in the availability of newsprint, they will very seriously affect our newspaper industry.

The Kelkar Committee has further observed:

1. The Indian newsprint industry uses conventional type of raw material namely bamboo/hard-wood and produces newsprint which is inferior in quality as compared to the newsprint produced in Scandinavian and North American Countries where long fibre softwood is used as raw-material which is not available in our country. Nor is there any future prospect of such raw material becoming available.
2. The high cost differential in producing newsprint by Indian mills vis-a-vis the other newsprint producing countries is mainly due to high input of chemicals and energy costs in India (Para 4, Chapter 6).
3. The availability of raw material to sustain all future capacity expansions is the most important factor. There are only two raw material routes that could be considered. The first is conventional bamboo/hardwood and the second the renewable resource bagasse route. Conventional raw material route sustains the existing NEPA, Mysore Paper Mills, Hindustan Newsprint Ltd. for producing the newsprint besides large private paper mills providing various cultural varieties and packaging paper (Para 5 & 6, Chapter 6). The replenishment of forest resources may be possible through farm forestry and captive plantation. This possibility needs to be explored fully since even in bagasse based plants, 20% of raw material is wood/bamboo pulp from forest

* At pre-devaluation prices.

resources (para 9 Chapter 6). But forestwood requires a minimum 8 years generation cycle and denudation of forests would affect ecological balance also (Para 8 & 11, Chapter 6).

4. Bagasse is generated in very large quantities and fraction thereof if made available to produce pulp, will meet the raw material requirements of all the future capacity of paper and newsprint in the country. Bagasse is a renewable resource arising from annual cane crop and does not upset the ecological balance (para 11, Chapter 6).

1.46 In this context the INS made (1990) following submission to the Government:—

“There should be an institutional framework for the assessment and estimate of the overall newsprint requirements each year, the realistic production levels that could be achieved by the indigenous newsprint mills and the quantities that have to be imported. The newspaper industry should also be involved in this exercise and once the imports are determined, adequate foreign exchange to cover the quantity should be released by the Finance Ministry so that all the allocations are fully serviced.”

1.47 When asked whether Ministry has taken into consideration the implications of promoting indigenous newsprint production *viz-a-viz* imports in the context of forest cover in the country, the Secretary, I&B stated that even though the Ministry were conscious of this aspect no such exercise had been done. While reacting to a query regarding the soundness of the present policy of producing more newsprint indigenously while restricting its imports in the face of a 7 per cent rate of growth in demand, the Secretary I&B stated, “I agree, we must not really go beyond the point in regard to indigenisation.”

1.48 In a written reply to another question, the Ministry stated:—

“The capacity utilisation of the four mills currently manufacturing newsprint has been over 95%. The main constraints in creating new capacity relate to (i) inadequate availability of forest-based raw material and (ii) high capital cost.

The private sector is permitted to enter the newsprint industry. Several letters of Intent/Industrial licences have been granted to the private sector entrepreneurs for setting up newsprint projects. Broad banding facility has also been given to paper industry to manufacture newsprint subject to certain stipulations.”

1.49 The Committee in a note further stated that the only way out for attaining self-sufficiency is to set up bagasse based units. The Tamil Nadu newsprint mills has already proved its technical and financial viability by mixing bagasse pulp with some wood pulp. Since the bagasse is used by Sugar mills as a fuel, in case the bagasse is used as pulp, the mills have to

be supplied alternative fuel like coal or oil. In such a situation sugar mills would require financial help for replacement of machinery etc. The newsprint made with bagasse will be costlier than newsprint made from wood pulp and the difference in price with imported newsprint is likely to increase. The indigenous mills have to be protected through fiscal measures.

1.50 According to the Ministry of Information & Broadcasting the Govt. had approved the proposal for setting up of 3 more mills for manufacture of newsprint in private sector as per details given below:

Name of Units	Location	Capacity	Proposed investment (in crore)	App. time required for commencement of commercial production as reported by the Units
i) NEPA Ltd.,	Aliganj Distt. Moradabad, U.P.	88,900 tonnes	367.21	4 years w.e.f. 25.5.94
ii) Tamil Nadu Newsprint & Papers Ltd.	Distt. South Arcot (Tamil Nadu)	1 Lakh tonnes	844.00 (including investment on) the manufacture of 1 lakh tonnes of writing & printing paper)	4 years w.e.f. 6.11.94
iii) Western Maharashtra Dev. Corpn. Ltd.,	Nimgaon, Distt. Solapur, Maharashtra	1.15 lakh tonnes 3,03900 tonnes	416.00	4 years w.e.f. 31.8.94

1.51 The source of inputs such as raw materials, Chemicals, etc. and foreign exchange outgo have been reported by the units as under:

Unit	Raw materials/	Machinery	FE outgo (Rs. in crores)
i) NEPA Ltd.,	Indigenous:	Baggasse & Eucalyptus	
	Imported:	a) Chemical Pulp b) Machinery	4.29 84.16
ii) Tamil Nadu Newsprint and Papers Ltd.	Indigenous:	Baggasse & Hardwood	
	Imported:	a) Stores & Spares for maintenance	1.90
		b) Machine clothing, refiner plates doctor Blades	11.40
		c) Machinery	296.00
iii) Western Maharashtra Development Corporation	Indigenous:	Baggasses, Coal Chemicals and additives	
	Imported	Machinery	63.84

(f) Canalization of Newsprint Imports

1.52 In a written note the Ministry informed (1990) Committee that "initially" the newspapers were allowed to import newsprint against licence issued by the CCI&E. From 1974-75, however, the entire import of newsprint was canalised through the State Trading Corporation of India (STC). Newsprint imports continued to be canalised through STC upto 31 March, 1992.

1.53 Secretary, Information and Broadcasting stated during evidence:—

"Whereas large newspapers would like a situation where they are able to make their own arrangements for import, the small newspapers and some of the medium newspapers have constantly been of the view that we should do away entirely with canalisation, which was not in their interest. We have a situation where the STC seems to feel that unless the entire bulk is given to them to import, they may not be able to import that thing efficiently."

1.54 The Ministry also stated (1990) that request for decanalisation was examined but in the larger interest of small and medium newspapers as well as foreign exchange constraints the demands of the big newspapers could not be accepted by the Government.

1.55 The Ministry was asked as to what were the compulsions which led the Government to canalisation of newsprint rather than allowing import of newsprint by newspapers either directly or through other agencies and what were the advantages of present arrangements for import of newsprint. The Ministry in this regard stated there has been a persistent demand through representations as well as during meetings of Newsprint Advising Committee, mainly from large newspapers that the allocatory regime should be done away with and the newsprint import should be decanalised with OGL facility. However, representations from small and medium newspapers and language newspapers have voiced their protest against it as decalanalisation would affect their interest.

Pointing out the advantages of canalisation, the Ministry stated (1990) that under the current scheme of canalisation Government was able to:—

- (i) Monitor and achieve purchase of maximum quantities available from Rupee payment area and thus restrict the outgo of free foreign exchange;
- (ii) Achieve maximum utilisation of Indian shipping space for carriage of imported newsprint;
- (iii) Equitable distribution of newsprint to the publications, especially those in the small and medium categories;
- (iv) Full utilisation of indigenous availability of newsprint.

1.56 In subsequent note in May, 1992 on the subject the Ministry clarified the latest position in this regard as follows:—

“A note for Cabinet Committee on Political Affairs (CCPA) regarding increase in the price of indigenous newsprint had been submitted by this Ministry incorporating therein the views of the Ministries of Commerce, Industry and Finance. While considering the note submitted by this Ministry, the CCPA decided to decanalise newsprint imports. However, the Ministry of Commerce are again approaching the CCPA for reconsideration of this decision.”

1.57 The Committee enquired whether there was any difficulty in having a dual arrangement, for the small and medium newspapers the present arrangement of supply of newsprint by STC could continue if the larger newspapers feel that they were in a position to import their requirements more efficiently and effectively given the situation of fiscal controls upto a certain monetary scale then the Government could be saved of great deal of botheration and regulation also.

The witness stated in this regard that:

“....The other issue that we are addressing ourselves is the question

of decanalisation but the small newspapers say that they will not be able to make their own arrangements for buying.”

1.58 When asked why STC could not cater to their demands, the Secretary stated:

“So far the STC has been reluctant. I do not think there is reluctance on the basis of their desire to continue with the monopoly situation. They, genuinely seem to feel that the requirement of the other group of people is not really large enough for them to operate effectively in the international market.”

New Newsprint Policy

1.59 The Ministry of Information and Broadcasting in reply to Unstarred Question No. 3150 answered on 16.3.1992, stated that the Government have decided in principle, to decanalise the import of newsprint w.e.f. 1st April, 1992 and the import of newsprint will be governed by Import Export Policy that would come into force w.e.f. that date. In the Export and Import Policy announced by the Government for 1st April, 1992 to 31st March, 1997, it has been stated that ‘the newsprint is permitted to be imported only against a licence or in accordance with a public notice issued in this behalf.’

1.60 Asked about the conditions imposed for importing Newsprint under the new Import Policy, the Ministry of Information and Broadcasting stated:—

(i) In the case of those newspaper whose annual entitlement is determined by the RNI to be more than 200 metric tonnes of standard newsprint, the newspapers shall be free to import standard newsprint on the condition that for every two metric tonnes of indigenously produced newsprint purchased by them they will be entitled to import one metric tonnes of standard newsprint. Such newspapers shall submit quarterly returns, duly certified by the Chartered Accountant, to the RNI in the prescribed form, with a copy to the Chief Controller of imports and Exports.

(ii) In the case of those newspapers by the RNI to be less annual entitlement is determined by the RNI to be less than 200 metric tonnes, the RNI shall issue an Annual Entitlement Certificate for import of standard newsprint specifying the maximum quantity that the newspapers is allowed to import. If the quantity specified by the RNI is less than 50 metric tonnes, the newspaper concerned may import it in one or more instalments. If the quantity specified by the RNI is more than 50 metric tonnes and upto 200 metric tonnes the newspaper is allowed to import the permitted quantity in not less than two instalments. The first instalment shall cover only 50% of the maximum quantity allowed to be import by the RNI. the Newspaper shall submit a half-yearly return to the RNI in the prescribed form, with a copy to CCI&E.

(iii) The glazed newsprints shall be imported only by those periodicals which are regularly published and which have multi-colour printing requirements. Such periodicals shall hold a certificate of entitlement to import glazed newsprint issued by RNI. The maximum quantity of glazed newsprint that a periodical may import in a financial year shall be specified in that certificates by the RNI. The periodical shall submit an annual return in the prescribed form to the RNI, duly certified by a Chartered Accountant, with a copy to the CCI&E.

In respect of indigenous newsprint, RNI will not make individual allocations.

1.61 To a question whether after decanalisation w.e.f. 1.4.92 the newspaper will have to purchase required foriegn exchange in the open market, the Ministry of Information and Broadcasting replied in affirmative and stated that the policy does not provide any special dispensation in this regard.

1.62 Asked whether the Government had extensive discussions with the representatives of the newspaper industry before firming up its decisions on newsprint decanalisation, the Ministry stated:—

“The newspaper industry in general and Indian Newspaper Society (INS) in particular have been demanding the decanalisation of the import of newsprint. they expressed their views in the Newsprint Advisory Committee meetings. The matter has also been discussed by the Ministry of Commerce as also Cabinet Secretariat with the newspaper industry.”

1.63 In this connection Indian Federation of Small and Medium newspapers have, however, written to the Estimates Committee as under:—

(i) small newspapers cannot be bracketed with big newspapers in the matter of import of newsprint. In view of financial limitation of the small press, (i.e. the grassroot press for the grassroot public), the Federation has demanded that foreign exchange be made available to the consumer of imported newsprint wholly or as per its requirement at official rate (and not at market rate).

(ii) where a small newspaper for many other reasons likes to consume Indian newsprint, it should have the option to do so at a rate which should take into consideration the concession given to it by Rajiv Gandhi government i.e. a concession of Rs. 700/- per tonne. If this is done, it will go a long way to meet and tend to equalise the cost against freight, transport and delays in transport. (It may be pointed out that big newspapers suffer from no such disability since these are published from metropolitan towns, not interior towns.

(iii) Availability of foreign exchange at official rate should be subjected to proven consumption of imported newsprint by an individual small newspapers and in no case exceed 200 MT per annum.

In the case of new newspapers, imported newsprint should be available to the small newspapers on the same principle as above i.e. not exceeding 200 tonnes in a year subject to its furnishing infallible proof of consumption every quarter. In the case of old newspapers, consumption proof should be furnished once a year.

(iv) Small and medium newspapers organisation IFSMN/newspapers co-operatives should be recognised by government to import newsprint for their members in the category of small and medium newspapers at official rate or buy indigenous newsprint at concessional rate as outlined above."

1.64 The Federation have also submitted that small newspapers may not be treated equal to affluent sector of newspapers and industry as small newspapers are published from areas which are economically weak, distance-wise in the interior, educationally not so well served, as metropolitan towns or a few industrial towns. The advertising revenue is also limited in their case.

1.65 To a question whether there have been any other policy change consequential to de-canalisation or otherwise, the Ministry have replied in the negative.

(g) Pricing Mechanism and Duty Structure

1.66 In written reply to a question the Ministry stated that the Kelkar Committee Report (August 1988) on Long Term Newsprint Allocation Policy has concluded that the domestic costs are higher by 30% of cif price mainly because of inferior quality of raw material-bamboo and hard wood which require higher use of chemicals for bleaching and energy as compared to U.S. and Canadian Industry.

In this context, Ministry further stated:—

"There is no statutory control over the price of indigenous newsprint. Newsprint mills fix their prices from time to time taking into account the cost of production and other relevant factors. The Bureau of Industrial Costs and Prices has been conducting studies on cost and pricing of newsprint industry from time to time. The last such study was completed in January, 1990."

1.67 The Ministry in a supplementary note to the Committee also stated:—

"Chemical cost in Indian mills is considerably higher because of the inferior quality of raw material. This is a major domestic disadvantage which cannot be remedied because of the nature of raw material available in the country. The pulp produced in Western mills does not need much chemicals for brightening purposes.

Energy cost is almost double the cost in USA and Canada due to the low quality of raw material, increased use of chemicals for brightening purpose and higher rates of energy in either form of purchased electricity or fuel."

1.68 Asked what incentives had been given to indigenous newsprint industry to effect cost reduction, the Ministry stated that:—

"The following incentives have been given for reduction of cost of the indigenous newsprint:—

- (i) Import of woodpulp, wood chips and wood logs has been allowed under OGL at a low rate of customs duty.
- (ii) Newsprint is exempted from excise duty."

1.69 The Committee were informed that in the entire world only four countries *viz.* Greece, Portugal, Spain and Japan impose customs duty on newsprint. In this regard, the Ministry of Information and Broadcasting explained the rationale behind the practice of imposing customs in India as follows:—

"The rationale behind imposition of levy on imported newsprint *inter-alia* is to frame a measure of restraint in the consumption of imported newsprint, conserve foreign exchange and to provide protection to indigenous newsprint industry."

"The present rate of import duty on newsprint is Rs. 450/- PMT in the case of standard newsprint and Rs. 550/- PMT in the case of glazed newsprint. Medium newspapers are charged customs duty at Rs. 275/- PMT for standard newsprint while small newspapers are altogether exempted. The revenue realisation by standard newsprint is estimated to be approximately Rs. 15 crores during 1990-91 and that from the glazed newsprint would be approximately Rs. 2.2 crores. The contributions to the price of standard and glazed newsprint are, therefore, Rs. 450/- and Rs. 550/- PMT respectively."

1.70 It is seen from the reply to Starred Question No.329 replied on 7th August, 1991 that the newsprint mills had increased price of indigenous newsprint on 4 occasions during the last two years. Similarly price increases of imported standard newsprint were effected on 6 occasions and glazed paper on 7 occasions during this period by the State Trading Corporation. In this connection Ministry of Information and Broadcasting have furnished the following details:

"The indigenous newsprint mills have increased price of newsprint on four occasions during the last two years. The range of price increase on each occasion is given below:-

	Range of price increase
May/June, 1989	: Rs.1910-3440
May/June, 1990	: Rs.865-1044
October/November, 1990	: Rs.656-900
June, 1991	: Rs.750-1100"

1.71 To a question whether the newsprint mills asked for increase in the price of indigenous newsprint on their own or they asked for increase in price only because STC increased prices of imported standard newsprint, the Ministry replied:

"Government have no control over the prices of indigenous newsprint which are determined by commercial market forces. Indigenous mills increase their prices on their own which are subject to periodic post facto BICP studies. The mills have reported that they increased the prices of newsprint on account of escalation in input costs. However, prices of indigenous newsprint have no relationship with prices of imported newsprint."

1.72 According to Press reports State Trading Corporation proposed to levy Rs.60 crores burden on newspaper establishments retrospectively. Asked about the reasons for increasing the price retrospectively for the newsprint that had already been paid for and consumed by the newspaper industry, the Ministry stated:

"Prices are generally fixed on quarterly basis. In this case, STC proposed to cover the additional liability along with the prices for the quarter July-September, 1991. Initially, the proposal was placed before the Newsprint Price Fixation Advisory Committee on 3.7.1991, but the decision was deferred, and prices were approved only for the month of July, 1991. The next meeting of the Committee was held on 30.7.1991, where STC proposed to load the additional liability on the prices of newsprint chargeable from 1.8.1991. The prices are fixed prospectively and the deficit accrued in previous quarters is adjusted in the prices fixed for the next quarter and is made up by prospective sales.

The additional liability of over Rs.60 crores accrued due to exchange parity adjustments and rolling of credits taken under the Banker's Acceptance Facility and Special Over Draft Facility Schemes."

1.73 To a question whether the Government were aware of the adverse effect of steep increase in prices of newsprint on small and medium newspapers, the Ministry of Information & Broadcasting replied in the affirmative.

1.74 Asked as to how the Government propose to ensure that these newspapers are not closed due to this price hike, the Ministry stated:-

“Newsprint is allocated to the newspapers as per Newsprint Allocation Policy announced by Government from time to time, which is determined keeping in view freedom of Press, healthy growth of Press etc. The regular newspapers with an annual entitlement of upto 200 MT of newsprint are given the option to take imported newsprint in full. This concession is given to small and medium newspapers keeping in view the comparatively cheaper price of imported newsprint. The newspapers with an annual entitlement of 50 MT or below are given the option to take the entire quantity in one instalment as against quarterly authorisations issued generally. The newspapers with an annual entitlement of more than 50 MT but upto 200 MT are released newsprint on half yearly basis.”

(h) Other policy aspects

Glazed Newsprint

1.75 The glazed newsprint is not produced in the country. It is generally given to periodicals with multicolour printing requirements and having specialised target readership.

1.76 Import of glazed newsprint should never have been part of the allocatory policy. Even though the country does not produce glazed newsprint, there has been no attempt to assess the possibility of import substitution. The c.i.f. price of glazed newsprint in 1988-89 is reported at Rs.11,452 per tonne. With just 30% tariff domestic units would have received the appropriate signals for striving for import substitution. The current allocatory policy fails to provide any such signal.

1.77 The Kelkar Committee in its report has therefore recommended that “Glazed newsprint imports should be taken out of the allocatory regime. Imports of Glazed newsprint should be permitted on OGL with 55% tariff”.

1.78 The Kelkar Committee report also includes dissent notes by the members of the Indian Language Newspapers Association (ILNA) and Indian Newspaper Society (INS). The dissent note stated that members representing ILNA and INS did not agree with this tariff rate. ILNA felt that it would hurt small and medium magazines printed on Glazed newsprint. They desire duty free import of Glazed newsprint.

1.79 In a written note the Ministry stated that before the Newsprint Allocation Policy of 1989-90 was formulated and announced, the Government examined various proposals of Kelkar Committee including the customs duty on Glazed newsprint. After detailed examination and scrutiny, the Government in the budget proposal of 1989-90 decided to impose 30% *ad valorem* customs duty. Due to imposition of 30% *ad valorem* customs duty on glazed newsprint in the budget proposals of 1989-

90 the price of Glazed newsprint went up by about Rs.4,000 per MT. The Government expected to earn about Rs.12 crores on this account. This higher cost created hardship to the users of Glazed newsprint and hence the newspapers consuming this variety of newsprint, through their associations, had been agitating for withdrawal of this customs duty on Glazed newsprint. Some newspapers approached the Supreme Court and the Supreme Court in its interim order reduced the customs duty to 15% per MT *ad valorem*. The Government then considered the entire issue of customs duty on Glazed newsprint and finally decided to revert back to the old rate of Rs.550 per MT w.e.f. 25.1.1990.

1.80 The latest policy takes into account an overall growth rate of 5 to 7% to accommodate the requirements of fresh applicants. Same rate is assumed in regard to increase in circulation of the existing papers from the current year i.e. 1990-91, the growth rate of newspapers has been increased from 5 to 7%.

1.81 Asked as to what is the stand of the Ministry of Information and Broadcasting in regard to tariff policy for import of newsprint and as to how these tariff changes made in the Budget for the year 1992-93 are likely to affect the price of domestic newsprint, the Ministry stated:

“In the Budget for 1992-93 Customs Duty on glazed newsprint chargeable @ Rs. 550/- per metric tonne has been removed. Since glazed newsprint is not manufactured in the country, the measures may have hardly any effect on the prices of domestic newsprint.”

Wastage of Newsprint

1.82 Certain wastage of newsprint, in its use, is inherent. In newsprint generally the gross weight is taken into account. Naturally the wrapper side discs, core and reel-end cannot be taken as a part of the net weight. Similarly, there may be some wastage in the printing process itself, particularly while hanging from one colour to another. Trimming of stitched magazines and conversion of reels sheets may also cause some loss of newsprint. Moreover, newsprint may get damaged in the process of handling at ports, in the railways, road transportation and even in godowns. All these factors tend to reduce the exact number of copies that can be taken from the allotted quantity. Hence wastage compensation.

1.83 On the recommendations of the Kelkar Committee the wastage margin has been revised as follows since 1989-90;

All newspapers	7%
Magazines with Multi-Colour printing	Additional 1%
Stitched magazines (For trimming)	Additional 3%

1.84 The Ministry in a separate note clarified that “Wastage compensation norms have been revised in response to the long standing demand of the newspaper industry and the recommendations of the Kelkar Committee. As against 5%, all newspapers are given 7% additional

quantity for wastage. For multi-colour printing requirements 1% additional wastage and trimming of stitched magazines 3% additional wastage margin is being allowed in the current policy.”

1.85 In this context, the Newspaper Society in a memorandum to the Committee stated as follows:—

“The woefully inadequate wastage compensation of 7% has not been increased to a more realistic level despite our representations in the past. We may point out that ISI (Indian Standards Institution) was asked to go into the question of wastage and submit recommendations. The ISI took almost two years to complete its work and it is learnt that it had already submitted its report recommending a much higher allowance for wastage compensation. The Policy, surprisingly, has chosen to totally ignore the report of the ISI and has retained the wastage compensation at 7% itself. The wastage compensation for colour printing is 7% and 1% additional. This is grossly inadequate by any technical standards for four colour printing of newspapers and magazines. The minimum requirement is additional 1% per colour i.e. 3%. Also for periodicals which are stitched entitlement should be calculated on untrimmed size on actual basis.

The wastage compensation is proposed as under:

	Existing	Proposed
All Newspapers	7%	10%
Magazines with multicolour printing requirement.	Additional 1%	Additional 3% including newspapers
Stitched machines (for trimming)	Additional 3%	ACTUAL*

Conclusions / Recommendations

1.86 Distribution and consumption of newsprint in the country comes under the purview of Essential Commodities Act, 1955 and is therefore regulated by Newsprint Control Order of 1962. The factors underlying control over newsprint are two-fold: heavy dependence on imported newsprint and the perennial shortage of foreign exchange. Though efforts have been made to enhance indigenous production of newsprint, the existing level of production i.e. 3.36 lakh tonnes fell short of the requirement by 2.26 lakh tonnes during 1990-91, which had to be imported. In this context

* Since most magazine publishers are dependent on their printing facilities from outside sources the trimming size of each magazine would be dependent on the cut off size of the printing magazines. Accordingly, the actual untrimmed size of the magazines would need to be considered for evaluating the entitlement of a newspapers.

or less sufficient to sustain a newspaper of this size. The Committee therefore feel that in respect of newspapers consuming more than 50 MTs there is no justification of allowing entire newsprint to be imported. On the contrary it merely perpetuates the vested interest of newspapers in showing their consumption below 200 MT mark.

1.91 The Committee are also aware that de-canalisation of newsprint, in isolation from other policy reforms such as reduction in the cut-off limit for import of full requirement of newsprint and fiscal measures to make indigenous newsprint competitive, does not solve the basic problems underlying the newsprint Allocation Policy. Moreover, the Committee believe that control over newsprint allocation becomes meaningless when import of newsprint has been decanalised. In their opinion Government policy should be to move towards a situation where newsprint is a totally decontrolled commodity and the required protection to domestic newsprint industry is given through fiscal measures and market mechanism.

1.92 Considering the unwillingness of STC to continue importing newsprint for small and medium newspaper even after its decanalization and in absence of any other alternative institutional arrangement for the purpose, the Committee expect the Government to help this segment of the newspaper industry to overcome handicaps it will face under the new dispensation. For this purpose, the possibility of persuading the State Government Undertakings to step in as importers of Newsprint may be explored.

1.93 The Committee are also unable to appreciate that a newspaper, the requirement of which exceeds 200 MT mark, only marginally, ought to be subjected, to a 1:2 ratio thus loading it with a serious cost disadvantage. In this regard, they feel that the assertion of Secretary of I&B that there has to be a cut-off point somewhere appears to be the question. In their opinion the whole point, in fact, is to bring about rationalisation in the application of 1:2 ratio. The Committee are of the view that this ratio should be applied only in respect of quantity drawn by a newspaper over and above the cut-off mark.

1.94 The Committee find that large newspapers with multiple editions have been critical of the provision in the Newsprint Allocation Policy for clubbing the circulation figures of all such editions for the purpose of determining the quantum of imported newsprint such newspapers are entitled to. The Indian Newspapers Society (INS) have termed this as unfair on various counts. The Committee, are not inclined to agree with the view point expressed by INS even though it can be conceded that by having many smaller establishments for different individual editions, the newspapers do have to bear greater costs to some extent. The Committee have a sneaking doubt that the liberal cut-off mark of 200 MT adopted by the Government for the purpose of allowing import of the entire requirement of a newspaper has created a vested interest among newspapers to remain small so as to

avail of cost advantage it ensures under the present dispensation. They are, therefore of the view that if the cut-off limit is reduced, a large many problems on this account would disappear and the practice of having multiple editions and the proliferation of titles under the banner of single newspaper group would also become irrelevant. Thus, while the Committee are inclined to accept that clubbing of newspapers is a necessity, they simultaneously urge the Government to give serious consideration to their recommendation for scaling down the cut-off limit for meeting the entire newsprint requirement from imported stocks.

1.95 The Committee find that even though the present tax laws do not protect domestic newsprint industry, certain incentives like exemption from Central Excise Duty and facility of importing raw materials are nevertheless available to it. The Committee are persuaded to accept the view that even though most foreign countries have not levied customs duty on import of newsprint it is necessary to do so in India, in order to regulate the consumption pattern. They are also aware that for medium and small newspapers partial and full exemption from Customs Duty is available.

Glazed newsprint is entirely imported partly because it invites no import duty and partly because there has been no attempt at import substitution on glazed newsprint. The Committee are dismayed that though Kelkar Committee had recommended a tariff level of 55%, Government after unsuccessfully attempting to impose a 30% ad velorum duty and then reverting to the old duty of Rs. 550 metric tonnes has removed custom duty altogether in the Budget for the year 1992-93.

Wastage in consumption of newsprint is inevitable though subject to certain norms. The Committee note that on the basis of Kelkar Committee recommendations Government have raised the wastage from 5 to 7%. The Indian Newspaper Society, however, considers it as "woefully inadequate". Basing its assertion on a certain study by Indian Standards Institution the Society has demanded the acceptable wastage norm of 10%.

Recommendations

1.96 The Committee make the following recommendations:

1. The Government should adopt a policy regime which can keep dependence on imported newsprint within manageable limits. To this end all efforts should be made to ensure that the new newsprint units which have been approved recently reach production stage without any delay.

2. The recommendations of the Kelkar Committee in regard to long term policy on newspaper should be implemented without any further delay and a newsprint allocation regime based on fiscal control ushered in so as to minimise import orientation of newspaper industry. Such policy changes may be brought about as will facilitate total decontrol of newsprint within a definite time frame. To encourage greater indigenous

production of newsprint all the necessary incentives may be given for promoting bagasse based newsprint units.

3. In order encourage consumers as well as producers in moving away from excessive dependence on imported newsprint inherent bias underlying existing tariff policy in favour of the imported newsprint should be eliminated. To this end appropriate changes in the tariff may be undertaken so as to give a clear price advantage to the indigenous newsprint so long it is environmentally compatible and ecologically harmless.

4. The environmental and ecological aspects of promoting newsprint industry in the country may be examined indepth and a definite policy laid down for implementation.

5. The Ministry should assist small and medium newspaper in setting up Newsprint Consumer Cooperatives so that they are able to enjoy the same economies of scale as would be enjoyed by bigger newspapers. Simultaneously, the possibility of persuading the State Government Undertakings to step in as importers of newsprint may also be explored.

6. Efforts should be made to make indigenous newsprint available to small and medium newspapers at various regional locations.

7. The cut off mark for importing full requirement of newsprint may be brought down to 50 MT as recommended by the Kelkar Committee.

8. In respect of newspapers entitled to newsprint more than the cut-off limit consumption of domestic newsprint may be enforced only in respect of newsprint required over and above the cut off limit.

9. Customs duty on glazed newsprint should be enhanced to a level which is compatible with the objectives of Long Term Newsprint Allocation Policy.

10. Government should further review the wastage norms in consumption of newsprint in consultation with ISI and BICP.

11. Government should formulate a long-term policy for encouraging indigenous production of newsprint based on cheaper raw material like bagasse, raw jute, jute sticks etc. as the country cannot remain dependent on the import of newsprint for all times to come particularly when the demand for newsprint is bound to increase in the coming years. The Committee also desire that research and development effort should be stepped up and directed at indentifying such plants/trees which can be used as a cost effective raw material for production of newsprint. They also desire that as and when identified these trees may be popularised under 'social forestry scheme'.

12. The Committee would also like to know whether some paper mills are producing paper similar to newsprint by using waste paper as raw material and whether this paper can be brought under the purview of Schedule I of Newsprint Control Order in order to enhance the supply of indigenous newsprint.

CHAPTER II
IMPLEMENTATION OF NEWSPRINT
Allocation Policy—Problems & Solutions

A. Registrar of Newspapers

2.1 Registrar of Newspapers for India (RNI) is responsible for implementation of Newprint Allocation Policy. The other Ministries which also are involved in this process are (i) Ministry of Finance responsible for the release of foreign exchange for import of newsprint; (ii) Ministry of Commerce which determines policy for import of newsprint; (iii) Ministry of Industry responsible for expansion of indigenous capacity for production of newsprint; (iv) Scheduled indigenous mills.

2.2 R.N.I. also functions as the main coordinating agency. Giving the background of how the R.N.I. became the Controller of Newsprint, the Ministry in a note stated that "The Newsprint Control Order was issued in 1962 under the Essential Commodities Act, 1955. Since the quantity of indigenously produced newsprint was quite small and the bulk of demand was met through imports, the subject was then handled by the Ministry of Commerce. The Chief Controller of Imports and Exports (CCI & E) became the Controller of Newsprint. The Office of the Registrar of Newspapers for India determined the entitlement of newsprint for the various newspapers and recommended the same to CCI & E".

2.3 In 1976, the Registrar of Newspapers for India (RNI) was also delegated with the powers of the Controller of Newsprint. The Policy for allocation of newsprint, which was formulated by the Ministry of Commerce was first formulated by the Ministry of Information and Broadcasting in terms of a Public Notice under Import Policy for newsprint issued by the CCI & E in 1976. Ever since, the Newsprint Allocation Policy has been framed the noticed by the Ministry of Information and Broadcasting, while distribution of newsprint has been directed by the RNI.

Organisation of RNI

2.4 Registrar of Newspapers for India, an attached office of the Ministry of Information and Broadcasting, verifies and regulates the availability of titles of newspapers, registers them, verifies circulation and brings out an Annual Report "Press in India". In addition to these statutory functions under Press and Registration of Books Act this office allocated newsprint to newspapers, periodicals as per Government's newsprint allocation policy and is, therefore also responsible for monitoring and implementation of the policy. However, since 1.4.1992 when newsprint was decanalised, the role of RNI is determine the entitlement of each newspaper and has no direct role in allocating imported newsprint.

2.5 So far as newsprint allocation is concerned, RNI has been so far assisted by Deputy Press Registrar (DPR), a Deputy Secretary level officer

and Assistant Press Registrar (APR) an Under Secretary level officer. There are two Sections dealing with newsprint allocation headed by a Section Officer each.

2.6 The Sections dealing with newsprint are responsible for processing of the applications and working out the entitlement of newspapers. The Section Officers scrutinize the applications and put up the applications to RNI through APR & DPR who also in turn scrutinize the proposals before final orders by RNI subject to powers delegated to him.

All new cases for initial quota are approved by RNI irrespective of entitlement after having been scrutinized at levels below him.

2.7 In a written note the Ministry stated that the staff directly engaged for successful and time bound implementation of the newsprint allocation policy are found sufficient and that the work of RNI including allocation of newsprint are being computerised in a phased manner.

2.8 The Ministry also stated that RNI has been given adequate powers to implement newsprint allocation policy objectively. However, during evidence it was pointed out to Secretary, Information and Broadcasting that due to addition of many more functions to those originally intended to be performed by RNI, perhaps he is not able to perform his basic task *i.e.* verifying the circulation of newspapers and their registration etc., effectively. The Secretary, Information and Broadcasting reacted by stating :

“I think you are making a sound statement.”

2.9 In this context, Ministry were asked to give a separate note explaining the circumstances under which additional responsibility of implementing and monitoring newsprint allocation policy was assigned to RNI.

The Ministry in a written note stated that in addition to its statutory functions, the RNI also perform following two functions in regard to newsprint allocation policy :

- (i) Formulation of Newsprint Allocation Policy and allocation of newsprint to the newspapers.
- (ii) Assessment and certifying the essential need and requirements of newspaper establishments in regard to printing and composing machinery.

2.10 The Ministry further stated that the necessity of streamlining and simplifying the functions of RNI and procedure followed by his office, as enshrined in the PRB Act, was felt by the various bodies like the Second Press Commission, Department of Personnel and Public Grievances and the State Governments who have made various suggestions in the Information Ministers Conferences. Following the recommendations of the Second Press Commission, the Government thought it proper to amend

various provisions of the PRB Act and introduced Press and Registration of Books (Amendment Bill) 1988 in the Rajya Sabha on 5.12.1988. The proposals are primarily intended to facilitate the registration of newspapers, watching of regularity, collection of more data on the newspaper industry, more intensive circulation checks and overall streamlining of the procedure and functions of Registrar of Newspapers for India as incorporated in the Act.

2.11 The Ministry had expressed the hope that after the passing of the Bill, which is pending in the Rajya Sabha, the functions of RNI will get streamlined and the procedure of registration of newspapers etc., simplified further. However the PRB Amendment Bill has since been withdrawn from the Rajya Sabha.

Registration of Newspapers

2.12 According to proviso under Section 5 of the Press and Registration of Books Act, 1867, as amended from time to time, the Publisher and the Printer has to file declaration in form-I indicating the title, language, periodicity and other particulars to the District Magistrate/Sub-Divisional Magistrate/Dy. Commissioner of Police concerned with whose jurisdiction the place of publication and printing falls. The District Magistrate/Sub-Divisional Magistrate/Dy. Commissioner of Police, authenticates the particulars as given in the declaration after having been satisfied about the availability of the title on verification from the Office of the Registrar of Newspapers for India. After authentication of the declaration by the District Magistrate concerned, the publisher is required to bring out the first issue within 6 weeks if it is a daily/weekly and 3 months in case of publications with other periodicity failing which the declaration becomes void and a fresh declaration needs to be filed by the Publisher/the printer to publish the newspapers/periodical concerned. After completion of all the formalities as provided in the Press and Registration of Books Act, the particulars as furnished by the publisher are taken in the Register maintained by the Registrar of Newspapers for India and a Certificate of Registration is issued by him. The onus of registration of a newspapers/periodical thus lies on the Publisher. If the publisher completes the formalities, as required in the Act and submits the necessary documents like the title verification letter, authenticated copy of the declaration, first issue brought out within a stipulated period and imprint line correctly printed, the publication is registered with Registrar of Newspapers for India and Certificate of Registration is issued by him.

2.13 The Committee asked the Ministry as how much time, on an average, was taken by the Registrar to register a newspaper. The Ministry in their reply stated that after completion of Press and Registration of Books Act formalities the publisher can legally continue to publish his newspaper without registration for years. There are cases where the Publisher has approached the Office of Registrar of Newspapers for India,

after a lapse of several years for registration. Under these circumstances it was very difficult to indicate exactly the average time to be taken by the Registrar of Newspapers for India to register a newspaper/periodical. It largely depends upon the completion of Press and Registration of Books Act formalities and submission of all the necessary documents by the publisher. In most of the cases back references to the publishers become inevitable to ensure completion of all legal formalities and submission of necessary documents. In a large number of cases, the publisher takes lot of time to furnish the required documents to complete the legal formalities. Assuming that all legal formalities have been completed and required documents have been submitted in one go and there is no back reference, newspapers can be registered in a week's time but this happens very rarely.

(b) Blocking of Titles and Delays in Distribution

2.14 During evidence the Committee wanted to know the reasons for delay in registration of newspapers. The Secretary, I&B explained the position in this regard as follows :—

“It is not for RNI to do it, as such. The declaration form has to be filled in a Court of Law. Over a large number of years some 2 lakhs titles are blocked because they are registered with us. There is a certain degree of lacuna in the law which does not enable us to release the titles. It result in a situation where people have to come to us again and again with the title. We keep on telling them that particular title is blocked. It is a vexatious process.”

2.5 Asked what could be done to reform the procedure so as to make the whole process less vexatious, the Secretary, I&B stated :—

“It needs an amendment in the PRB Act.”

The practice of verifying titles form District Magistrate before being allotted to a newspaper/periodical is followed to enable the District Magistrate concerned to authenticate the declaration filed before him by a publisher intending to start a newspaper under Section 6 of the PRB Act, which *inter-alia* states that “Each of the two originals of every declaration so made and subscribed as is aforesaid shall be authenticated by the signature and official seal of the Magistrate before whom the said declaration shall have been made. It has been further provided in the law that where any declaration is made and subscribed under Section 5 in respect of a newspaper, the declaration shall not, save in the case of newspapers owned by the same person, be so authenticated unless the Magistrate is on inquiry from the Press Registrar satisfied that the newspaper proposed to be published does not bear a title which is the same as, or similar to, that of any other newspaper published either in the same language or in the same State.

2.16 The Ministry had also state that a large number of intending publishers get the availabilities of titles verified and cleared by RNI through the Distributor concerned but do not file the declaration for

bringing out the newspaper. It may be relevant to point out here that a large number of titles, approximately 1.80 lakhs were verified and cleared but only 27,054 newspapers stand registered with RNI as on 31st December, 1989. This indicates that a large number of publishers did not file their declarations but got the titles cleared from RNI. The title once verified and authenticated remains to be with the publisher till it is surrendered or transferred in the name of other persons. Thus, a title once certified cannot be given to any other person. This causes blocking of a large number of titles. Provision of overcoming this situation has been made in the Amendment Bill to the PRB Act.

2.17 While enumerating the objectives and reasons for introduction of the amendment proposals for the Press and Registration of Books Act, important amendments in the Bill concerning deblocking of the titles are stated below:

- (i) It is proposed to facilitate the commencement of publication of a new newspaper further. At present, an intending publisher has to apply to the Registrar of Newspapers for India through the District Magistrate concerned for the title, he has to file a declaration before the District Magistrate concerned personally and the publication can be commenced only after the declaration is authenticated by the District Magistrate. It is proposed to amend this procedure by providing that the intending publisher may apply directly to the Registrar of Newspapers for India, and after obtaining a title, he may file a declaration before the District Magistrate. His personal appearance before the District Magistrate has been made optional and he will be at liberty to commence the publication of the newspaper pending authentication of the declaration by the District Magistrate.
- (ii) A large number of titles (approximately 1.80 lakh) are lying blocked. It is proposed to amend the relevant provision to de-freeze them with the result that not only the intending publishers will have a wider choice of titles, but the Registrar of Newspapers for India will also be in a position to dispose of applications for title more expeditiously.
- (iii) Unlike in the past, the titles of publications which cease to have valid declaration in terms of the Act will now be available to other applicants, if they so desire. However, care has been taken to ensure that the previous owner of the title will continue to be responsible for any legal liability arising in respect of the period when the title was vested with him.

Verification of Circulation Figures

2.18 The Kelkar Committee has reported that a large number of newspapers do not give the statements required under law to be submitted to R.N.I. indicating therein, the various details about the newspaper including the circulation figures. In many other cases it is observed that the large number of newspapers do not give their statement to the RNI. In many other cases the circulation figures are not supplied. For example as on 31.12.1989 RNI is reported to have 27054 newspapers registered with him while the circulation was made known in respect of only 6858 newspapers. This means that the circulation of more than 70% newspapers in the country is not known. This poses difficulty in projecting the demand for newsprint in a realistic manner.

2.19 In this context Secretary, Information and Broadcasting stated during evidence before the Committee that "It is a fact that there is a very large discrepancy in the sense that the number of newspapers registered with the RNI is vastly larger than the newspapers regarding which we have the circulation figures. However, it is a fact that it is not as if all the newspapers who get registered are forced to give us circulation figures."

2.20 He further stated, "As a matter of fact, the non receipt of circulation figures by us would result primarily in non-availability of allocation of newsprint from RNI and that is all about it."

It was further stated during evidence that even though there was a penal provision for not furnishing circulation figures to RNI, these provisions are not applicable in a practical sense because all that the newspapers daily lose is an opportunity to seek the newsprint and if they are not seeking it then barring the fact that somebody can prosecute them, nothing really much can be done." Asked whether anybody had been taken to court, the Secretary, Information and Broadcasting replied in negative. Asked whether RNI needs additional power for this purpose, the Secretary, I&B stated: "It is not so much the law that is lacking. It is our inability to implement the law which is lacking. We cannot really prosecute any newspapers for this purpose. We cannot do the policing that the law envisages."

2.21 The Ministry of Information and Broadcasting was asked as to whether there was any scientific verification of circulation of figures furnished by the newspapers. The Ministry in their reply stated that the verification of circulation claim of the newspaper is a statutory function of the Press Registrar performed in exercise of the power under Section 19(F) of the Press and Registration of Books Act, 1867 as amended from time to time. This function is discharged by him with the help of the Senior Circulation Officer (Group 'A') who in turn is assisted by five Circulation Officers (Group 'B')—one each at Bombay, Calcutta and Madras and two at New Delhi.

2.22 The Circulation check of the newspaper is carried out under the order of Press Registrar in certain order of priority which, at present, is as under:

- (i) Those in receipt of newsprint quota;
- (ii) Those getting Directorate of Advertising and Visual Publicity (DAVP) advertisements.
- (iii) Complaint cases by VIPs etc. and
- (iv) Cases referred to by the Press Information Bureau (PIB), State Governments etc.

2.23 The circulation check can be conducted either by examining the documents to be called for from the publisher or by conducting spot check at the premises of the publisher / printer as decided by RNI.

The publisher is asked to submit the documents within 21 days of the receipt of notice. If the documents are not received within the stipulated time, a further notice is issued to send the documents within 15 days of the receipt of the second notice. A third notice is also issued (in case where documents are not received even after second notice) with a time of 10 days for submission of documents. The extension of time for submission of documents is also allowed on valid and convincing grounds. In case, documents are not received in spite of three notices, and even after extension of time at the request of the publisher, the claim is declared as unestablished.

2.24 The Ministry further stated that within the resources, circulation claim of newspapers mentioned above can be checked once in every three years. However the benefits of checking the circulation of those newspapers outside the above categories may not be commensurate with the expenditure involved. The efforts were nevertheless on to increase the circulation team and three new offices at Bangalore, Bhopal and Lucknow are proposed to be opened during the Eighth Plan which will increase the capacity to check more newspaper with increased frequency.

2.25 During evidence it was pointed out that out of 23000 odd registered newspapers the RNI's office was in a position to check only 600 to 800 newspapers annually because of staff limitations.

Misuse of Newsprint

2.26 The Kelkar Committee in its Report have stated that not all the Newspapers registered with the RNI apply for newsprint allocation. For example, during 1987/88, 2354 newspapers received newsprint from the RNI. Interestingly, some of the newspapers taking newsprint were also found not disclosing their circulation at the time of filing the annual return. Hence there seems to be no relationship between the circulation claim of the newspapers and the newsprint demand.

2.27 It is apparent therefore that only about 10% of the newspapers in the country approach RNI for allocation of newsprint. There is reason to

believe that many newspapers, if at all they are in circulation, obtain their requirement outside the allocatory regime.

2.28 In this context, the Secretary, Information and Broadcasting during the evidence before the Committee stated that non-availability of circulation figures of newspapers is not a problem as far as requirement of newsprint is concerned.

2.29 In a post-evidence not submitted to the Committee the Ministry informed the Committee that there are 19 dailies and 3 periodicals debarred from newsprint allocation during last three years. This list (Appendix-III) indicates the name, language, periodicity and place of publication, circulation claimed by the publisher as well as assessment of RNI, percentage of exaggeration and period for which debarred from newsprint allocation.

2.30 The Ministry were asked as to how verification of newspaper circulation was actually done. The Ministry in a written note stated that the following points are seen during verification of circulation claim:

- (i) Whether printing press (where paper is printed) is capable of printing the claimed circulation.
- (ii) Whether sufficient stock of newsprint was available with the publisher for printing of the claimed circulation and the purchase of newsprint from STC or local market is justified with reference to purchase bills, transport bills, payment receipts, cutting bills etc., and consumption of newsprint to justify the claimed circulation.
- (iii) Whether distribution of each issue is justified with reference to details of agents, hawkers, subscribers, mode of despatch to outstations etc.
- (iv) Whether the receipts and expenditure during the year under check as shown on the Profit and Loss Account are sufficient to cover the claimed circulation.

Procedure for Allotment of Newsprint

2.31 The Ministry informed the Committee that Newsprint is allocated to the Newspapers, periodicals which apply therefor. In case of delay in finalisation of the Policy, due to certain unavoidable reasons, generally one quarter's quota based on the last years' entitlement is released on request by the publishers as adhoc advance from April, the first month of the licensing year. After Policy is announced the formal application received with necessary on documents before the last date, is processed and annual entitlement for the licencing year is finalised. The same is released on quarterly / half-yearly / annual basis as the case may be as per the Policy provisions—both in imported and indigenous newsprint. The procedural steps that a newspaper has to go through before the newsprint reaches its Godown are indicated to by the following flow chart.

1. The formal application submitted to the Registrar of Newspapers for India (RNI).

2. Processing of application and finalisation of entitlement by RNI.

3. Authorisation letter issued by RNI, to

I Indigenous Mills / Publisher	II STC(Imported Newsprint / Publisher)
(i) The publisher sends firm order / arranges payment	(i) Issues allocation Order on
(ii) The mill starts servicing on receipt of the firm order / payment from the publisher.	(ii) (A) High Sea sale (75%) (B) Buffer stock (25%) to the depot
(iii) Newsprint is despatched by the Mill—by rail / road as arranged by the publisher to the place of publication / printing.	(iii) (A) High Sea Sale (a) On receipt of L / C order is placed to foreign suppliers who ship the material as per schedule;
iv) Received by the publisher at the place of publication / printing by rail / road transport.	(b) publisher is informed about the expected date of arrival of the ship & clearance of documents; (c) after payment / clearance of documents etc. the material is taken from the ship and transported to the place of publication / printing by the publisher.
	(B) Buffer Stock. (a) On receipt of payment by the Depot Manager, Supply is made to the publisher. (b) Transport is arranged by the Publisher to the place of publication / printing.

2.32 The Ministry of Information and Broadcasting have informed the Committee that the total number of new newspapers / periodicals—big.

medium and small to whom glazed / standard newsprint was allocated during 1990-91 was 1,917. The State-wise detail is given as under:

"Name of the State	No. of Paper
Andhra Pradesh	62
Assam	13
Bihar	446
Goa	1
Gujarat	39
Haryana	21
Himachal Pradesh	5
Jammu & Kashmir	14
Karnataka	131
Kerala	40
Madhya Pradesh	172
Maharashtra	77
Manipur	1
Meghalaya	2
Mizoram	—
Nagaland	4
Orissa	13
Punjab	44
Rajasthan	68
Tamil Nadu	288
Tripura	1
Uttar Pradesh	184
West Bengal	47
Delhi	243
Andaman & Nicobar	—
Chandigarh	1—
Total	1,917

2.33 Asked whether the established norms like asking for the issues etc. were followed as per para 7.5 of the Newsprint Allocation Policy in all these above cases, the Ministry stated:—

“Para 7.5 of the Newsprint Allocation Policy for 1990-91 provides that only regular periodicals which have multicolour printing requirement may be allocated glazed newsprint and/or super calender cream wove paper subject to foreign exchange availability. Fresh applications will be considered on merits. When this para is read with para 4.4(a), a fresh applicant was to be given an initial quota of newsprint for four months as determined by the Registrar of Newspapers for India upon his satisfaction of the projection of circulation by the applicant subject to a maximum of ten thousand copies. The office of RNI allocated initial quota of newsprint for four months as applicable under the Policy only on production of a specimen copy of the newspaper/periodical alongwith the application in Form No-III as required under the Policy. A newspaper was given 5 MTs of imported variety and balance in indigenous as was applicable under the Policy. With regard to newspapers/periodicals which had multicolour printing requirement, as determined on the specimen copy produced by the publisher, the initial quota for four months was issued on the basis of projected circulation in the form NP-III.

Even the small offer of 5MTs of imported newsprint towards initial attracted a large number of applicants. However, this trend was arrested during 1991-92 by declubbing the bi-weeklies and tri-weeklies from periodicals and treated on par with dailies, thereby making them ineligible for the allocation of glazed newsprint. Also, the concept of initial quota was dispensed with and a fresh applicant was required to get itself registered with the RNI and run on its own for atleast one year before making the application for allocation of newsprint. After the Newsprint Allocation Policy for 1991-92 was announced, the quantities of initial quota released during the earlier part of 1991-92 were adjusted at the time of release of regular allocations under the Policy for 1991-92. Thus the foreign exchange outgo on account of abnormal increase in demand for imported newsprint from fresh applicants was halted during 1991-92.”

2.34 The Ministry of Information and Broadcasting have intimated to the Committee that the total quantity of glazed newsprint/standard newsprint allocated to these 1917 new newspapers/periodicals is as under:

Glazed	—	15,119.46 MTs
Standard	—	5,276.30 MTs
Indigenous	—	7, 156.01 MTs
Total	—	27,551.77 MTs

2.35 Asked whether it is a fact that most of the glazed newsprint/standard newsprint was allocated to these new newspapers/periodicals during the last quarter of the year 1990-91 and if so, what were the reasons for that inproportionate allotment particularly because there was no last date for licensing year like regular newspapers in these cases, the Ministry replied:

“It is the publisher of a newspaper/periodical who decides when he wants to approach the RNI for the allocation of newsprint. Newsprint allocation is made to those who applied for it and completed the formalities required under the Policy. Even if many of the publishers approach RNI during the last quarter for allotment of newsprint RNI has to make allocation.”

2.36 The Ministry of Information and Broadcasting have given the details about the total amount of foreign exchange involved in allotment of the glazed/standard newsprint of these newspapers as under:

“The amount of foreign exchange utilised by these newspapers depends on the actual quantity lifted by them against RNI’s allocation. It has been confirmed from RNI that as per the information supplied by the State Trading Corporation, which is the canalising agency for the purpose of distribution of imported newsprint, 1379.18 MTs of glazed newsprint and about 2,000 MTs of standard newsprint was lifted by the publishers towards the initial quota for 1990-91 at the rate of Rs. 17,772/-per MT (CIF cost) for glazed and Rs. 11,349/- per MT for standard newsprint. The total foreign exchange involved for purchase of newsprint by these newspapers was Rs. 4.72 crores.”

Conclusions and Recommendations

2.37 The Committee note that the Registrar of Newspapers helps in formulation of Newsprint Allocation Policy and is also responsible for its implementation and monitoring. In this endeavour he is required to coordinate with various other Ministries and agencies of the Government. The Committee, however, have not been apprised clearly whether RNI has been accorded appropriate status and independence of action to enable him to perform his duty of coordination effectively. As Registrar of Newspapers is an attached organisation of Ministry of Information and Broadcasting, it is obvious to the Committee that his interaction with other Ministries and agencies of the Government takes place through the Ministry of Information and Broadcasting thus making the chain of communication more elongated and the task of coordination more complicated.

The Committee find that Registrar of Newspapers of India is essentially a creation of Press and Registration of Books (PRB) Act, 1867 and is required to perform certain statutory functions apart from the implementation of

Newsprint Allocation Policy. They are inclined to believe that the disproportionate attention of RNI towards non-statutory functions over the years have resulted in relative neglect of the statutory functions of this organisation such as registration of newspapers, verification of circulation figures etc. It is obvious that implementation of Newsprint Allocation Policy was entrusted to the RNI keeping in view the administrative advantage he had in this regard through performance of these statutory functions. The Committee therefore, conclude that RNI has not been able to cope up with its primary task of registering newspapers and verifying circulation figures thereby weakening the very rationale on the basis of which implementation of Newsprint Allocation Policy has been left under its care. The Committee would like to express their unhappiness at this apparent imbalance in the functioning of RNI and the delay in correcting the same. They have, however, been informed that Press and Registration of Books (PRB) Act is being amended to streamline and simplify the functions and procedure of RNI. Bill has since been withdrawn.

2.38 The onus of registration of a newspaper/periodical lies on the publisher. The Ministry have stated that after all legal formalities have been completed and required documents have been submitted in one lot, newspapers can be registered in a week's time. The Committee, however, regret to note that this happens very rarely. Invariably the process takes a longer time and in some cases it even takes years to decide. The Committee find that this is mainly on account of non-availability of titles as almost 2 lakhs titles stand blocked with the RNI as of now, resulting in a situation where people have to go to RNI again and again, with a new title which can be approved only if it has not already been blocked by someone. Phenomenon of blocking becomes evident if one considers that only 27054 newspapers have been registered with RNI upto the end of 1989. Blocking of titles is apparently due to certain lacunae in the PRB Act. The Committee are distressed to note that blocking of titles has held up registration of a large number of newspapers.

2.39 The Committee find that 1917 Newspapers/periodicals—big, medium and small were allocated 15119.40 MTs of glazed and 12432.31 MTs of standard Newsprint (5276.30 MTs imported and 7156.01 MTs indigeneous) during 1990-91. Out of this quantity allocated, 1379.18 MTs of imported Glazed newsprint (rate Rs. 17772 per MT) and 2000 MTs of imported standard newsprint (rate Rs.11349 per MT) costing Rs. 4.72 crores in foreign exchange was lifted by the publishers towards the initial quota for 1990-91. From the State-wise details, the Committee note that the maximum number of newspaper/periodicals to whom the newsprint was allocated, was from Bihar (446) followed by Tamil Nadu (288), Delhi (243), UP(184), MP(172) and Karnataka (131). As regards allotment of most of the glazed

and indigenous newsprint during the last quarter of the year, the Committee are surprised to note the reply of the Government that "It is a publisher of a newspaper/periodical, who decides when he wants to approach the RNI for the allocation of newsprint and even if many of the publishers approach RNI during the last quarter for allotment of newsprint, he has to make allocation". The Committee are unhappy over this state of affairs.

2.40 The Committee have also been informed that para 7.5 of the Newsprint Allocation Policy for 1990-91 provided that only regular periodicals, which had multi-colour printing requirement might be allocated glazed newsprint subject to foreign exchange availability and the fresh applications were to be considered on merits. However, as per para 4.4 (a) of the policy a fresh applicant was to be given an initial quota of newsprint for four months as determined by Registrar of Newspapers for India upon his satisfaction of the projection of circulation by the applicant subject to a maximum of 10,000 copies. The office of RNI allocated initial quota of newsprint for four months only on production of specimen copy of the Newspaper/periodical alongwith the requisite application and the Newspaper was given 5 MTs of imported variety and balance in indigenous as was applicable. The Ministry of Information and Broadcasting have admitted that even this small offer towards initial quota attracted a large number of applicants. The Ministry have however stated that this trend was arrested during 1991-92 by de-clubbing, byweeklies, tri-weeklies from periodicals and treated on par with dailies, thereby making them ineligible for the allocation of glazed newsprint. The concept of initial quota was also dispensed with and a fresh applicant was required to get itself registered with the RNI and run on its own for atleast one year before making the application for allocation of newsprint.

2.41 The Committee are disappointed to find that even though over 27000 newspapers have been registered with the RNI, circulation figures are apparently known in respect of 6858 newspapers only. The Kelkar Committee has pointed out that only about 10% of the newspapers in the country approach RNI for allocation of newsprint. The Committee are of the considered view that this situation cannot but pose serious difficulty in projecting the demand for newsprint on a realistic basis. Besides it also indicates the existence of a market outside the newsprint allocatory regime. The Committee also note that owing to staff limitations RNI is not in a position to verify the circulation figures of more than 600 to 800 newspapers in a year. The Committee cannot but express their deep concern at the lackadaisical approach of the Government towards the problem despite the Government being aware of this distortion in the allocatory regime. Nobody seems to have been penalised so far for not furnishing or furnishing incorrect circulation figures to RNI. The Secretary, I & B attributed this to the inability of RNI to implement the law as, according to him, it was not possible to do the policing envisaged in the law. The Committee are deeply perturbed over the above state of affairs and are amazed at the complacence

shown by the Government in this regard. However, they hope necessary legal and administrative measures will be adopted to overcome this unedifying situation.

Recommendations

2.42 The Committee make the following recommendations:

1. The Ministry of Information and Broadcasting should examine as to how effectively the Registrar of Newspapers in India (RNI) in its present status and organisation, is able to coordinate effectively with various other Ministries for smooth and speedy implementation of the Newsprint Allocation Policy.

2. The Government should take immediate steps for rectifying the present functional imbalance in the office of RNI and accord due importance to its statutory functions. For this purpose human and financial resources commensurate with its task may be given to this organization.

3. PRB Act may be amended with a sense of urgency in order to simplify the procedure for registration of newspapers. Simultaneously the registration work may also be decentralised to make it an easy exercise for newspapers spread in the length and breadth of the country. The PRB Act may also be amended so as to obviate the blocking of titles.

4. Immediate steps, legal as well as administrative, should be taken to make the verification of circulation figures regular, effective and commensurate with the overall magnitude of newspaper industry so as to make estimation of newsprint requirement in the country realistic and to discourage the sale and purchase of newsprint outside the allocatory regime so long as Newsprint control order remains in-force.

5. The Audit Bureau of Circulation may be made more independent and broad based and its working methodology be modernised appropriately in order to have an effective assessment of circulation figures of newspapers.

6. (a) The Government should devise a suitable method to ensure even flow of glazed/standard newsprint to the publishers of the newspapers/ periodicals.

(b) The impact of the policy changes introduced during 1991-92 and in the beginning of 1992-93 may be studied particularly in regard to elimination of various malpractices like bogus consumption and alleged sale and purchase of newsprint outside the allocatory regime. The results of the study may be intimated to the Committee within a period of six months.

APPENDIX I
(Vide Para 1.12)

Main Features of Newsprint Allocation Policy

The broad parameters of the policy are

- licence imports;
- determine eligibility for use of imported newsprint
- determine entitlement of each newspaper unit.

Licensing Period

Until 1984/85 Newsprint Allocation Policy was formulated and announced on annual basis. The finalisation of the Policy for 1985/86, however, took some time and it could be announced only on 13th November, 1986. Since the licensing year was already over, the ad-hoc allocations of newsprint made to the newspapers from time to time were regularised as per the Policy for 1984/85. The new policy announced was made effective for 1986/87 and 1987/88. Since then, the current Newsprint Allocation Policy is being announced annually.

Eligibility

Initially any regular newspaper or periodical applying for newsprint was allowed to procure it, barring certain categories like journals published primarily to promote the sale of goods or services, house journals/magazines brought out by undertakings, firms/industrial concerns, price lists, catalogues, lottery news, racing guides, sex magazines, publications for free distribution, fiction, school and college magazines etc. However, the school and college magazines were made eligible from 1983/84. The two year Newsprint Allocation Policy for 1986-88 provides that a newspaper or periodical must be registered with the RNI to be eligible for newsprint allocation. A minimum level of regularity has however, been always insisted upon. Initially, it was 25%, which was raised to 50% in 1980-81. From 1982/83 onwards, the minimum requirement for dailies has been 90% and for other 66-2/3%. This explains why only 10% of newspapers have been approaching RNI for allocation of newsprint. Emphasis on regularity and its monitoring by RNI is a mechanism that ensures a degree of genuineness of the demand claimed by newspapers.

The basic entitlement is determined on the actual performance of the newspaper during preceding year. The actual size, average circulation, average number of pages and average number of publishing days are taken into account. One time revision of entitlement during the licensing year is also allowed on the basis of increase in circulation and page numbers.

Fresh Applicants

Any newspaper or an existing newspaper applying for newsprint for the first time is treated as a fresh applicant. It is given indigenous newsprint for the first 12 months as, its initial quota subject to a maximum of 10,000 copies per issue of 8 standard pages. Until 1985/86, any newspaper running on its own for 4 months and applying for newsprint was given imported newsprint, as it was treated as an existing newspaper. Following the recommendations of the Kelkar Committee, newsprint is being given to the fresh applicants initially for four months and subsequently for the total period of six months based on the performance of the first three months. Newsprint upto 5 MT is given in imported variety while balance is given in indigenous variety. Since 1988-89, due to the introduction of the liberal provision, the number of applications from new newspapers has increased considerably.

APPENDIX II
(Vide Para 1.14)

KELKAR COMMITTEE RECOMMENDATIONS

Step I

Continue the existing policy for two more years with following modifications:

(i) The Committee is of the view that the indigenously produced newsprint should be consumed fully and that imports should be treated only as a supplementary measure. Therefore, the existing limit of 300 MT of imported newsprint supplied to small and medium newspapers at nil or reduced duty be scaled down to 50 MT. This 50 MT of duty free imports shall be extended to all newspaper irrespective of the size of circulation. Any newspaper requiring over and above 50 MT, shall be subject to the indigenous and imported ratio. In recommending this measure, the Committee has taken note of the fact that 50 MT would cover all small newspapers whose average circulation is 5500 copies, assuming 4 standard pages. Therefore, the interests of the small papers will not be affected. This may also help curb the phenomenon of non-lifting of domestic newsprint.

(The member representing All India Small & Medium Newspaper Association/Federation did not agree with this recommendation and desired the duty-free import limit to be raised to 100 MT. The representative from ILNA desired the limit to be raised to 200 MT.)

(ii) Any consumption of reject newsprint by the newspapers over and above their newsprint allocation quota may be considered for excise duty exemption. This may help the newsprint mills to sell reject newsprint to parties not covered under RNI allocations.

(iii) New Newspapers or existing newspapers applying for newsprint for the first time, may be given an initial quota of newsprint, for 6 months only (instead of the existing one year) subject to the ceiling provided in the policy for 1986-88. Of this initial quota, maximum of 5 MT may be from imported newsprint, while the rest shall be met from indigenous sources only.

(iv) Glazed newsprint imports should be taken out of the allocatory regime. Imports of glazed newsprint should be permitted on OGL with 55% tariff.*

* Members representing Indian Languages Newspapers Assn. and Indian Newspapers Society (in their dissent note) did not agree with this tariff rate. Mr. Gupta of ILNA felt that it would hurt small and medium magazines printed on glazed newsprint. He desired duty-free import of glazed newsprint.

(v) The following norms may be adopted for wastage compensation:

All Newspapers	7 per cent
Magazines with multi-colour printing requirement	additional 1%
Stitched magazines for trimming	additional 3%

(vi) The norms for unsold copies and copies distributed free may be revised as under:

Circulation (sold copies)	(whichever is less)
Upto 25,000 copies	5% or 1000 copies
Above 25,000 copies and Upto 75,000 copies	5% or 2500 copies
Above 75,000 copies	5% or 5000 copies

(vii) Newspapers be reclassified as:

Category	Circulation per publishing day
Small	Upto 25,000 copies
Medium	Above 25,000 & upto 75,000 copies
Big	Above 75,000 copies

(viii) Once the entitlements are decided by the RNI, backlog in servicing of newsprint be avoided.

The recommendations of the Kelkar Committee in Step No. II relating to long term policy framework have been given as follows:—

- (i) The Long-Term Policy should be to move away from the administered pricing and quantitative allocation policy regime by introducing an OGL import facility to all newspapers with a tariff rate of 40% with decanalisation. (The members representing INS desired this tariff rate to be 20% instead of 40%). Tariff may be calibrated with variation in Cif price every year. This policy framework should coincide with the first year of the Eighth Plan.
- (ii) Small and medium newspapers to be allowed to import newsprint under R.N.I. certification upto a maximum of 50 MT tariff free through STC. This policy of 50 MT duty free supply to small and medium newspaper would imply partial continuation of allocatory system. If Government can find some other mechanism by which small newspapers requiring upto 50 MT are met either from imports or from domestic mills (At tariff adjusted cif prices) without having to operate the partial allocatory mechanism, the Committee recommends this option. Hence, the Committee recommends that the Government may review the working of proposed

partial allocatory system after 2 years. If the domestic and cif price differential falls below 25% the partial allocation may be discarded.

- (iii) Glazed newsprint to continue on OGL with 55% tariff in order to ensure import substitution.
- (iv) To promote more efficient use of domestic resource use for newsprint production, all future expansion should be based on renewable resource use, ensuring to the domestic producers an effective rate of protection not exceeding 40%. Consequently, the current duty exemption on imported pulp would have to be reviewed.
- (v) Individual retention price for domestic units to be abolished. Market-related pricing e.g. tariff adjusted cif price should determine the market for domestic newsprint.
- (vi) A separate package of incentives should simultaneously be announced for sugar mills to invest in bagasse-based pulp mills: These are
 - (a) Total exemption from sugar levy for five years from the date of commencement of pulp production.
 - (b) Investment decisions for 3 bagasse based plants of 1,00,000 tonne capacity to be taken in the next two years and implemented by mid 8th plan. Possible locations in UP, Punjab and Maharashtra.
- (vii) Broad banding policy is recommended to permit paper mills to diversify into newsprint production on the condition that they use bagasse route pulp at least upto 75%.
- (viii) Continuation of excise duty exemption on newsprint. Whenever newsprint is substituted by white printing paper, a mechanism should be devised to allow exemption on par with newsprint.
- (ix) A package of incentives to be given to those newsprint producing units who use bagasse pulp to the extent of 70%. These incentives would have to be in the nature of import duty exemption on consumables and maintenance spares. For CG, test and control instrumentation equipment the import duty should not exceed 30% for all newsprint units.
- (x) The Ministry of Information and Broadcasting should approach ICAR to explore the potential of Kenaf (*Hibiscus Cannabis*) as an alternate source of fibre for production of pulp and paper products. The earlier pilot project undertaken by ICAR and CPPRI, Dehradun in 1984 should be reviewed in order to provide the feedback for determining the potential of this alternate source.

APPENDIX III

(Vide Para 2.29)

Names, language, periodicity and place of publication, circulation claimed by the publisher as well as assessment of RNI, percentage of exaggeration and period for which debarred from newsprint allocations.

Sl. No.	Name of the Publication	Language	Place of Publication	Year	Claimed Circulation	Assessed Circulation	Percent- age of Exaggera- tion	Debarred for
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
DAILIES								
1.	Champavatee Patra	Marathi	Beed(Mah)	1987-88	4479	2503	79%	1 year
2.	Sandhya	Marathi	Pune(Mah)	1987-88	4974	3610	37.48%	6 Months
3.	Crown	Tamil	Madras	1987-88	12234	10052	21.7%	3 Months
4.	Sagar	Marathi	Chiplun (Mah)	1988-89	12305	10392	18.4%	3 Months
5.	Godateer Samachar	Marathi	Nanded (Mah)	1988-89	18911	11050	71.02%	9 Months
6.	Yeshwant	Marathi	Latur (Mah)	1988-89	6125	4843	26.47%	6 Months
7.	Prajawani	Marathi	Nanded (Mah)	1988-89	14675	10437	40.61%	6 Months
8.	Lokvijay	Marathi	Auranga- bad	1988-89	3650	3204	13.52%	3 Months
9.	Samaj	Marathi	Kolhapur	1988-89	5715	3547	61.12%	9 Months
10.	Prakash	Hindi	Calcutta	1988-89	24416	20905	14%	3 Months
11.	Citizens	English	Hyderabad	1988-89	20696	18781	10.19%	3 Months
12.	Bhramar	Marathi	Nasik (Mah)	1989-90	3377	2522	33.9%	6 Months
13.	Pumpukar	Tamil	Madras	1989-90	9079	8103	12.4%	3 Months
14.	Teleprint News	Tamil	Madras	1989-90	13118	11572	13.36%	3 Months
15.	Madurai Mani	Tamil	Madurai	1989-90	11355	9825	15.57%	3 Months
16.	Azaimabad Express	Urdu	Patna	1989-90	11083	6786	63.32%	9 Months
17.	Jagprakash	Hindi	Mirjapore	1989-90	13958	12362	12.9%	3 Months
18.	Navanadu	Kannada	Hubli	1989-90	15026	10023	49.92%	6 Months
19.	Sanjevani	Kannada	Bangalore	1989-90	18768	15652	21.5%	3 Months
PERIODICALS								
1.	Manohar	Marathi	Pune Fortnightly	1987-88	9712	4712	106.11%	1 Year
2.	Nalwari	Tamil	Pune Monthly	1988-89	18477	14566	26.85%	3 Months
3.	Deshdoot Faviwar Avarutti	Marathi	Nasik Weekly	1989-90	29034	26147	11.04%	3 Months

Details of newspapers debarred for Newsprint allocation during the last three years due to exaggeration of circulation claim

Year	No. of News- papers	Debarred for			
		Three months	Six months	Nine months	One year
<i>I-Dailies</i>					
1987-88	3	1	1	—	1
1988-89	9	4	3	2	—
1989-90	7	4	2	1	—
Total:	19	9	6	3	1
<i>II-Periodicals</i>					
1987-88	1	—	—	—	1
1988-89	1	—	1	—	—
1989-90	1	—	1	—	—
Total:	3	—	2	—	1

APPENDIX IV

LIST OF MEMBERS OF THE ESTIMATES COMMITTEE (1990-91)

CHAIRMAN

1. Shri Jaswant Singh

MEMBERS

2. Shri J.P. Agarwal
3. Shri Era Anbarasu
4. Shri Kamal Chaudhry
5. Shri Anantrao Deshmukh
6. Prof. Prem Kumar Dhumal
7. Shri Balvant Manvar
8. Shri Hannan Mollah
9. Shri Arvind Netam
10. Dr. Debi Prosad Pal
11. Shri Rupchand Pal
12. Shri Harin Pathak
13. Shri Bhausahab Pundlik Phundkar
14. Sh. Vijaya Kumara Raju
15. Shri Mullappally Ramachandran
16. Shri Y. Ramakrishna
17. Shri Rameshwar Prasad
18. Shri J. Chokka Rao
19. Shri Chiranji Lal Sharma
20. Shri Yamuna Prasad Shastri
21. Shri Dhanraj Singh
22. Shri Subedar Prasad Singh
23. Shri Sukhendra Singh
24. Shri Tej Narain Singh
25. Shri Taslimuddin
26. Dr. Thambi Durai
27. Shri Nandu Thiapa
28. Shri P.K. Thungon
29. Shri K.C. Tyagi
30. Shri Kailash Nath Singh Yadav

SECRETARIAT

1. Shri G.L. Batra—*Joint Secretary*
2. Shri B.B. Pandit—*Deputy Secretary*
3. Shri S.M. Mehta—*Senior Financial Committee Officer*

APPENDIX V

STATEMENT OF RECOMMENDATIONS AND CONCLUSIONS

Sl. No.	Para No.	Ministry concerned	Conclusion/Recommendation
1	2	3	4
1	1.86	Min. of I&B	<p>Distribution and consumption of newsprint in the country comes under the purview of Essential Commodities Act, 1955 and is therefore regulated by Newsprint Control Order of 1962. The factors underlying control over newsprint are twofold: heavy dependence on imported newsprint and the perennial shortage of foreign exchange. Though efforts have been made to enhance indigenous production of newsprint, the existing level of production i.e. 3.36 lakh tonnes fell short of the requirement by 2.26 lakh tonnes during 1990-91, which had to be imported. In this context the Committee are informed that proposals for production of additional 3.04 lakh tonnes in the public sector have been cleared by the Government. However, if 7% rate of growth in the consumption of newsprint, projected during 1990s, is taken into account imports of newsprint will continue to remain at a significantly high level of 2.72 to 5.76 lakh tonnes per year depending upon the actual time-lag in the commencement of production by the three newly approved newsprint mills. This will, obviously, involve heavy foreign exchange outflow.</p>
2	1.87	-do-	<p>The Committee note with concern that even though domestic newsprint industry is considered to be efficient in conversion costs, it is costlier than the imported newsprint by about 30% owing to poor quality of raw material used viz. Bamboo and hard wood. The position is further accentuated by the fact that for India the ecological costs of promoting a wood-based newsprint industry can be unacceptable. Although production of newsprint from bagasse has provided a feasible option to the country, sufficient production capacity is yet to be established. Therefore it is evident that import substitution is, at present, set with inherent limitations and cannot be pursued beyond a point. In this context the</p>

1

2

3

4

Committee also observe that owing to various factors including the price and quality, newspaper industry, by and large, prefer imported newsprint to the indigenous, to the extent that the newspaper allocation policy has over the years been aimed largely at enforcing consumption of indigenous newsprint along side the imported newsprint. The Committee, therefore, find it difficult to brush aside the prognostication that the import-orientation of the newspaper industry is likely to continue in future. This can have two serious consequences: higher international prices of newsprint and the forced consumption of domestic newsprint as a continuing feature of the Newsprint Allocation Policy. The Committee are convinced that this situation is fraught with considerable risk because it would not be in the national interest to have a growing and a vigorous press media depending continuously on the vagaries of international market as also of the uncertainty of the balance of payment situation in the country. On the other hand control over consumption of newsprint, howsoever indirect and well meaning, is likely to be perceived, and not too unjustifiably, to be militating against the freedom of Press that is so essential for free flow of news, views and information.

3 1.88 Min. of
I&B

According to the Kelkar Committee which was set up to examine the Newsprint Allocation Policy the quantitative restrictions implicit in the allocatory policy convey wrong signals to both producers of newsprint as also the consumers. While to the producer it implies cost plus pricing, leaving inadequate incentive for cost reduction to the consumer it ensures a virtually tariff-free import; thus encouraging profligacy in consumption of imported newsprint. The Committee are shocked to note that although several years have elapsed since Kelkar Committee submitted their report Government have yet to take a decision on the major recommendations of the Committee. The Committee deprecate the failure of the Government in implementing the major recommendation of the Kelkar Committee that to

1	2	3	4
			<p>achieve the underlying objectives of the policy i.e. self-reliance and a free press, there must be a change over from physical to fiscal control in newsprint allocation.</p>
4	1.89 Min. of I&B		<p>The Committee are distressed to find that the problem of formulating long term newsprint allocation policy on the lines suggested by the Kelkar Committee has become difficult due to the conflicting interest and perceptions of various segments of newspaper industry. While on the one hand of the spectrum are big English newspapers dominating the national scene, at the other hand are small tiny newspapers printed in different Indian languages with circulation limited to certain regions or even smaller geographical entities. The Committee note that the former, represented by Indian Newspaper Society, have welcomed the recent decanalisation of newsprint while Indian Federation of Small and Medium Newspapers have expressed the opinion that small newspapers cannot be bracketed with big newspapers in the matter of import of newsprint owing to inherent disadvantage suffered by this segment in regard to geographical location, advertisement revenue and financial viability. In this context, the Committee are of the opinion that in bringing about decanalisation of the newsprint and consequent changes in the allocatory regime the Government has not address itself to the basic problems of import orientation in the consumption of newsprint. They are of the veiw that without providing a distinct tariff advantage to the domestic newsprint industry, particularly those units whose production is based on baggasse, the position would not improve significantly as foreign exchange position continues to be precarious. This will particularly affect, adversely, the small and medium newspapers who are expected to compete with bigger newspapers for foreign exchange in the open market. In this context, the Committee have taken note of various suggestions put-forth by the Indian Federation of Small and Medium newspapers. They also note that small newspapers have expressed themselves in favour of a</p>

1	2	3	4
5	1.90 Min. of I&B		<p>decentralized sales and distribution system in regard to indigenous newsprint.</p> <p>The Committee further note that under earlier policy the newspapers were entitled to get imported and indigenous newsprint in the ratio 35:65 except where a newspaper required less than 200 MT in a year in which case the entire requirement was allowed to be met from the imported stock. Although import of newsprint has been de-canalised w.e.f 1st April, 1992 the formula for allowing import of newsprint remains virtually unchanged. The Committee find that this formula is contrary to the recommendations of the Kelkar Committee which had recommended a cut off limit of 50 MT for the purpose of 100% import of required newsprint. Keeping in view the criteria of 25000 pages for treating a newspaper as small, the Committee reject the contention of the Ministry that by accepting this recommendation the interest of the small newspapers would suffer because 50 MT is more or less sufficient to sustain a newspaper of this size. The Committee therefore feel that in respect of newspapers consuming more than 50 MTs there is no justification of allowing entire newsprint to be imported. On the contrary it merely perpetuates the vested interest of news-papers in showing their consumption below 200 MT mark.</p>
6	1.91 -do-		<p>The Committee are also aware that de-canalisation of newsprint, in isolation from other policy reforms such as reduction in the cut-off limit of full requirement of newsprint and fiscal measures to make indigenous newsprint competitive, does not solve the basic problems underlying the newsprint Allocation Policy. Moreover, the Committee believe that control over newsprint allocation becomes meaningless when import of newsprint has been decanalised. In their opinion Government policy should be to move towards a situation where newsprint is a totally decontrolled commodity and the required protection to domestic newsprint industry is given through fiscal measures and market mechanism.</p>
7	1.92 -do-		<p>Considering the unwillingness of STC to continue</p>

1	2	3	4
			<p>importing newsprint for small and medium newspaper even after its decanalization and in absence of any other alternative institutional arrangement for the purpose, the Committee expert the Government to help this segment of the newspaper industry to overcome handicaps it will face under the new dispensation. For this purpose, the possibility of persuading the State Government Undertaking to step in as importers of Newsprint may be explored.</p>
8	1.93	Min. of I&B	<p>The Committee are also unable to appreciate that a newspaper, the requirement of which exceeds 200 MT mark, only marginally, ought to be subjected, to a 1:2 ratio thus loading it with a serious cost disadvantage. In this regard, they feel that the assertion of Secretary of I&B that there has to be a cut-off point somewhere appears to be the question. In their opinion the whole point, in fact, is to bring about rationalisation in the application of 1:2 ratio. The Committee are of the view that this ratio should be applied only in respect of quantity drawn by a newspaper over and above the out-off mark.</p>
9	1.94	-do-	<p>The Committee find that large newspapers with multiple editions have been critical of the provision in the Newsprint Allocation Policy for clubbing the circulation figures of all such editions for the purpose of determining the quantum of imported newsprint such newspapers are entitled to. The Indian Newspapers Society (INS) have termed this as unfair on various counts. The Committee, are not inclined to agree with the view point expressed by INS even though it can be conceded that by having many smaller establishments for different individual editions, the newspapers do have to bear greater costs to some extent. The Committee have a sneaking doubt that the liberal cut-off mark of 200 MT adopted by the Government for the purpose of allowing import of the entire requirement of a newspaper has created a vested interest among newspapers to remain small so as to avail, of cost advantage it ensures under the present dispensation. They are, therefore of the view that if the cut-off limit is reduced, a large many problems on this</p>

1	2	3	4
			account would disappear and that the practice of having multiple editions and the proliferation of titles under the banner of single newspaper group would also become irrelevant. Thus, while the Committee are inclined to accept that clubbing of newspapers is a necessity, they simultaneously urge the Government to give serious consideration to their recommendation for scalling down the cut-off limit for meeting the entire newsprint requirement from imported stocks.
10	1.95	-do-	The Committee find that even though the present tax laws do not protect domestic newsprint industry, certain incentives like exemption from Central Excise Duty and facility of importing raw materials are nevertheless available to it. The Committee are persuaded to accept the view that even though most foreign countries have not levied customs duty on import of newsprint it is necessary to do so in India, in order to regulate the consumption pattern. They are also aware that for medium and small newspapers partial and full exemption from Customs Duty is available.

Glazed newsprint is entirely imported partly because it invites no import duty and partly because there has been no attempt at import substitution on glazed newsprint. The Committee are dismayed that though Kelkar Committee had recommended a tariff level of 55%, Government after unsuccessfully attempting to impose of 30% *ad Valorem* duty and then reverting to the old duty of Rs.550 metric tonnes has removed customs duty altogether in the Budget for the year 1992-93.

Wastage in consumption of newsprint is inevitable though subject to certain norms. The Committee note that on the basis of Kelkar Committee recommendations Government have raised the wastage from 5 to 7%. The Indian Newspaper Society, however, considers it as "woefully inadequate". Basing its assertion on a certain study by Indian Standards Institution the Society has demanded the acceptable wastage norm of 10%.

1	2	3	4
Recommendations			
11	1.96 (1)	-do-	The Committee make the following recommendations :
			The Government should adopt a policy regime which can keep dependence on imported newsprint within manageable limits. To this end all efforts should be made to ensure that the new newsprint units which have been approved recently reach production stage without any delay.
12	1.96 (2)	-do-	The recommendations of the Kelkar Committee in regard to long term policy on newsprint should be implemented without any further delay and a newsprint allocation regime based on fiscal control ushered in so as to minimise import orientation of newspaper industry. Such policy changes may be brought about as will facilitate total decontrol of newsprint within a definite time frame. To encourage greater indigenous production of newsprint all the necessary incentives may be given for promoting bagasse based newsprint units.
13	1.96 (3)	-do-	In order to encourage consumers as well as producers in moving away from excessive dependence on imported newsprint inherent bias underlying existing tariff policy in favour of the imported newsprint should be eliminated. To this end appropriate changes in the tariff may be undertaken so as to give a clear price advantage to the indigenous newsprint so long it is environmentally compatible and ecologically harmless.
14	1.96 (4)	-do-	The environmental and ecological aspects of promoting newsprint industry in the country may be examined indepth and a definite policy laid down for implementation.
15	1.96 (5)	-do-	The Ministry should assist small and medium newspaper in setting up Newsprint Consumer Cooperatives so that they are able to enjoy the same economies of scale as would be enjoyed by bigger

1	2	3	4
			newspapers. Simultaneously, the possibility of persuading the State Government Undertakings to step in as importers of newsprint may also be explored.
16	1.96 (6)	-do-	Efforts should be made to make indigenous newsprint available to small and medium newspapers at various regional locations.
17	1.96 (7)	-do-	The cut off mark for importing full requirement of newsprint may be brought down to 50 MT as recommended by the Kelkar Committee.
18	1.96 (8)	-do-	In respect of newspapers entitled to newsprint more than the cut-off limit consumption of domestic newsprint may be enforced only in respect of newsprint required over and above the cut off limit.
19	1.96 (9)	-do-	Customs duty on glazed newsprint should be enhanced to a level which is compatible with the objectives of Long Term Newsprint Allocation Policy.
20	1.96 (10)	-do-	Government should further review the wastage norms in consumption of newsprint in consultation with ISI and BICP.
21	1.96 (11)	-do-	Government should formulate a long-term policy for encouraging indigenous production of newsprint based on cheaper raw material like bagasse, raw jute, jute sticks etc. as the country cannot remain dependent on the import of newsprint for all times to come particularly when the demand for newsprint is bound to increase in the coming years. The Committee also desire that research and development effort should be stepped up and directed at indentifying such plants/trees which can be used as a cost effective raw material for production of newsprint. They also desire that as and when identified these trees may be popularised under 'social forestry scheme'.
22	1.96 (12)	-do-	The Committee would also like to know whether some paper mills are producing paper similar to newsprint by using waste paper as raw material and whether this paper can be brought under the purview

1	2	3	4
---	---	---	---

of Schedule I of Newsprint Control Order in order to enhance the supply of indigenous newsprint.

23 2.37 -do- The Committee note that the Registrar of Newspapers helps in formulation of Newsprint Allocation Policy and is also responsible for its implementation and monitoring. In this endeavour he is required to coordinate with various other Ministries and agencies of the Government. The Committee, however, have not been apprised clearly whether RNI has been accorded appropriate status and independence of action to enable him to perform his duty of coordination effectively. As Registrar of Newspapers is an attached organisation of Ministry of Information and Broadcasting, it is obvious to the Committee that the interaction with other Ministries and agencies of the Government takes place through the Ministry of Information and Broadcasting thus making the chain of communication more elongated and the task of coordination more complicated.

The Committee find that Registrar of Newspapers of India is essentially a creation of Press and Registration of Books (PRB) Act, 1867 and is required to perform certain statutory functions apart from the implementation of Newsprint Allocation Policy. They are inclined to believe that the disproportionate attention of RNI towards non-statutory functions over the years have resulted in relative neglect of the statutory functions of this organisation such as registration of newspapers, verification of circulation figures etc. It is obvious that implementation of Newsprint Allocation Policy was entrusted to the RNI keeping in view the administrative advantage he had in this regard through performance of these statutory functions. The Committee therefore, conclude that RNI has not been able to cope up with its primary task of registering newspapers and verifying circulation figures thereby weakening the very rationale on the basis of which implementation of Newsprint Allocation Policy has been left under its care. The Committee would like to express their unhappiness at this apparent imbalance in the functioning of RNI

1	2	3	4
			and the delay in correcting the same. They have, however, been informed that Press and Registration of Books (PRB) Act is being amended to streamline and simplify the functions and procedure of RNI. Bill has since been withdrawn.
24	2.38	-do-	The onus of registration of a newspaper/periodical lies on the publisher. The Ministry have stated that after all legal formalities have been completed and required documents have been submitted in one lot, newspapers can be registered in a week's time. The Committee, however, regret to note that this happens very rarely. Invariably the process takes a longer time and in some cases it even takes years to decide. The Committee find that this is mainly on account of non-availability of titles as almost 2 lakhs titles stand blocked with the RNI as of now, resulting in a situation where people have to go to RNI again and again, with a new title which can be approved only if it has not already been blocked by someone. Phenomenon of blocking becomes evident if one considers that only 27054 newspapers have been registered with RNI upto the end of 1989. Blocking of titles is apparently due to certain lacunae in the PRB Act. The Committee are distressed to note that blocking of titles has held up registration of a large number of newspapers.
25	2.39	-do-	The Committee find that 1917 Newspapers/periodicals—big, medium and small were allocated 15119.40 MTs of glazed and 12432.31 MTs of Standard Newsprint (5276.30 MTs imported and 7156.01 MTs indigenous) during 1990-91. Out of this quantity allocated, 1379.18 MTs of imported Glazed Newsprint (rate Rs. 17772 per MT) and 2000 MTs of imported standard newsprint (rate Rs. 11349 per MT) costing Rs. 4.72 crores in foreign exchange was lifted by the publishers towards the initial quota for 1990-91. From the State-wise details, the Committee note that the maximum number of newspapers/periodicals to whom the newsprint was allocated, was from Bihar (446) followed by Tamil Nadu (288), Delhi (243), UP (184), MP (172) and Karnataka (131). As regards allotment of most of the glazed and indigenous

1

2

3

4

newsprint during the last quarter of the year, the Committee are surprised to note the reply of the Government that "It is a publisher of a newspaper/periodical, who decides when he wants to approach the RNI for the allocation of newsprint and even if many of the publisher approach RNI during the last quarter for allotment of newsprint, he has to make allocation". The Committee are unhappy over this state of affairs.

26 2.40

-do-

The Committee have also been informed that para 7.5 of the Newsprint Allocation Policy for 1990-91 provided that only regular periodicals, which had multi-colour printing requirement might be allocated glazed newsprint subject to foreign exchange availability and the fresh applications were to be considered on merits. However, as per para 4.4(a) of the Policy a fresh applicant was to be given a initial quota of newsprint for four months as determined by Registrar of Newspapers for India upon his satisfaction of the projection of circulation by the applicant subject to a maximum of 10,000 copies. The office of RNI allocated initial quota of newsprint for four months only on production of specimen copy of the Newspaper/periodical alongwith the requisite application and the Newspaper was given 5 MTs of imported variety and balance in indigenous as was applicable. The Ministry of Information and Broadcasting have admitted that even this small officer towards initial quota attracted a large number of applicants. The Ministry have however stated that this trend was arrested during 1991-92 by de-clubbing, byweeklies, tri-weeklies from periodicals and treated on par with dailies, thereby making them ineligible for the allocation of glazed newsprint. The concept of initial quota was also dispensed with and a fresh applicant was required to get itself registered with the RNI and run on its own for atleast one year before making the application for allocation of newsprint.

27 2.41

-do-

The Committee are disappointed to find that even though over 27000 newspapers have been registered

1	2	3	4
---	---	---	---

with the RNI, circulation figures are apparently known in respect of 6858 newspapers only. The Kelkar Committee has pointed out that only about 10% of the newspapers in the country approach RNI for allocation of newsprint. The Committee are of the considered view that this situation cannot but pose serious difficulty in projecting the demand for newsprint on a realistic basis. Besides it also indicates the existence of a market outside the newsprint allocatory regime. The Committee also note that owing to staff limitations RNI is not in a position to verify the circulation figures of more than 600 to 800 newspapers in a year. The Committee cannot but express their deep concern at the lackadaisical approach of the Government towards the problem despite the Governemnt being aware of this distortion in the allocatory regime. Nobody seems to have been penalised so far for not furnishing or furnishing in correct circulation figures to RNI. The Secretary, I & B attributed this to the inability of RNI to implement the law as, according to him, it was not possible to do the policing envisaged in the law. The Committee are deeply perturbed over the above state of affairs and are amazed at the complacency shown by the Government in this regard. However, they hope necessary legal and administrative measures will be adopted to overcome this unedifying situation.

Recommendations

28 2.42 -do- The Committee make the following
(1) recommendations :

The Ministry of Information and Broadcasting should examine as to how effectively the Registrar of Newspapers in India (RNI) in its present status and organisation, is able to coordinate effectively with various other Ministries for smooth and speedy implementation of the Newsprint Allocation Policy.

29 2.42 -do- The Government should take immediate steps for
(2) rectifying the present functional imbalance in the office of RNI and accord due importance to its statutory functions. For this purpose human and financial resources commensurate with its task may

1	2	3	4
			be given to this organization.
30	2.42 (3)	-do-	PRB Act may be amended with a sense of urgency in order to simplify the procedure for registration of newspapers. Simultaneously the registration work may also be decentralised to make it an easy exercise for newspapers spread in the length and breadth of the country. The PRB Act may also be amended so as to obviate the blocking of titles.
31	2.42 (4)	-do-	Immediate steps, legal as well as administrative, should be taken to make the verification of circulation figures regular, effective and commensurate with the overall magnitude of newspaper industry so as to make estimation of newsprint requirement in the country realistic and to discourage the sale and purchase of newsprint outside the allocatory regime so long as Newsprint control order remains in-force.
32	2.42 (5)	-do-	The Audit Bureau of Circulation may be made more independent and broad based and its working methodology be modernised appropriately in order to have an effective assessment of circulation figures of newspapers.
33	2.42 [6(a) & (b)]	-do-	The Government should devise a suitable method to ensure even flow of glazed/standard newsprint to the publishers of the newspapers/periodicals.

The impact of the policy changes introduced during 1991-92 and in the beginning of 1992-93 may be studied particularly in regard to elimination of various malpractices like bogus consumption and alleged sale and purchase of newsprint outside the allocatory regime. The results of the study may be intimated to the Committee within a period of six months.

LIST OF AUTHORISED AGENTS FOR SALE OF LOK SABHA SECRETARIAT PUBLICATIONS

Sl. No.	Name of Agents	Sl. No.	Name of Agents
ANDHARA PRADESH		UTTAR PRADESH	
1	M/s. Vijay Book Agency, 11-4-477, Mylaradda, Secunderabad-500361.	12.	Law Publishers, Sarfaraj Eatel Marg, P.B. No. 77, Allahabad, U.P.
BIHAR		WEST BENGAL	
2.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	13.	M/s. Maumonia Buys & Sons, 123, Bow Bazar Street, Calcutta-1
GUJARAT		DELHI	
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006 (T. No. 79065).	14.	M/s. Jain Book Agency C-9, Connaught Place, New Delhi (T. No. 351663 & 390300)
MADHYA PRADESH		15.	M/s. J.M. Jaina & Brothers, P. Box 1023, Main Gate, Delhi-110006, (T. No. 2915-64 & 230936)
4.	Modern Book House, Shiv Vilas Palace, Indore City, (T. No. 35289).	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001 (T. No. 331306 & 358995)
MAHARASHTRA		17.	M/s. Bookwell, 2/71, Sant Nibankar Colony, Kingsway Camp, Delhi-110007 (T. No. 711299)
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002	18.	M/s. Rajendra Book Agency IV-DR Lajpat Nagar, Old Double Storey, New Delhi-110024 (T. No. 6412362 & 5412131).
6.	The International Book Service, Deccan Gymkhana, Poon-4	19.	M/s. Ashok Books Agency, BH-82, Postnet Seelimaar Bldg Delhi-110033
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400001.	20.	M/s. Venus Enterprises, B-2/85, Phase II, Ashok Vihar, Delhi
8.	M/s. Usha Book Depot, Law Book Seller and Publishers Agents Govt. Publications 585, Chira Bazar Khan House, Bombay-400002	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110001 (T. No. 34445, 322705, 344478 & 344508)
9.	M & J Services, Publisher, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor no.8, Jyotiba Fuleo Road, Nalgaun-Dadar, Bombay-400014.	22.	M/s. Anand Book Co. N-21, Connaught Circus, New Delhi.
10.	Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd floor, Bombay-400001.	23.	M/s. Loka India Corporation Publishers, Importers & Exporters L-27, Street No. 1, Delhi-110052, (T. No. 299231 & 11465)
TAMIL NADU		24.	M/s. Sangam Book Depot, 437B-4B, Murari Lal Street, Ansari Road, Darya Ghat, New Delhi-110002.
11.	M/s. M.M. Subscription Agencies, 14th Murali Street (1st floor) Mahalingapuram, Nungambakkam, Madras-600034. (T. No. 476558).		

Corrigenda to 18th report of Estimates Committee
(14th Lok Sabha) on Newsprint Policy

Page No.	Para No.	Line	For	Read
(v)	3	2	registrar for	Registrar of
(vi)	8	5	be make	be made to make
1	1.2	7	which	while
2	-	4	7,71,618	3,71,618
3	1.8	3	a high	to a high
4	1.15	2	the Committee	of the Committee
10	1.33	last line	innewsprint	in newsprint
15	1.50(i)	3	25.5.94	25.5.90
15	1.50(ii)	3	6.11.94	6.11.90
15	1.50(iii)	3	31.8.94	31.8.90
18	1.60(i)	last line	imports	Imports
18	1.60(ii)	1	by the Rwl to be less	whose
18	1.60(ii)	11	import	imported
19	1.62	6	.they	. They
31	2.3	7	framed the	framed and
31	2.4	9	Rwl is	Rwl is to
34	-	8	let	lot.
34	2.16	1	state	stated
35	2.17(ii)	1	approximately	approximately
38	2.29	1	not	note
38	2.31	7	Delete 'on'	
38	2.31	last line	to by	by
41	2.33	21	initial	initial quota
43	2.38	6	ane	and
54	1.87	13	be set	beset
56	1.89	24	address	addressed
58	-	4	expert	expect
58	1.93	12	out off	cut off
62	2.37	36	rationalable	rationale
64	2.40	20	officer	oner
65	-	19	in correct	incorrect