

REPORT OF THE
WORKING GROUP
ON
NATIONAL FILM POLICY



GOVERNMENT OF INDIA
MINISTRY OF INFORMATION AND BROADCASTING
MAY 1980

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PREFACE

It is with great pleasure that I am submitting this report of our Working Group set up by the Government of India for formulating a National Film Policy. It has been possible to do so with the ardent support and diligent work done by my colleagues who are members of this Group. When I was first approached to chair this Group, I had my own apprehension about my capacity, as well as my experience for handling such an immense job. What made me accept this offer was the live interest I have for this audio visual medium which I feel has immense potential to mould the mind of man. It can be much more so in a vast country like India, where 80 per cent of population cannot even read.

2. In spite of its power to influence the human mind for good or for bad, like any other mass media, we in India have recognised it only as a kind of luxury, or a form of mere entertainment. Its potentiality to influence the people's mind by bringing knowledge to their doorsteps and by unfolding before them man's relationship to the world at large has not been fully explored. This can arouse in the people social awareness and aesthetic sensitivity. So far all such attempts have been left to individual entrepreneurs. The result has been a lop sided development of this great medium, so much, that people have begun to feel that it is a medium that can only present the ugly side of life, by exploiting which one can mint money.

3. Our Group has spent enough time and thought to study and examine every known aspect of this vast medium. Specially, Group members have gone into the diverse aspects of its nature and implications thereof. We find that cinema is not just a luxury meant only to be tapped for tax resources. It is an instrument for shaping the human mind and providing enlightenment. If left to a few, who can only exploit its commercial advantages, it may do more harm than good. On the other hand, if the Government feels that it alone can exploit all its possibilities by making it a part of governmental activity, the medium may be manipulated to achieve narrow political ends, and in worst cases even to the detriment of basic human values.

4. Like the written word, the film can do great things and in the hands of irresponsible persons, cause great harm too. It is only when hundreds of intelligent, creative men begin to wield it, can it meet with the challenges worth its nature, for progress and enlightenment. Our recommendations have been made from all these angles. It is our earnest desire that more talented men should come forward to use this medium for the welfare of the country and the people.

5. This report would speak for itself much more than what my short preface would do. I may, however, mention that with the above mentioned objective in view, we have suggested the creation of two separate organisations—one to promote the developmental aspects of cinema by attempting to remove the speculative elements of the industry and to bring some order and discipline into its working and the other to promote its excellence and develop the artistic possibilities of this powerful medium. This could be effective only if proper persons are chosen to implement the schemes so suggested. Persons who are aware of its artistic and educational possibilities and of its ever-growing scientific expansion, should be chosen to man these institutions. These should never be like an ordinary Government department which can be directed as a mechanical process. The Directors of these institutions should be men of vision, drive and lovers of this medium. In handing over this report, my job, as well as of my colleagues, is over, but as we would like that the report is implemented, we have given some suggestions which might help the Government in implementing it.

6. I would like to thank Shri S. L. Kapur, Member-Secretary, whose cooperation and guidance have been of immense help to me and to the Group in handling this responsible task entrusted to us. Special thanks are also due to Shri K. Bikram Singh, Deputy Secretary, who headed the Secretariat of the Working Group. He has worked extremely hard to get all the documents and statistics connected with the work of the Group, even when at times it meant ferreting and culling them out of masses of papers. In presenting facts and information he has taken pains to ensure that all sides of an issue were squarely placed before us and only the accepted views were recorded. Even when members had wanted to go over certain matters again, which meant re-writing paras and re-arranging chapters of the report, he accepted the task cheerfully. His commitment to the work of the Group and the cause of good cinema and the ability with which he has carried out all the tasks, has considerably helped the Group's work as well as in the shaping of the final report. He has been ably assisted by other members of the Secretariat who also deserve our sincere thanks. They helped in making all arrangements for holding meetings of the Group, carrying out correspondence and arranging contacts of concerned persons with the Group.

7. I would also like to put on record my appreciation and thanks to all the members of the Group whose participation in the discussions and cooperation has made our effort worthwhile. I would particularly like to thank the members of the Film Technology Group who have unearthed certain new facts particularly regarding silver recovery in laboratories and have made

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some very useful suggestions for the growth of film technology. The burden borne by this Group has been really heavy.

8. My thanks are due to all those gentlemen who have co-operated with us in giving us time, views and information every now and then.

9. So, it is with the kind support of all these persons and friends that it has been possible for me to present

this report in the shortest possible time and it is my ardent desire that the Government should do whatever is necessary to further the objectives set forth in this report.

Bombay,
17th May, 1980.

Sd.
(K. S. KARANTH)
Chairman

CHAPTER I

INTRODUCTION

1.1 India is among the earliest countries in the world to have adopted cinema. The history of film exhibition in India dates back to July 7, 1896 when representatives of Lumiere Brothers' began public showings of their 'Cinematographe' in Bombay at Watson's Hotel. Thus Indian audiences had their introduction to projected motion pictures in the same year as British, Russian and American audiences, barely six months after the first 'Cinematographe' show at the Grand Cafe in Paris. Short film activity in India goes back to the beginning of the twentieth century. 'Raja Harishchandra', the first Indian feature film, produced by Dadasahab Phalke, was released in Bombay on May 3, 1913. A retrospective provides a fine occasion to see the panoramic sweep of the phenomenon of a nation with three existing Hollywoods of its own—Madras; Bombay and Calcutta—and three more in the making—Trivandrum, Bangalore and Hyderabad.

1.2 During the last sixty years India has produced several films counted among the world's finest. The Indian film industry, unlike the other national film industries, has a polyglot home market and makes films in more than fifteen Indian languages. By producing 714 feature and 635 short films in 1979, excluding trailers and advertisements films, India has emerged as the biggest producer of films in the world. An estimated average of 1.25 crore people in India watch films in theatres everyday. Besides a large number see films over television and through informal open air shows organised by the Field Publicity Units of the Central and State Governments and various other agencies. No wonder that film plays a very important role in the country and has an exceptionally powerful hold on the Indian public. It will indeed be quite appropriate to salute our countrymen who have worked or are working in a medium that will never get its critical due but continues to exercise a mighty claim on affectionate memory.

1.3 Despite the obvious importance of cinema in contemporary life there have been so far, only two major attempts to examine the total problems of Indian cinema and Indian film industry in a national perspective, i.e. the Indian Cinematograph Committee 1927-28 and the Film Enquiry Committee 1951. For the rest, the main approach has been to tackle the grievances represented by the industry on a piecemeal basis in the various forums of the Central and State Governments.

1.4 It is now generally recognised that this approach has proved largely inadequate. It was in this context that the Conference of State Information Ministers held in New Delhi on November 4, 1977 recommended that "there should be a National Policy for films in regard to its various aspects". The Conference went on to recommend that "a small group consisting of Central and State representatives should be appointed to go into the various aspects of an integrated film policy in depth and submit a report".

Composition

1.5 The present Working Group on National Film Policy was appointed by the Government of India in pursuance of the above mentioned recommendation of the Conference of State Ministers of Information and after consultations with the State Governments/Union Territories. A copy of the Government of India's Resolution No. 5/6/77-F(I) dated 8th May, 1979, constituting the Working Group is placed at Annexure I.

1.6 The composition of the Group as originally envisaged provided for representatives to be nominated by the State Governments of Tamil Nadu, West Bengal, Maharashtra and Punjab. The Government of Tamil Nadu nominated Shri P. Neelakantan, the Government of West Bengal Shri Mrinal Sen, the Government of Maharashtra Shri Dilip Jamdar, and the Government of Punjab Sardar Manohar Singh Gill. Subsequently, the Government of India vide Resolution dated 20th July, 1979 also nominated Dr. Jagdish Parikh, Chairman, Film Finance Corporation, as a member of the Group. Originally Shri R. K. Shastri, the then Joint Secretary in the Ministry of Information and Broadcasting, was nominated as the Member-Secretary of the Working Group. After Shri S. L. Kapur took over as Joint Secretary on July 18, 1979 he was nominated as the Member-Secretary.

1.7 The terms of reference of the Working Group, *inter alia* authorised it to co-opt additional members. In its preliminary meeting held at Bombay on July 21, 1979 the Group decided to co-opt S/Shri D. Ramanujam, D. V. S. Raju and Santosh Singh Jain as members.

1.8 The final composition of the Working Group was, therefore, as follows :-

(i) Dr. K.S. Karanth	Chairman
(ii) Shri M. Bhaktavatsala	Member
(iii) Shri Shyam Benegal	Member
(iv) Shri Tarachand Barjatya	Member
(v) Shri Bikram Singh	Member
(vi) Shri Basu Bhattacharya	Member
(vii) Shri Magoj Kumar	Member
(viii) Shri Ramanand Sagar	Member
(ix) Shri Adoor Gopalakrishnan	Member
(x) Shri Tarun Majumdar	Member
(xi) Smt. Vijaya Mulay	Member
(xii) Dr. Jagdish Parikh	Member
(xiii) Shri P. Neelakantan	Member
(xiv) Shri Mrinal Sen	Member
(xv) Shri Dilip Jamdar	Member
(xvi) Sardar Manohar Singh Gill	Member
(xvii) Shri D. Ramanujam	Member
(xviii) Shri D.V.S. Raju	Co-opted Member
(xix) Shri Santosh Singh Jain	Co-opted Member
(xx) Shri S.L. Kapur	Co-opted Member-Secretary

1.9 Out of the above members, Shri Manoj Kumar and Shri Mrinal Sen did not attend any of the meetings of the Working Group. Towards the end of March, Sardar Manohar Singh Gill proceeded on a long leave and, therefore, could not continue as a member of the Working Group. In April, 1980 Shri P. Neelakantan, who was representing the Government of Tamil Nadu, ceased to be the Principal of the Institute of Film Technology, Adyar, and consequently could not participate in the last two meetings of the Group during which the report was finalised. We would particularly like to acknowledge the contribution of S/Shri Manohar Singh Gill and P. Neelakantan in evolving various ideas and recommendations which are contained in this report.

Terms of Reference

1.10 According to the Government Resolution the General purpose of appointing the present Working Group was "to study the present state of the Film Industry in areas such as production, distribution, exhibition and taxation and to suggest a National Film Policy which would help the growth of Indian cinema". The specific terms of reference given to the Working Group are as follows :—

- (a) To enquire into and examine the present state of cinema as an art form and as an instrument of social change, with reference to its role as a medium of information, education and entertainment and to suggest measures for its further promotion and development.
- (b) To enquire into all aspects of film making, including technology, raw material, equipment and processing and the whole range of related economic activities i.e. production, distribution, exhibition and financing and to suggest measures for improvement.
- (c) To examine the impact of Government policy and procedures—both Central and State—on the film industry with regard to censorship, entertainment tax, excise duties, local taxes, import levies, import and export of films and to suggest modifications consistent with the overall objectives of the Government to promote the growth of healthy Indian cinema.
- (d) To suggest measures of State support, where called for to improve Indian cinema in all its forms—feature films, documentary films, news films and TV films.

1.11 We have noted that the basic task assigned to the Group is to suggest a National Film Policy which would help the growth of Indian cinema and the declared objective of the Government is to promote the growth of healthy Indian cinema. We have kept this overall perspective in view while determining the scope of our study and in evolving our recommendations.

1.12 The terms given to the Group cover the total gamut of problems of cinema and film industry in India including cinema as an art form, as an industry, as an instrument of social change, as education and as entertainment. The terms of reference not only cover the impact of Government policy but also of Government procedures and even measures to improve TV films.

1.13 Strictly, therefore, the Group should have examined not only the major policy aspects but also the problems arising out of Government procedures and all aspects of TV films. We have deliberately not followed this particular course. Firstly, such an approach, particularly the examination of Government procedures, would have diverted the attention from policy issues. Secondly, a proper examination of Government procedures leading to suggestion of alternative procedures can only be undertaken by an in-house committee of the Government which takes into account the procedural problems of all the concerned Government departments. Thirdly, suggestions to improve TV films can only be formulated after a detailed study of television in India keeping in view the specific role envisaged for it. This is obviously beyond the scope of a Group mainly concerned with suggesting a National Film Policy and should 'more appropriately' be examined by a separate Group. Therefore, as far as TV is concerned, we have mainly confined our study to its use as a supplementary, non-theatrical outlet for exhibition of films while realising that TV is a distinctly separate medium and has close relationship not only with cinema but also with press and journalism because of its "instant" nature. Lastly, an examination of such a nature would have required a much longer time than the six months originally envisaged for the Group to submit its report. The Group has, therefore, concentrated mainly on important issues which should be considered for evolving a National Film Policy.

Tenure

1.14 In terms of the Government Resolution, the Group was required to submit its report within a period of six months from the date of the first meeting. The first fulfilled meeting of the Group could be held only on October 4 and 5, 1979 at Bangalore. As the work progressed, it became apparent that the period of six months was not adequate even for a proper examination of the major issues concerning film policy. It, therefore, became necessary to seek an extension of the Group's tenure by a further period of two months i.e. up to May, 1980.

Methodology

1.15 To undertake a detailed examination, the Group decided to constitute two Study Groups; these have addressed the questions of film technology including raw-materials, and the matters relating to the exhibition sector. The Study Group on Film Technology was constituted with the following members :—

- (i) Shri Adoor Gopalakrishnar
- (ii) Shri Basu Bhattacharya
- (iii) Shri M. Bhaktavatsala
- (iv) Shri Ramanand Sagar
- (v) Shri P. Neelakantan
- (vi) Shri Shyam Benegal
- (vii) Smt. Vijaya Mulay
- (viii) Shri S. L. Kapur

1.16 This Study Group has examined the entire field of film technology and raw materials during a series

of meetings held at Bombay, Madras, Ootacumund, Bangalore, Pune, Calcutta, Delhi and Trivandrum. During these meetings this Group, apart from on-the-spot study of various organisations engaged in different fields of film technology, has held detailed discussions with entrepreneurs, film technicians, representatives of Government Departments and Government agencies, etc. The Study Group has submitted a report which is appended.

1.17 The Study Group on Exhibition Sector or Theatres, consisted of the following members:—

- (i) Dr. K. S. Kanath
- (ii) Shri Tarachand Barjatya
- (iii) Shri M. Bhaktavatsala
- (iv) Shri Basu Bhattacharya
- (v) Shri Tarun Majumdar
- (vi) Dr. Jagish Parikh
- (vii) Shri S. L. Kapur

After two meetings of this Group, the problems of the exhibition sector were taken up directly by the full Group and, therefore, a separate report by this Study Group was not considered necessary.

1.18 We had invited comments and suggestions from the representative Associations of the film industry throughout India. Advertisements were also issued in English and leading Indian language papers calling for the views and suggestions from any interested party including institutions, associations, and members of the public. In response to our letters and advertisements, we have received a large number of memoranda and letters which have greatly helped us in understanding the problems and in formulating our conclusions.

1.19 The Working Group has held in all eight meetings. In addition, the Study Groups on Film Technology and Theatres have held 14 meetings. We have utilised the meetings of the Working Group and the Study Groups at different places, to hold discussions with the representatives of the State Governments and various associations, organisations and individuals connected with the film industry.

1.20 The Working Group decided to prepare and issue comprehensive questionnaires to the State Governments and State Film Development Corporations for eliciting factual information and also their opinion on various problems connected with the development of cinema and film industry (Annexures II and III). While information was received from all the Corporations, only ten State Governments furnished replies to the questionnaire. These, however, include all the major film producing States.

1.21 We are grateful to the various Ministries and Departments of the Central Government, the State Governments, Associations of film industry and various other organisations such as the State Film Development Corporations, training institutions, film societies eminent individuals in the field of cinema and members of the public etc. for their help and cooperation in providing valuable information and views. We are also grateful to the Indian Embassies in U.S.A., Japan and France and the Indian High Commissions in U.K. and Canada for providing information regarding film industry in these countries.

1.22 We were given the fullest cooperation by the Ministry of Information and Broadcasting as also by the Departments, Corporations and the Institutions attached to it.

1.23 We were assisted by a very competent Secretariat and we would like to place on record our appreciation of their dedicated services.

1.24 During our numerous contacts with the representatives of the film industry, we have frequently come across a sense of pessimism regarding the ultimate action which flows from such labours as we have undertaken. Though we have ourselves benefited from the work of the present Group, it is obvious that benefits if any, to the cinema, the film industry and to the country as a whole will flow only if the Government not only accepts the recommendations but implements these quickly.

1.25 We have found the task of the Working Group both challenging and educative. We were gratefully benefited by the views and experiences we gathered from those we met and by the written evidence sent to us. The friendship that quickly developed among the members of the Group lightened and speeded our task and has enabled us to present this unanimous report on a national film policy for India.

CHAPTER II

FRAMEWORK FOR A NATIONAL FILM POLICY

Legal Framework

2.1 It is obvious that if a statement of policy is not to remain merely an expression of intentions, the concerned Government must have legal authority to translate the policy objectives into actions. The fact that at present no National Policy regarding cinema exists is to a large degree a consequence of the present constitutional and legal position where the Union Government, which alone can evolve and implement a national policy, does not have adequate legal authority to enforce an integrated National Policy aimed at helping the development of cinema and film industry. We are aware of the fact that there are other reasons, and to which we have referred in the subsequent chapters of this report, which have impeded the development of a National Film Policy. After detailed deliberations and discussions, we have, however, come to the conclusion that the lack of legal powers with the Union Government is one of the major hurdles in laying down a National Film Policy.

Rangachariar Committee Recommendations

2.2 It may be useful here to briefly outline the history of the constitutional position governing the regulation of cinema in India. Under the Cinematograph Act 1918, the Central Government had complete powers in respect of cinematograph including exhibition of films. Later, the licensing power for cinemas was delegated to the Provincial Governments pursuant to the policy of devolution of powers. The Indian Cinematograph Committee 1927-28 (Rangachariar Committee) which had examined the question of appropriate governmental authority for cinema in the context of the need to set up an agency to help in the development of an indigenous film industry had observed: "Every characteristic of cinema industry makes it unsuitable for provincialisation. It differs completely in essence from the cottage or small factory industries which are the proper objects of provincial assistance.... The Central Government is, therefore, obviously indicated...."

2.3 The views expressed by the Rangachariar Committee were not however incorporated in the Government of India Act, 1935. Under this Act the subject of 'cinemas' continued to be a provincial subject and only 'sanctioning of cinematograph films for exhibition' was made a concurrent subject.

Constitutional Position

2.4 Our Constitution, by and large, follows the pattern laid down in the Government of India Act, 1935. The scheme of legislative powers for the States

and the Union Government under the Constitution gives complete powers to the State Governments over the production and exhibition of films within the State. The powers of the Union Government are confined to sanctioning of cinematograph films for exhibition i.e. certification through Central Board of Film Censors. The relevant entries are as follows :—

Union List (Seventh Schedule of the Constitution)

Entry 52—industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest.

Entry 60—sanctioning of cinematograph films for exhibition.

State List

Entry 24—industries subject to the provisions of Entries 7 and 52 of List I i.e. Union List.

Entry 33—theatres and dramatic performances; cinemas subject to the provisions of Entry 60 of List I; sports, entertainments and amusements.

Entry 62—taxes on luxuries, including taxes on entertainments; amusements, betting and gambling.

2.5 The power of the State Government to license cinema theatres arises out of Section 10 and 11 of the Cinematograph Act, 1952 read with entry 33 of the State List. The power of the State Governments to levy entertainment tax on the exhibition of film arises out of Entry 62 of the State List which also gives powers to the State Governments for levying taxes on betting and gambling.

2.6 Under Entry 52 of the Union List of the Constitution it is open to the Union Government to declare that it is expedient in the public interest to assume control of certain industries. Through the Industries (Development and Regulation) Act, 1951, the Union Government has already assumed control of a large number of industries which include 'cinema film' (raw film) and 'photographic amateur film'. This power has not, however, been utilised for the central control of the film industry as a whole.

Patil Committee Recommendations

2.7 The Film Enquiry Committee, 1951 (Patil Committee) (para 556) had recommended that legislative action should be taken to declare the control of production of films by the Union expedient in public

interest and thereby entrust full responsibility for the production side of the industry to the Central Government. This recommendation was accepted by the Government and a Cinematograph Bill was introduced in the Rajya Sabha in 1956 which contained a provision to this effect. We, however, understand that the bill was withdrawn "as a measure of economy".

2.8 The Patil Committee had also recommended (para 557) that for the sake of uniformity of cinema regulations, the subject should be transferred from the State List to the Concurrent List, enabling the Central Government to introduce legislation of general application to the whole country but leaving the administration of the Act to the State Governments with powers to make local rules as are necessitated by different conditions. We understand that after consideration, the Union Government had agreed to formulate a model set of regulations for licensing of cinemas but had decided that for administrative purposes the subject should remain in the State List.

2.9 The Patil Committee had noted that witnesses before the Committee had made practically a unanimous complaint that film business was reduced almost to a state of asphyxia by a stranglehold of numerous laws, rules and regulations by a multitude of authorities with no single authority to coordinate or superintend them. The Committee had found this complaint to be well founded.

2.10 The main reasons given by the Committee for its recommendation in this regard were as follows :

- (i) Within the preceding 20 years, the industry had developed very greatly and at the time of the report its scope and interests covered the whole country.
- (ii) The industrial unit in film industry consisted of both theatres and studios, since neither could function without the other. Films produced in any State depended upon exhibition in other States for commercial success which made the whole industry one indivisible unit even though parts of the industry might be located in different States.
- (iii) Many of the difficulties of the industry were of an all India nature being connected with the import of capital equipment production stores and raw film, the certification of films for exhibition, the raising of capital for the industry and the course of inter-State commerce.

The Committee concluded that the problems of film industry are "of a nature that can be comprehended only when viewed as a whole"

2.11 Our investigations have shown that the reasons given by the Patil Committee for bringing the cinema industry under the Union List/Concurrent List have become even more pressing during the last 30 years. The film industry has vastly expanded, its inter-State links have become stronger and its dependence on exhibition outlets on an all India basis has become more acute. The plethora of laws and rules has become

more complex. Particularly the regulations for licensing of theatres and high rates of entertainment tax have become serious impediments in the progress of good cinema and film industry. The general approach to cinema differs from State to State and in some cases even from one local body to another. The commonality of national objective does not permeate the policies being followed by different State Governments in regard to cinema. In this situation the memoranda received from almost all the Associations of film industry have justifiably suggested that the entire subject of cinema should be brought under the Union/Concurrent List. Even a State Film Corporation has suggested that the subject of cinema regulations should be placed in the Concurrent List.

Efforts to achieve uniformity

2.12 We are aware of the fact that the Union Government has made some attempts by enlisting the cooperation of the States to bring about uniformity and rationalisation in atleast some areas affecting cinema, but these attempts have remained largely unsuccessful. For example, the Conference of State Information Ministers held in New Delhi in November 1977 had agreed that all films which win a National or State Award and all children's films should be exempted from entertainment tax. Yet various State Governments continue to apply their own criteria for exemption of films from entertainment tax and the producer of such films still has to go through a time consuming procedure for obtaining exemption. This Conference had also decided that special attention should be paid to promoting production and exhibition of children's films in the country. While some States have taken interest in this direction, the overall results remain highly inadequate. Again this Conference had decided that a specific percentage of revenue derived from entertainment tax should be set apart by each State for the development of film industry. Some States have started providing limited amount of funds for development of cinema, but no State except Andhra Pradesh has accepted the principle of allocating a percentage of entertainment tax revenue to be set apart for development of cinema. Andhra Pradesh has, of late, started earmarking 7 per cent of entertainment tax revenues for film development. This Conference had further decided that the State Cinema Regulations should be made uniform and suitably simplified. Only a few States have initiated action in this direction.

2.13 We note that some State Governments like the Governments of Maharashtra, Andhra Pradesh, Tamil Nadu, Orissa, West Bengal, Punjab, Uttar Pradesh and Kerala have during the last few years, started taking interest in the development of film industry. However, their activities are necessarily confined to local problems and are not conceived in a national perspective. It is perhaps this realisation of the need of a national perspective which led the Conference of State Information Ministers to recommend that there should be a National Film Policy for Films. The developments during the last decade have witnessed the spread of film production activities in several States outside the traditional territories of Bombay, Madras and Calcutta. This movement, which is likely to grow, further reinforces the need for evolving a common film policy.

2.14 The confluence of the cinema, the computer and communications is expected to bring about profound changes in our life. The video cassette, for example, makes the cinema an even more powerful audio-visual and information tool. There are also video discs, fibre optics, new types of tapes and computers with greater versatility. All these herald the brave new world of cinema. As we move into the decade of 1980s, we face decisions that will have the most important implications for the information and communication systems and cinema technology which are as vital for our people. This also underscores the need for and the rationale behind a clear cut national film policy.

Recommendations

2.15 We, therefore, recommend that the entire subject of cinema and film industry should be brought within the purview of Central policy and Central control. Ideally this will imply the transfer of the subject of cinema from the State List to the Union List. If, however, for various reasons such as the need to provide a limited amount of local flexibility, it is not considered appropriate to bring the subject in the Union List, the subject of film production, distribution and licensing of theatres and taxation on cinema should be placed under the Concurrent List, while retaining sanctioning of cinematograph films for exhibition in the Union List as at present.

2.16 Alternatively the Union Government should consider the possibility of taking over the control of cinema by legislation under Entry 52 of the Union List by declaring Union control of film industry expedient in public interest. It should, however, be examined as to whether this entry will enable Central control of all sectors of the industry including production, distribution and exhibition.

2.17 We would like to emphasise that take over of the subject of cinema by the Union Government should not result in depriving the State Governments of the revenues which they are at present collecting by entertainment tax. For the development of cinema with proper roots in the local culture, the involvement of State Governments is absolutely essential. Therefore, the State Governments should continue to have the financial wherewithal to support State level film activity. It is, therefore, necessary that a fair formula should be evolved to share the entertainment tax revenues between the Central and State Governments.

2.18 In making the above recommendation, we are conscious of the fact that any attempt to take away the powers from the State Governments is bound to be resisted. The observations of the previous committees as also our analysis have, however, shown that such a change is a precondition for the formulation and implementation of a National Film Policy.

Ministerial Set-up for Cinema

2.19 Another area which we would like to touch upon here is setting up of a proper ministerial and administrative organisation at the Central level to regulate, coordinate and assist in finding solutions to the general problems of cinema and film industry. The

Rangachariar Committee had recommended the creation of a Cinema Department. At present cinema at the Central level is part of the Ministry of Information and Broadcasting. The exclusive ministerial setup available to the film industry at the Central level consists of a Joint Secretary, a Deputy Secretary and a few Under Secretaries. The Secretary and the Minister responsible for the Ministry of Information and Broadcasting have to divide their time between the problems of film industry and of television, radio, press, publicity, mass communication, publications, etc. This arrangement does not provide for adequate attention to the problems of cinema and film industry at the appropriate level. Besides, there are several important film institutions directly under the Ministry whose problems require closer attention at the ministerial level viz. the Films Division, Censor Board, Directorate of Film Festivals, National Film Archive, NFDC, FTII and the Children's Film Society.

2.20 The Central department responsible for cinema has to be supported by continuous flow of information from all sectors of the film industry and all the State Governments. It has to be equipped not only to react to the problems posed by the film industry but also to anticipate problems and become an effective agency for finding solutions which require coordination with other Ministries such as the Ministry of Finance, Ministry of Commerce, Ministry of Industries and the Ministry of Education and Social Welfare.

2.21 We, therefore, recommend that while cinema may continue to remain for the present as a subject with the Information and Broadcasting Ministry, the concerned wing should be expanded and made into a fullfledged department to be headed by a separate Secretary. Also, the name of this Ministry should be suitably amended to reflect clearly the important responsibility of the Ministry in regard to cinema. At present the word 'Information' in the name of the Ministry covers activities like Press, Publication, DAVP, etc. and the word 'Broadcasting' takes care of TV and Radio. This leaves out the subject of cinema completely. It is, therefore, suggested that this Ministry should be called Ministry of Information, Broadcasting and Cinema. We are conscious of the fact that eventually there may arise a justification for a separate Ministry for cinema, once the subject of cinema is taken over by the Central Government. At that stage it would perhaps be desirable to bring cinema and television under a separate Ministry as the developments all over the world indicate that there is a tremendous amount of interaction between these two audio visual mass media and several of their problems are inter-related. However, a separate Department of Cinema is necessary even today to efficiently handle the present range of activities at the Central level.

2.22 We would further like to emphasise that at present the Ministry does not have any technical expertise for proper understanding of the problems of the industry, particularly in the area of technology. Therefore, it is necessary that there should be a small cell in the Ministry's secretariat which should be staffed by technically qualified people to assist the Ministry in the area of technology. The Department of Cinema should also have a properly equipped Information Cell

to be headed by a Research Officer who should continuously maintain up-to-date statistics regarding various aspects of film industry such as number of films produced, gross collections, theatres in each State, theatre regulations in different States, theatre rentals, taxation rates, consumption and requirement of raw stock, exports of Indian films to different territories, number of people employed in various segments of the industry, etc. which are necessary for proper policy formulation.

2.23 We hope that our recommendation for transferring the subject of cinema under Central control and the development of a proper ministerial setup to look after the problems of cinema and film industry exclusively will be implemented expeditiously and the Central Government will acquire the necessary legislative authority and administrative capability to evolve and implement a National Film Policy. Without this, a mere statement of National Film Policy is likely to remain only a statement of intentions.

National Film Policy

2.24 We have deliberated at length as to what should be the broad framework of such a Policy. A National Film Policy in the Indian context should be based upon a clear recognition of the following facts:—

- (i) Cinema today is the single largest disseminator of popular culture.
 - (ii) Despite the growth of television and availability of other means of entertainment, cinema remains the most popular, audio visual medium of entertainment for the masses which is a basic necessity.
 - (iii) With a tradition of film making in India spread over about 70 years and the recognition extended to outstanding Indian films both nationally and internationally, cinema in India is no longer only a medium of entertainment but has emerged as a major art form which gives expression to the vision of distinguished creative artistes.
 - (iv) The wide popularity of cinema and its known strength as an audio visual medium of communication invest this medium with a pervasive power for social influence. Cinema has, therefore, the potential to play an important role as a medium of enlightenment, of information and education and as a catalyst of social change.
 - (v) Cinema is a major industry in India involving fairly high levels of investment and engages a significant number of people of semi-skilled highly skilled and creative variety.
 - (vi) The industrial base of cinema is common for films of all kinds ranging from fiction films to specialised films, irrespective of content.
 - (vii) Cinema's technological base is sophisticated and continuously evolving.
 - (viii) Cinema in India generates considerable amount of revenues for the Government with very little investment of public funds.
 - (ix) Indian cinema has a vast potential for earning foreign exchange.
- 2.25 In view of the above, the broad objectives of the National Film Policy should be as follows :—
- (i) To improve the cultural quality of cinema considering its impact upon society.
 - (ii) To make cinema accessible to the largest number of people throughout the country.
 - (iii) To help the growth of cinema as a medium of culture, artistic expression, communication, enlightenment and entertainment, and to develop a strategy for the propagation of film appreciation and consciousness.
 - (iv) To help the Indian cinema by recognising it as an industry of vital importance and extend it the same facilities as are available to other important industries.
 - (v) To encourage the production of short films, information/documentary, educational and scientific films and provide facilities for their exhibition in schools, colleges and community centres in addition to exhibition through theatrical circuits and harness their potential for social progress.
 - (vi) To provide all facilities for production, distribution and exhibition of children's films in all regions of the country.
 - (vii) To assist in changing the feature film marketing conditions in a manner which provide a fair opportunity for films of aesthetic excellence and social relevance to reach the audience and at the same time reduce marketing pressures on the box-office oriented film which compel it to operate in a speculative environment.
 - (viii) To regulate and improve the working conditions of film employees.
 - (ix) To liberalise policies regarding import of equipment and raw stock in line with the need for modernising the technological base of film industry and simultaneously to provide facilities to undertake research and development for indigenisation of film technology and to keep abreast of the latest developments.
 - (x) To expand training facilities in the creative and technical aspects of cinema, keeping in view the growth of cinema in India.
 - (xi) To ensure that the taxation policies are in line with the general objective of encouraging the growth of cinema and that taxation does not contribute to making the market for cinema uncertain and speculative. This implies that the general strategy of generating tax revenues should aim at horizontal expansion of revenue resources and not vertical rise in taxation levels.

(xii) To import films reflecting artistic and technical achievements from all over the world with a view to encourage creative interaction between Indian and international cinema, and to fully exploit the foreign exchange earning potential of Indian films by simplifying the procedure for export, by providing expert marketing information and organisational support to exporters and by co-productions with foreign film makers.

2.26 We are conscious of the fact that a film policy has to operate within the larger perspective of a communication and a cultural policy. Unfortunately at present there does not seem to be any clearly defined policy regarding the total field of communication and culture. We, however, hope that in due course such a policy will be evolved. In the following chapters of this report we have outlined a broad approach and a series of specific recommendations designed to achieve the objectives of the proposed National Film Policy as indicated above.

CHAPTER III

STATUS OF CINEMA AS AN ART FORM

3.1 One of the major factors which has impeded the growth of cinema as an art form and as a medium of cultural expression is that despite a history of about 70 years of film making, cinema in India continues to be treated almost as a sub-culture. This general attitude seems to permeate the total spectrum of Government's policies towards cinema. The entertainment tax policies look at cinema as an inexhaustible source of revenue and almost equate tax on cinema to tax on betting and gambling. The regulations for construction of cinema theatres treat cinema as something of an undesirable activity which needs to be kept at an adequate distance from the social life of the community. The policies in regard to excise and custom levies on raw stock and on film equipment contribute to making film production prohibitively expensive and thereby speculative. Efforts of the Central and State Governments to promote good cinema, despite recent awareness, remain inadequate and uncoordinated. Cinema has still to win a place as a subject of serious study in the educational curriculum on par with teaching of traditional arts. Cinema as an art form still does not have a national platform in India.

3.2 This description of the overall situation in India within which cinema has to function may appear harsh but is nonetheless true. In advanced countries, film is now recognised as "the most important of the arts". Prof. Jerzy Toeplitz, a former Director of the Polish Film Institute, has stated that no worthwhile cinema can exist without active participation of the Government. The role of the Government in the promotion of good cinema particularly in the context of a developing society has not been sufficiently recognised in India.

Attainments of Indian Cinema

3.3 It is keeping in view the above mentioned constraints that the artistic attainments of Indian cinema should be assessed. We have already mentioned that India produces every year more than 700 feature films in 15 languages and more than six hundred short films, excluding trailers and advertisements. Indian films had started participating in international film festivals in the thirties. Films like *DHARTI KE LAL* by K. A. Abbas and Chetan Anand's *NEECHA NAGAR* had won honours abroad as far back as 1946. In 1956, Satyajit Ray's *PATHER PANCHALI* was given the Best Human Document Award at Cannes. This also marked a major advance in the development of cinema in India as the expression of the vision of an artist. In *PATHER PANCHALI* Satyajit Ray uses the language of cinema with the same facility and freedom as a creative writer uses words. Even

in India, it is now accepted that cinema as a means of creative expression is primarily a director's medium. The international interest in Indian cinema which *PATHER PANCHALI* had created has continued to grow. Indian films are now eagerly invited by major international film festivals. Retrospectives and Film Weeks of Indian films have been held at a number of international forums and today India can justly claim to have several film makers of international stature.

3.4 Following the Patil Committee Report (1951) the Government took the first step to extend national recognition to the artistic achievements of Indian cinema. The National Film Awards were instituted in 1953 and were first awarded in 1954. During the last 25 years (54—79) the National Film Awards have brought to limelight an impressive number of outstanding Indian films. A survey of the awards shows that important developments have taken place particularly during the last decade. Upto 1970, the award for the best feature film generally went to a Bengali or a Hindi film. During this period, only in 1954 and in 1966 the best feature film award was given to a Marathi and a Malayalam film respectively. However, during the seventies Malayalam and Kannada films won the best feature film award five times. Similarly in the category of award for the best direction which was first given in 1968, while the directors of Bengali films have won the largest number of awards, Malayalam and Kannada film directors together have won the award 5 times. However in the field of excellence in cinematography Hindi films have continued to dominate.

3.5 The foregoing analysis clearly indicates that during the last decade cinema as a medium of artistic expression has spread outside the traditional film making territories of Bombay, Calcutta and Madras and has struck roots in several other regions such as Karnataka and Kerala. This new regional cinema continues to suffer from technological handicaps. In our view this strong trend of regional cultural expression through cinema has brought cinema closer to the life of the people and has, therefore, made it socially more relevant. Unfortunately despite the national awards, due to various reasons, artistic films in regional languages, as also in Hindi, do not receive the national exposure or the national attention which they deserve and, therefore, the overall image of Indian cinema continues to be determined by culturally vacuous films which are exclusively designed for making quick money through audience manipulation.

3.6 Shri Satyajit Ray has expressed the view (Annexure IV) that while quantitatively the attainments of Indian cinema are very impressive, qualitatively the attainments are far from adequate. In his view the work of early Indian film makers had suffered from a "low level of conception". It was only during the fifties that some film makers started creating meaningful cinema within the overall format already established for the popular cinema. He also feels that recently in some of the regional film making centres intellectuals have started participating in cinema. Smt. Kamaladevi Chattopadhyay, Chairman of the Sangeet Natak Akademi, has stated (Annexure V) that the attainments of Indian cinema as a creative art form are very limited mainly because, unlike traditional arts, cinema in India is not a spontaneous instrument springing from the soil and the people.

3.7 There is no doubt that a majority of films being made in India are of indifferent quality. There is also no doubt that, of late, many of the popular films oriented only to the box office have started relying mainly on sex and violence for audience appeal. These films also project a distorted picture of Indian life particularly in regard to treatment of women, rural life, emphasis upon conformity, etc. At the same time, it must be recognised that within the popular cinema there are several films which aim at presenting clean entertainment and fulfil an important need. Further, even though the treatment of themes in the popular cinema may be superficial, this cinema has also emphasised such social values as casteless society, communal harmony, strengthening of family ties, widow remarriage, abolition of untouchability, etc. and has helped to spread a common spoken language. Bad films outnumber good films in the same manner in which bad books outnumber good books. Any medium is capable of misuse and films are no exception. However, this cannot be made an argument for decrying the very medium of cinema and denying it the status of an art form.

3.8 Our general assessment of the attainments of Indian cinema is that while it has definite major achievements to its credit, the enormous potential of this medium and its creative possibilities have not been adequately explored. This not only calls for systematic efforts to widen the area of its achievement but also a definite recognition of the fact that all cinematic values are not universal and, therefore, need not be imported from the West. Indian cinema has to be helped to evolve its own aesthetic values from our own cultural roots. This can only be done if cinema is given the full status of a cultural activity. We strongly feel that the correct approach is to make sustained efforts to provide a national platform for good cinema, to positively encourage the production of good films, to take such films to the largest number of people and to 'initiate' audience in the appreciation of good cinema.

3.9 In the Foreword to the Report on Film Seminar organised by the Sangeet Natak Akademi in 1955, Dr. P. V. Rajamannar had stated, "In my very first speech as the Chairman of the Akademi I made special

reference to the film as a distinct art form with a separate artistic individuality and said that it will be one of the functions of the Akademi to set up high standards for this new art form without impairing its commercial value". We, therefore, note that originally the Sangeet Natak Akademi was expected to inter-alia promote cinema as a distinct art form. However this task has not been followed up by the Sangeet Natak Akademi. Taking into account the developments during the last 25 years, the size of film production in India, the economic and social resources which it utilises, the extent of its impact upon society and the potential which cinema has as a medium of cultural expression and non-formal education, cinema as an art form today needs its own national platform.

Chalachitra Akademi

3.10 We, therefore, recommend that a separate Akademi to be called Chalachitra Akademi should be set up exclusively with the object of promoting cinema as an art form, on the same lines as the other Akademies i.e., Sangeet Natak Akademi, Sahitya Akademi and Lalit Kala Akademi. We suggest that the broad functions of the Akademi should be as follows :—

- (i) To recognize excellence in cinema and its various disciplines through annual national awards and to promote award winning films through the art circuit and, in coordination with the NFDC, the Central Government and the State Governments through the normal theatrical and non-theatrical channels.
- (ii) To select outstanding Indian films for participation in international film festivals and sponsor the same.
- (iii) To organise expositions of Indian films in foreign countries and of foreign films in India through Cultural Exchange Programmes.
- (iv) To set up a National Art Theatre where films of excellence from India and abroad will be regularly screened and to collaborate in setting up similar Art Theatres in State Capitals.
- (v) To import art films for circulation in the non-commercial art circuits directly controlled by the Akademi as also the other non-commercial art circuits such as the film societies and Universities.
- (vi) To maintain and operate a Film Lending Service for purely non-commercial circulation.
- (vii) To maintain a National Film Archive and its Regional Centres, with the objective of tracing, acquiring and preserving for the use of posterity the heritage of national cinema and a representative collection of world cinema including films, film music discs, scripts and other film artifacts.
- (viii) To set up a comprehensive National Film Museum with accent on the display of historical growth of film technology. This

museum should also have models of current technology with facilities for live participative demonstrations.

- (ix) To act as a centre for the propagation of film culture and film consciousness in the country by providing financial help and guidance for setting up film societies/film clubs and making available film classics and artistic films to these societies through the Film Lending Service.
- (x) To operate a Film Educational Advisory Service with the object of promoting through education the study of film as art and as entertainment and of its function as a medium. To this end this service will provide advice on teaching programmes and courses, and assist in making available study materials and publications and make token grants.
- (xi) To hold festivals of Indian films in various parts of the country in collaboration with the State Governments and other interested agencies.
- (xii) To set up and operate a Film Information and Documentation Centre with extension centres at the Regional Branches of the Akademi, which will provide information and documentation service regarding all aspects of film making in India and exchange information with similar Centres in the film making countries of the world. This centre will also operate a library of books and other literature on cinema for use by the general public. The centre will have a Publication Division which will bring out a journal of film criticism and undertake publications of monographs, scripts and filmographies etc.
- (xiii) To collaborate with the National Film Development Corporation in organising an annual International Film Festival in India, particularly the Indian Panorama Section of the International Film Festival.
- (xiv) To give grants for research in film history and film aesthetics and also for film making to outstanding film makers.
- (xv) To set up and operate a Children's Film Centre which will promote production and undertake distribution and exhibition of children's films, organising of children's film festivals, import of children's films, running children's film theatres and providing help, guidance and to generally coordinate the activities of similar Children's Film Centres to be set up at the State Akademi levels. We have dealt with these aspects in detail in Chapter IX.

3.11 During our informal contacts with film makers we have found a very favourable response to the idea of setting up a separate Akademi for cinema. As will

be seen from Annexure IV even eminent directors like Shri Satyajit Ray have supported this idea.

Directorate of Film Festivals

3.12 Some of the activities which we have listed above are at present being performed by the Directorate of Film Festivals, the National Film Archive and the Children's Film Society. There are several activities which are not being performed by any agency. The Directorate of Film Festivals at present organises the National Film Festival, operates Cultural Exchange Programme for films, sponsors films for international film festivals and organises the International Film Festival of India in collaboration with the FFC/NFDC. We are aware of the fact that the Directorate has been functioning under genuine handicaps in so far as its organisational structure has never matched the declared objectives for which it was set up. However, in our opinion even conceptually, the Directorate is not the right kind of organisation for undertaking these activities. In terms of its activities the Directorate is too narrowly conceived. Its status as a Government Department inhibits active participation by the film industry. As a subordinate office of the Ministry of I&B it is necessarily subject to excessive interference from the Ministry. Its frequently changing personnel are unable to acquire the required professional expertise. Experience has shown that even in such areas as the National Film Awards, there has been little or no follow-up action for promoting the award winning films through the non-theatrical circuits controlled by the Government and through the commercial circuit by enlisting the help of the State Governments regarding exemptions from entertainment tax etc. In the area of sponsoring Indian films in foreign film festivals, the Directorate has not been able to derive full advantage of the interest being shown by the major festivals to screen outstanding Indian films. There has also been occasional criticism that the Cultural Exchange Programmes for films have not been exploited adequately in the interest of Indian cinema's in fact presentation of Indian films under these programmes in the concerned countries has been sporadic.

National Film Archive

3.13 As far as the Film Archive is concerned, it came into existence in 1964 but its charter to preserve the heritage of national cinema has still not been fully appreciated. The National Film Archive is at present operates as a Government Department and even undertakes such extraneous activities as the preservation of films for the Ministry of Defence. The 59th Report of the Lok Sabha Estimates Committee (73-74) had regretfully noted that "The Film Archive movement in the country is still in its infancy and suitable arrangements for maintenance, preservation and classification of these archives have yet not been made. Moreover, adequate funds have not been made available for the expansion of the Film Archive. The Committee would like to point out that the Film Archive are of immense value to the country and its preservation and expansion should be given higher priority in view of the fact that these films would serve the future generation and posterity".

3.14 Our study has shown that even today the position of the Archive is no different than what it was when the matter was reviewed by the Estimates Committee. The Archive continues to remain inadequately equipped for acquisition and storage of films and insufficiently staffed to efficiently manage the task assigned to it. We are of the view that the main reason which has prevented a proper growth of the National Film Archive is that it tends to function in isolation as a minor department of the Ministry of I—B. We have noted that despite serious handicaps of resources available to the National Film Archive, it has done pioneering work in spreading cine-literacy by holding regular film appreciation courses and short term film appreciation courses in collaboration with educational institutions and film societies etc. It has helped to set up and sustain film clubs in the universities. At present it is perhaps the only dependable source of information on cinema in the country. However, for reasons mentioned above, the archival activity has not been able to grow at the desired pace.

3.15 It is necessary that the Film Archive functions as a 'living' activity. It has not merely to preserve the cultural heritage but has also to pass it on to the people in general. For this purpose it has to maintain an active coordination with such activities as the film society movement, the art theatre movement, education in cinema, promotion of inter-disciplinary studies in art and aesthetics, and in general become actively involved in the total area of propagation of film culture and consciousness. We, therefore, feel that for the Archive to perform its functions adequately, it has to be closely involved with the total gamut of activities which we have suggested for the Chalachitra Akademi. We, therefore, recommend that the National Film Archive should be brought under the proposed Akademi. The Archive should maintain branches at all the Regional Centres of the Chalachitra Akademi as also at the State Film Akademies which may be set up by the State Governments. We visualise that once the National Film Archive comes under the Chalachitra Akademi, the scope of its activities will considerably expand and the Archive will require increased financial and personnel resources. In considering these requirements it is necessary that the importance and significance of the Film Archive as a preserver and disseminator of film culture is kept in view.

3.16 In this context we would also like recommend that Government should undertake legislation to introduce a scheme for compulsory deposit with the Archive of a video copy of every film made in India on the lines of the compulsory deposit scheme for the book trade. However, as a video copy will not serve the archival purpose fully, the scheme for purchase of a portion of the national film product, in the original form, by the National Archive should continue.

Relationship with NFDC

3.17 We have also carefully considered the relationship which the proposed Akademi will have with the National Film Development Corporation. We would like to clarify that the Akademi will be an entirely non-commercial organisation which will operate

on the basis of a grant from the Government supplemented by limited resources which it may internally generate by operating the National Art Theatre or by collection of nominal fees for documentation service or the Film Lending Service. We have subsequently dealt with the charter of functions for the National Film Development Corporation. It may be briefly mentioned here that even though the charter of this Corporation is to develop film and film industry, it will have to, by and large, generate its own resources and keep itself financially viable. While we have recommended that the Chalachitra Akademi should also provide finance for film making, we have suggested that the Akademi will give grants and not loans unlike the NFDC. We visualise that grants will be given by the Akademi initially for short films to film makers of proven record so that they have complete freedom to make the kind of films which they want to make. Later, as the activities of the Akademi grow, it can expand the area of its grants to feature films also, subject to the same criteria of proven outstanding achievement in the field of cinema. The activities of the Akademi in this area are intended to promote creative experimentation in the field of cinema unhampered by the considerations of financial return.

3.18 We have also suggested that import of films for the art circuit and children's films should primarily rest with the Akademi. As the entire responsibility for propagation of film consciousness and encouragement of the film society movement will rest with the Akademi, it is only proper that the import of artistic films for non-commercial exploitation should be done directly by the Akademi. At present when the FFC/NFDC imports art films for circulation through the art circuit, these are subjected to the same custom levies as films imported for commercial exhibition. This is presumably due to the fact that NFDC has to basically function within a format of commercial viability and, therefore, it becomes difficult to distinguish between the commercial and non-commercial exploitation of films by this organisation. This confusion will be resolved if the import of artistic films for non-commercial exploitation is assigned primarily to the proposed Akademi.

3.19 In this context we recommend that the films which are imported by the Akademi for its Film Lending Service, for the National Art Theatre, for the children's film circuit and for the National Film Archive should be completely exempted from custom duty. Similarly any prints taken out by the Akademi of either the imported films or the Indian films should be exempted from excise duty.

3.20 We have suggested that the selection of outstanding Indian films for participation in international film festival should rest with the Akademi and not with the NFDC, for the reason that NFDC being a financing agency for production of films will naturally have a special interest in promoting the films which it finances. The selection of films for participation in international film festivals has to be absolutely free from such considerations and should be based only on the criteria of excellence. At the same time, it may be clarified that there are specialised festivals of the

nature of a film market where Indian films need to be promoted. This will be handled by the NFDC.

3.21 We also feel that while the overall responsibility for organising the annual International Film Festival of India should rest with the NFDC, the responsibility for organising the Indian Panorama Section of this festival should remain with the Akademi. The considerations for this are the same as are applicable to selections of films for participation in international film festivals. We are of the view that if the International Film Festival has to serve a substantial purpose, it should become a venue for the buying and selling of Indian and foreign films. The general objective of exposing Indian audience to world trends in cinema can be better achieved by the regular screening of outstanding films through the art theatre circuit throughout the year and through special film weeks under the Cultural Exchange Programmes. We, therefore, feel that the main thrust of the International Film Festival in India should be towards developing it into a Film Market. This can be effectively handled by an organisation like the NFDC which is charged with the responsibility of inter alia promoting the export of Indian films and the import of foreign films. Of course, the Akademi should render assistance to the NFDC in the selection of films for the International Film Festival and make its theatre facilities available for holding the festival. We have dealt with the subject of international film festival subsequently in the report.

3.22 We would like to emphasise that the roles of the Akademi and the NFDC are distinct, but essentially complementary. There has to be close coordination between the Akademi and the NFDC in various activities such as organisation of film festivals, film weeks, participation in foreign festivals and in the general area of promotion of good cinema. It is, therefore, important that these two organisations work in a spirit of cooperation.

Film Society Movement

3.23 We have surveyed the role played by the film society movement in India in the propagation of film consciousness. Though the film society movement in India is now more than 30 years old, only 200 film societies representing about 75000 members are recognised by the Federation of Film Societies of India. There are a fair number of film societies which are actively engaged in screening artistic films to their members which are not affiliated to the FFSI. According to FFSI, at present about 300 applications are pending with the Federation seeking affiliation. This, of course, does not include a large number of films clubs which show only popular entertainment films to their members. While the film society movement has made a distinct contribution in the propagation of film consciousness, the movement has remained largely confined to major urban centres. Its expansion has been handicapped on account of non-availability of sufficient number of good films, inadequacy of exhibition facilities and lack of awareness on the part of the Government to appreciate the crucial role which this movement can play in creating audience for good cinema by changing audience taste through regular

exposure of good films to a cross section of the people. The Federation has organised itself in four zones without setting up an organisation at every state level. This has prevented the film society movement from obtaining financial help and support even from those State Governments which are conscious of the need for encouraging good cinema movement.

3.24 The traditional arts, as Smt. Kamladevi Chatopadhyay has pointed out (Annexure V), "are within the reach of most people since they are traditional. In fact all the other forms are practised by the poorest people in the rural areas....." This can never be the case with cinema in view of its sophisticated technological nature and the high investment which it involves. Further, most people do grow with some awareness of traditional art forms which are imbibed at home and through schools and colleges. In India, there is at present no such 'initiation' of the general audience in the art of cinema and thus people are left to cope with this powerful medium spontaneously leading to inadequate or distorted response. It is obvious that the film society movement has a very important role to play in 'initiating' audience in the appreciation of good cinema. It is in this context that we have suggested that the Akademi should be assigned the task of helping the growth of film society movement.

3.25 We further recommend that the local civic bodies should provide facilities by way of land at subsidised rates in the cultural complexes for setting up exhibition theatres exclusively earmarked for non-commercial exhibition of films by film societies.

3.26 There is also need for the film society movement to liberate itself from the constraints of commercial cinema houses. We recommend that the Central and the State Governments should give grants to the film societies for purchasing mobile vans for exhibition of films. To begin with, the facilities for the purchase of these mobile vans can be given to the regional organisations of film societies which can utilise these vans for screening artistic films to the members of film societies on a regular basis.

3.27 We also recommend that the Federation of Film Societies should set up organisations at State level so that it can properly liaise with the State Governments for obtaining financial help and facilities for the film societies in the State. At present even when the Central Government has offered to give grants to the film society movement, it has not been possible to do so because the Federation of Film Societies was not able to finalise and furnish its annual accounts on all India basis. The Federation has a genuine difficulty in finalising the accounts as the societies are generally managed by part time non-professionals and do not always function efficiently. In the circumstances, even those regions of the Federation which may have finalised their accounts are unable to get Government grants because of the inefficiency of some other regions. We, therefore, recommend that grants by the Central and the State Governments should not necessarily be given to the Federation on all India basis but may be directly given to the regional or State level organisations of film societies

which fulfil the necessary conditions for obtaining grants.

3.28 In some of the States a general decision has still to be taken to exempt the film shows of film societies from entertainment tax and show tax etc. We recommend that every State should take a policy decision to exempt film society shows from entertainment tax and show tax etc. so that the film societies are not compelled to seek exemption on each occasion.

Film Educational Advisory Service

3.29 If cinema is a medium of culture, the young people in schools and colleges should be helped to understand this medium and cope with the culture which this medium disseminates. We have introduced the study of literature, humanities, and fine arts in schools and universities but unlike the advanced countries, this 20th century art form has still to find a place in the educational curriculum in India.

3.30 The place of cinema in education can be considered from three different angles; firstly, the use of film technology for imparting formal instruction, secondly, the role of cinema as an informal disseminator of social education and culture, and thirdly formal study of cinema as a medium, as an art form and as cultural expression. As far as the use of film technology in education is concerned, this really belongs to the field of educational technology. The inclusion of cinema in the educational curriculum is primarily concerned with the other two aspects. As far as the role of cinema as an informal disseminator of education and culture is concerned, cinema has to be integrated with the total approach to developmental communication and not be confined only to screening of films in schools and colleges. We, however, feel that the introduction of film education at the school and college level apart from developing the awareness of the young people to this art form, will also result in creation of a more discriminating response to the cultural and educational contents of the films.

3.31 We may mention here that Shri Satyajit Ray has also been advocating the introduction of cinema as a subject of formal study at the university level (Annexure IV). Bela Balazs, one of the pioneering theoreticians of film had stated over three decades ago that "Until there is a chapter on film art in every text book on the history of art and on aesthetics, until the art of the film has a chair in our Universities and a place in the curriculum of our secondary schools, we shall not have firmly established in the consciousness of our generation this most important artistic development of our country". In recognition of the place of cinema in contemporary life a large number of universities in foreign countries are already offering courses covering the aesthetic, cultural and technical aspects of cinema.

3.32 We strongly recommend that a course in film appreciation including rudiments of film making should be offered as one of the creative courses at the 10 plus stage and should be preceded by shorter courses and informal exposure to film appreciation from Class VIII onwards. Similarly at the university level there

should be more advanced courses in film history, film technique and film appreciation. We may clarify here that the purpose of these courses is not to create film technicians through schools and colleges for which obviously specialised film institutes are required. The general purpose of these courses is merely to equip school and college students to develop an interest in and a critical attitude towards cinema, so that they look upon cinema less as magic and more as art.

3.33 There is also need to develop special courses in communication at university level. Some of the modules of these courses should be devoted to cinema as a medium of communication.

3.34 We have been given to understand that there are already about 15,000 projectors available with schools in the country. Therefore, a major hurdle in starting film courses can be easily overcome. However, an expert body will have to undertake designing of teaching programmes and courses, train teachers and provide assistance in making the necessary study material available. We, therefore, visualise that the Film Educational Advisory Service under the Chalachitra Akademi will develop and make available expertise in this area in collaboration with the Ministry of Education, State Education Departments and other concerned agencies. We may mention that the British Film Institute also has such an Educational Advisory Service.

Film Information and Documentation Centre

3.35 We would also like to stress the significance of the National Film Information and Documentation Centre in the context of the proposed Chalachitra Akademi. While trying to gather information for our study, we have become acutely aware that even the basic statistics such as gross collections, rates of entertainment tax, complete details of international awards which Indian films have won, etc. are not available at any one place. There is also a great dearth of literature and reference material on Indian cinema. Neither the Government nor the film industry has made a systematic effort to build up a proper documentation centre for cinema. The need for such a centre is obvious even in the context of policy formulation and research, quite apart from providing authentic information to any person who may be interested in Indian cinema. We feel that such an Information Centre under the Akademi will fulfil a long felt need. This Centre should also bring out a monthly journal devoted to film criticism and film information.

Organisational Structure

3.36 The wide range of activities which the Akademi will be called upon to undertake definitely implies that the Akademi should receive a substantial grant from the Government. It should have its own office-cum-theatre complex with several auditoria and with adequate space for the National Film Museum, Documentation Centre, Children's Film Centre and for proper storage of archive material.

3.37 The organisational structure of the Akademi will have to be carefully considered in detail taking into account the experience of the already existing Akademies and the special needs of cinema. However,

the organisational set-up will necessarily have to provide for active participation of film makers, film technicians, film writers and film specialists etc. The structure of the Akademi will have to provide for considerable flexibility in engaging specialised personnel on assignment basis by way of consultants for obtaining expert advice.

3.38 We further visualise that as the Akademi grows, it will establish its Regional Centres in the major film producing States. Simultaneously we recommend that the State Governments should take initiative to set-up Chalachitra Akademies with art theatres at the State level. The State Akademies should make provision for accommodating branches of the National Film Archive in the premises of their Akademies.

3.39 We are unable to give an estimate of the likely investment which may be involved in setting up the proposed Akademi, but we are conscious of the fact that both the initial investment as also the annual expenditure will be substantial. Propagation of film consciousness and changing of audience taste, which

is one of the main responsibilities of the Akademi, is an expensive proposition and investment on the activities suggested for the Akademi is in a wider sense an investment in education and culture. Without a major effort in this direction it is futile to expect that audience can be converted to good cinema. On the other hand, without proper audience support good cinema is likely to remain a decoration without substantially influencing the life of the people. In this context we may also point out that some of the activities which we have suggested for the Akademi are already being financed by the Government through the Directorate of Film Festivals, the National Film Archive and the Children's Film Society. Therefore, the entire expenditure on the Akademi will not be in the nature of a new expenditure. At the same time, as the scope of the activities envisaged for the Akademi is much larger, considerable additional funds will be required. However, we strongly feel that the setting up of a Chalachitra Akademi with the clear objective of promoting cinema as an art form and as a medium of culture, through a range of activities, is absolutely necessary.

CHAPTER IV

PRODUCTION SYSTEM

Pattern of Production

4.1 In 1947 India produced 281 feature films, of which 184 were in Hindustani/Hindi, 33 in Bengali, 29 in Tamil, 11 in Gujarati, 6 in Telugu, 6 in Marathi, 5 in Kannada, 4 in Persian, 2 in Assamese, and 1 in Sinhalese. At this stage there was little or no regular film production in Oriya and Malayalam languages. Films were made entirely in black & white. During the last three decades, the production of feature films has steadily grown. In 1979 India produced a total of 714 feature films in 15 languages. Of these 114 were in Hindi, 140 in Tamil, 133 in Telugu, 131 in Malayalam, 59 in Kannada, 38 in Gujarati, 37 in Bengali, 19 in Marathi, 15 in Punjabi, 11 in Oriya, 10 in Assamese, and 7 in the other 4 languages i.e., Manipuri, Bhojpuri, English and Nepali. This indicates that film production has now become a regular activity in several linguistic regions which were nowhere on the film making scene in 1947. The share of Hindi films in 1947 was 65 per cent of the total production, which has come down to only 16 per cent in 1979. The share of the Southern language films which was 14 per cent in 1947 has increased to about 65 per cent in 1979, and the share of Bengali films has come down from about 12 per cent in 1947 to only about 5 per cent in 1979. The relative decline in the share of Hindi films in the total production does not necessarily imply a decline in the home market for Hindi films. While the number of Hindi films has not proportionately grown with the overall increase in production, the Hindi films have generally grown in 'size' and continue to command an all India market which is not accessible to other language films. A significant number of films are still being made in black and white but the general trend is now in favour of colour production. Hindi films have already completely switched over to colour production. In 1979 a total of 201 feature films, or 28 per cent of the production, were made in black and white. Of these only one black and white film was made in Hindi. Regional language films of low budget variety are being made in black and white primarily because of financial constraints.

4.2 The system of film production has also undergone a complete change. Earlier most of the films were produced by well established studios, which had efficient organizational back up and financial resources to support regular production. Most of the films are now produced by individual producers. Broadly, there are five categories of producers who are engaged in film production. Firstly, there are established producers who have generally grown up with the studio owned production system. While very few of these established producers are now studio owners, they continue to operate with well established

organisations. Some of them have organised themselves into production companies. Because of their long career in film making, they have professional expertise in production management. Their banners have a high prestige in the film market and they are able to finance their productions largely by pre-selling their films to distributors during production itself.

4.3 The second category consists of a large number of 'ad hoc producers' who are attracted to film making largely because of glamour, the possibility of making quick money and the scope which film making offers for sanitizing black money. Most of these producers come to film making with limited amount of finance which they have generated in other sectors of the economy. As the money readily available with them is not generally adequate to complete a film and they do not have enough standing in the industry to generate advances from the distributors, they are compelled to take loans at usurious rates of interest from questionable sources. The rates of interest for such loans are reported to be some time as high as 30 to 40 per cent. A substantial number of producers in this category are really in the nature of 'adventurers' who do not take to film making on a long term basis. After trying their luck with one or two projects, which usually end in financial failure, they tend to disappear to be replaced by a new set of aspirants.

4.4 The third category of film producers can best be described as director-producers. They are basically creative film makers who start with the idea of making a film of their own choice and since they are not able to find a producer to back them, they are compelled to assume the responsibility of a producer. Persons in this category usually stake their total assets for raising finances and try to obtain finance for film production, as far as possible, from legitimate sources as their productions cannot afford to bear high rates of interest. These director-producers are usually technically qualified persons with a serious commitment to the medium.

4.5 Fourthly, there is a small band of producers who are themselves not 'film makers' but who consciously make an attempt to support the production of good quality low or medium budget films.

4.6 Finally, there are a few film cooperatives of film makers, film technicians and film artistes which have been producing films on a cooperative basis. We would particularly like to mention here the experience of Chiralekha Film Cooperative, Trivandrum, which was set up in 1965 by a group of students who graduated from FTII. During the 15 years of its existence the cooperative has produced about 20 short films and two feature films. Another about 50 films have been

made with the equipment and facilities available with the cooperative. This cooperative now has its own studio, mobile shooting unit, sound recording facilities and a black and white processing laboratory which are also made available to independent film makers who may not be members of the cooperative. Film cooperatives have also been set up in Maharashtra and Gujarat.

4.7 Between the first four categories there is a certain amount of mobility and there are cases where a new person enters the field of film production as an 'adventurer' and if his film becomes a hit, he moves to the category of established producers.

Financial Position

4.8 Considering the steady increase in the number of feature films being made and the large number of people who are engaged in film production, the logical conclusion should have been that the production sector of the film industry is financially in excellent shape. Our analysis has shown that this is far from the case. Unfortunately, there has been little or no attempt to compile reliable data on the financial aspects of film industry in India. Neither the Government sources nor the industry itself has consolidated reliable data even on such basic aspects as the total capital investment in film industry, annual investment in film making in different parts of India, gross collections, the number of films which are able to make profit, the number of break-events and flops, the sources of finance and the broad pattern of budget for various types of films etc. In this situation of information gap, we have only attempted a general assessment.

4.9 During 1978, a total of 612 feature films were made, out of which 366 were in colour and 246 in black and white. Assuming an average investment of Rs. 25 lakhs in a colour film and Rs. 15 lakhs in a black and white film, the film production of 1978 represents an investment of about Rs. 128 crores. This would have further increased during 1979 because of overall increase in the number of films, increase in the proportionate share of colour films and general increase in the production costs. The Films Division collects 1 per cent of the net collection (excluding entertainment tax) as INR hire charges for the News Reviews and short films which it supplies to theatres for compulsory exhibition. On this basis, it is estimated that during 1978-79 the net collections at the box-office, excluding entertainment tax, were around Rs. 247 crores. Another about Rs. 13 crores was earned by export of films. While the rates of theatre rentals differ from city to city, it is estimated that on an average 50 per cent of net collection goes towards theatre rentals. After deducting Rs. 123.5 crores on account of theatre rentals, Rs. 20 crores on account of cost of prints taken out for theatrical release, Rs. 5 crores on account of publicity expense, and Rs. 2.47 crores on account of INR hire, the net amount which can flow back to the distributors and the producers comes down to only about Rs. 109 crores. This estimate does not provide for other expenses such as show tax, octroi, distributor's establishment expense etc. In any case, it is reasonable to conclude that on an overall

basis, the net flow back of money from the box-office to the distributor and the producer falls significantly short of the investment in film production. What comes to the producer is after a further deduction of about 20 per cent commission by the distributor. The situation gets even more aggravated as a sizeable chunk of box-office collection is monopolised by a few successful productions and a large number of producers are left out in the cold.

4.10 In this situation, it is understandable that a large number of producers fail to recover their investments. Trade sources generally estimate that the number of flops is as high as 65 per cent. About 25 per cent of the films barely manage to recover their investments. Only the remaining 10 per cent of films make sizeable profits and out of these only about 2 per cent can be classified as block-busters. In these circumstances, if the production of feature films continues to grow, it is presumably on account of the fact that a large number of new producers enter the field every year with money generated in other areas of the economy. The overall image of glamour and speculative profits created by a few block-busters continues to attract new entrepreneurs who have little or no insight into the business of film making.

Speculative Nature of Production

4.11 Two of the major reasons which have adversely affected the financial viability of film industry are high rates of entertainment tax and inadequate expansion of theatre outlets. We have dealt with these aspects in detail subsequently in the report. However, it may be mentioned here that as against the net box-office collection of Rs. 247 crores in 1978-79, the estimated collection on account of entertainment tax was roughly around Rs. 187 crores. This represents an average entertainment tax rate of about 76 per cent on the basic admission rates. Out of the total gross collection (including entertainment tax) of Rs. 434 crores, nearly 43 per cent was collected by the Government by way of entertainment tax, leaving about 57 per cent to be shared between the exhibitor, distributor and the producer.

4.12 The growth of theatres has also not kept pace with the increase in film production and the proportion of theatres to feature films generally shows a declining trend. In 1970, 396 feature films were produced when there were about 7000 permanent and semi-permanent/touring theatres. Therefore, there were about 18 theatres for every feature film. In 1979, against a production of 714 feature films there were about 10,000 theatres, giving a ratio of only 14 theatres for one feature film. This is a clear indication that the share of exhibition outlets available for each feature film has considerably come down. The situation is actually worse than is revealed by these statistics, as several theatres in important towns exclusively screen foreign films. Further, new films have to share theatres with the re-release of old hits. With the recent trend of multi-star big budget films, a significant number of theatres are monopolised by saturation release of a few major productions. The general shortage of theatres has resulted in pushing up the theatre rentals beyond the reach of low budget films, making film production highly speculative.

4.13 As a very small portion of the money generated at the box-office comes back to the producer, a film to be financially viable has to aim at the widest possible circulation. Since the existing theatre outlets are inadequate to provide wide circulation for a large number of films, there is almost a cutthroat competition between the producers/distributors to control as many exhibition channels for their films as possible. This in turn affects the very quality of film production. To provide for the widest possible circulation, the film producer is promoted to include well known box-office ingredients such as stars, sex, violence, action, exotic but irrelevant locales and catchy songs. The creative vision is largely conditioned by the producer's notion of what will sell at the box-office. The choice of making a moderate profit on a good film and speculative profits on a box-office oriented film is generally not available to the film producer in the present situation. Good films which may not have box-office ingredients are not able to find distribution easily and, in any case, find it difficult to afford the high theatre rentals. Therefore, the general tendency is to rely upon box-office ingredients and try to manipulate the largest number of audience. We are of the definite view that high rates of taxation and inadequate growth of theatre outlets have certainly contributed to the deterioration in the general quality of feature films. We have subsequently made specific recommendations for changing this situation. It must, however, be strongly emphasised that good cinema cannot be created in a predominantly speculative environment.

4.14 There are other factors which have contributed to make feature film production speculative. Firstly, entry of a large number of new producers every year has eroded professionalism. Most of these producers do not have any expertise in the financial management of film production or an insight into the market for which their film is designed. They also have no definite involvement with the medium of cinema. Secondly, during the recent years, there has been a steep rise in the cost of all the major elements which go in film making, such as raw stock, equipment hire, studio hire, lab charges, cost of location shooting, cost of travel, and fees of music directors, singers, musicians, important technicians and artistes. The pressure to cater to box-office has led to over dependence on exotic locales, extravagant sets and costumes. The need to reach the largest possible audience has escalated the expenditure on publicity. Dependence upon stars for instant box-office draw has pushed up star prices.

Star System

4.15 It is necessary here to clarify that the star system in film industry operates not only in regard to performing artistes but also in the category of script writers, music directors, playback singers and even directors. While stars are perhaps a normal feature in the glamorous world of cinema all over the world, it is the completely unprofessional and exploitative manner in which the star system operates in India which has made it into one of the major ills of the film industry.

4.16 The informal credit system through which films are financed has further aggravated the star system

and has made film production more speculative. When films were generally produced by established studios, the production largely operated on the studio's money. This provided freedom to the producer to make the kind of films which he wanted to make. As the budget for film production increased and the market changed from the film producer's market to the film exhibitor's market, the real control of film production was transferred from the producer to the distributor, financier and the exhibitor. Today in a large number of cases it is the financier and the distributor who decide as to what ingredients should go into a film. The distributor's preference determines the engagement of specific stars, script writers and music directors. The distributor is not concerned with the artistic capabilities of these persons but is guided solely by his assessment of their marketability. This results in the monopolisation of a large number of assignments by a few stars in the category of artistes, script writers, music directors and directors etc. Trade sources indicate that today some of the star artistes demand and get as much as Rs. 25 lakhs per film. This automatically leads to a sympathetic rise in the price of even second category and third category stars and technicians. In addition to increasing the direct cost of production, the star system has also indirectly escalated the production cost as the major stars, over loaded with assignments, are unable to provide adequate number of dates to a single film and, therefore, film production tends to stretch over a long period.

Non-availability of Institutional Finance

4.17 We strongly feel that in addition to an unfair entertainment tax structure and restricted theatre outlets, increase in production costs, the other most important reason for the present situation is the non-availability of institutional finance for film making which alone can liberate the producer from the dominance of the financier, distributor and the exhibitor. Except for investment in short films which is largely from institutional sources, limited loans given by the FFC/NFDC and some grants from the State Governments, the rest of the investment in production sector is entirely from private sources.

4.18 Film production has all the essential elements of an industrial activity. Substantial amount of capital is invested, a large number of skilled craftsmen, technicians and unskilled workers are employed and sophisticated technology is used. Yet unfortunately, the Government does not recognise film production as an industrial activity for purposes of institutional finance. The banks treat film production as low priority and high risk activity. The real problem in making institutional finance available for film industry is that except in those sectors where tangible assets are created such as studios, laboratories, theatres, etc., film production itself does not create tangible assets. A finished film does not have an automatically recoverable value from the market, which can function as a guarantee to ensure repayment of loans. Therefore, even on the limited occasions where certain banks have extended loans for production of films, they have demanded collateral security in terms of tangible assets.

4.19 The IDBI Act 1964 which was enacted for providing credit facilities for important industries, provides for credit facilities to even hotel industry, but does not cover film industry. We understand that the present official position is that IDBI's and State Finance Corporations' assistance to the film industry is available only on a very limited scale and covers "only studios engaged mainly in developing and processing of film negatives on job-work basis and unconnected with the production of motion pictures/films".

4.20 As we have stated above, there is no doubt that at present film production activity is largely speculative. This is, however, the very reason for Government's intervention and help rather than a reason for denial of Government help. Even the Rangachariar Committee (1927-28) had recommended "that loans should be given by the Government on the security of produced films. . . . to producers on cheap and favourable terms as to the interest and period of repayment". The limited experience provided by Film Finance Corporation's scheme for financing film production definitely indicates that it is possible to lay down criteria for assessing the financial viability of film production projects and obtain adequate security to ensure return of loans. This approach has so far been tried only in the area of financing good quality artistic films. The FFC in its 20 years of existence has financed a total of 112 films. Even this restricted activity has helped in creating a good cinema movement in the country.

4.21 The question of providing constitutional finance for film production was considered in detail by the Estimates Committee 1973-74 (58th Report). This Committee had observed : "The Committee consider that the existing system of financing of the film industry is the main factor responsible for the present deterioration of standards of Indian films. The Committee are unhappy that the authorities have not taken effective steps to provide the film industry with institutional finance, in spite of the recommendations made by the earlier Enquiry Committees. The result is that this industry has been left at the mercy of unscrupulous financiers and black money has come to play a dominant role in this country. The Committee feel that if any purposeful improvement is intended to be made in the standard of films and the films are to be converted into a vehicle of communication for uplifting the masses, it is imperative that a system of providing finances to the film industry at reasonable rates of interest and acceptable terms has to be evolved. . . . The Committee see no difficulty why Government nationalised Banks cannot see their way to make institutional finances available to the film industry on a stable and long term basis, to enable this vital industry, with immense power to influence the masses of the country particularly the youth, to run on sound lines and improve its standards."

Recommendations

4.22 We are of the view that film industry as a whole, including the production sector, should be recognised as an industry and should be treated on par with at least the hotel industry for various facilities. We understand that the Government of Orissa has already recognised film production and exhibition sectors as industries for facilities under State schemes. In Chapter No. III, we have suggested that cinema should be treated as a medium of culture. We do not see any contradiction between the recognition of film as culture and the recognition of the film industry as an industry, in the same way as book publishing is recognised as an industry, but books are treated as vehicles of culture.

4.23 We further recommend that institutional finance through banks etc. should be given for all films but preference should be given to low budget films. Entertainment is one of the essential needs of life and the quality of entertainment being provided by a mass medium like cinema should be of obvious concern to the Government. However, it is not by external restraints such as censorship that the entertainment content of films can be improved. Popular entertainment films have to be liberated from over dependence on standard box office ingredients and these films should also provide an opportunity for creative expression. This can only be done if producers of popular entertainment films are freed from the clutches of financiers and are given an opportunity to make interesting films on moderate budgets with institutional finance. We therefore, feel that a major effort on the part of the Government is necessary to make institutional finance available on a fairly large scale for film production. As special expertise will be required to examine film production projects, we recommend that banks should set up special cells to consider the viability of film projects and give loans for film production.

4.24 The NFDC should continue to concentrate on its specific responsibility of financing good quality and artistic films. In fact we are of the definite view that the availability of finance for such films should be considerably enlarged, so that the movement of good cinema gains in strength. The financing of such films by FFC has no doubt been laudable as is evident by a number of national awards which FFC financed films have won and by the international interest which these films have created. However, the number of films financed by FFC remains very small because of financial constraints. There has also been over-emphasis upon collateral security for loans for such films. Recently FFC had relaxed conditions of collateral security in some cases, particularly for productions in 16 mm. We recommend that NFDC which has taken over the activities of FFC should give loans for artistic films on liberal terms with low rates of interest. The conditions of collateral security for such films should be relaxed as the Government has to accept a certain amount of risk to promote good cinema movement. This condition should be relaxed particularly for directors of proven record, for scripts of high standards and for the first film of graduates from the FTII. Experience has shown that talented people coming from the FTII have definitely contributed to the growth of good cinema movement. We are aware of the fact that in all such cases qualitative decisions are involved and sometimes these decisions can be controversial. However, such qualitative decisions for financing artistic films have to be taken. The existing practice of waiver of collateral security in case of 16 mm productions should continue. The amount of money earmarked for financing of such films should be considerably increased.

4.25 We have considered the problem as to whether some legal method can be found to place a limit on the number of assignments which star artistes and technicians should be allowed to accept simultaneously. We feel that this is primarily a matter of internal regulation by the film industry. The situation will improve once the producer is able to obtain institutional finance and his dependence upon the distributor and financier correspondingly decreases. We, however, recommend that while granting loans for film production, the NFDC and other financial institutions should insist upon examining the signed contracts with major artistes and technicians which should inter-alia spell out the total amount to be paid and the specific period within which all the 'dates' required by the producer are to be given.

Need for Regulation

4.26 The haphazard growth of film industry, particularly of its production sector, the lack of professional standards in film making, the general absence of modern methods of management in production and the large number of instances of film producers ending in financial disaster suggest that there is need for some kind of external regulation in the film industry. We have gathered from the trade sources that currently there are several hundred films which are lying incomplete for various reasons and for which there is no hope of completion. The number of such abandoned projects is increasing from year to year. The well known failure of the industry to effectively regulate its own affairs even in such areas as voluntary unified associations further underscores the need for external regulation.

4.27 The Rangachariar Committee (1927-28) had suggested the creation of a Central Cinema Department with an Advisory Committee and a Central Cinema Bureau as its executive branch. The Bureau was expected to undertake compulsory registration of producers, importers, distributors and exhibitors, and provide advice and assistance in the technical and business management aspects to the film industry. The Patil Committee (1951), which had also considered this problem, had examined the suggestion for nationalisation of the film industry or compulsory licensing of film producers. The idea of licensing of producers was rejected by the committee in view of the fact that "it would be very difficult to administer without avoiding charges of unfair discrimination, favouritism and unnecessary stifling of productive effort".

4.28 The Committee instead suggested a statutory film Council as a central authority "to superintend and regulate the film industry to act as its guide, friend and philosopher, and to advise the Central and the State Governments in regard to various matters connected with the production, distribution and exhibition of films". Among the specific functions assigned to the Council were licensing of studios and their periodic inspection, setting up of film colonies, supervision of training institutes, approval of regulations for industry's associations, appellate functions in regard to distribution of raw stock, grant of annual film awards, selection of films for exhibition at festivals, establishment of a Central Film Library, a Central Story Bureau, a Casting Bureau etc. As an adjunct to the Film Council, the

Committee suggested the setting up of a Production Code Administration. The P.C.A. was required to undertake prior approval of the shooting script and "to give a certain measure of positive guidance and exercise some control over the handling of the pictures". It was also expected to scrutinise and approve publicity material to be released with the film and give approval to films for purposes of export outside India.

4.29 The idea of Film Council and the Production Code Administration could not be implemented by the Government partly on account of constitutional and financial difficulties and also on account of opposition from the film industry itself. The Government instead offered to assist any voluntary council which the film industry may establish itself.

4.30 We have carefully considered the need for a statutory Film Council and an institution like the P.C.A. While we ourselves recognise the need for some external regulation, we are even more concerned with the fact that the film industry has to provide the fullest possible scope for individual enterprise and creative expression. During the three decades following the Patil Committee the general situation in the film industry has undergone a significant change. A large number of serious artistes and intellectuals in India now recognize cinema as a medium of creative expression and are actively involved in film making. We feel that the kind of regulation which was envisaged under the Film Council and the P.C.A. would have resulted in seriously stifling creative expression inspite of the positive intentions behind these proposals. Further, the overall size of the film industry has vastly expanded and the total range of promotional, developmental and regulatory functions can no longer be looked after by a single organisation like the Film Council. We have separately suggested that many of the promotional and developmental functions, which the Council was expected to perform, should be performed by the Chalachitra Akademi and the National Film Development Corporation. We are, however, definitely against any measures involving prior scrutiny of scripts and pervasive control on the actual process of film making.

4.31 We feel that regulation of film production is necessary only to the extent that there is a need to discourage the entry of 'adventures' in the area of film production, to ensure that producers commence production with a completed script and a proper production plan, that there is adequate assurance of availability of funds for completion of production, and that scarce raw stock is not wasted in inadequately planned projects which are unlikely to be completed. We would like to emphasise that such a regulation is not directly aimed at improving the thematic or artistic quality of films but to establish basic minimum professional business management standards in film making. Indirectly, of course, it should help in improving the general quality of films by reducing the overall speculative nature of film production particularly when this measure is supported by our earlier suggestion of providing liberal institutional finance for film making. We suggest that the general approach should be not to exercise

prior control on the thematic and artistic content of films but to create conditions in which talented people desirous of making good films are able to operate freely and are provided with positive support and encouragement by Government agencies in their creative endeavours.

4.32 In view of the above mentioned approach, we recommend that all film producers should be registered with the National Film Development Corporation. As this Corporation will be the canalising agency for import and distribution of raw stock, registration with NFDC should be made a prior condition for allocation of raw stock. While allocating raw stock, the NFDC should take into account the previous production record of the producer in case of producers who are already in the field, the state of planning and preparation for the film project including availability of script, financial plan, actual shooting schedule and signed contracts along with clear indication regarding the availability of dates from the main artistes and technicians. As a certain portion of raw stock under REP licences is directly imported without canalising through the NFDC, there may be some producers who, under the present circumstances, may not require raw stock from the NFDC. It is, therefore, necessary that a provision should be made in the REP licence that even these producers will commence a new production only after registration with and clearance of the NFDC. It is important that the exact producers in this regard is worked out by the NFDC after detailed discussions with the industry, so that the procedure achieves the above stated objectives without becoming a bureaucratic hindrance. We may mention that it is the normal responsibility of a canalising agency to see that the canalised material is given only to the actual user and is put to proper use. The regulation which we have suggested is, therefore, a logical responsibility of the canalising and distribution agency for raw stock. The financial scrutiny of the film projects will have to be automatically undertaken by the NFDC in case of projects which approach for obtaining loans from NFDC. In such cases a second general financial scrutiny at the time of issue of raw stock will not be necessary. Only in case of those films for which loans from NFDC are either not asked for or are not sanctioned, a general scrutiny of the project for issue of raw stock will be necessary.

4.33 Further, all producers should be required to submit a return indicating the actual expense on the negative cost of the film in a form to be specified by the NFDC after the film has been completed. This will enable the NFDC to compile basic statistics regarding the financial aspects of the production sector of the film industry and this should help in policy formulation for future. Here again, the details can be worked out by the NFDC in consultation with the film industry.

Film Cooperatives

4.34 We have referred earlier to the general increase in the production cost of film making which make it very difficult for individual film makers to undertake film production. This situation can be considerably

eased if the Central and the State Governments and their Film Development agencies encourage the formation of film cooperatives. Cooperatives as a form of association of film makers have been particularly successful in the past, as is evident from the success of Chitralekha Film Cooperative in Kerala. The concept of a cooperative is particularly suited to film making as in addition to the advantage of pooling of financial resources it enables pooling of creative resources which is necessary for the joint endeavour involved in film making. However, since the institution of cooperatives came into being predominantly to meet agricultural needs, extensive amendment of bye-laws is required to make this institution suitable for creative endeavours like film making and with a view to minimising governmental interference. In amending the bye-law advantage can be taken of the experience of a few film cooperatives which are already operating. The film cooperatives should receive preference in obtaining loans from the NFDC and other Government agencies for setting up film production facilities and for film making. There is already an established practice that cooperatives working in various fields should be given preferential treatment for provision of working facilities and finance on low rates of interest. This should be extended to film cooperatives also.

Production in 16mm

4.35 Considering the increase in the cost of raw stock and other technological inputs in film production, there has to be a major shift towards production and exhibition in 16mm. 16mm technology offers advantages of cheaper production costs, cheaper exhibition costs and greater manoeuvrability in outdoor shooting. Further, if cinema has to be taken to semi-urban and rural areas, it has to adopt 16mm low cost technology, so that theatres catering to small audience can be economically viable. A limited number of films have been financed by FFC for production in 16mm, but for want of 16mm theatres, these have to be blown up in 35mm for exhibition. This negates part of the advantage of 16mm technology. We have dealt with the specific facilities required for adoption of 16mm technology subsequently in this report. At this stage, we would only like to emphasise that policies of the Government in regard to financing, taxation, imports, etc. have to be made specifically favourable for a wide acceptance of 16mm technology for both production and exhibition.

4.36 To conclude, not all the factors which have increased the film production cost are beyond the control of the film industry. We are aware of the fact that films particularly of big budget variety not only indulge in extravagant expenditure but even take pride in advertising this fact. This is particularly true in case of Hindi film industry. While we have not suggested any specific measures to control extravagance, as these may be difficult to implement and may lead to too much of interference in the area of artistic endeavour, it is necessary that the film industry should recognise the need for operating on sensible budgets.

CHAPTER V

DISTRIBUTION AND EXHIBITION SYSTEM

Need for Distribution

5.1 The need for a distributor to act as a link between the producer and the exhibitor arose to meet the requirements of taking films to a number of cinema houses spread over a vast territory. In the early years of film industry, when the number of theaters and films was small, the producer usually dealt with the exhibitor directly. Only the release of foreign films was channelised through a distributor. As the number of theatres increased, it was no longer practicable for a producer to negotiate for the release of his films with a large number of exhibitors. Professional distributor, therefore, arose to simplify the marketing of films from the view point of the producer and ensure a regular supply of films from the view point of the exhibitor. In this sense the distributor began as a 'wholesaler'.

5.2 As the relationship between the producer and the exhibitor became more distant, the role of the distributor became more complex. The distributor became 'film market expert' by acquiring knowledge of network, preference for different types of films in various areas, the appropriate time for release of films and strategy for publicity, etc. These elements became part of the professional service rendered by the distributor. This inevitably led to the next step. As the distributors became the expert in assessing market requirements, he naturally acquired a say in the type of films which should be produced. Weaknesses of the production system, to which we have referred in the previous chapter, further helped the distributor to involve himself in the business of film production as a financier. The professional service of the distributor is overshadowed today by the dependence of the production sector on the distributor as the main source of finance. Since the distributor makes a major investment in film production, he naturally tries to cover his risk by attempting to ensure that the film meets his assessment of the market requirements.

5.3 Simultaneously the distributor came to realise that to stabilise his business, he had to gain control over the screening time available for his films. This became particularly necessary as the investment of the distributor in film making increased and inadequate expansion of theatre outlets created shortage of screening time. This has resulted in the present practice of major distributors entering into long term picture supplying contracts with several exhibitors on payments of deposits. In some cases the rights of a distributor over the screening time of theatres are sublet to other distributors whose films are waiting for release. This increases the burden of the freelance distributor without benefiting either the exhibitor or the producer.

Systems of Distribution

5.4 With the growth of film industry over the years, various types of distribution systems have come into existence. These can be described as follows :—

- (i) *Own Distribution System.*—Under this system major established producers distribute their own films to the theatres all over India or atleast in important territories. There are also a few concerns in this category which started as distributors and then entered the field of production. These concerns distribute the films which they themselves produce in addition to undertaking distribution of outside productions. In the regional film industry, this system is generally linked to star artistes and several well known artistes have their own production and distribution establishments.
- (ii) *Plain Distribution System.*—This is in the nature of professional wholesale marketing service offered by a distributor without making any advance payment to the producer. The distributor charges a fixed commission from the producer which is deducted from the proceeds after payment of tax and the exhibitor's share.
- (iii) *Commission Distribution System.*—Under this system the distributor advances money to the producer during production or at the time of lifting prints. The total amount invested by the distributor becomes the first charge on the collections of the film in addition to a fixed percentage of commission which is generally higher than under the plain distribution system.
- (iv) *Minimum Guarantee System.*—Under this arrangement, the distributor pays a fixed amount to the producer spread over a period of time during the production of film which is offered as a minimum guarantee or 'MG' by the distributor for marketing the film. This amount is non-refundable in case the film fails to recover 'MG' amount. From the collections of the film, the distributor first recovers the 'MG' amount along with about 20 per cent as additional commission and then shares with the producer the overflow, if any, usually on a 50/50 basis.
- (v) *Outright Lease System.*—The distributor pays a minimum sum of agreed amount to the producer for the exploitation of a film for an agreed period, usually 3 to 5 years, in specified territories. During this period the

entire proceeds of the film belong to the distributor.

5.5 The arrangements in regard to cost of prints and publicity differ under different systems. Generally these are borne by the distributor under the outright lease system. In case of other systems, these are either directly paid by the producer or are paid by the distributor on behalf of the producer but are recovered from box office collections before determining the share of the distributor and the producer. The system of minimum guarantee which is generally followed in Hindi films has favoured the producer, because this reduces his risk on account of unpredictability of the market. On the other hand, as has been mentioned earlier, this provides for greater control by the distributor on the type of films being made. Different regions follow different systems of distribution. In Tamil Nadu, majority of the films are distributed on a outright lease basis. In Andhra Pradesh, commission distribution is the Preponderant system. In Karnataka both outright lease and commission distribution systems are in vogue. Kerala follows both commission distribution and plain distribution. West Bengal generally follows commission distribution system for Bengali films. Most other regional language films are distributed on commission basis. In case of Hindi films, generally the minimum guarantee system is followed, except in case of those producers who have their own distribution network.

Territories

5.6 Generally for Hindi language films, the whole of India is divided into six territories for distribution and the overseas market is treated as the 7th territory. The market for each territory is assessed separately and the distribution rights for different territories may be leased either to one distributor or to a number of distributors. Trade sources define the territories as follows :

- (i) *Bombay Territory*.—Comprises of the States of Gujarat and Maharashtra (Excluding Marathwada, Khandesh and Vidarbha), four districts of Karnataka (Belgaum, Hubli, Bijapur and Dharwar), Goa, Daman and Diu.
- (ii) *Delhi-U.P. Territory*.—Comprises of the Union territory of Delhi and the State of Uttar Pradesh.
- (iii) *East Punjab Territory*.—Comprises of the States of Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir, and the Union Territory of Chandigarh.
- (iv) *Bengal Territory*.—Comprises of the States of West Bengal, Bihar, Orissa, Assam, Nagaland, Arunachal Pradesh, Meghalaya, Tripura, Manipur and Sikkim. It also includes Nepal and Bhutan.
- (v) *C.P.C.I. and Rajasthan Territory*.—Comprises of the States of Madhya Pradesh, Rajasthan and Khandesh and Vidarbha regions of Maharashtra.
- (vi) *South Territory*.—Comprises of the States of Karnataka (excluding districts of Belgaum, Hubli, Bijapur and Dharwar), Tamil Nadu,

Kerala and Andhra Pradesh including Marathwada area of Maharashtra.

- (vii) *Overseas Territory*.—Covers all countries excluding India, Nepal and Bhutan.

5.7 As can be seen from the terminology employed to define the territories, the division of territories does not follow any rational basis but is merely a hangover of history. Due to escalation in the prices of different territories, quite often the territories are sub-divided and are sold to separate distributors or to separate sub-distributors. In some States, the regional films are even sold on a district to district basis.

5.8 In fixing the market value of different territories for a Hindi film, Bombay, Delhi-U.P., Bengal and overseas territories are generally treated at par. The value of other territories is generally fixed at lower levels. The distribution of regional films does not naturally follow the territories as historically adopted for the Hindi films, because the regional films do not usually have an all India market. Different territorial divisions are followed for different regional language films.

5.9 All the distribution agreements, particularly in case of Hindi films, have in practice become "tentative price agreements". If a film gets good reports during production, the producer increases his price. On the other hand, if a film does not fair well at the box office in one territory, distributors in other territories become reluctant to take delivery of prints at contracted prices and insist upon reduction in the guarantee amount. Disputes arising out of this situation are generally resolved by re-negotiating the price, as settlement through courts, despite written contracts, is time consuming.

Distribution of Imported Films

5.10 At present all imported feature films are canalised through the National Film Development Corporation. In addition to NFDC, only two organisations are permitted to import foreign feature films viz. Sovexport Film and MPEAA group of companies. Sovexport Film undertakes both direct distribution as also through sub-distributors. MPEAA companies usually distribute their own films. NFDC distributes imported films and its own financed films, directly as also through sub-distributors.

General Features

5.11 Some of the features to which we have referred in the context of production system have also appeared in the distribution system. The number of distributors has become very large. Against 887 distributors in 1948, mentioned by Patil Committee, at present about 3200 distributors are operating in various circuits. As in the case of producers, here also there is a sizeable floating population of distributors who try their luck with one or two films and then disappear only to be replaced by new entrants. Because of the financial involvement of the distributor in the production of films, the distributor also frequently becomes a victim of financial disaster in

case a film flops at the box office. These factors have made the trade of distribution speculative. The general adherence to traditional large territories has impeded scientific monitoring of the market and has tended to erode the professional expertise of the distributor.

5.12 In certain cities and towns a system of picture supply contract has developed leading to control over a chain of cinema houses, which has resulted in pushing up theatre rentals. Control on a number of theatres in different territories is perhaps a logical business requirement of a distributor, but the system acquires dangerous implications when a few distributors or a syndicate of distributors monopolises most of the theatres in metropolitan cities. We understand that such a syndicate is already operating in Bombay. It is suggested that an indepth investigation into the system of theatre contractors in cities and towns should be undertaken by the concerned authorities under the Monopolies and Restrictive Trade Practices Act and action should be taken to break such monopolies particularly by investigating the transfer of funds from one firm to another.

5.13 The recent trend of big budget multi-star films has created a practice of saturation release i.e. simultaneous release of a film at a large number of theatres in major cities. Simultaneous release of a film in all the distribution territories is in principle not objectionable, but simultaneous release at a large number of theatres in one city accentuates shortage of theatres and results in monopolisation of a large portion of theatre time by a single film. For such saturation release, the distributor is normally prepared to pay higher theatre rentals which only big budget films can afford. This pushes up theatre rentals in general.

Need for Regulation

5.14 Distribution system is one of the major sectors of the film industry which today does not come in contact with the Government either at the State level or at the Central level. The whole system is entirely unregulated. As we have stated in the context of production, exorbitant prices of stars and dominance of debasing formula elements in film making and the highly speculative nature of the film business is largely on account of the pressures of an unregulated distribution system. Our discussions with the representatives of the film industry, including prominent distributors, have convinced us that regulation of the distribution system is one of the key factors in development of the entire film industry on healthy lines.

5.15 Under the existing scheme of distribution of powers between the States and the Union Government, it is not quite clear as to which Government has the authority to regulate the distribution system. Distribution system cannot be included as part of exhibition which is covered by State powers as this is a separate trading activity basically in the nature of inter-State trade and commerce. The subject of inter-State trade and commerce is covered under

Entry 42 of the Union List and, therefore, distribution should fall within the purview of the Central Government.

5.16 We have earlier recommended the creation of a fullfledged Department of Cinema under the Ministry of Information and Broadcasting. We recommend that an Executive Division under this Department should be created which should inter-alia undertake compulsory licensing of distributors through an appropriate legislative enactment. This office should also provide for submission of annual returns by the distributors which should inter-alia indicate the number of films handled by the distributor, the price contracted for each territory and the gross collections for each film in different territories etc. The licensing of distributors apart from bringing in a certain amount of regulation, will reduce the scope for informal transactions and provide vital statistical data to the Government about the film industry for policy formulation.

5.17 To discourage saturation release of films, the Government should lay down maximum limits of theatres for simultaneous release of films in all important centres of film exhibition. In fixing such limits, the total availability of theatres in a city will have to be taken into account and, therefore, the maximum limit will have to be different for different categories of cities. The licensing conditions for distributors should provide that the distributors will conform to the maximum limits of theatres for simultaneous release of a film in different centres.

5.18 To further discourage saturation release of films for which a large number of prints will be required, the rate of excise duty on prints should be steeply raised beyond 80 prints. Only big budget films can afford the strategy of saturation release and will require more than 80 prints. It is not unreasonable to expect such big budget films to pay high excise duty on extra prints.

5.19 It is also necessary that the distribution territories are reorganised on a more rational basis. Ideally the territories should be organised on a Statewise basis particularly for major States. If the proposal of licensing of distributors is implemented, it will be possible for the Government to re-demarcate distribution territories.

Exhibition System

Shortage of Theatres

5.20 As on 31-1-1980, we have a total of 10,392 theatres for an estimated population of 64.68 crores. This includes 6,368 permanent and 4,024 temporary touring theatres. Touring theatres, which are peculiar to India, operate only for a part of the year and do not usually run more than two shows per day. Assuming an average capacity of 600 for a permanent theatre, we have about 5.9 seats per thousand of population. If it is further assumed that a temporary theatre provides for 200 seats on round the year basis, it is estimated that we have only 7 seats per thousand of population. This is one of the lowest

averages even for Asian countries. We understand that Sri Lanka has 13 seats, Singapore 27 seats, Japan 10 seats and Malaysia 21 seats per thousand of population. Developed countries have generally higher ratio of seats, e.g. Canada has 29 seats, Austria 24 seats, U.K. 15 seats, GDR 20 seats and West Germany 18 seats.

5.21 Even the available theatres are not uniformly dispersed throughout the country. For example, while Andhra Pradesh and Tamil Nadu have about 20 seats per thousand of population, Bihar, Uttar Pradesh, Himachal Pradesh, Rajasthan, Orissa, Jammu & Kashmir have less than 5 seats, Assam, Haryana, Madhya Pradesh, Punjab have less than 7 seats, West Bengal and Maharashtra less than 10 seats, Gujarat and Karnataka a little over 10 seats and Kerala about 13 seats per thousand of population. About 50 per cent of the cinemas are concentrated in the four Southern States and all the Northern States are acutely short of theatres.

5.22 The shortage of cinemas has been one of the major hindrances in the growth of film industry. As the available cinemas are mainly concentrated in urban centres, the rural population has had very little access to this most important means of entertainment and cultural expression. Excessive pressure on available theatres is the single most important factor for pushing up theatre rentals and has resulted in squeezing out better type of films which cannot compete commercially with high budget, star cast films. This is one of the main reasons that good films either do not get released at all or find release only on morning and noon shows. We, therefore, strongly feel that increasing the number of cinemas in the country is a matter of urgent necessity, requiring immediate attention on the part of the Government.

5.23 Increase in theatres has been extremely slow. During the period 31-3-1971 to 31-1-1980 only about 3100 theatres have been added i.e. about 310 theatres per year. The main reasons which have impeded the increase in theatres are as follows :—

- (i) Cinematograph Rules which govern the construction of cinema theatres are archaic, cumbersome and restrictive, and make cinema construction prohibitively expensive.
- (ii) Cinema construction, except in Orissa, is still not recognised as an industrial activity and very limited institutional finance is available for theatre construction.
- (iii) The overall economics of theatres has become less and less attractive because of the growing incidence of entertainment tax and other levies. Particularly in metropolitan towns it is more economical for entrepreneurs to construct multistoreyed commercial or shopping complexes than to invest in cinema houses.

- (iv) No systematic effort has been made to develop inexpensive theatre designs which can be readily adopted by entrepreneurs in semi-urban areas, small cities and towns.

Cinema Regulations

5.24 As we have mentioned earlier, the existing regulations for theatre construction tend to treat cinemas as almost an undesirable activity which has to be kept at a safe distance from community centres. The rules laid down by most of the State Governments provide that cinema houses cannot be constructed near schools, colleges, places of worship, residential areas and even Government offices. There are also restrictions as to the minimum size of the plot, multiple cinemas at one place, liberal requirements of parking space, elaborate fire safety conditions which were originally evolved when the cinema film was highly inflammable because of nitrate base, etc. Rajasthan State even levies a "conversion charge" of Rs. 100 to 200 per square metre when a plot of land is used for construction of a theatre even if the land is privately owned. This charge is levied only for construction of cinemas and hotels in cities and towns and not for any other use.

5.25 We feel that the underlying philosophy of licensing rules needs to be fundamentally revised and cinema theatres should be looked at as a place of public utility and a place of cultural activity rather than a cause of public nuisance. Just like drama theatres and music halls, cinema houses should be part of community centres and this should be positively encouraged. Attempts of authorities like the ISI to standardise the licensing rules in the past have not taken sufficient note of the status of cinema theatres as cultural centres and, therefore, have not helped in the liberalisation of licensing rules. In fact, we understand that some of the proposed changes in the ISI rules which are currently under consideration may result in making the rules even more stringent leading to increase in the cost of construction.

5.26 At present, because of the cumbersome licensing rules and the multiple authorities from whom clearance for cinema licence is required, heavy delays are involved in obtaining licence for a new theatre. We understand that sometimes it takes as much as seven years to obtain a 'No Objection' certificate for commencing the construction of a theatre. After the theatre is completed, it again takes some more time to get licence for exhibition of films.

5.27 It is apparent that in the present atmosphere of delay and discouragement created by complex licensing rules and multiple authorities, any attempt to expand the theatre network quickly is not likely to succeed. We, therefore, reiterate that the approach to licensing of theatres has to undergo a basic change. The general objective should be to help the construction of new theatres rather than place impediments as is happening today. We,

therefore, recommend the following broad changes in the licensing policy for theatre construction:—

- (i) Licensing rules, at present, incorporate detailed conditions applicable to the fixed structure or building of a cinema theatre. Most of the States already have detailed building rules applicable to construction of buildings meant for public assembly including drama theatres, music halls, etc. These building rules should be automatically applicable for the construction of cinema buildings which need not be incorporated in the licensing conditions for a cinema theatre. Any entrepreneur who wants to construct a cinema theatre should be able to do so by conforming to the rules laid down by the local authorities for construction of buildings meant for public assembly. After a cinema building has been constructed, formal licence for operation of the cinema theatre should be issued primarily on the basis of a few conditions aimed at ensuring proper viewing environment. The basic essentials for viewing environment are proper illumination of the screen, a reasonable standard of sound quality, adequate ventilation and seating comfort.
- (ii) The existing rules in several States forbid construction of multiple cinema houses at one place or integrated construction of cinema halls as a part of multistoreyed commercial complexes. Some of the Southern States have relaxed these conditions taking into account the need to keep cinema within easy reach of thickly populated areas and the high price of urban land. This has helped to improve the economics of theatre construction for the entrepreneur. We, therefore, recommend that all States should not only allow but even encourage construction of multiple theatres at one place or as part of commercial complexes, particularly in major cities where land is scarce and prices are high.
- (iii) We also recommend that there should be no condition as to the minimum size of plot for construction of a theatre, as the size of a plot is related to the size of the proposed theatre. Small theatres are particularly suitable for screening of good films and, therefore, construction of small theatres on small plots should in fact be encouraged.
- (iv) Building rules should not insist upon liberal parking space. This amounts to pushing up the theatre costs for the benefit of the privileged car owners which indirectly increases the burden on the less privileged people. Cinema is not meant only for the rich people but is primarily meant for the masses in general.
- (v) Similarly, the detailed requirements of fire safety should be revised in view of the fact

that now only safety base films are in use. In fact, the conditions of fire safety for a cinema theatre should not be different from those applicable to other buildings meant for public assembly.

- (vi) We further recommend that in all States where there is an acute shortage of theatres, new theatres of 500 capacity and below should be eligible for almost automatic licensing for a period of five years. No conditions of parking space etc. should be applied for such theatres. The State Government should set up a monitoring committee to monitor the progress of all pending applications and ensure that these are cleared within a prescribed time.
- (vii) At present, in some States a cinema licence is valid for a period of three years but several States require annual renewal of licence. We consider annual renewal of licence unnecessary and recommend that the licence should normally be valid for a period of five years.

5.28 We have suggested above that the building requirements should be segregated from the theatre licensing conditions and the licence should be primarily based on conditions which ensure proper viewing environment. We have also suggested that the licence once issued should normally be valid for a period of five years. It is necessary that the viewing conditions incorporated in the licence are continuously monitored. For this purpose, the State Governments should develop a proper machinery. A committee consisting of film technicians and sound and light engineers should be set up by State Governments, the members of which either individually or as a committee should carry out surprise checks and advise the respective State Governments regarding maintenance of viewing environments in theatres. It is, however, important that such a machinery should not result in increasing the number of authorities which today have the power to interfere in the actual operation of theatres. In fact, the effort should be to reduce the number of such authorities.

5.29 In Chapter II, we have suggested that the subject of cinema should be brought under the Union of Concurrent List. We, therefore, hope that the Central Government will formulate the broad policy parameters for licensing of theatres to be adopted with suitable modifications in all parts of the country.

Need for Institutional Finance

5.30 In the context of production, we have already mentioned that film industry is not recognised as an industry for purposes of institutional finance. Institutional finance through banks is generally not available for theatre construction, even though in this case tangible assets are created. However, some of the States like Tamil Nadu, Andhra Pradesh and Orissa, have started giving loans for theatre construction through their State Film Development/Theatre Development Corporations. States like Punjab, U.P. and Kerala have directly entered the field of theatre construction. Orissa Film Development Corporation provides loans for low

cost theatres upto 15 per cent of the investment and stands as a guarantee for provision of 70 per cent of the loan through banks. The FFC/NFDC has also formulated a scheme for financing theatre construction, subject to an overall ceiling on the cost of construction separately for rural areas, semi-urban areas and urban areas. This scheme is primarily meant to help the construction of small theatres of around 400 capacity and the loan advance of the Corporation is generally limited to 50 per cent of investment. The scheme also provides that 50 per cent of the playing time will be made available to FFC/NFDC on first option basis.

5.31 There is no doubt that, of late, the availability of loans through the State Film Development Corporations and the FFC/NFDC has stimulated theatre construction. Particularly in Tamil Nadu and Andhra Pradesh the results have been encouraging. However, considering the fact that the theatre network should be considerably expanded within the next few years, it is necessary that institutional finance through banks and public financial institutions is made available on a fairly liberal scale in addition to loan facilities through the State Film Development Corporations. This was also recommended by the Estimates Committee (73-74, 58th Report Para 2.13). During our study of the experience of various States in financing theatre construction, we have noted that quite often proper locational surveys for selecting sites for new theatres were not undertaken. The choice of a proper location is critical to the viability of a theatre project both in urban and rural areas. Wherever the Corporations have failed to recover loans given for theatre construction, one of the main reasons has been the wrong location of theatres. We, therefore, recommend that a scientific locational survey for selection of a suitable site should be a pre-requisite for obtaining institutional finance for a theatre project.

General Strategy for Theatre Expansion

5.32 We suggest the following broad strategy for speeding up theatre construction :—

- (i) Considering the extreme shortage of theatres, the Government should adopt a target of providing 10 seats per thousand of population to be achieved within a period of 5 years. This means an additional provision of 6750 theatres with an average capacity of 500 seats for an anticipated population level of 70 crores by 1985, or an addition of about 1350 theatres every year.
- (ii) The general approach should be to provide theatres of 400 to 500 capacity, though construction of large theatres in major cities need not be discouraged. We have suggested construction of smaller size theatres keeping in view the needs of semi-urban and rural areas, the possible impact of the spread of television on theatre audience, the special needs of good films which generally require smaller theatres, and the requirements of commercial exhibition in 16mm format.
- (iii) The construction and operation of theatres should be recognised as an industrial activity

and institutional finance on a liberal basis should be made available for theatre construction through banks, public financial institutions, State Film/Theatre Development Corporations and the NFDC. We have found the scheme of Orissa Film Development Corporation of particular merit which provides for a tripartite participation by the banks, Film Development Corporation and the concerned entrepreneur.

- (iv) Priority treatment should be given to theatre construction on the same lines as given to hotel industry, which includes financial help, assistance in the procurement of building materials and import of essential requirements. Similarly income tax relief as admissible to new hotels should also be given to new theatres.
- (v) To provide refinance facilities to banks, for advancing loans for theatre construction, the IDBI Act 1964 should be suitably amended.
- (vi) Within the general ambit of schemes for loan facilities for theatre construction, preference should be given specially to theatres which provide for exhibition in 16mm. Because of lower print cost and lower capital investment in projection equipment, 16mm theatres are particularly suitable for semi-urban and rural areas.
- (vii) With a view to further reducing capital investment, encouragement should be given for the construction of open air theatres or semi-permanent theatres particularly in small towns and rural areas. These have already proved quite successful in some of the Southern States.
- (viii) Special incentives such as land at nominal cost, concessions in income tax, preference in building materials etc. are at present available for setting up industries in areas which are declared as backward. These incentives should be equally applicable to construction of theatres in such areas.
- (ix) Considering that it is mainly the rural and semi-urban areas which do not have theatres, it is necessary that the strategy for theatre construction has a definite rural bias. In this context it will be particularly necessary to encourage touring/travelling cinemas on the lines as done by Tamil Nadu Government, as an interim measure till enough permanent theatres become available.
- (x) As far as cities are concerned, the town planning schemes should include theatres as a public utility. Where town planning schemes provide for cultural complexes, place for cinemas should be provided in such complexes. Further considering the shortage of urban land, special relaxation should be given for the construction of mini-theatres either in the compound of existing theatres, as is

already being thought of in U.P., or above the existing theatres.

Theatres and Entertainment Tax

5.33 We have dealt with the subject of entertainment tax in detail in a subsequent chapter of this report. Entertainment tax which on all India basis is about 76 per cent of basic admission rates, has adversely affected the economics of theatre construction in semi-urban and rural areas, where basic admission rates cannot be high. It is, therefore, evident that incentives by way of refund/exemption of entertainment tax should be given for construction of new theatres. Considering local conditions, there are likely to be variations in such incentives. We, however, suggest the following broad pattern of entertainment tax incentives :—

- (i) All new permanent or semi-permanent theatres in rural and semi-urban areas with a population of 25,000 or less should be completely exempted from entertainment tax, for a period of 5 years from the date of commissioning.
- (ii) Similarly in case of urban centres of more than 25,000 and upto 50,000 population, new theatres should be given entertainment tax exemption upto 50 per cent for a period of 5 years.
- (iii) In case an existing theatre owner undertakes the construction of a new theatre in semi-urban or rural areas of upto 25,000 population, 1/4th of the total entertainment tax collected from his existing theatre, for one year, subject to a maximum of Rs. 1 lakh, should be refunded to him as grant. This will help in generation of capital for theatre construction and encourage investment in rural areas.
- (iv) All new theatres which are constructed with projection facilities in 16 mm should be completely exempted from entertainment tax for a period of 5 years, irrespective of whether these are located in rural, semi-urban or urban areas. The exemption should apply to projection in 16mm only.

Theatre Designs

5.34 For large scale expansion of theatres within a short period, it is necessary that appropriate theatre designs are developed for specific conditions prevailing in rural, semi-urban and urban areas. Some research has been undertaken in this area by independent entrepreneurs for construction of low cost theatres with corrugated sheets and mild steel tubular construction for theatre roofing. The Film Finance Corporation had also held a competition for selecting a low cost theatre design. We understand that an open air theatre with 1000 seating capacity has been constructed near Madras at a total cost of Rs. 1,15,000 including the cost of projection equipment. This is the kind of theatre technology which will suit semi-urban and rural areas. It is, therefore, necessary that NFDC takes the ini-

tiative in standardising low cost theatre designs including the standard of furnishings etc. which can be straight away adopted by new entrepreneurs.

5.35 A rationalised approach should be adopted towards the construction of cinema houses. This approach should arise out of two basic considerations i.e. mass production based on modular designs and the use of non-formal technology based on local conditions and materials. A modular approach involves that various elements which go into cinema construction should be identified and standardised. This should be followed up by ascertaining the sources from which these standardised elements can be obtained and then mass production facilities should be set up for those elements which are not readily available. We would like to emphasise that use of mass production techniques must be adopted with caution and should take into account actual requirements and should be extremely cost conscious. As regards the use of non-formal technology based upon local conditions and materials, we would like to draw attention to the report of the Expert Committee on Performance Approach to Cost Reduction in Building Construction (January 1974) which was commissioned by the Government of Kerala. This Committee, which included Shri L. W. Baker, has suggested specific approach to reducing construction cost of all buildings taking into account climate and materials, planning and design, and construction techniques. The recommendations contained in this report aim at minimising the resource cost to the nation and not only the financial cost. The Committee has recommended extensive use in construction of all products of burnt clay and tile industry, and of such local materials as laterite, countrywood, lime and surkhi, and has suggested a number of techniques which minimise consumption of cement and steel without adversely affecting structural strength or functional adequacy. We suggest that in developing low cost theatre designs the principles enunciated in this report should be kept in view, so that the investment involved in large scale expansion of theatre network is kept to the minimum and undue pressures are not created on scarce resources such as cement and steel.

Theatre Cooperatives

5.36 As suggested in the context of production, there is also need to encourage formation of cooperatives preferably of cinema technicians and artistes for the construction and management of theatres. This will help in pooling of resources and proper management of theatres. The theatre cooperatives should receive the same preferential treatment as other industrial cooperatives, particularly in the small scale sector.

Non-Theatrical Exhibition Outlets

5.37 Apart from the theatrical outlets, there are sizeable non-theatrical outlets for feature films represented by purchase of films and exhibition rights by different Government Departments such as Doordarshan, Armed Forces and the External Publicity Division of the Ministry of External Affairs. While exact figures are not available, it is roughly estimated that Government purchase of feature films and royalty charges thereof represent a market of around Rs. 1 crore per year.

This is a market which needs to be particularly exploited for the promotion of good films which win National and State Awards. At present there does not appear to be a coordinated approach between the various Government Departments for this purpose.

5.38 Doordarshan pays an amount of Rs. 8500 per telecast of a National Award winning film, an amount varying between Rs. 2500 to Rs. 8500 per telecast of a Hindi film depending upon how old the film is, and a flat rate of Rs. 2000 per telecast of a regional language film outside the linguistic zone.

5.39 The principle of paying a higher amount for award winning film is commendable but its full benefit does not reach either the film maker or the audience as in the absence of sub-titling, the award winning films in regional languages do not get a national telecast. With an expenditure of Rs. 5 to 6 thousand, Doordarshan can easily have award winning films sub-titled. If this amount is offered to the producer, he can arrange to supply a sub-titled print. The prints of several films with sub-titles are available with the Directorate of Film Festivals which purchases them for the Indian Panorama. A video copy of such films can be taken out for circulation on Doordarshan. Doordarshan should also consider use of simultaneous character generation techniques during transmission. This technology provides the facility for simultaneous transmission of sub-titles with the help of a dialogue sheet and a trained person and, thereby, the need for sub-titling a print is eliminated. As has been indicated in the report of the Study Group on Film Technology, KELTRON has already developed this technology for characters in English. As far as six TV Centres primarily meant for rural areas are concerned, the technique of para-dubbing should be adopted for telecasting other regional language films.

5.40 We would like to emphasise that TV offers a very promising outlet for the exhibition of good films which has not been adequately utilised in India. Even in countries like West Germany and U.K. where TV has grown as a separate medium, it does provide substantial outlet for the exhibition of films. Our study shows that in India even award winning films find it difficult to obtain regular exhibition on television. It should be the clear responsibility of the Doordarshan to provide a viable non-theatrical outlet for low budget good quality films. As far as award winning films are concerned, it should be obligatory on the Doordarshan to telecast these films on the all India circuit. Films with mature themes in which children will not be interested should be screened after 10 p.m. The rates of payment for telecasting films should be suitably enhanced and must bear some relation with the increasing cost of film making in India and the extent of exposure which a film receives through the television. At present Doordarshan is not able to get good films for telecast because of low rates of payment.

5.41 We also feel that the payment of fees for the telecast of regional language films outside the linguistic region is extremely low. For example, Madras TV does cover substantial Malayalam, Kannada and Telugu speaking population and, therefore, telecast of Malayalam,

Kannada or Telugu film on Madras TV does command considerable audience. We, therefore, recommend that fees for telecast of regional films outside the linguistic zone should be substantially raised. When the telecast is with sub-titles same royalty charges should be given as for a Hindi-film.

5.42. In addition to screening of feature films on the television, the TV should itself commission making of feature and short films particularly suited for the TV medium.

5.43 Screening of films on the television is a regular feature all over the world and has not hampered the growth of TV as a distinct medium. Therefore, the increased outlet for good films on the Indian television should not become a reason for lack of creativity in television's own programmes. While TV, as in other countries, should provide outlet for films, it has a responsibility to develop its own potentiality and strength as a separate medium.

5.44 The External Publicity Division purchases a number of films every year for circulation through Indian Missions for non-commercial exploitation. The Armed Forces purchase films for screening to their personnel. In both these cases enough thought is not being given to the promotion of award winning films. This is also true of the Field Publicity Units, Health and Family Welfare Units of Central and State Governments which buy feature films. The Armed Forces organisations usually do not purchase regional films as they depend upon only one producers' organisation based at Bombay. We recommend that award winning films should be given preference for purchase by these organisations, irrespective of the language, and if necessary prints should be subtitled to facilitate wider appreciation.

Exhibition Requirements of Good Cinema

5.45 With the expansion of theatre circuits, the overall avenues for the screening of good films should normally increase. However, it is not unlikely that the expanded network is also monopolised by the usual formula oriented films. It is, therefore, necessary to devise special measures to earmark a portion of this market particularly for good cinema. This object will not be achieved by reserving a certain amount of playing time on a State basis for the local language films. Good cinema should not be subjected to the barriers of language.

5.46 We, therefore, recommend that wherever schemes for liberal loan facilities are developed by the Government or its agencies, an option on the playing time of the theatre should be obtained by the concerned financing agencies. We, however, feel that the limit of 50 per cent option on playing time fixed by the FFC/NFDC is on the high side. A limit of 25 per cent option should serve the purpose. This should be linked to an assured minimum economic rental for the theatre. This time should be utilised by the State or Central Film Development Corporations not only for screening the films financed by these agencies but for general exhibition of good films which may not be finding exhibition through normal channels. State Corporations

should also think in terms of mutual agreements whereby the theatre time controlled by one State agency is made available for screening the films of other State Corporations.

5.47 In addition to reservation of playing time on new theatres, we recommend that the Government should set up parallel exhibition facilities for the screening of good films. For this purpose Government should acquire, lease or construct one or two small size thea-

tres of about 500 capacity in all important cities and towns. The rentals of these theatres should be fixed on a percentage basis and the management should be entrusted to the NFDC, the State Film Development Corporations or to the cooperatives. Attempt should also be made to develop a release scheme on the lines of the system obtaining in Sri Lanka where Cinema houses are classified into different categories with prefixed percentage and holdover figures for orderly release of pictures.

CHAPTER VI

FILM TECHNOLOGY AND RAW STOCK

6.1 As we have mentioned in Chapter II, cinema's technological base is highly sophisticated and continuously evolving. Advances in technology not only improve the technical sophistication of cinema, but also help to enlarge its language, sharpen its grammar and indirectly change its content. Taking note of the important role of technology in the development of cinema, we had constituted a Study Group to enquire into all aspects of film technology, including raw stock, and to submit a report. The report of the Study Group on Film Technology is appended to this report and should be treated as a part of the main report. However, to facilitate appreciation of problems in this area, we are broadly summarising the main conclusions contained in the Study Group's report. We have also made a few additional recommendations.

6.2 The general survey of the field of film technology and raw stock undertaken by the Study Group indicates that the overall situation in India in this regard is not only unsatisfactory but in some areas even alarming. This is mainly on account of three reasons. The technological requirements of film industry have become more sophisticated, and at the same time the prices of equipment and raw stock have steadily increased, pushing up investment in capital equipment as also the cost of film production and exhibition. The rates of customs duty have increased over the years making it difficult to import even badly needed equipment. There has been little or no coordinated effort to indigenise the manufacture of film equipment.

Studios and Studio Equipment

6.3 As a result of the shift from indoor studio shooting to location shooting, the general work demand on established studios has come down. The capacity of established studios which are around 65, is not only adequate but is in fact surplus. Studios in metropolitan towns are being compelled to close down due to pressure on urban land, giving way to more lucrative investment in commercial complexes. However, the general condition of available facilities in studios is far from satisfactory except in Madras. In view of this position, it is recommended that the Government or its agencies should not construct more studios as is happening in Kerala and Maharashtra. The heavy investment studios in public sector are likely to aggravate availability of surplus capacity with the existing studios and are also likely to be beyond the reach of small budget film makers. The State Film Development Corporations should, therefore, (i) provide financial assistance to existing studios in each region for modernisation, giving priority to studios being run by film makers' cooperatives, (ii) provide mobile shooting units which can be made available to film makers on reasonable rental for location shooting, and (iii) assist entrepreneurs and film

makers' cooperatives by granting loans for setting up mobile shooting facilities. In case of new centres of film making where no studio facilities exist, the State Film Development Corporations should assist in setting up studio facilities by providing loans to individual entrepreneurs rather than directly entering the business of studios.

Lighting Equipment

6.4 The availability of lighting equipment, except certain varieties of bulbs, is generally adequate. The import of bulbs not being manufactured in India should be liberalised by reduction in import duties. Trollies and cranes are already being manufactured in the country, but sophisticated dollies like crab dollies, the demand for which cannot support indigenous manufacture, are being imported. On these import duty should be reduced.

Camera

6.5 There are about 300 35 mm cameras in the country, out of which only 15 per cent cameras are in prime working condition. The unsatisfactory condition of even available cameras is on account of excessive load, restrictions on import of cameras and camera spares, and inadequate availability of technical know how and trained personnel for repairs and maintenance of cameras. The prices of cameras have steeply gone up because of international increase in the basic price, adverse conversion rate of Rupee vis-a-vis hard currency, and high import duties. Considering that camera is the primary equipment for film making and is not an item of mass consumption, its import along with suitable lenses should be liberalised by reduction in customs duty. Free import of spares and parts required for repairs to existing cameras should be permitted to save expensive existing cameras from being wasted. Government should help in setting up maintenance facilities for cameras at an appropriate centre such as the National Instruments Limited, Calcutta. In view of the high prices of new cameras, Government should encourage import of re-conditioned cameras.

Sound Equipment and Recording Theatres

6.6 There is a shortage of both professional and portable sound equipment for outdoor use as also recording equipment and recording theatres both for dubbing and music recording. MELTRON have entered into collaboration with Nagra for manufacture of field type recorders in India initially in CKD conditions. Until MELTRON produced Nagras become available, the import of this equipment should be liberalised. Magnetic tape of 1/4" width is being manufactured in India by several manufacturers but is of sub-standard professional quality. The protection available to Indian

manufacturers due to ban on import of 1/4" magnetic tape which is impeding improvement in quality for want of competition, should be modified by permitting import of magnetic tape by one of the Government agencies.

6.7 The facilities required for dubbing of dialogue, re-recording of sound, and re-recording of music are different. The latter necessarily have to be more sophisticated. At present there is a shortage of both recording theatres for dubbing and music recording. The general approach should be to set up inexpensive dubbing theatres of the type established by the Chitrlekha Film Cooperative in Trivandrum and thereby release sophisticated recording theatres for music recording etc. There is, however, need for modernising existing recording theatres by liberalising import of necessary equipment. The technology of crystal motors mounted on cameras linked with recording system through wireless microphones should be encouraged, as this can substantially reduce the requirement of dubbing.

6.8 The technology for manufacture of sound mixers already exists in the country. However, sophisticated equipment such as multi-channel studio magnetic recorders, sel-synch interlock systems, optical recorders and studio microphones are not suitable for indigenisation because of limited demand and high level of technology. Import duties on these items should be reduced. Incorporation of noise reduction systems such as Dolby in the recording and projection equipments, under patent, should be encouraged.

6.9 The manufacture of sprocketed magnetic tape should be immediately undertaken by HPF or any other appropriate agency as this is economical and can reduce the requirement of optical sound track which is entirely imported. HPF should also consider production of magnetically striped film.

Editing Equipment

6.10 Some entrepreneurs have already developed a range of editing equipment in India. The indigenous manufacture should be encouraged with the integration of latest technology. For this purpose, financial support should be provided and import of certain components should be permitted. This will help in reducing dependence on imports.

Special Equipment for Titling and Animation Work

6.11 Only a few animation cameras are available in India with the Films Division and some commercial advertising concerns. The indigenisation of this equipment is not economical because of limited demand. The special type of transparent paper or "cells" required for animation work is at present being imported, though this can be indigenously developed, depending upon demand. Facilities for special effects work are available in the laboratories.

Processing Facilities and Equipment

6.12 Though film making has spread to Bangalore, Hyderabad, Trivandrum, Orissa and Gujarat in addition to Bombay, Madras and Calcutta, colour lab facilities

are available only in Bombay, Madras, and Bangalore. Colour labs are also being set up in Trivandrum and Calcutta, which will also provide facilities for 16 mm colour processing. Films Division is proposing to set up a black and white lab in Delhi and a colour lab in Bombay. There appears to be need for setting up colour lab facilities in Hyderabad, in view of the shift of Telugu film industry from Madras to Hyderabad. The proposal of the Films Division to set up a colour lab in Bombay should be examined taking into account the availability of laboratory capacity in Bombay. In the first instance, Films Division should consider setting up only a 16 mm colour lab with direct blow up facility to 35 mm in Bombay.

6.13 The processing facilities are, however, inadequate in regard to quality, primarily because existing labs occupy a position of monopoly which will be broken when public sector labs in Kerala and Calcutta come into operation. There are also certain gaps in lab technology such as non-availability of liquid-gate printers and A and B roll facility which are crucial for 16 mm processing. The personnel engaged by the labs are inadequately trained.

6.14 Government should insist that laboratories provide for their own generators, as they require continuous power and constant voltage to maintain proper quality standards, and no new laboratories should be allowed to be set up unless they provide for their own generators.

6.15 Technical knowhow for conventional type of processing machines, for black and white and colour film, is already available in the country. Black and white printers are also being indigenously made, but colour printing machines, particularly liquid-gate printers, have to be imported. In view of the critical nature of the lab technology for the technical qualities of the final film, existing labs should be modernised and proposed labs in public sector should take advantage of the latest advance in technology. The existing manufacturers should be encouraged to take up manufacture of sophisticated colour plants. As regards chemicals, except for a few chemicals required for colour processing, most of the chemicals are indigenously available.

6.16 Considerable amount of silver is discharged in the chemical wash during processing of films, which can be easily recovered by a simple chemical or electro-lyte process. It is estimated that a major lab mixing 3500 litres of chemical bath per day can recover as much as 14 kgs. of silver per day. On a rough basis, it is estimated that silver worth Rs. 8 to 10 crores per year can be recovered from the chemical bath. Most of the labs show some sale of used chemical bath to small entrepreneurs but in actual practice recover silver clandestinely. The black money thus generated is used for informal credit to film makers.

6.17 We, therefore, recommend that it should be made compulsory for all labs to set up silver recovery plants which do not require very large investments. The public sector labs being set up in Trivandrum and West Bengal have already provided for this. Films Division's

proposed lab in Delhi should also provide for a silver recovery plant. Further, standards of recovery of silver from chemical wash should be laid down after scientific investigation. The recovered silver should be handed over to HPF or any other raw stock manufacturing agency and the lab should be reimbursed only the processing cost of silver recovery and not the cost of silver recovered. Money value of recovered silver should be paid by HPF into a Film Development Fund to be set up by the Central Government and to be utilised in consultation with film makers for such activities as research and development.

6.18 We further suggest that in case, for various reasons, it is not possible to transfer the value of recovered silver to the Film Development Fund due to technical reasons, the benefit of recovered silver should be passed on to the producers by correspondingly reducing the price of HPF raw stock as the recovered silver really belongs to the producers who had purchased the raw stock.

6.19 Films Division has been disposing of rolls of 35 mm waste films at a price of Rs. 17 to Rs. 18 per roll though in terms of silver content alone the price of a waste roll should be around Rs. 50 to Rs. 60. Films Division should set up a plant for silver recovery from waste film.

6.20 An Expert Committee is already examining the question of fixing scientific norms for wastage allowance being allowed to the labs. The recommendations of this Committee should be quickly implemented as liberal wastage allowance is a source of prints being smuggled out of the country and also for blackmarketing of raw stock.

6.21 The laboratories usually save about 600 ft. of raw stock in every print of a feature film, because the requirement of one print is a little over 14 rolls of film but the labs demand 15 rolls. This becomes a source for a large number of clandestine prints.

6.22 The sector of laboratories needs to be regulated from the view point of quality assurance, proper raw stock management, elimination of unauthorised prints, prevention of excise evasion and proper accountal of silver recovery. The Government should introduce a proper licensing system for laboratories through the Department of Cinema. This Department should be assisted by a Monitoring Committee consisting of film technicians which should undertake periodic checks of the laboratories to ensure quality performance. Simultaneously quality performance of labs should be recognised through the National Film Awards. When an award is given for the best cinematography, the lab which has processed the film should be given a certificate of merit.

Projection Equipment

6.23 35 mm projectors are already being manufactured in India, but no major technological development in designs can be attributed to indigenous manufacturers. They have also engaged in restrictive practice of a price cartel. Even today they import and sell certain simple and easily manufacturable items like mirrors

and lenses which can be locally manufactured. There has been little or no developmental activity. The price of indigenous projectors has considerably gone up and the turnover of the concerned companies has considerably increased and yet they are maintaining their status as small scale industries. Components obtained through sub-contracts are bought at a quarter of the price at which these are sold by the cartel to the customer. Because, the cartel has links with analogous equipment manufacturers abroad, even such equipment as stereophonic amplifiers which can be locally manufactured is being imported.

6.24 Knowhow for manufacture of professional projection equipment is already available with some of the public sector corporations such as KELTRON. With the rapid expansion of cinemas, the demand for both 35 mm and 16 mm projection equipment will increase. It is, therefore, recommended that one of the public sector corporations should be asked to take up development and manufacture of 35 mm and 16 mm projectors (of a commercial variety) in addition to the present manufacturers.

6.25 Arc carbons are already being manufactured in India, but the use of carbons is likely to be seriously endangered because of its petroleum base. Even from a technical consideration, there should be a switch over to Halogen or Xenon type lamps which provide smokefree operation. The basic technology in this area is already available with Central Electronics Limited, Ghaziabad, which can be developed to suit the requirement of cinema projectors.

6.26 Despite sophisticated development of sound technology in the country, most of the stereo amplifiers are still being imported. Mono-amplifiers and loudspeakers upto 15" dia. are available indigenously. It is felt that the entire requirement of theatre sound equipment can be met locally and no import should be allowed.

6.27 At present proper standards of projection during exhibition of films in theatres are not being maintained and, therefore, all the work of film makers is spoiled. The existing theatre licensing rules do not lay down any technical standards for film projection. It is recommended that a body like the ISI should fix the basic minimum standards of screen light-illumination and sound which should be incorporated in the licensing rules. The State should have a standing committee of independent technicians, the members of which individually or as a committee, should carry out surprise inspection of projection equipment and report their findings to the State Government. There is also need for training of technical personnel employed in cinema theatres, such as projectionists. Facilities for this should be set up by the local film industry (Exhibitors' Association) either independently or in collaboration with the State Governments.

Sub-titling and Dubbing Technology

6.28 Except for one working sub-titling machine available in Bombay, there are no sub-titling facilities available in India, despite the simplicity of technology. Sub-titling is preferable to dubbing as it is cheaper,

it provides for minimum interference with the original film, and in case of television transmission sub-titling can be done instantly through the technology of visual character generation for which equipment for English language has been already developed by KELTRON. Dubbing of South Indian language films in North Indian languages or vice versa is not likely to be accepted by the audience. We are, therefore, of the view that as a general strategy, India should aim at developing sub-titling facilities in all Indian languages. Today cinema reaches primarily literate and semi-literate audience in the urban centres. Therefore, sub-titling is the appropriate technology. Even otherwise sub-titling can be used as one of the instruments by which literacy can be inculcated.

6.29 A couple of entrepreneurs who have gained experience in the field of sub-titling should be allowed to import modern sub-titling equipment as the existing facilities are not able to meet even a portion of the demand. This need not hamper the proposed plan of NFDC to set up sub-titling facilities, as the demand will grow up further. Some private organisations have shown willingness to take over the sub-titling machine which was imported by IMPEC and which is now lying with FTIL. This possibility should be immediately explored.

6.30 Sub-titling in Indian languages would mean a pioneering effort which should be taken up for research and development by the Films Division, NFDC and the State Film Development Corporations. The latter should handle the languages of their own regions. The Films Division should take up sub-titling for documentary films or fiction type short films and NFDC of feature length films. All Films Division documentaries should be sub-titled into various Indian languages without tampering with the original language of the film. The present approach of the Films Division to rely on single voice commentary restricts the style and form of the documentary films. Use of sub-titling in documentary films will enable film makers to make short films in their own language using the spoken word which will give the documentary a special regional character.

Raw Stock and Hindustan Photo Films

6.31 At present the raw stock requirements of the film industry are partly met by imports and partly by indigenous manufacture through HPF. The product range of HPF, which went into production in 1967-68, includes cine black and white positive 35 mm and 16 mm, cine sound negative 35 mm, and cine colour positive conversion, 35 mm and 16 mm, from jumbo rolls. HPF is today able to meet complete demand for cine positive black and white, 35 mm and 16 mm, as also cine sound negative 35 mm. There are occasional shortages in respect of cine colour positive which have to be supplemented by import through NFDC. The total expenditure on import of raw stock, (excluding the cost of indigenous manufacture) including jumbo rolls, is of the order of around Rs. 12 crores.

6.32 The industry is critically dependent upon the performance of HPF, but the HPF has not adequately fulfilled its role. The main drawbacks in the perfor-

mance of HPF are defective collaboration, insufficient collaboration, lack of developmental consciousness, inadequate quality control and quality consciousness, and insufficient expansion of product range.

6.33 It is recommended that :

- (i) HPF should be treated as a company manufacturing essential goods and should come under regulatory marketing controls as regards pricing, buffer stock, distribution, etc.
- (ii) Pricing structure of products should be based on evaluation of cost units compared with similar products abroad.
- (iii) The destabilising influence of the price of silver in the price of raw stock should be segregated by separating the base price, excluding silver, and then by adding a silver surcharge. The silver surcharge should be revised on the average silver price of three months.
- (iv) The silver component of stocks used, manufactured and sold by the company should be subject to single point taxation.
- (v) The status of the company as a prime manufacturer of software used by the film industry should be widened and the company should be encouraged to grow swiftly. For this purpose the company should be restructured on the lines of a corporate structure such as HMT, and the product manufacture should be assigned to different business groups. Each business group should be independent in operation and should preferably be located in a different film producing region. The functional units, such as R&D, should be duplicated in each business group and each group should horizontally expand into analogous products. A new group of products such as tapes of all forms, viz magnetic tape, video tape, tapes of various coatings, etc. should be taken up for manufacture by a separate business group. The various business groups should come under the policy control of the central corporate body which will also have under its control functions of common importance such as procurement abroad and export to foreign countries.
- (vi) The marketing effort of the company has to be organised as a separate functional division on a professional basis in close coordination with the industry. This should include collection and dissemination of information on analogous products, effective feed-back information system, close liaison with consumer units to give inplant guidance, and setting up consumer consultative committees.

6.34 Since 50 per cent of the foreign exchange on raw stock is being spent on import of colour jumbo rolls, immediate action should be taken to set up

films in 16mm i.e. shooting equipment, sound recording equipment, editing equipment, processing facilities and exhibition facilities. For this purpose, it is necessary that there should be a complete customs holiday for a period of two years for import of 16mm equipment without customs duty and without import licence. The overall imports will not amount to more than Rs. 2 or 3 crores. Only 16mm projectors will be required in large numbers. For this purpose, as already recommended, an organisation like KELTRON should undertake development of an indigenous professional 16mm projector on a priority basis and till this becomes available free import of professional 16mm projectors should be allowed.

Super 8

6.45 16mm projectors can cater to an audience of 4 to 5 hundred and will still leave out small village audience where improvised theatres of 100 to 150 capacity are required to be set up. One of the firms based in Bombay is already setting up a chain of Janata theatres equipped with Super 8 projectors. In addition to economies, Super 8 projection provides for simple operation, which does not require trained personnel. It is, therefore, recommended that a strategy similar to the one suggested for 16mm should be adopted for development of complete infrastructure for Super 8 production (reduction) and exhibition. Super 8 will not replace 16mm, rather it will make greater use of 16mm by taking it in the form of Super 8 to small villages where 16mm exhibition may not be economically viable.

Video Technology

6.46 Two separate video systems are being developed viz. the Video Tape Recorder (VTR) or Video Cassette system (VCR) and the Video Disc system. Both VTRs and VCRs offer the advantage of instant video recording, replay and reuse. The video disc technology is primarily for replay in the same manner as sound disc. In terms of quality of visual and sound and longer playing time in less space, video disc technology is likely to be superior to VCR/VTR. Therefore, ultimately VCR/VTR will become an intermediate technology for video disc. Video technology has tremendous potential for use in the field of formal education, social education and developmental communication. In case of cinema, this technology is already being integrated to make film making more professional and economical through the use of video systems for shooting and editing.

6.47 Video technology will not supplant Super 8 or 16mm technology as it is not designed for mass viewing, though there is bound to be interchangeability between these technologies. We also feel that the unexploited home market for cinema is still so large that the introduction of videos will not affect the film market in the near future, particularly as the price of video equipment is likely to remain fairly high.

6.48 In the above circumstances, import of video equipment should be initially allowed for educational institutions, film makers, field publicity units and

other specialised agencies involved in community development and rural education programmes. This will provide an opportunity to test this technology in the Indian situation and assess the potential demand, if restrictions are removed. Based upon this experience, indigenisation of video technology can be considered at a subsequent date. Technology for transfer of video image to celluloid which has currently an efficiency of 40 per cent, is likely to reach acceptable standards within the next few years. This development should be monitored and later adopted in India, as it can bring down the cost of film production. Similarly there is need to monitor the developments in the area of video disc technology.

6.49 Video cassettes of Indian films have already market outside India and fetch attractive prices. At present only one private organisation situated in Bombay has the monopoly for transfer of films to video cassettes entirely for export market. This places film producers at a disadvantage for negotiating a fair deal. We, therefore, recommend that facilities for video transfer in India should be expanded and made available in different film making centres of the country.

Policy for Import of Technology

6.50 Our survey has shown that availability of film technology in India is unsatisfactory in almost all areas. Government policies to regulate import of film equipment have not only created shortages but have compelled film makers to work with obsolete equipment, resulting in sub-standard quality of film production. Considering the fact that film technology is not an item of mass consumption, it is doubtful whether the policy of the Government has resulted in major savings in foreign exchange. On the other hand, it has created unhealthy monopolies in certain areas. We strongly recommend that Government should consider granting a complete customs holiday for a limited period of one or two years to import any film equipment which is not manufactured in the country or where the Indian equipment is not of adequate international standard. The overall requirement of foreign exchange is not likely to exceed Rs. 10 to 12 crores and once the existing backlog is met the annual requirement will come down.

Research, Development and Training

6.51 Our survey has shown that there is still heavy dependence on import of technology and very little attempt has been made to assist development of indigenous technology. Small scale technician-entrepreneurs engaged in the field of film technology are being exploited by established manufacturers. At the same time, there are several research-cum-production organisations which have the knowhow and the potential, which can be used for developmental work in film technology. A list of items being currently manufactured in the country as also a list of items which can be taken up for development and manufacture is given in Annexures III and IV of the Report on Film Technology.

6.52 We further recommend that two separate centres for Research and Development in film technology should be established and located in two of the most prolific film making regions of the country. The advisory boards of these centres should consist of nominees of Central and State Government undertakings concerned with analogous technologies representing specific disciplines such as optics, instrument technology, electronics, mechanical and electrical engineering etc. These centres should be manned by persons with technical background of relevant disciplines. It is suggested that the centres be jointly financed by the Central Government and the State Government where these are located. The activities of these centres should include product development, development of need based technology, application of technology, manufacture of prototypes, equipment maintenance and maintenance training, teacher training for operating refresher courses for projectionists, etc. From the view point of concentration of capacities in electronics, machine tools, instrument technology, etc. the ideal places of location of these centres are Madras, Bangalore and Bombay. These centres will not require high investment as these will be essentially in the nature of all purpose workshops which will inter-alia provide tool room and machine shop facilities to independent entrepreneurs working in the field of film technology.

6.53 We recommend a three tier structure for promoting research and development in the area of film technology. (i) A Film Technology Monitoring Cell should be set up under the Ministry of I&B consisting of representatives of Ministry of I&B, Department of Science & Technology, Ministry of Industry, NFDC, film technicians and film makers. This cell should identify problems in the area of film technology, locate groups, institutions and individuals who can work on these problems and recommend adequate grants for these jobs. Such a cell will help in making R&D capabilities available in different research institutions for indigenisation in the area of film technology. This proposal has been discussed with Dr. P. K. Katti of the Department of Science and Technology and has that Department's concurrence. Funds for this cell should be provided partly by the Department of Science and Technology and partly by the Ministry of I&B and NFDC. (ii) Two Centres of Film Technology should be set up as suggested above. (iii) Financial and technological support should be provided to individual entrepreneurs who are engaged in indigenisation of film equipment. It needs to be emphasised that efforts in the direction of indigenisation should not result in premature cessation of imports of latest technology. Import of the latest film equipment should continue to be permitted until the locally produced technology has been marketed and comes upto international standards.

Annual Cinema Equipment Exhibition

6.54 India, which is the largest user of cinema equipment, should keep abreast of the latest deve-

lopments. This can be done if along with India's International Film Festival, an International Cinema Equipment Exhibition is organised, particularly with focus on the needs of the developing world. For organising this exhibition, it would be useful to collaborate with the Trade Fair Authority, which has considerable experience in organising international industries fairs, though the main responsibility should rest with the same organisation which organises the International Film Festival. Such an exhibition, in addition to keeping Indian film makers abreast of the latest developments, should also help in the exports of Indian film equipment, particularly to the Third World countries.

Training for Technicians

6.55 FTII should develop a full training course in lab technology. The repairs and maintenance for camera, editing and sound equipment should be built into the existing courses in FTII for cameramen, editors and sound recordists.

6.56 The number of projectionists required to be trained is very large and this cannot be handled by FTII. The training facilities in this field as suggested earlier, should be set up at the local level by the film industry either independently or in collaboration with the State Governments. The proposed Centres for Film Technology will train only teacher-trainees who will run training courses for projectionists at the local level.

Registration of Studios

6.57 We have earlier recommended registration of producers with the NFDC and a proper system of licensing of distributors and processing laboratories through the Department of Cinema. The report of the Study Group on Film Technology has also brought out that the existing capacity of established studios is not only adequate but is in fact surplus. The shooting equipment facility provided by the studios are supplemented by mobile equipment available with individuals who hire the equipment for film making. With a view to ensure that the overall studio and allied facilities do not become far excess of the requirements there is need to monitor the overall availability of these facilities. Besides at present there is no proper procedure for sponsoring the import requirements of studio owners and equipment hirers. In the past sometime this work had been allotted to the Film Division who were reluctant to handle the same in the absence of requisite organisational machinery. As in future the applications for import of equipment will be sponsored by the NFDC, we recommend that all studios (including dubbing theatres and recording theatres), mobile shooting units and equipment hirers should be registered with the NFDC.

CHAPTER VII

TAXATION POLICY

7.1 The taxation policy in relation to cinema should take into account the role envisaged for cinema. In Chapter II, while suggesting the broad objectives of a National Film Policy, we have drawn attention to some of the important facts regarding cinema which should be kept in view for formulating a taxation policy. The taxation policy should particularly recognise the fact that in addition to being the most popular audio-visual medium of mass entertainment, cinema is a major art form and has an important role to play as a medium of culture, education and communication.

7.2 Our study has convinced us that Government taxation policies totally ignore the role of cinema as an art form and as a medium of culture, education and communication. To the taxation policy makers cinema is primarily a means of entertainment which deserved to be taxed as an item of luxury. No wonder that the taxation policies of the Central and State Governments as well as the local bodies are designed with the sole object of generating maximum revenues. This is generally true of all types of direct and indirect taxes being levied on the film industry such as entertainment tax, show tax, customs and excise duties.

Entertainment Tax

7.3 As we have mentioned in Chapter II, the constitutional authority of States for levying entertainment tax arises from the same constitutional provisions which gives authority for levying tax on betting and gambling. It is, therefore, not surprising that the high level of entertainment tax levied by the State Governments seems to equate cinema with betting and gambling.

7.4 Various State Governments follow different rates of taxation for different slabs of admission rates. Some States also levy additional entertainment tax and surcharge on entertainment tax. For purposes of comparison, we have attempted to show entertainment tax being collected by different States on the basic admission rates of Re. 1/-, Rs. 2/- and Rs. 3/-, though this divisions does not necessarily correspond to actual admission rates. The comparative position may be seen in Annexure VI.

7.5 On the basic admission rates of Re. 1/- the lowest entertainment tax, including surcharge, is 37.56% as applicable in Maharashtra for towns other than Bombay, Pune, Nagpur and Sholapur. The highest rates is in Uttar Pradesh which including surcharge works out to 125%. On the basic admission rate of Rs. 2/-, the lowest entertainment tax including additional tax is 47.5% which is levied in Gujarat in towns with less than 50,000 population. The highest tax is in West Bengal i.e. 132% leviable on colour films. On the basic admission rate of Rs. 3/-, the lowest rate of tax is 50% as applicable in Madhya Pradesh, and the highest rate is 157 percent as applicable in West Bengal for colour films. The rates of entertainment tax thus range from roughly 37.5% to 157% on the basic admission rates of Re. 1/-, Rs. 2 and Rs. 3/-. Most States levy entertainment tax on a flat basis on the entire amount of admission charges, but Gujarat and Maharashtra levy the tax on a graded scale for separate portions of the admission rate. Several States levy additional tax and/or surcharge on entertainment tax. There appears to be no rational basis for such additional tax or surcharge. In the case of Kerala the entertainment tax is levied separately by each local authority within a range of 15% to 30 per cent, subject to a further surcharge of 60%. Though we have not been able to obtain the details of rates followed by different local bodies in Kerala, it appears Kerala has generally the lowest rate of entertainment tax.

7.6 As indicted in the Estimates Committee's 58th Report (1973-74), in 1971-72 entertainment tax collections were Rs. 63 crores. These had increased to around Rs. 205 crores by 1978-79 and to Rs. 227 crores by 1979-80. The entertainment tax figures for 1978-79 and 1979-80 include tax on betting and some other amusements. Making an adhoc deduction of Rs. 18/- crores on this account for 1978-79 and Rs. 20/- crores for 1979-80, the net estimated entertainment tax collection on cinema would be of the order of Rs. 187 crores for 1978-79 and Rs. 207 crores for 1979-80. The disproportionate increase in the rate of entertainment tax will be evident from the following table :—

Box office Collections (excluding E.T. Rs. Crores	E. Tax Rs. Crores	% of E.T. to net collections	Gross collection with E.T. Rs. Crores	% of E.T. to Gross Collections
(71-72)	(71-72)	(71-72)	(71-72)	
118.40	63	53%	181.40	(71-72)
(78-79)	(78-79)	(1978-79)	(1978-79)	35%
247.00	187	76%	434.00	(1978-79)
(increase over 71-72)	(Increase over 71-72)	(Increase over 71-72)	(Increase over 71,72)	43%
108%	197%	23%	139%	(Increase over 71-72)
				8%

7.7 It will be seen from the above that during a period of 8 years, while the net box office collection increased by 108%, the entertainment tax collections went up by 197%. The average rate of entertainment tax, during this period, increased from 53 per cent to 76%. To properly appreciate the burden of entertainment tax, reliance should be placed on the percentage of entertainment tax to the net box office collection which represents the basic admission rates and not the percentage of entertainment tax to gross collection which includes entertainment tax. The prevalent rate of entertainment tax which on an average is 76% of the basic admission rates should be considered excessively high by any standards.

7.8 We are of the definite view that the high burden of entertainment tax is one of the important reasons for the production of box office oriented formula films because to ensure recovery of costs and a margin of profit the film maker has to design his film to suit a very large audience. The Estimates Committee (73-74) in its 58th report had commented; "The high rate of tax is pushing the cinema house beyond the reach of common man. What is more disquieting is that practically no part of tax money collected, is being ploughed back in the industry with the result that this policy of high taxation is driving the industry into the hands of those unscrupulous people from whom it needs to be rescued. The Committee feels that there is need for the rationalisation of rate of entertainment tax". Earlier the Patil Committee (1951) had examined the entire question of entertainment tax and had recommended rationalisation of entertainment tax at the gross rate of 20% of box office collections. During the evidence given before the Estimates Committee (73-74) it was indicated that the Information Ministers had supported the proposal to rationalise the entertainment tax at 25% of the value of tickets, but the Central Government did not succeed in getting this proposal implemented and the entertainment tax continued to rise. The representatives of the Ministry of Information and Broad-casting stated before the Estimates Committee, "We have not succeeded in persuading the State Governments either to abolish it or to rationalise the level of taxation on an equitable basis".

7.9 In brief, the present position is that the entertainment tax is excessively high. The Central Government itself feels that it should be substantially reduced if not altogether abolished. Even the State Governments at the forum of Information Ministers have accepted the need for rationalisation of entertainment tax at a lower rate. Various important Committees have repeatedly emphasised the need to reduce entertainment tax and yet nothing significant has been done in this direction so far. We feel that unless immediate action to reduce the burden of entertainment tax is taken, no measures for promoting good cinema movement are likely to yield any tangible results. Even from a practical point of view, the high rate of entertainment tax have become counter-productive insofar as these are a major obstacle in the expansion of theatre network which can yield higher entertainment tax revenue without increasing the tax burden. This is clear from the fact that the rates of entertainment

tax are generally higher in the Northern and Eastern States such as Uttar Pradesh, Haryana, Punjab, Rajasthan, Bihar, West Bengal and Assam where the ratio of theatres to population is low. It is in this context that we have suggested in Chapter II that the general strategy of generating tax revenue should aim at horizontal expansion of revenue resources and not vertical rise in tax level.

7.10 We have already recommended that the entire subject of cinema should be brought under the Union or the Concurrent List. We, therefore, hope that a uniform policy in regard to entertainment tax will be formulated by the Central Government and in doing so, the Central Government will make a serious attempt to rationalise entertainment tax and reduce tax rates. In formulating an entertainment tax policy, we recommend that the following objectives should, inter alia, be kept in view :—

- (i) To encourage construction of small theatres with about 500 seating capacity particularly in semi-urban and rural areas, as suggested in Chapter V. In particular, construction of theatres with 16mm projection facility should be encouraged. However, construction of expensive and ostentatious theatres, which usually charge high admission rates, should be discouraged.
- (ii) To levy tax keeping in view the capacity to pay. Tax rates should be designed to ensure that the poor sections of the population have the least burden to carry.
- (iii) To particularly help in the wider circulation of good quality artistic films and children's films.
- (iv) To rationalise tax rates and simplify procedures.
- (v) To increase income by expanding the theatre network i.e. by increasing the number of cine goers and not by increasing the rate of entertainment tax.

7.11 In Chapter V we have already indicated the specific measures which should be taken for encouraging the construction of new theatres by giving various reliefs in entertainment tax. With the reduction in entertainment tax rates and the tax reliefs which we have suggested, the construction of new theatres will be greatly encouraged. This in turn should generate more tax revenues for the government in the long run. This fact is clearly borne out by the experience of States like Andhra Pradesh and Tamil Nadu where attempts to rationalise entertainment tax have stimulated theatre construction activity. Therefore, reduction in the rates of entertainment tax will not result in loss of tax revenue to the Government on a long term basis.

7.12 Taking the above factors into account, we recommend that an all inclusive entertainment tax rate should be evolved and no additional taxes such as surcharge on entertainment tax, additional surcharge on entertainment tax municipal show tax etc. should

be levied. We recommend that the following, all inclusive, rates of entertainment tax should be adopted uniformly :—

- On basic admission rate of upto Re. 1/- @20%
- On basic admission rate of more than Re. 1/- and upto Rs. 2/- @ 30%
- On basic admission rates of more than Rs. 2/- and upto Rs. 3/- @ 50%
- On basic admission rate of more than Rs. 3/- and upto Rs. 4/- @ 75%
- On basic admission rate of more than Rs. 4/- @ 100%

7.13 We would like to clarify that the rates of entertainment tax which we have suggested should be applicable on the basic admission rate and not on the gross admission rate. In other words, if the basic admission rate is Re. 1, entertainment tax should be 20 p. and the gross admission rate will be Rs. 1.20. We have deliberately suggested a very high entertainment tax rate on basic admission rates of more than Rs. 4/-, so that theatre owners are discouraged from adopting high admission rates.

7.14 We also recommend that there should be statutory provision that all theatres should provide for atleast 20% of the seats in the lowest class of tickets. We have observed that particularly in metropolitan cities there are at present very few theatre seats in lower classes. Similarly the number of seats in the highest class should not exceed 20% of the total capacity.

Compounding System

7.15 Recently some of the State Governments such as Tamil Nadu, Andhra Pradesh, Bihar and Karnataka have adopted a simplified procedure for assessment and collection of entertainment tax, which is popularly called the compounding system of entertainment tax. Under this scheme, in case of Tamil Nadu a fixed entertainment tax is levied as a percentage of the gross collection capacity of a theatre per show instead of the actual sale of tickets. On this basis, tax rates have been fixed ranging between 20 to 27½ per cent of the gross collection capacity in theatres in Grade II and Grade III municipalities. The tax is paid per show actually held. Alternatively the theatres are allowed to pay a lower tax rate ranging from 15 per cent to 22½ per cent of the gross collection capacity on a fixed number of shows per week irrespective of the actual number of shows held. The Bihar Government has fixed compounded tax on the basis of an average for the past three years with further addition of 15 per cent. Andhra Pradesh and Karnataka have also adopted this system with variations.

7.16 Our enquiries have shown that the compounding system of tax has been widely welcomed by the industry because it saves them from harrassment and inconvenience. The system is recommended particularly for small towns and touring theatres where the State Government does not have adequate machinery

for tax collection and the instances of tax evasion are not infrequent. We also understand that this has resulted in increase of revenue for the State Governments and saving of expenditure on tax collection machinery.

7.17 In view of this we strongly recommend that the compounding system of entertainment tax should be adopted in all States for all semi-permanent and mobile theatres and for permanent theatres in towns having a population of upto 50,000.

7.18 It is also necessary that the entertainment tax policy should take particular note of the need to encourage good films. We, therefore, recommend that all National and State Award winning films, as also all films which are given a 'Q' certificate by the Censor Board, and children's films should be permanently exempted from entertainment tax instead of exempting them only for a limited period. In this context the Conference of State Information Ministers held in New Delhi on 4th November 1977 had also recommended, "All films that win a National or State award and all childrens films should be exempted from entertainment tax". In case of award winning films the Government should also refund entertainment tax already collected. Some of the States like Andhra Pradesh insist that when a film is exempted from entertainment tax, the basic admission rate should not exceed Re. 1/-. Such insistence instead of providing help to the producer of good quality films in fact becomes a disincentive for obtaining tax exemption. Films exempted from entertainment tax, should therefore, be allowed to run on the normal admission rates excluding entertainment tax.

7.19 It is further necessary that art theatres run by the Chalachitra Akademi or the State Film Akademies or any other body specifically devoted to the promotion of cinema as an art form should be permanently exempted from entertainment tax.

7.20 The rates of entertainment tax should in no case be discriminatory on the basis of 'U' or 'A' nature of the certificate given by the Censor Board as is being done in Karnataka. Several artistic films with serious themes are given 'A' certificates, not because they have either sex or violence but because of nature of the theme. It would be unfair to penalise such films by higher rate of entertainment tax. Similarly no discrimination in entertainment tax should be made on the basis of a film being in black & white or in colour.

7.21 The Patil Committee had recommended that 10% of the entertainment tax should be used for development of the film industry through the Council. The Conference of States Information Ministers has also supported this recommendation on more than one occasion. The Estimates Committee (1973-74, 58th Report) had also reiterated that 10% of the entertainment tax should be spent on the development of the film industry. It is only fair that a portion of the tax collected from the film industry is spent on the development of this industry. We, therefore, fully support the recommendation made by

earlier committees that 10% of the entertainment tax should be earmarked for the development of the film industry.

Show Tax/Municipal Tax

7.22 In addition to entertainment tax, local bodies levy a show tax/municipal tax usually at a flat rate on per show basis. In Madhya Pradesh show tax is levied by two authorities separately i.e. by the Municipal authorities and also by Janpad Panchayats. We have already recommended that there should be no separate show tax or local tax in addition to an all-inclusive entertainment tax. The States may share a part of their receipts with the local bodies.

Excise Duty

7.23 The excise duty applicable to the film industry is collected on raw films manufactured by the HPF, on exposed films when the prints of short films and feature films are taken by the producers/distributors, and on the film equipment which is manufactured in India. Excise duty was levied for the first time on exposed cinematograph films in 1960. The tariff rate of duty at this stage varied from 10 np per metre to 50 np per metre depending upon the type of films. These rates have gone up from year to year.

7.24 As far as unexposed cinematograph film is concerned, at present the duty payable is 2 paise per linear metre plus 5 per cent of the basic duty as special excise. This is naturally built into the price of the unexposed film and passed on to the film producers. The film producer again pays excise duty when he takes out prints of feature films. The rates of duty applicable to prints of feature films as on 15-2-1980 are as follows :—

Description	(in rupees per print of picture)	
	B&W	Colour
Feature film, not exceeding 4000 metres in length		
(a) cleared for home consumption before the date of first release of film for public exhibition, or within twelve months from such date or both	Nil	Nil
(i) First 12 prints of each picture	1500	2500
(ii) next 12 prints of each picture	3000	5000
(iii) next 12 prints of each picture	4500	7500
(iv) next 12 prints of each picture	6000	10000
(v) next 12 prints of each picture	9000	15000
(vi) on the balance		
(b) cleared for home consumption after twelve months from the date of first release of the film for public exhibition	500	1500

7.25 From the above it will be seen that the rates of duty are in an ascending scale from Rs. 1500 to Rs. 9000 in case of black and white prints and Rs. 2500 to Rs. 15,000 in case of colour prints. The rates sharply go down after 12 months from the date of first release of the film for public exhibition.

7.26 We have earlier referred to the increase in the price of various inputs of film making including the increase in the price of raw stock. Particularly on account of the escalation of price of silver, it is understood that the raw stock prices are likely to go up even further. We have already mentioned that excise duty is collected on the raw film when it is manufactured by HPF. Therefore, excise duty on prints is in the nature of a second levy. Taking these factors into account, we suggest that a downward revision of excise duty on the prints should be undertaken. We are not suggesting any specific rates, but in such a revision the following points should be kept in view :—

- (i) The purpose of exempting the first 12 prints from excise duty was to help low budget films. Due to increase in the cost of production, even low budget artistic films particularly in Hindi have to aim at a larger all India audience, which cannot be catered with 12 prints. We, therefore, recommend that this limit should be increased to 20 prints.
- (ii) The duty on additional prints should be fixed on a slab of 20 prints instead of 12 prints. The rates of excise duty for different slabs upto 80 prints should be kept low. If cinema has to reach the semi-urban and rural areas, the overall cost of film prints has to be kept low. Because of increase in the price of raw stock and levy of excise duty on prints, the overall cost of prints has considerably increased and theatres in small towns and semi-urban areas are already finding it difficult to get good quality prints. With the present rate of excise duty, theatres in rural areas which will cater to small audience with low admission rates will not be able to pay for good prints. As a print can be used only for a limited number of screenings, producers and distributors can supply good prints in semi-urban and rural areas only if the print cost is low. We have suggested a limit of 80 prints for reduced excise rates as most of the low budget and medium budget films will not require more than 80 prints. At the same time it is suggested that the rates of excise duty should be steeply raised for more than 80 prints which will be required only by big budget films, as mentioned in para 5.18.
- (iii) Under the present rules exemption from excise for the first 12 prints is admissible only if the prints are taken out either before the date of the first release of the film or within twelve months of the first release of the film. The intention of exempting a certain number of prints from excise duty was to help low budget films which cannot afford high rates of excise. Quite often producers of low budget films hesitate to invest in 12 prints within a short period as good quality films in particular have a slower circulation in the exhibition channels. After one year, irrespective

of the number of prints, excise duty is charged at a lower rate uniformly. Though this is helpful to most films, it partly negates the advantage of complete exemption given to a limited number of prints which the producer may not have been able to take out within the specified period of one year. We, therefore, recommend that the enhanced exemption limit of 20 prints should operate irrespective of the period within which the prints are taken out. The other rule of charging lower rates of excise duty after one year should apply only for more than 20 prints.

- (iv) While the principle of having a higher rate of duty on colour prints as against black & white prints is valid, the present difference in the rate of duty which is around 66 per cent higher for colour prints, appears to be unfair, particularly as more than 70 per cent films are now being produced in colour. We, therefore, suggest that this difference should be reduced by bringing down the rates of duty on colour prints.
- (v) The policy regarding excise duty does not seem to take note of the Government's policy to specially promote good quality artistic films. Even prints of National Award winning films are not exempted from excise duty, except the prints of such films required by the Central Government. In the context of entertainment tax we have mentioned the helplessness expressed by the Central Government in persuading the State Governments to reduce entertainment tax. The reduction of excise duty is within the purview of the Central Government itself. The Central Government should, therefore, set an example by exempting from excise duty the prints of National and State Award winning films.
- (vi) As we have later discussed in this chapter, certain categories of short films are charged either lower rate of excise duty or are completely exempted from excise duty. These are generally films classified as documentary, educational films or predominantly educational films. This principle is not applied to feature films except in case of children's films. We have separately supported the proposal made by Khosla Committee on Censorship (1968-69) for the introduction of 'Q' certificate for quality feature films. We recommend that the prints of these films should be charged duty at 50 per cent of the normal rate. The existing exemption for children's films should continue.
- (vii) We have already recommended that considering the overall economics of 16mm technology, there has to be an all out effort for encouraging 16mm technology. At present prints of 9.5mm and below width are exempted from excise duty. We recommend that the exemption should cover all prints of 16mm and smaller formats.

- (viii) The present distinction of levying higher rate of excise duty on prints of more than 4000 metre length should be retained as this is a necessary discouragement for producing unduly long films.
- (ix) All prints required by the National Film Archive, the Central and the State Film Academies and the Children's Film Centres should be exempted from excise duty.

Excise on Short Films

7.27 As regards excise duty on the prints of short films, the rates of duty, excluding special excise, are as follows :—

Less than 500 metres

(i) Documentaries	No duty.
(ii) Newsreels	8 paise per metre for 35 mm 5 paise per metre for 16 mm and lower formats
(iii) Films of educational value	Same as above.
(iv) Others	50 paise per metre.

More than 500 metres length

(i) Exclusively educational films irrespective of length.	No duty
(ii) Other films	Rs. 1.80 per metre for B&W Rs. 3.00 per metre for colour.

7.28 It will be seen from the above that very fine distinctions have been made between documentaries, newsreels, films of educational value and exclusively educational films for levying excise duty. These are not only confusing but quite often arbitrary. The present procedure also unnecessarily increases the workload on the Censor Board which has to grant these certificates.

7.29 We have separately dealt with the problem of the promotion of documentary/short film movement in the country, for which there are at present very limited avenues. The role of short films as a medium of information, education and communication is too well known to require any emphasis. It is in realisation of this fact that the Cinematograph Act 1952 Section 12(4) provides for issue of directions by the Central Government with a view to ensure that scientific films, films intended for educational purposes, films dealing with news and current events, documentary films, etc., are compulsorily shown at all theatres. For this purpose, at present Film Advisory Board set up by the Government approves a film for compulsory release. We, therefore, recommend that in view of the need to encourage the production and circulation of short films, as a general principle, all short films, except advertisement films and trailers, should be exempted from the levy of excise duty on prints. However, if for some reasons this basic change in the principle of levy in excise is not acceptable, short films which are approved for compulsory release on theatres and which, therefore, automatically meet a certain quality standard, should be completely exempted from excise duty.

7.30 As suggested in the case of 16mm feature films, prints of 16mm short films irrespective of their length should be exempted from excise duty, except advertisement films and trailers.

7.31 All short films/non-fiction films produced or sponsored by educational and cultural institutions, scientific and training establishments, research organisations, etc. which may not be meant for circulation through theatre outlets and will therefore, not come under the category of approved films, should also be exempted from excise duty, whether made in 35mm or 16mm.

7.32 As far as excise duty on film equipment manufactured in India is concerned, this ranges from 25 per cent to 40 per cent and is quite reasonable. 16mm and smaller projectors are already exempted from excise duty. These exemptions should continue particularly in the context of the need to promote 16mm technology.

Customs Duty

7.33 As regards customs duty on imported equipment, raw stock as also exposed films (i.e. finished films for exhibition), we find that the rates of customs duty are extremely high. On film equipment the basic rates of customs duty vary from 40 per cent to 120 per cent on the landed cost of equipment. After addition of the customs duty to the landed cost, a further countervailing duty equivalent to central excise is also charged. This varies between 8 per cent to 40 per cent.

7.34 In the previous chapters we have stressed the fact that the prices of film equipment have risen steeply and the film makers find it extremely difficult to purchase good film equipment. The high rates of customs duty further make it prohibitively expensive and there are, therefore, very serious gaps in the availability of film technology in India, as has been indicated in Chapter VI.

7.35 In Chapter VI, we have already recommend that there should be a customs holiday for import of any film equipment not manufactured in India for at least one or two years, and particularly a customs holiday for all 16mm equipment for a period of 2 years to enable building up of 16mm infrastructure. This will mean exemption from customs duty as also permission to import without licence on OGL basis.

7.36 We further recommend on a general consideration that the overall rates of customs duty on film equipment should be subject to a ceiling of 40 per cent.

7.37 On imported colour jumbo rolls, which are slit and perforated by the HPF, there is at present a basic customs duty of 75 per cent on ad valorem basis, to which auxiliary duty of 20 per cent and countervailing duty equal to excise duty are added. On this raw stock, even though customs duty and countervailing duty equivalent to excise duty is already paid, yet a fresh excise duty is again charged when prints of films are taken out, as mentioned above. There is, therefore, a case for reduction of customs duty on jumbo rolls.

7.38 Customs duty is also charged on the exposed films/finished films imported for exhibition in India

except on educational films. Even art films specifically imported for non-commercial exploitation such as the film society circuit, the university circuit etc are not exempted from customs duty. In line with our recommendation in Chapter III, for circulation of artistic films through art theatres and film societies etc, art films for non-commercial exploitation should be exempted from customs duty. Exemption from customs for films imported by the National Film Archive should continue. Similarly imported children's films should be exempted from customs duty.

Income Tax

7.39 As far as income tax is concerned, cinema as an industry and as a trade, has to be treated on the same lines as any other trade or industry. However, in certain cases concessions available to other industries in calculation of income tax are not extended to the film industry.

7.40 Under the Income Tax Act 1961, 6 per cent of the capital employed in new industries is deducted from the gross total for income tax purposes. This facility is available for five years. We understand that established film producers have been demanding this exemption and we feel that this exemption should be given to the film industry.

7.41 We further understand that a rebate by way of investment allowance/development allowance to the extent of 25 per cent of the cost of new machinery is allowed to industries for exemption from income tax. We are of the view that this should also be given to all sectors of film industry including independent film makers when they purchase new equipment.

7.42 Under the Income Tax Act, the rate of tax for industrial companies is lower by about 5 per cent than for other companies or individuals. We understand that this concessional rate of income tax has been extended to film production companies also, and as a result of this, several propriety owned film production concerns have converted themselves into registered companies. We also note that there is a special scheme of amortisation for estimating the income and expenditure on films.

7.43 To assist artistes, who have a limited span of working life, an Annuity Scheme was introduced a few years back. Under this scheme annuity policies are purchased which on maturity provide income to the artistes in their old age. The current practice is that for important artistes and technicians, the producer makes part of the payment by cash/cheque immediately and part of the payment through a fully paid annuity policy taken in favour of the concerned artiste or technician. The amount spent by the producer on the Policy is allowed to be claimed as a deduction from the income of the producer and the artiste is taxed only when the policy matures and he starts receiving an annual income. Starting from Income Tax Assessment Year 1975-76, the value of annuity policy is taken into account for wealth tax assessment. We suggest that Government should reconsider this matter. Perhaps a better approach would be to add annual premium equivalent of the fully paid annuity policy to the taxable income of the concerned artiste/technician etc. and exempt the policy from wealth tax.

CHAPTER VIII

SHORT FILMS

8.1 Cinema in India has been predominantly used as a means of entertainment and to a lesser degree as a means of cultural expression. Its use in the field of developmental communication has been extremely limited. Though feature film can and does play an important role as a medium of education and disseminator of culture, the short film has come to be specifically identified as a medium of information and education, and as an instrument of social change. This is because of the fact that a short film, unlike the feature film, generally aims at consciously influencing the

audience in a specific manner. The term 'short film' was originally used to distinguish films which were not of feature length. However, this term now covers a wide variety of specialised films such as documentaries, newsreels, scientific educational instructional and animation films and even short fiction type films.

8.2 The production of short films in India during the last seven years can be seen from the following figures :—

Indian short films certified by the Censor Board

Year	Documentaries	News Review	Total short films	Trailers	Advertisements	Grand Total
1973	499	195	694	163	463	1320
1974	462	200	662	185	464	1311
1975	443	227	670	164	386	1220
1976	393	215	603	153	449	1210
1977	397	209	606	184	416	1206
1978	352	217	569	200	380	1149
1979	398	237	635	207	479	1321

The production of short films has, by and large, remained stagnant. It is indeed a sad situation that for a population of nearly 65 crores we produce an average of about 635 short films per year. Against the current production of 714 feature films we do not produce even one short film to match one feature film.

Films Division

8.3 The Films Division came into existence in January 1948 as a media unit of the Ministry of Information and Broadcasting on the pattern of Information Films of India, an organisation which had functioned during the Second World War. The main responsibility for the production and distribution of short films in India has, thereafter, historically rested with the Films Division. The objectives of the Films Division have been defined as "production and distribution of news reels and short films required by the Government of India for public information, education, motivation and for instructional and cultural purposes. Its aim is to mobilize the use of dynamic medium of films to disseminate information to the broadcast spectrum of Indian and foreign audiences and to focus attention on important aspects of country's life and to assist the growth and development of documentary films as a medium of education and communication".

8.4 The Films Division has currently an annual target of producing 157 short films, in addition to a weekly national news review and a weekly regional news review. Out of these 157 films, about 50 films are made for the Ministry of Defence and the Ministry of Agriculture and the remaining films are made on miscellaneous subjects. For making annual production programme the Ministry of Information and Broadcasting sends a circular to all the Ministries and State Governments inviting suggestions. These suggestions are discussed in an inter-ministerial meeting and then an annual production programme for the Films Division is worked out. The production programme provides for a certain amount of flexibility for changes during the year and new additions are made depending upon various developments. The Films Division makes films directly as also by assigning films on contract to independent producers and by engaging outside directors. It also purchases a few readymade films and accepts donation films from individuals and organisations.

8.5 When the Films Division was set up in 1948, there were hardly any independent short films in the field and, therefore, the Films Division had to necessarily depend upon its own technical and personnel resources. This situation has undergone a sea-change during the last decade. There are now several hundred

independent film makers in the field. Yet the Films Division has continued to rely mainly upon in-house film production. During evidence before the Estimates Committee (1973-74, 58th Report), the representative of the Films Division had stated: "At present 25 per cent of our annual production programmes goes to independent producers, next year, we propose to raise it to 50 per cent. But it is not because their cost of production is low but because we want to encourage documentary film movement in the country."

8.6 In fact the number of films completed by the Films Division through assignments to independent producers has come down from 40 in 1976-77 to 21 in 1978-79. Similarly the number of films purchased from outside producers has come down from 12 in 1974-75 to only 7 in 1978-79. Again, while during 1974-75 to 1976-77 on an average 13 films were produced by engaging outside directors, during 1977-78 and 1978-79 on an average only 9 films were produced by engaging outside directors. These statistics clearly reveal that the number of films being made either by assigning to outside producers or by engaging outside directors on fixed remuneration is nowhere near Films Divisions' own target of 50 per cent. We, therefore, feel that the Films Division has not adequately reacted to the overall increase in the availability of film making talent in the country and has tended to excessively rely upon in-house resources. It is, perhaps, mainly for this reason that films produced by the Films Division give an overall impression of uniformity and monotony. This is also an indication that the Films Division has not adequately fulfilled its charter of developing documentary film as a medium.

Films for Development

8.7 The contribution of the Films Division even in the area of developmental communication appears to have been grossly inadequate. In a country where 80 per cent of the population lives in the villages and where 50 per cent of the people live below the stark poverty line, most of the films produced by the Films Division should naturally be concerned with the problems of the rural masses. An evaluation of films produced by the Films Division for the rural masses was undertaken by the Department of Evaluation Studies, Indian Institute of Mass Communication in January 1979. The study covered the films produced during 1975-76 to 1977-78. The field survey was spread over four districts i.e. Rohtak in Haryana, Gorakhpur in Uttar Pradesh, Hooghly in West Bengal and Mysore in Karnataka. The results of the evaluation indicated that during 1975-76 to 1977-78, films specifically produced for rural masses were never more than 10 per cent of the production. The study further revealed that the frequency of screening of films in villages was low. The spontaneous recall of films shown to the villages during the field survey was high in some cases and very low in case of some other films. The low recall was on account of lack of socio-economic or cultural relevance of the films' backdrops to villagers' surroundings, complicated technique, too much of statistics, different language and fast speed of commentary.

8.8 For effectively communicating the message of development through films, three basic things are necessary :—

- (i) There has to be an effective research organisation consisting of specialised personnel which should undertake need assessment studies with a view to assess the requirements of film support to developmental programmes and suggest subjects and approach for film making for target audience.
- (ii) There has to be direct involvement of the people about whom the film is being made and also of the people who are involved with developmental programmes. On the other hand there has also to be a certain amount of involvement of the film maker with the people and their problems with which the film is concerned. In other words, the basic nature of communication being a two way process, has to be kept in view.
- (iii) There has to be a continuous and effective assessment of the audience reaction to films to gauge the effectiveness of films.

8.9 The Films Division at present does not have any research set up for scientifically designing film production programmes after an assessment of requirements. As we have mentioned earlier, the production programme is generally decided after a process of general consultation with various Ministries and State Governments. This is hardly adequate for making a grass-root assessment of film support to developmental programmes. It has to be realised that a film can at best be only a medium of conveying a message of development, but to be really effective in bringing about change, its use has to be closely coordinated with the developmental programmes.

8.10 At present, there is hardly any involvement of either the people for whom the film is made or of the people who are actively involved in developmental programmes or of the film maker with the problems and the people which the film attempts to depict. In this connection, the view of John Grierson, the 'Father' of documentary film movement, who had visited India in 1971, are worth quoting. The biographer of John Grierson, Forsyth Hardy, in his book "John Grierson—A Documentary Biography" (Faber, 1979) states "Grierson urged him (an official of the Films Division) to think about making films with the people and not about the people. Communication should come up from the village and not down to the village and there should be collaboration all along the line. Film makers should take a bicycle and go out to the villages. He was critical of some of the films he was shown." Grierson is reported to have commented, "I am afraid, the Film Division is falling prey to some of the cheap film festivals of the Western affluent countries. I am definitely not in favour of getting prizes for having caught the sickness of some of the frustrated countries of the West." He urged that in India films must serve as positive catalysts of the social revolution.

8.11 We strongly feel that for effective use of film medium for development, the film making activity of the Films Division has to be consciously and fundamentally decentralised. The whole film making process and the film maker himself has to be brought closer to the people at the grassroot level where developmental activities are taking place. Summing up his experiences in India Grierson wrote : "In India there is a special imperative for decentralising the film making process. All the mass media together reach to only a hundred million of the population, leaving four hundred and fifty million to word-of-mouth, local educators and itinerant entertainments of native origin. Obviously the biggest role in economic and social progress of all kinds will be with the local educators making it necessary to add, in every way possible, to their local power of persuasion. Here, with the local educators, I associate all developments involving the community welfare. The local activist front is complex. In India, too there are many languages to contend with and areas distinctive in ethnic and cultural background. Film making at the district level is, I would think, a logical development....."

8.12 Forsyth Hardy further adds : "The longer Grierson and his colleagues were in India the more they became convinced of the need to establish small, modest production units throughout the country which would produce material of significance for local people."

8.13 It is, therefore, necessary that the organisational structure of the Films Division along with the film making activity should be effectively federalised and decentralised. The attempt to direct film making activity by one head office should be given up. We must realise that there is no film making country in the world which offers as rich and diverse possibilities for film making as India. With several distinct and buoyant film cultures, separated by language, history, different economic problems etc. there is a lot to be gained by a truly federal structure and a lot to be lost by centralisation which exists at present.

8.14 As the theatre network has not spread to the rural areas, the Films Division mainly relies upon the field publicity units of the Central and State Governments to take films to the villages. In a country having about 400 districts, some of which are as large as small countries, the Directorate of Field Publicity under the Ministry of Information and Broadcasting, has only 226 mobile units, of which 72 units function in the border areas and another 30 units are primarily concerned with the family welfare programmes. There are field publicity units under the State Governments also. But these receive only a few films from the Films Division. It is, therefore, obvious that the exhibition outlets for taking films to the rural masses are grossly inadequate.

8.15 During 1977-78 and 1978-79, on an average 58 films with an average of 74 prints of each film were supplied by the Films Division to the Directorate of Field Publicity. As all films supplied are not likely to be relevant to the population in all parts of the country, it is obvious that all the 58 films were not shown to all the people covered by the field publicity units. It is,

therefore, clear that the overall exposure of the people to films for development has been extremely poor. This suggests that a much greater effort is required if cinema has to serve the needs of developmental communication in the country.

Scientific and Educational Films

8.16 Our study has also shown that the Film Division has produced very few scientific and educational films. The National Film Board of Canada maintains field officers in major centres to assist schools and communities in developing a film circuit and in scheduling, training of projectionists and conducting workshops to promote effective programming and film utilisation by teachers and community leaders. This has resulted in widespread appreciation of the effectiveness of the films as a tool of education and community welfare. The Films Division in India has not involved itself in any such activity. In fact it has largely remained uninvolved in the total field of education. Films Division has facilities for making animation films and it has been making about 4 to 5 animation films every year. Animation and analogous techniques have a very important role to play in educational technology. However, Films Division has not taken the initiative to propagate the use of these techniques in the sphere of education and animation technology has not struck any roots in the country.

News Review

8.17 In the area of news review, the Films Division produces a weekly National News Review which takes about twenty three weeks to complete the national circuit. It also produces a weekly Regional News Review which includes National News Review but incorporates a few additional items of regional interest. For the Regional News Review the whole of India has been divided into four zones i.e. North, South, East and West. The release of National News Review alternates with the Regional News Review in the four regions and again alternates with the release of a documentary film. In addition, 4 or 5 special news magazines are produced per year which attempt to treat any happening of topical interest in depth.

8.18 For the release of its documentaries and news review through the theatrical circuit, the Films Division has an option of 20 minutes playing time per show under the scheme of compulsory release of films as envisaged in Section 12 of the Cinematograph Act 1952. In actual practice the time is not fully utilised as generally a weekly news review of 10 minutes duration or only one reeler documentaries are released through the theatrical circuits. Playing time thus remaining unutilised is happily used by theatre owners for screening advertisement slides/films which give them a lot of income. Under the existing scheme, the theatres are required to pay 1 per cent of the net collections (excluding entertainment tax) as INR hire charges or royalty for screening approved films.

Film Advisory Board

8.19 For approving a film for compulsory release, the Government has set up a Film Advisory Board at

Bombay. Though currently the Chairman of the Film Advisory Board is also the Chairman of Central Board and perform different functions. In practice, FAB approval is given at one sitting alongwith censor clearance for the Films Division's films, but short films made by other agencies and independent producers are seen by the FAB at a separate sitting. We understand, of simultaneous approval to films of independent producers have represented that the FAB has, in effect, become a second censor for short films. Instead of merely suggesting cuts and revisions even though the film has been cleared by the censors. This amounts to a serious interference in the freedom for creative expression.

8.20 We have not gone into the organisational structure of the Films Division, as the Government had concept. Our study has, however, convinced us that there is need to federalise its structure in the context of the use of film in developmental communications. We also feel that though the Films Division has definitely served a useful purpose and has some outstanding films to its credit, it has not adequately fulfilled the larger purpose of promoting documentary film as a distinct art form and effectively using cinema as a medium of education, communication, and as an instrument of social change.

8.21 We recommend that the overall role of the Films Division as a producer of short films should be redefined. The Patil Committee had recommended that "the State organisation (Films Division) should entrust growing number of their own productions to the supervision of private producers under a contract. However, imaginative the theme of producers in the regular service of Government, they would not be able to maintain a high standard week after week or even fortnight after fortnight. The aim of the State Organisation should be to choose the themes and to decide on their manner of presentation, as well as to maintain the technical facilities needed for production. Once the bare outline of theme is decided upon, the actual work of production should be entrusted to a private producer....."

8.22 We fully support these recommendations of the Patil Committee particularly in view of the fact that during the last 30 years, there has been considerable development of film making talent in the country outside the Films Division. Greater use of outside talent will also help to bring the film making process closer to the people at the Films Division will be able to use film makers from all parts of the country having special insight into the people and problems which it proposes to tackle through films. We recognise that the Films Division has well developed infrastructural facilities for film making concentrated at a few places. We, therefore, recommend that the Films Division should be converted into an organisation of facilities which should be made available for short film making in all the regions. Almost the entire production of short films should be assigned by the Films Division to independent film makers. The existing personnel of the Films Division

should be diverted to specialised tasks which will involve the very essential preparatory work such as need assessment research, identification of projects, collection of information, preparation of an outline and estimates, and the collection of feed-back information. We have already emphasised the necessity for scientific need assessment studies for preparation of film projects. The personnel of Films Division should be trained for carrying out such studies and Specialised Need Assessment Cells should be set up for this purpose in different parts of the country.

8.23 For involving Indian film makers effectively it is necessary that the panel of film makers maintained by the Films Division is enlarged and made more representative. At present, on the Films Division's panel of independent producers, there are 73 persons from the Western region, 28 from the Eastern region, 9 from the Northern region and only 15 from the Southern region. We have already mentioned that nearly 65 per cent of the feature films are produced in the Southern region. It is, therefore, obvious that the panel of the Films Division has not taken sufficient cognizance of the film making talent available in the southern region.

8.24 One of the major factors which prevents independent film makers from coming forward to make films for the Films Division is the low rates being paid by the Films Division. It is recommended that these rates should be refixed on a realistic basis taking into account inter-alia the time value of talented people involved in film making. The cost of a film has to be decided on the basis of the type of subject, locations and the time involved. The cost can only be determined by negotiations and not by inviting tenders. The tender system should, therefore, be abolished.

8.25 We further recommend that in drawing up the annual production programme, the people working close to the soil in the various developmental organisations and film makers in different regions should be actively involved. This will imply a proper need assessment organisation to be created under the Films Division as mentioned earlier. The Need Assessment Cells should undertake research not only in regard to the needs of the urban theatrical audience but more so for the rural audience. Here the help of field publicity units of the Central and the State Governments should be taken. This also means involvement of universities with extension services and agencies involved in community development programmes. In this context, we would also like to mention that a considerable amount of research on various social, economic, cultural and anthropological subjects is available in published and unpublished theses in different universities. The Research Cells of the Films Division should make use of this material for preparation of background material for film outlines and film projects.

8.26 The annual production programme once finalised should be widely advertised and should be specifically made available to the organisations of film makers. This will enable the film makers to respond on their own and come forward with offers for making specific films.

8.27 The present attitude of mainly relying upon suggestions from various Ministries for designing production programme should end. Where specific Ministries insist upon making films to meet their own needs, which are generally in the nature of projecting public relations image of the work being done by particular Ministries, the cost of the production should be borne by the concerned Ministry.

8.28 Along with the Need Assessment Cells, there should also be scientific research into audience reaction. For this purpose an Audience Research Cell should be created in the Films Division. We are aware of the fact that there is a Department of Evaluation Studies under the Institute of Mass Communication which has occasionally undertaken evaluation of films made by the Films Division. There is no doubt that evaluation by an outside organisation at periodic intervals is useful. However, it cannot take the place of continuous in-house evaluation by the Films Division itself. It is only when the Films Division continuously monitors reaction to its own films that it will be able to design its production programme and the style of its film making to suit the specific requirement of the people for whom the films are made.

8.29 The overall number of films to be produced under the aegis of the Films Division must be substantially increased. The present approach of producing a limited number of films, with a large number of prints in each case, seems to work on the principle of the lowest common denominator which seeks to address both urban and rural audiences at the same time. The approach should be to increase the number of films, with limited number of prints, specially meant for the rural audience which should find circulation through non-theatrical circuits. These should have a distinct regional and local character so that they have 'meaning' for the audience to whom they are addressed. The films for rural audience should be different in format and treatment from the short films which are released through the theatrical circuits and which are meant primarily for the urban audience. It has to be appreciated that most subjects of immediate rural concern, including such subjects as agriculture and social hygiene, cannot be treated effectively in films designed for national release.

8.30 This also implies the use of an entirely different technology such as 16mm and Super 8 for making films for small rural audience with local involvement. In using this technology the approach should not be to reduce 35mm films to 16mm format but direct production of films in the appropriate format.

8.31 The need to involve local talent in film production also implies that the Films Division opts for a genuine federal structure and production branches along with production facilities are set up in all the regions where film making talent is available. The Committee on Broadcasting and Information Media in the Report of Documentary Films (1966) had recommended that regional units of the Films Division should be set up at Delhi, Madras and Calcutta. We understand that a skeleton production office has

been set up at Calcutta, though the main production facilities are still concentrated in Bombay and Delhi. A proper production setup has still not been created in the Southern Region. We recommend that the film production offices should be set up not only in all the film making regions but these offices should also have the authority to engage local talent for film making without reference to the head office within the annual agreed production programme. This will help in the production of films with a definite local bias. These offices should also have a definite say in finalising the production programme.

8.32 Simultaneous with the increase in the number of films, there has to be a major attempt to expand the exhibition outlets. In this connection, as a first step, it must be ensured that available time of 20 minutes in theatrical circuits should be fully utilised. In this regard we also suggest that licensing rules should require that the approved film should be shown *immediately* before the feature film. Quite often approved films are started even before the audience settles down and it is advertisements which immediately precede the feature film and, therefore, get the maximum exposure.

8.33 Further, the scope of the central field publicity setup need to be vastly expanded and closely coordinated with the similar machinery available under the State Governments. Since the States are as involved in the developmental communication as the Central Government, the State Governments should pay for the cost of the prints supplied by the Films Division, so that the Films Division is not unduly financially burdened.

8.34 The Films Division should also set up outlets exclusively devoted for screening of short films at railway stations and bus terminals, through which a large number of people from the rural and urban areas pass and where people necessarily spend a certain amount of waiting time. The Films Division should fully utilise the outlet of educational institutions and factories for exhibition of films. At present this exhibition outlet is being utilised only in a very limited manner.

8.35 The major expansion of developmental communication in future is likely to be through the spread of television. This will considerably increase the requirement of software for TV. There is, therefore, need for close coordination between the Films Division and the Doordarshan for production of films and TV features for the rural audience. Though the TV will not doubt sponsor programmes and films for its own use, the Films Division should also make short films particularly suited for circulation on the TV keeping in view the specific needs of this medium.

8.36 The overall style and format of the documentary films being produced by the Films Division should also undergo a complete change. At present, the total design of the film is oriented towards a single language commentary and, therefore, very little use of actual dialogue is made. In the survey conducted by the Institute of Mass Communication to which we have referred earlier, the audience had

shown a definite preference for films containing direct dialogues. For this purpose, as suggested in Chapter VI, the Films Division should switch over to sub-titling the dialogues of films in regional languages for different circuits rather than completely rely upon single language commentary.

8.37 In making the above suggestions it is not envisaged that direct in-house production of films by the Films Division will be entirely eliminated. The Films Division should continue to produce films of a sensitive nature required by the Ministry of Defence, and films required by the Ministry of External Affairs which explain the foreign policy of the Government on important issues. Films Division should also continue to make films of a specialised nature which can only be made after a long period of observation and study and which require specialised techniques. For example, a film which tries to capture the development of a child over a certain period or the development taking place in a village or in a tribe over a long stretch of time will require observation and shooting of actuality footage over a long period. Such subjects can only be handled by a permanent organisation like the Films Division.

8.38 The Films Division should also continue to bring out films of news value but instead of weekly news review, it should change over to a weekly news magazine. In the news magazine attempt should be to treat topical items in depth as is done by feature articles in newspapers. For this purpose, it would be useful to also incorporate 'features' on contemporary subjects commissioned from film makers working in different regions.

8.39 It is also necessary that the Film Division takes immediate steps to develop expertise for the production of scientific and educational films with the help of educational and scientific establishments. This will mean coordination with specialised agencies dealing with educational technology and creation of a research cell which should assess the requirement of films for educational institutions. We may clarify here that this activity is distinct from what we have envisaged for the Chalachitra Akademi which will be mainly concerned with the propagation of cinema education or education in cinema and not the use of cinema in the education.

8.40 As we have mentioned earlier, animation technology has not at all taken off in the country even though this technology has tremendous use in the field of education. Films Division should create necessary infrastructure for experimentation and development of animation and analogous technology, train personnel and acquire the latest equipment for this purpose. We understand that so far only the Centre for Educational Technology under the National Council of Educational Research and Training has run a full-fledged course in animation techniques.

8.41 We have carefully considered the need of having FAB as a separate body. We are of the view that the functions of FAB should be merged with the Censor Board and after the Censor Board has censored a short film, a decision should be taken whether it is approved for compulsory release or

not depending upon the quality and the theme of the film. If the Censor Board can be entrusted with the responsibility of deciding whether a film is of educational or predominantly educational nature, which is the case at present, it should surely be competent to decide whether the film is suitable for compulsory release.

8.42 We are of the view that the scope of the scheme for compulsory release of short films is at present being too narrowly interpreted. In a recent case which has been brought to our notice, the FAB is reported to have observed that it was a very well directed film, eminently suitable for serious students of cinema, film societies, etc. However, it was too long to sustain the interest of general audience "who go to the cinema houses primarily for entertainment". The Board, therefore, suggested that the original version of the film may be retained for specialised audience and a more compact version may be made for theatrical exhibition. From this comment it is apparent that short film approved for compulsory release through theatrical outlets are expected to fit into an entertainment slot. This amounts to a complete distortion of the very purpose of compulsory release of short film. We strongly feel that the scope of the scheme should be interpreted to include compulsory release of all types of artistic short films and films of social relevance. The scheme should cover even short fiction films. At present because of non-availability of exhibition outlets hardly any short fiction films are being made. Yet this genre provides a very promising field for creative activity. We visualise that once short fiction films come into vogue and the scope of the scheme for compulsory exhibition is enlarged to include all categories of artistic short films, the very form of the short film in India will undergo a change and its acceptance by the audience will increase.

8.43 The whole movement of short films in India has received indifferent treatment both from the Government as also the film industry. This is largely for the reason that the short film is not looked at as a creative art form but only as a medium for conveying definite social messages. It is no doubt true that short film has a major role to play as a medium of education and as an instrument of social change but it has a role as a means of artistic entertainment also. John Grierson has said, "The documentary film is the creative treatment of actuality. It is important not for what it teaches, but for the manner of its illumination." Unfortunately, because of the monopolisation of exhibition outlets by the Films Division, even creative film makers have been shy of making artistic short films. It is apparent that if the short film movement has to grow, it has to involve a large number of creative people. This is possible only if the Films Division completely changes its policy towards purchase of independent short films and makes a deliberate effort to provide exhibition outlets to the works of independent film makers. We, therefore, recommend that the number of films to be purchased by the Films Division from independent sources should be substantially increased. Further, the purchase of short films should not be confined only to message oriented films but should cover all categories of artistic short films.

CHAPTER IX

CHILDREN'S FILMS

9.1 It is no exaggeration to say that there is no children's film movement in the country. During an interview which appeared in December 1979 ('Bombay' City Magazine, December 22, 1979—January 6, 1980), immediately after the International Children's Film Festival of India, Shri Satyajit Ray was asked regarding his views on the state of children's cinema in India. Shri Ray is reported to have stated, "There is nothing very interesting happening as far as I can see. In fact the genre itself seems to be dead even in the West. I remember a time from my childhood when there were a lot of Disney films, and Chaplin, and Laurel & Hardy and Buster Keaton. They were not only children's films but also family films and everybody went to see them. That situation does not exist any more. Probably in the West it may be that television is providing the material, films did earlier. But that does not apply in India". In the case of India the question of the genre of children's films dying really does not arise as this genre never really got started in the first place. As Shri Ray has said, even the question of TV substituting for children's films does not apply to India because television in our country is still very undeveloped and remains beyond the reach of most children except in a few urban centres. It is really very distressing to note that even more than three decades after Independence, the entire field of children's films remains completely neglected.

9.2 The Film Enquiry Committee (1951) had observed, "Children today frequent cinema houses in large numbers and even if the films they see are not harmful to them, it is very unlikely that children can derive from these the same degree of entertainment which specially planned films can provide. We agree that production of films specially suited to children is as important a part of our activities as the production of books to meet their specific needs." This Committee had noted that there was no producer with enough resources to undertake production of children's films and that there was no network of cinemas exclusively for the exhibition of such films. The Committee, therefore, recommended that the Films Division should undertake the production of films for children.

Children's Film Society

9.3 Government, however, felt that the purpose in view would be better served by establishing a separate organisation for the production and distribution of children's films. Accordingly the Children's Film Society of India (CFS) was set up in 1955 as a registered society.

9.4 During the 25 years of its existence, the CFS has produced a little over 100 feature and short films

and has imported about 50 films from other countries. Thus, the Children's Film Society has managed to provide an average of 4 Indian and 2 foreign films per year for a children population of over 20 crores. Some independent film makers have also been making children's films occasionally, but the combined efforts of these film makers and the CFS do not add up to a 'movement'.

9.5 From 1969-70 to 1978-79 the average annual expenditure incurred by the CFS has increased from Rs. 12.17 lakhs to Rs. 31.18 lakhs per year. During the same period, the grants-in-aid received by the CFS from the Government have increased from Rs. 6.95 lakhs to Rs. 28.24 lakhs per year. The Government is, in fact, committed to make up the deficit incurred by the Society during the preceding year by suitable grants. However, in practice the unspent grants-in-aid have been increasing from year to year and in 1978-79 an amount of Rs. 8.44 lakhs of grant remained unspent with the CFS. It is, therefore, fair to conclude that lack of finance has not been a reason for the CFS's inability to perform an effective role in the promotion of children's film movement in the country.

9.6 The Estimates Committee (1973-74, 59th Report) had received a number of memoranda from non-official organisations and individuals who had criticised the working of CFS. These have been extensively quoted in the report of the Estimates Committee. The Committee also noted that the Public Accounts Committee (1965-66, 1966-67 and 1968-69) had pointed out serious lapses and irregularities in the working of the Society. The Estimates Committee finally observed that "the working of the Society has been a subject of adverse criticism from many quarters in the country and that the Society has not been successful in performing the functions assigned to it".

9.7 Seven years after the Estimates Committee Report the contribution of the CFS to produce films specifically suited for children and to take them to the largest number of children in the country does not appear to have significantly improved. The Society charges around Re. 1 per child per show and a slightly higher amount for accompanying adults. The income of the Society from exhibition hire, sale of prints etc. has increased from Rs. 5.24 lakhs in 1969-70 to Rs. 7.02 lakhs in 1978-79. In a note furnished by the CFS to this Group it has been stated, "The figures of the last 10 years would thus suggest that in no year till 1978-79, was the Society able to cover even six lakhs children". Therefore, on the Society's own claim, it is covering only around six lakhs children. Even this limited coverage is

almost entirely in urban centres. This cannot be considered a satisfactory situation from any angle.

Some Basic Misconceptions

9.8 It is necessary to clear a few basic misconceptions about children's films. A good children's film does not necessarily have to be a message oriented film. In fact it is no exaggeration to say that Indian children suffer from an over dose of advice and message and have very little fun. Educationists everywhere recognize that all instructions and no play stifles the imagination of the child and stunts his mental growth. Therefore, the first consideration in making special films for children should be to add joy to their life. Instruction should occupy a secondary place.

9.9 Most films for children tend to treat them as under-grown adults and there is invariably a tendency to 'talk down' to children. A good children's film has to show sensitivity and respect for a child's mind and a child's world. During the interview referred to above Shri Satyajit Ray, who has made a distinguished contribution to films for children in India, has stated. "The best children's films should also be suitable for adults like the best of children's fiction. Take 'Alice in Wonderland'. You can read it at the age of six and you can read it at the age of sixty. You read new meanings into it as you grow older. That's what a film should have. A child should be able to understand and enjoy it but the film will exist at other levels also." On the subject of necessary ingredients in a children's film, Shri Ray has stated, "I think three things are important. A clear plot line, characters the children can identify with, and an element of wish-fulfilment". Again, any film which has children in it does not necessarily become a children's film. Similarly a good children's film does not necessarily have to be based on child characters.

9.10 We also feel that the approach to the children's films has been generally confined only to either the usual message films or adventure films. The entire field of fantasy, which is of special significance for the development of a child's imagination, as also the field of animation films, travel films, science fiction films etc. has been completely neglected. It is also important that the children's films should help to kindle children's interests in their physical and social environment.

Children's Film Centres

9.11 After surveying the work done by the CFS and the present state of children's films in India, we are of the definite view that the children's film movement in the country cannot grow in isolation under the direction of a single specialised agency. The responsibility for helping the movement to grow has to be brought within the purview of a much larger Central organisation, with parallel organisations at the State level, which are concerned with the total promotion of cinema as a creative art form. The movement has to establish links with a wide variety of organisations and individuals who are engaged in different areas of children's education,

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welfare and entertainment. The creative resources for generating ideas and for making films have to be drawn not only from the film makers but also from creative persons in other fields of entertainment, writers involving with children's literature, cartoonists, psychologists, educationists, itinerant entertainers, and so forth.

9.12 It is in this context that in Chapter III we have suggested that the proposed Chalachitra Akademi should set up and operate a Children's Film Centre and that similar centres should also be set up under the State Akademies at State levels. By being placed under an organisation like the Akademi these Centres will have a much larger infrastructural support. The interaction between the Children's Film Centre and film makers will considerably increase and the research and archival facilities available in the Akademi will also become accessible for this activity. With a view to help the introduction of the study of cinema in educational institutions, the Akademies will have to maintain a live contact with educational policy makers and educationists, and thereby the contacts of the Children's Film Centre with the educational institutions will be automatically assisted.

9.13 The Centre under the Central Chalachitra Akademi should not directly produce children's films but should aim at promoting the production, distribution and exhibition of children's films. The Centre should show children's films on a regular basis in all the regional branches of the Akademi. This Centre should also undertake research into the requirements of films for Indian children and help to expand the scope of the genre of children's films beyond the usual "message films" or "adventure films" to cover animation films, travel films, fantasy films, science fiction films etc. as mentioned earlier. The Centre should import films for children and export children's films to other countries and also exchange children's films with other countries.

9.14 As a part of its distribution activities, the Children's Film Centre should undertake sub-titling of children's films in regional languages and of foreign films in Indian languages. So far, even the limited number of films imported by CFS which are generally in English cannot be appreciated by children in small towns and villages as no attempt has been made to sub-title these films in the local Indian languages. This activity is, therefore, of considerable importance. Similarly to help the export of Indian children's films to foreign countries, the sub-titling of these films in foreign languages should also be undertaken. We have already recommended that the technology for sub-titling in regional languages should be developed by State Film Development Corporations and in foreign languages by the National Film Development Corporation.

9.15 Subsequently in this report in the context of the National Film Festival we have recommended that there should be a separate National Festival for children's films and the number of awards in this category should be increased. The Children's Film Centre under the Central Akademi should, therefore,

hold an annual Children's National Film Festival and a children's International Film Festival periodically. There should be a separate section in the Documentation Centre of the Akademi devoted to children's films and the Centre should develop an exhaustive library of books and publications on children's films. Similarly, the National Archive should have a separate section devoted to children's films.

9.16 The Centre should maintain an extensive lending library of children's films which should be made available for exhibition to the Centres in State Akademies, schools, colleges and other organisations involved with children's activities. The Centre should run regular shows for children at its own theatres as also by hiring auditoria in various places.

9.17 We would like to emphasise that the Children's Film Centre will have to work in close coordination with educational agencies and distinguished people engaged in non-formal education. The children's film movement should involve creative people from all over the country and should resist exclusive involvement with urbanisation as is happening today. It is necessary that this Centre is not allowed to be monopolised by socialites and the usual film makers of feature films, but is staffed with such persons as have genuine interest in the children's world and film makers of proven record who have made outstanding films for children. The Centre should run primarily on the basis of a grant from the Government but should supplement its resources from the distribution and exhibition activity.

Children's Film Centres at State Level

9.18 As already mentioned, it is necessary that a Children's Film Centre is set up in every State under the State Film Akademies. In a vast country like India, where the majority of the children are in villages and do not even have the benefit of regular schooling, it is impossible for any single organisation to reach a significant section of the child population. Therefore, unless each State is actively involved in the children's film movement, it is unlikely to achieve any meaningful results.

9.19 The overall responsibility for setting up Children's Film Centres at State level will be that of the State Governments. However, to encourage the quick establishment of such Centres, Central Government should give a matching grant to the State Governments. For staffing the State level Centres the considerations which we have suggested in para 9.17 should be kept in view. Since the Central Government will be providing funds for setting up of these Centres at State level, it is logical that the Chalachitra Akademi should have the right to nominate an agreed percentage of members on the Management Committees of the State Children's Film Centres. This will also ensure that the activities of the Central organisation and the State organisations involved with the promotion of children's films are closely coordinated.

9.20 Except for the import and export of children's films, the archival activity of preservation of films and the holding of national and international film festivals

for children, the State level centres should perform all other activities indicated for the Centre under the Chalachitra Akademi.

9.21 Further, the State Centres should undertake production of children's films by assigning films to independent film makers. For this purpose, the Centre should not depend entirely upon film directors who may be good feature film makers. As mentioned above, the attempt should be to involve people from different fields who are engaged in children's activities. It is also important that the films produced by the Centres are simple, communicative and artistic, so that these are genuinely popular with the children. It is necessary that the production activity is concentrated at the State level and not at the Central level, so that the children's films do not suffer from lack of cultural identity which is the hallmark of the feature film scene in India.

9.22 The Children's Film Centres should also maintain film equipment to familiarise children with the process of film making and give participative demonstration of equipment and technology to the children. It will be useful if the latest equipment such as VCR and VTR is used for recording feed-back of children's reactions to the films. This will help the State Film Centres to get an assessment of their programmes and change their productions suitably.

Exhibition Channels

9.23 Another aspect to which we would like to draw attention is that the children's films should not rely for their exhibition on the normal theatrical outlets. In fact, one of the objectives of making special films for children should be to wean them away from commercial theatres which are oriented to the screening of box office films. To the extent it is necessary to show children's films in auditoria in big cities, these should be screened in special auditoria attached to the Children's Film Centres. However, generally the children's films would have to be taken to the schools and screened in consultation with the school authorities. A non-theatrical circuit through the schools should be developed for the exhibition of children's films. For this purpose, it will be necessary that the Children's Film Centres have mobile projection vans as all the schools, particularly in small towns, are unlikely to have projection facilities.

9.24 As in the case of artistic feature films, television offers a tremendous potential for the exhibition of children's films. With the expansion of TV network, particularly after link up with INSAT i.e. Communication Satellite, it would be possible to reach a very large section of child population via television. It is, therefore, necessary that the Children's Film Centres establish close coordination with the television for production of children's films specially suited for exhibition on the TV. At the same time, the Government should also give directions to the TV for providing greater exposure to children's films as suggested in the context of telecasting of feature films.

9.25 In addition to school going children, in India there is a large population of children, particularly in

the villages, who are not able to go to school. For reaching these children, it is necessary that the exhibition facilities available with field publicity units of the Central and the State Governments are utilised. Once adequate number of children's films start becoming available, the Government should lay down specific guidelines for its field publicity units to screen a number of films for children in villages every month. There are also a large number of voluntary and semi-Government organisations which are engaged in the children's field. These organisations usually have facilities for exhibition of films. The Children's Film Centre should coordinate with these agencies for exhibition of films.

9.26 Considering the exhibition outlets which we have envisaged above, it is necessary that children's films are primarily produced in 16 mm format. This will not only reduce the cost of film production but will also provide for easier circulation through non-theatrical outlets.

9.27 We have already recommended that there should be no excise duty and no entertainment tax on children's films. It is further recommended that there should be no show tax or any other local taxes on the shows of children's films. Exemption from taxes should be automatic on obtaining a certificate from the Censor Board classifying a film as children's film. The present

practice of some of the States requiring a separate certificate from the Children's Film Society should be discontinued. It is further recommended that the Censor Board while constituting an Examining Committee for children's films should take into account the special requirements of a children's film and should include persons who are qualified to judge such films.

9.28 To conclude, a major effort by the Central and the State Governments is required to promote a live children's film movement in the country. For this purpose, Children's Film Centres should be set up under the proposed Akademies at the Central and the State Government levels. The Children's Film Society should be wound up and its existing activities should be transferred to the proposed Centre under the Akademi. The specific objectives which we have indicated for the Children's Film Centre under the Chalachitra Akademi will require close coordination with the Central and the State Governments. It is, therefore, eminently desirable that, rather than using the existing premises of CFS in Bombay for setting up this Centre, the Centre should be located at Delhi. In this context we understand that the Government has recently sanctioned a substantial amount for setting up a children's complex, including a studio, under the CFS in Bombay. This project should be immediately stopped in view of our recommendations.

CHAPTER X

IMPORT AND EXPORT OF FILMS

Import

10.1 In the present world of free communication, no art movement can fully develop without interacting with art movements all over the world. Cinema, like other major art forms and literature, has now become international. In this situation, ideally there should be free import and export of films. However, because of various factors, free import of foreign films in India is neither practicable nor desirable. Firstly, as mentioned earlier there is an acute shortage of theatres in India which are insufficient to meet the requirements even of Indian films. Free import of foreign films is bound to further aggravate this situation. Secondly, import of films involves considerable outflow of foreign exchange. Our foreign exchange resources still continue to be limited and have to be necessarily utilised for meeting the basic economic requirements of the country. Thirdly, we have enough of our own films which are formula based and which are exclusively oriented to the box-office. It is quite unnecessary to import trash from abroad for our audience.

10.2 In view of the above considerations, we have recommended in Chapter II that the basic policy objective of importing foreign films should be to import such films as reflect artistic and technical achievements from all over the world and which, therefore, encourage creative interaction between Indian and international cinema. A secondary objective of import should be to allow import of films to the extent to which it is linked with the encouragement of export of Indian films on a bilateral basis.

10.3 Until 1957 the import of foreign films in India was freely allowed through Indian importers as also foreign companies. In 1957, this policy was modified and an agreement was entered with the MPEAA group of companies to import a fixed number of films against restricted repatriation in foreign exchange. This agreement was renewed periodically until June 1971. Further renewal of the agreement with MPEAA was held up at this stage because the blocked funds of the MPEAA amounting to about Rs. 5.87 crores had created a problem of liquidation. A fresh agreement was signed with the MPEAA with effect from 1-4-1975 which has already expired and is currently under consideration of the Government for renewal.

10.4 While MPEAA group of companies were being allowed to import feature films in India, import of films by Indian importers was stopped from 1965-66 onwards and an informal system of canalisation of imported films through State Trading Corporation (STC) was introduced. In 1972-73 import of feature films was formally canalised through STC and later in 1973-74 the Film Finance Corporation was nominated as the canalising agency.

10.5 There was also a system of import of British films under a special agreement with Messrs Arthur Rank which expired on 31-3-67 and was not renewed thereafter. Import of films from USSR was allowed under an agreement between IMPEC and Sovexport Films from 1968 onwards and continued upto October 1974. Thereafter, special import licences were given to Sovexport for importing Soviet films under a programme of Cultural and Scientific Exchange between the two countries. Following the canalisation of imports through the FFC, there have been agreements between FFC and Paris Asia Films, a consortium of French distributors, for importing a limited number of French films. Several other foreign companies have been asking for similar special agreements.

10.6 Briefly the present position is that the National Film Development Corporation, which has taken over the activities of FFC, is the sole canalising agency for import of feature films. About 150 feature films are imported into India every year. Out of these, about 100 films are imported by MPEAA group of companies, about 20 films by Sovexport and 30 films by FFC/NFDC. Under the agreement with MPEAA and Sovexport, the list of films to be imported by these companies has to be approved by the Ministry of Information and Broadcasting. Further, the import has to be canalised through the NFDC for which these companies pay canalising fee of 15 per cent on the c.i.f. value of the imported print of the film and connected materials. The canalising fee is not related to the market value of the imported films in India. NFDC makes its own selection of films for import.

10.7 There are about 100 cinemas in the country which regularly show foreign films. About 85 per cent of these are blocked by MPEAA films. NFDC undertakes both direct distribution of imported films as also distribution through sub-distributors. Similarly, Sovexport are also acquiring exhibition channels through long term lease agreements with some theatres in major cities.

10.8 A broad survey of the films imported in India shows that a large number of films imported by MPEAA are 'B' grade formula oriented films or films with high technical gloss which artistically are no better than their Indian counterparts. The number of artistic films imported by MPEAA is very small. Sovexport have generally tried to import better quality films. The Film Finance Corporation in the past has deliberately attempted to import a mixed bag of films consisting of genuinely artistic films on the one hand and purely commercial films on the other. During the last few years the number of artistic films imported by FFC had increased and the number of countries from which the films were imported had also expanded. While it is true that FFC had imported a certain number of

non-artistic formula films, it has to be recognized that FFC had also imported a significant number of genuinely artistic films which would never have been imported by private importers. FFC has definitely helped in bringing outstanding films to Indian audience from countries like Hungary, Yugoslavia, Poland, Bulgaria, Sri Lanka, Indonesia, France and Italy which were not reaching India through the normal commercial channels.

Canalisation of Imports

10.9 The Committee on Import and Export Policies and Procedures constituted by the Government of India popularly known as Alexander Committee, which submitted its report in January 1978, had examined the rationale for canalisation of imports applicable to all Commodities. Some of the general principles accepted by the Alexander Committee for import canalisation were mass consumption, possibility of realising imports at lower prices, ability to control the quantum of imports, prevention of malpractices in import, special benefits such as identification of new sources of supply and developing long term contracts etc. The Committee recommended a large number of items to be decanalised for import, but these did not include import of feature films.

10.10 We are of the view that canalisation of feature films' import has definitely served a public purpose by restricting the number of films to be imported, by bringing in a certain amount of quality consideration in import, by expanding the sources of import and in case of imports by FFC/NFDC by ensuring imports at lower prices. However, the system of canalisation, as working at present, is discriminatory as it does not permit import of films by private Indian importers whereas it allows imports by foreign companies in addition to import by NFDC. We also feel that the objective of ensuring proper quality standards in the import of films has not been fully met as the concerned Ministry does not actually see the films before authorising import by MPEAA and Sovexport, but goes merely by the titles, credits, reviews and the limited information provided by the importing companies.

10.11 We, therefore, make the following recommendations :—

- (i) The system of canalising the import of feature films, in principle, should continue, and NFDC should remain the canalising agency. However, in addition to import of films by MPEAA, Sovexport, and NFDC, Indian concerns should also be allowed to import films. To begin with, a limited quota of import of films should be given to exporters or producer-exporters of Indian films and the import of foreign films by Indian concerns should be linked with the export of Indian films. In this case import of films should be allowed only from the countries to which Indian films are exported.
- (ii) There has to be an overall limit on the number of films to be imported, in view of the limited exhibition outlets, constraint of foreign exchange resources, and the limited

production of quality films all over the world. We feel that the present level of about 150 films per year would be able to meet our requirements. However, within the overall limit, the number of films being imported from the MPEAA sources should be substantially reduced and the import by NFDC and other agencies from other film making countries, including the Third World, should be increased.

- (iii) Consideration of quality in the import of films should be uniformly applied to all imported films; irrespective of the agency of import. For this purpose, it is necessary that the Government constitutes a Screening Committee consisting of film makers, film critics, representatives of the Chalachitra Akademi, NFDC, a representative of the Censor Board and Ministry of Information and Broadcasting, to preview the films before permitting actual import.

As far as import of art films for non-commercial exploitation and import of children's films are concerned, we have already suggested that these should be handled primarily by the proposed Chalachitra Akademi. As the Akademi will be a specialised body devoted to the promotion of cinema as an art form, there is no need to subject the films being imported by the Akademi to the above mentioned Screening Committee.

The NFDC should continue to collect canalising charges on imported films except on films imported for non-commercial exploitation by the Chalachitra Akademi and its associated agencies, such as the National Film Archive and the Children's Film Centre. However, the canalising charges should not be collected only on the c.i.f. value of the imported prints but on the Indian market value of the films imported in India. In this connection it may be mentioned that the canalising charges on export of films are collected not only on the print and material cost but also on the agreed royalty amount. This is obviously for the reason that in case of sale, import or export of a film, what is sold is not merely the print but the intangible rights of exhibition.

10.12 When the films are imported by a Government agency i.e. NFDC, attempt should also be made to obtain TV exhibition rights for India on an option basis, so that if the film is found suitable for circulation on the Indian Television network, the rights are automatically available.

10.13 In Chapter No. VII, we have already suggested that import of art films for non-commercial circuits should not be subjected to import duties. As per the current rates of customs duty on an imported film, the print cost of which is around Rs. 6,000 and royalty charges around Rs. 10,000, an import duty of about Rs. 18,000 is levied. Therefore, the price of an imported film doubles with the levy of import duty.

As the films imported for the art circuit will be only for non-commercial exploitation, we would like to reiterate that there should be no customs duty on art films to be imported by the Chalachitra Akademi, the National Film Archive, etc. Similarly, in case in addition to the Akademi the NFDC also imports art films exclusively for non-commercial circulation these films should also be exempted from customs duty.

10.14 Import of short films is at presently freely allowed under OGL. This policy should continue.

Export of films

10.15 Though India is the leading producer of feature films, our earnings from the export of films have been far from impressive. In 1972-73 the earnings from export of Indian films were around Rs. 5.4 crores. By 1978-79 these had increased to Rs. 13.13 crores. These figures are not impressive considering the fact that India exports films to nearly 100 countries. Most of the earnings are from countries in which people of Indian origin are settled and which represent the traditional market for Indian films, such as U.K., Dubai, Fiji Islands, Singapore, Trinidad, Mauritius and Sri Lanka. For example, during 1975-76 out of a total export earnings of Rs. 7.6 crores, these seven countries accounted for nearly 55 per cent of the earnings. Again in 1978-79, exports to these seven countries contributed 58 per cent of the total earnings of Rs. 13.13 crores. It is, therefore, clear that the market in the remaining countries has not been adequately exploited. We also understand that during 1979-80, the Indian film market in some of these traditional territories had suffered a serious setback due to various reasons including the sale of video cassettes of Indian films and, therefore, the overall export earnings are likely to come down.

10.16 As far as export of Indian films is concerned, the policy objective should be to fully exploit the foreign exchange earning potential of Indian films and earn the largest amount of foreign exchange. We are aware that in the past there has been an attempt to introduce considerations other than purely commercial in the policy for export of Indian films. For example, the Patil Committee (1951) had suggested that no film should be allowed to go abroad unless it has been scrutinised by the Production Code Administration suggested by the Committee. Similarly, the Khosla Committee on Censorship (1969) had recommended that only films approved by the Censor Board and granted a certificate for exhibition abroad should be permitted for export. The purpose of this recommendation was to discourage, and if possible, to eliminate the presentation of a distorted image of Indian social, political and cultural life. The Indian exporters on the other hand have been demanding a separate censorship for export version of Indian films, with a view to provide for more liberal standard of censorship as acceptable in foreign countries.

10.17 We have carefully considered this question and are of the view that the image of India in the world is being all the time presented by mass media such as newspaper, radio, television, books, maga-

zines and so forth which cannot be controlled by Government censors. It, therefore, appears pointless to apply criteria of the "image of India" to the export of Indian films. At the same time, we are unable to support the view that special liberal standards of censorship should be adopted for export versions of Indian films. On the balance, we feel that whatever is good enough for viewing by Indian audience should be good enough for export to foreign countries and there is, therefore, no need for special censorship on export of films.

Canalisation of Export

10.18 Effective from February 1977, the Indian Motion Picture Export Corporation, which has now been merged with the National Film Development Corporation, was made the sole canalising agency for the export of Indian feature films. The purpose of canalisation was to promote export of Indian films and discourage malpractices such as underinvoicing, unauthorised export of Indian films etc. The Alexander Committee, to which we have referred earlier, had also examined the rationals for canalising exports for various commodities. Among the criteria for canalising export which this Committee had accepted, were high unit value realisation, reducing costs of export marketing, possibilities of developmental benefits and prevention of malpractices. This Committee had recommended that export of feature films should be decanalised.

10.19 We have considered this aspect carefully and we are of the view that there is need to continue canalisation of the export of Indian feature films. We feel that canalisation has reduced malpractices by way of under-invoicing etc. and has also helped to an extent to monitor the export markets abroad. Direct sales by IMPEC have resulted in progressively increasing the sale price per film. For example in 1976 the average price per sale of film to Iraq was £ 2,433 which increased to £ 4000 in 1978. During the same period the average sale price for a film sold to Afghanistan increased from £ 2300 to about £ 3100 (\$ 5600). Therefore, IMPEC has helped to achieve higher unit value realisation. We therefore, recommend that canalisation of the export of feature films should continue.

10.20 The primary role of IMPEC was not just to be a canaliser of exports but a promoter of exports. In this area, IMPEC had only a limited success. It had helped to develop new markets in Latin American countries such as Peru, Equador, Columbia and Bolivia. It had also entered into exclusive agreement with State Agencies of about 10 countries for exclusive import of Indian films through IMPEC. These countries are Burma, Iraq, Afghanistan, Oman (for TV only), USSR, Nepal, Mozambique, Algeria, Tunisia and Mongolia. However, just like the commercial exporters, IMPEC had also mainly concentrated on the export of Hindi films and had done precious little to promote the export of regional films, particularly of small budget artistic variety. In other words, IMPEC had become a competitor of Indian exporters basically in the field of exporting Hindi films which were already being handled by the commercial exporters.

10.21 IMPEC had also not set up any network for properly monitoring the potential circulation of Indian films in foreign markets. This can only be done if actual collections made by Indian films in foreign markets are monitored and new territories are systematically nursed. Television in developed countries offers a very big potential market for Indian films, if specialised marketing efforts are directed in this area. This field does not appear to have been properly explored.

Marketing Centres Abroad

10.22 We recommend that in addition to being a canaliser of export, the main function of NFDC, which has taken over the activities of IMPEC, should be promotion of exports. For this purpose, the NFDC should set up regional marketing centres in important foreign markets for Indian films. These centres should regularly gather information about the actual collections from Indian films, establish regular contacts with buyers and also develop contacts in new territories. Now that both import and export of films will come under the NFDC, it should be possible for these centres to handle both import of foreign films and export of Indian films. It is important that these centres are staffed by a cadre specialised in marketing and that these centres do not work in competition with the Indian exporters. Their function should be to provide help and expert advice to Indian exporters. These branch offices should regularly participate in the market sections of foreign film festivals and provide advice, help and support to Indian exporters.

10.23 It will be necessary for these centres of the NFDC to directly enter the field of exhibition in atleast some of the important countries such as U.K., Indonesia and Latin American countries so that a regular show window of Indian cinema is created. We understand that several theatres in U.K. which were screening Indian films are closing down. NFDC should consider taking over one or two such theatres or entering into long term contracts with the managements of theatres for supply of Indian films. Similarly Indian exporters and producers should be encouraged to operate theatres in foreign countries.

10.24 To expand the market of Indian films for non-Indian audience, it is necessary that prints of Indian films are made available with sub-titles in the appropriate language. For this purpose, NFDC should create facilities in India for quality sub-titling in the language of the concerned country. We understand that it is for want of sub-titled prints that some of the Middle East countries prefer to buy Indian films from third parties in Europe who legally do not have the rights for Middle East territories.

10.25 Another way of expanding the market for Indian films abroad is to encourage co-productions with foreign countries. At present, there are a lot of procedural restrictions for such co-productions. These should be simplified. A co-production automatically guarantees a market in the foreign country which collaborates in the production. In this context we understand that, at present, apart from shooting for co-productions, Indian producers who want to

shoot films abroad are required to guarantee repatriation of four times the foreign exchange released for shooting. On the other hand, businessmen and industrialists, who visit foreign countries are given a per day allowance of foreign exchange without insisting upon any guarantee for repatriation of foreign exchange. We suggest that a fixed foreign exchange allowance per members of the film unit should be given to Indian film units for shooting abroad.

10.26 For exploitation of TV outlets, it is necessary to particularly concentrate on the artistic films from India which are culturally identifiable and are strongly Indian in content. It is only films of this kind from India which can find an outlet on sophisticated television circuit. NFDC, in consultation with the concerned film makers, should prepare shorter versions of such films which can fit into TV slots of foreign countries, as foreign television is not generally able to show very long films. For export it is not generally possible to separate TV rights from theatrical rights and, therefore, there should be a separate clause in the contract providing for additional payment if TV rights are exploited.

Export of Short Films

10.27 We would like to emphasise that very little has been done to help the export of short films from India. At present, the Films Division is supposed to handle the export of its own films. During 1978-79, the Films Division managed to sell only 150 prints of short films for Rs. 1.5 lakhs. We feel that there is a huge market for Indian short films on the foreign television circuits. To exploit this market fully, in addition to the Film Division, NFDC should also enter the field of exporting short films from India as it is expected to develop specialisation in foreign marketing.

10.28 The Indian film exporters, in various representations to Government and also to this Group, have stated that too many formalities are involved in exporting films from India. We recommend that a small inter-ministerial committee should examine the existing procedures in consultation with the exporters and suggest a simplified procedure.

10.29 We further recommend that the signing of exclusive agreements by NFDC with foreign countries for supply of Indian films should not debar Indian exporters from marketing films to these countries. At present NFDC charges a canalising fee of 2.1 per cent on the price of print and royalty charges for a film when it is exported by a private exporter. In addition, NFDC levies a commission of 15 per cent if the sale of a film is directly handled by NFDC. We consider this percentage of commission to be on the high side, keeping in view the promotional responsibility of NFDC. We recommend that the additional commission should not be more than 10 per cent and in case of territories exclusively controlled by NFDC, third party deals should be underwritten by NFDC by levying a commission of 5 per cent over and above the canalisation charges.

10.30 The opportunity offered by India's International Films Festival for promoting the export of Indian films does not appear to have been properly utilised. We understand that almost every year there has been a controversy as to who should bear the cost of organising the market in the festival, i.e., the Directorate of Film Festivals, who has the overall responsibility for organising the Festival, the FFC or the IMPEC. As a result of this controversy, the attempts to organise the market section in the festival have been halfhearted. We have already recommended in Chapter III that the responsibility for organising the International Film Festival should now rest with the National Film Development Corporation, which is also charged with the role of promoting export of Indian films and importing foreign films. We, therefore, hope that this controversy as to the responsibility for organising the Market section will be automatically resolved, and the International Film Festival of India will be developed with a clear thrust on the Market Section. Market Section should provide support facilities for marketing of Indian films by independent exporters. For meeting the expenditure of the Market Section, the canalisation fee collected by NFDC should be used, as this will be in the nature of a promotional activity.

10.31 To promote the export of regional films from India, it is necessary that NFDC sets up full-fledged offices in the important film making regions with full authority to clear contracts for export of films. It is important that these offices do not follow the traditional relationship of a branch office to head office and keep referring the contracts to the head office for clearance.

Video Rights

10.32 In a note furnished by IMPEC it has been stated that export of video rights of Indian films is being disallowed "on the ground that no video cassettes of Indian films are available in India for canalisation through IMPEC". We do not find this reasoning convincing as what has to be exported is not video cassettes but the rights for video exploitation. It is a known fact that in case of film business the value is calculated not on the basis of print cost but on the

basis of intangible rights of distribution and exhibition. The same is applicable to the video rights of Indian films.

10.33 At present only one concern in India is allowed to transfer Indian films on video cassettes and the entire production of this concern is meant for export. This concern has appointed IMPEC/NFDC as the sole selling overseas agent for its video cassettes and for this purpose IMPEC/NFDC receives a commission of 2½ per cent of the net sales. The agreement also provides that in case IMPEC/NFDC negotiates direct sales of video cassettes to buyers abroad, it will be given a commission of 5 per cent. IMPEC has clarified that it "has not been in a position to negotiate sale of video cassettes to its buyers abroad and earn a commission of 5 per cent". This is understandable as IMPEC/NFDC has no marketing office abroad for handling the sale of video cassettes. We feel that the agreement of the existing manufacturers of video cassettes of Indian films with IMPEC/NFDC is merely a device to protect their monopoly of manufacturing video cassettes of Indian films. This arrangement places the Indian film producers entirely at the mercy of one manufacturer, and does not allow them to obtain reasonable prices for the video rights of their films. At the same time, it is well known that unauthorised manufacture of video cassettes of Indian films abroad is fairly widespread. Transfer of Indian films on video cannot be prevented once the print of an Indian film is exported. Therefore, in case of those films where video rights are not sold to the existing manufacturers in India but the films are exported to a foreign market, clandestine manufacture of video cassettes abroad cannot be prevented.

10.34 We, therefore, recommend that the sale of video rights to foreign buyers along with the export of film should be allowed. Further, the NFDC should itself set-up a pilot plant in India for transferring Indian feature films to video cassettes for export. In addition one or two other manufacturers should also be licensed for manufacture of video cassettes of Indian films exclusively for export. It is important that immediate action is taken in this direction as the foreign market for Indian films is likely to be more and more taken over by video cassettes.

CHAPTER XI

PROMOTIONAL ACTIVITIES OF THE CENTRAL GOVERNMENT

11.1 The main agencies for the film promotional activities of the Central Government are the Films Division, Children's Film Society, the National Film Archive, the Directorate of Film Festivals and now the National Film Development Corporation. We have already dealt with the Films Division in the context of the overall need to promote short film movement in India. We have also dealt with the Children's Film Society and the National Film Archive and have suggested that their activities should be brought under the proposed Chalachitra Akademi. We have discussed the National Film Development Corporation separately in Chapter XII.

The Directorate of Film Festivals

11.2 In the context of the Chalachitra Akademi, we have briefly reviewed the activities of the Directorate of Film Festivals and have suggested that its activities except for the International Film Festival, should be taken over by the Chalachitra Akademi. It may take some time before the proposed Chalachitra Akademi becomes operational. Therefore, we have briefly comment on some of the activities being performed by the Directorate of Film Festivals.

11.3 The Directorate of Film Festivals (FFD) was set-up in 1973 for projecting a fuller image of Indian cinema at home and abroad and stimulating critical appreciation to establish a living nexus between the film maker and his audience. To fulfil this task, the Directorate organises annual National Film Awards, arranges Film Weeks of Indian films abroad and of foreign films in India under Cultural Agreements with about 26 countries, promotes participation of Indian films in International Film Festivals abroad and also holds an International Film Festival in India.

National Film Awards

11.4 As mentioned in Chapter III, the National Film Awards were instituted in 1953 and were first given in 1954. During the last 25 years, the National Film Awards have helped to recognise the achievements of Indian film makers in both artistic and technical fields. The awards cover feature films, children's films and short films. Unfortunately over the years, some distortions have crept into the awards scheme. The monetary value of awards has also not been adequately increased. We envisage that a complete review of the awards scheme will be undertaken once this activity is transferred to the Chalachitra Akademi. However, we suggest that action should be taken in the intervening period on the following lines to make the awards scheme more attractive :—

- (i) The National Awards for Children's films should be held separately from the National

Film Awards for feature and short films so that the Children's films receive proper national attention and do not get lost amongst the awards for feature films. At present there are only two awards for the children's films i.e. for the Best Children's Film and for the Best Child Actor/Actress. Awards should be instituted for the Best Educational Film for Children, Best Original Story Idea for a Children's Film, the Best Music Score for Children's Film and the Best Short Film for Children. The awards should be presented at a separate Festival of Children's Films. The decision to hold a separate festival for children's films should be announced in the beginning of the year, so that film makers are attracted to make films particularly for the children. In view of the present shortage of films for children, the cash award for the children's films should be substantially increased, to form an incentive to film makers to make films for children. It is important that films for awards are judged while the films are being shown to the children so that their reaction to the films is taken into account by the jury.

- (ii) In the case of awards for the feature films, some of the awards which are of a dubious nature should be dropped. For example, by giving an award for the Best Feature Film with Mass Appeal, Wholesome Entertainment and Aesthetic Value in addition to the Award for the Best Feature Film it is apparently presumed that the best feature film does not necessarily have these qualities. We suggest that the award for best Feature Film with Mass Appeal, Wholesome Entertainment and Aesthetic Value be replaced by an award for the Second Best Feature Film. Similarly the award for the Best Feature Film on National Integration should be discontinued as this has led to making of films which deal with the theme of National Integration in a superficial manner. Further, the awards for Best Playback Singers should be discontinued as playback singing is not artistically an integral part of good cinema.
- (iii) The value of cash awards for the Best Feature Film, Second Best Feature Film and the Best Regional Films should be substantially raised keeping in view the overall increase in the cost of film production.

- (iv) A new award for the First Feature Film of a Director should be introduced to encourage new talent which is particularly relevant in our situation. This award should be given to the Director.
- (v) The cash value of awards for individual distinction in cinematography, sound recording, editing, art direction should be the same as for best acting and best music direction, as these are equally important elements in any film.
- (vi) There should be a separate jury award to cover any special distinction in any field which may not be covered specifically by the scheme of awards.
- (vii) The award for the Best Sound Recording should be redesignated as the award for the Best Audiography. The total sound structure of a film today is not determined by any single person but contribution is made by various persons at various stages. Particularly both the recordist and the re-recordist make major contributions. Therefore, this award should be equally shared by the recordist and the re-recordist.
- (viii) As suggested in Chapter VI while giving an award for the Best Cinematography in black and white and colour, a certificate of merit should also be given to the concerned laboratory as the quality of laboratory work is an important factor in determining the visual quality of a film.
- (ix) In the area of short films, such as Best Information Film, Best Educational/Instructional Film, the cash award to the producer and the director should be of the same level. Here also the amount should be suitably increased.

11.5 According to the present rules, the jury for feature films consists of a Chairman and not more than 24 members "distinguished in the field of arts and humanities, including films, and qualified to judge thematic, artistic and technical merits of films". Though no separate qualifications have been prescribed for the jury for short films, it is presumed that the criteria applicable to jury members for feature films is also applicable to jury members for short films. We find that the present criteria gives greater emphasis to distinction in the field of arts and humanities and relegates distinction in the field of films to a secondary place. Experience in the past has shown that the juries for feature and short films frequently include members who do not have adequate insight into cinema as an art form. We recommend that the jury should be drawn from people who are exclusively concerned with cinema, i.e., film makers, creative producers, technicians, script writers, cine artistes, film critics, film writers, film historians, film specialists, etc. In the jury for short films, an educationist should be included in view of the award for the best educational film. We further recommend that the jury should be constituted well in advance of the commencement

of screenings for the jury, as distinguished persons are not likely to find time for jury work at short notice.

Film Weeks

11.6 Under the cultural exchange agreements with about 26 countries, the Directorate is expected to organise Film Weeks of these countries in India and also Film Weeks of Indian films in these countries. It is generally envisaged that Film Weeks of any country in India is taken to 5 cities. Similarly Film Weeks of Indian films in a foreign country should be taken to 5 cities. Considering the number of countries involved, this activity should be performed round the year and, therefore, it pre-supposes much larger financial and manpower resources than are available with the Directorate. We understand that in actual practice this activity "has been confined to holding, on an average, 6 Film Weeks in India and an even smaller number abroad because of inadequate staff". It is, therefore, apparent that the full potential of these bilateral agreements to exchange films and to promote inter-action between the Indian and the foreign film makers has not been adequately exploited. In fact, even within the limited level of activity being currently undertaken, there has been hardly any attempt to involve the Indian film industry. The associations of the industry do not at present receive any intimation from the Directorate regarding the expected arrival of a foreign film delegation who usually accompany the package of films. Similarly, hardly any delegate from the Indian film industry is sent along with the package of Indian films which are presented in Film Weeks in foreign countries.

11.7 We, therefore, recommend that efforts should be made to take full advantage of these Cultural Agreements and the number of Film Weeks being organised in India and abroad should be substantially increased. We further recommend that when foreign film delegations arrive in India, efforts should be made to establish contacts between these delegations and the Indian film makers. For this purpose, advance, intimation regarding the programme of the delegations should be sent to the Associations of the film industry. The representatives of the Industry, in addition to establishing contacts with the foreign delegations, should try to interest these delegations in the Indian films in general. They should arrange screening of Indian films for the delegations and indirectly promote the marketing of Indian films through these delegations. Here again it will be necessary that the National Film Development Corporation is involved in coordinating the contacts of Indian film makers with the foreign delegations, as NFDC will have the overall responsibility of promoting the export of Indian films. Similarly, the Indian film makers should be included in the delegations which are sent abroad along with the package of Indian films to be presented in Film Weeks.

11.8 Prints of films sent for Film Weeks abroad are frequently not returned in time. We understand that some countries take advantage of these prints for wide circulation in their normal theatrical channels outside the agreed Film Weeks. Sometimes when the

prints are subsequently returned directly to the producer, the producer has to face difficulties in obtaining clearance from the customs. A proper machinery for ensuring prompt return of prints should be set up. Normally an official of the Directorate accompanies a delegation for the Film Weeks abroad. It should be the responsibility of this official to ensure that prints are brought back by him immediately at the end of Film Weeks. In this regard, the help of Indian Missions abroad should also be effectively enlisted.

Participation in Foreign Film Festivals

11.9 For participation in foreign film festivals, the Directorate of Film Festivals selects Indian films and sponsors official delegations. For selecting Indian films, Regional Panels have been set up at Bombay, Madras and Calcutta to make a preliminary selection. The films recommended by the Regional Panels are again viewed by a Central Panel of which the Chairman of Regional Panels are also members. In principle, this procedure appears to be fair. However, due to various reasons including the non-availability of servicing organisation with the Directorate, the Regional Panels are not able to function effectively. At present, the Regional Officers of the Central Board of Film Censors posted at Bombay, Madras and Calcutta are supposed to provide secretarial help to these panels. We understand that because of pre-occupation with the work of the Censor Board, the Regional Officers of the CBFC are not able to devote time to convene meetings of the Regional Panels. We further understand that because of this reason, the Madras Regional Panel has not been able to meet throughout 1979.

11.10 We recommend that the Regional Selection Panels for selection of films for foreign film festivals should be discontinued and all the offered films should be scrutinised only by the Central Panel. We realise that this will increase the workload on the Central Panel but we consider that this is a better arrangement in view of the failure of the Regional Panels to function with equal efficiency. The meetings of the Central Panel should be organised at Delhi and other film making centres with sufficient advance notice to the organisations of film producers and film directors. This will enable the concerned organisations and film makers to send their films for the consideration of the Central Panel. The films which have won the National Awards should be automatically eligible for participation in foreign festivals without clearance of the Central Panel.

11.11 At present films for participation in International Film Festivals are sponsored only for major film festivals. We understand a few hundred film festivals are held around the world every year and there is, therefore, considerable scope for expanding our participation in foreign film festivals. Participation in foreign film festivals helps in creating interest in Indian cinema and, apart from the advantages of cultural contacts, indirectly helps to expand the market for Indian films. We, therefore, recommend that our participation in foreign film festivals should be considerably increased. However, considering the large number of film festivals and the limited number of festival worthy

films available, it is necessary that a careful short-listing of important film festivals, specialised film festivals and others is done. The Central Panel should recommend films only for important general category Festivals and specialised festivals should be left open for participation by specialised agencies such as the Films Division, the Ministry of Agriculture, Ministry of Tourism, etc. Irrespective of the nomination of a film by the Government for a particular festival, which will be the official entry, every producer should be free to send his film to any festival at his own expense.

11.12 Out of the films recommended by the Central Panel, the final decision as to which film should go to which festival will have to rest with the sponsoring agency which will naturally take this decision in consultation with the producer. However, an impression has been created that participation in the major film festivals is dominated by a small coterie of film makers, who because of their personal contacts with the authorities of various festivals abroad, are able to promote their films in these festivals. It is of course understandable that the films of eminent film makers from India will be in greater demand in major film festivals. However, it should be the specific responsibility of the agency which sponsors Indian films to actively promote works of lesser known film makers, so that the number of internationally known Indian film makers gradually expands.

11.13 The official delegations which go to the major international film festivals usually include the director of the official entry. Some foreign film festivals on their own also invite delegates from India. There is a fair number of Indian film makers and exporters who participate in foreign film festivals at their own expense. This should be encouraged and facilities by way of release of foreign exchange etc. should be provided to Indian film makers, journalists and exporters for participation in foreign film festivals. It is also necessary that the number of civil servants going with the official delegations should be reduced and the number of film makers and artistes increased.

International Film Festival of India

11.14 India at present organises a competitive International Film Festival and a non-competitive International Film Festival (Filmotsav) in alternate years. These festivals have definitely served the purpose of creating an awareness of international film trends in India, helped to increase interaction between Indian film makers and foreign film makers and have generated interest in the Indian cinema through the Indian Panorama Section of the Festival. To a limited extent, these have also helped in the export promotion of Indian cinema through the Market Section of these Festivals. We, however, feel that the overall objectives of the International Film Festival in India have still not been clearly defined and therefore the festival has not grown with a clear direction. We are also of the view that a competitive film festival, which for obvious reasons involves considerably larger expense, does not provide any intrinsic advantage in terms of quality of films, promotion of Indian cinema,

inter-action between film makers etc. over a non-competitive film festival. In fact as most of the countries including the Third World countries prefer to send their best films to the established competitive film festivals in the West, the competitive film festival in India does not generally attract entries of a high standard. International regulations for festivals do not permit any film to be entered in more than one competitive film festival. Experience has also shown that the general quality of films in Filmotsav or the non-competitive film festival of India is better, as we are able to obtain outstanding films which have been earlier shown at other foreign festivals.

11.15 We have also considered the suggestion as to whether the competitive film festival of India should be entirely confined to the Third World or developing countries. We feel that, as mentioned earlier, even the developing countries prefer to send their best films to the well established competitive festivals in the West, as there they get much larger publicity exposure and therefore better market and recognition. We are, therefore, of the view that a competitive festival of this nature, which may be desirable from the point of view of India's foreign relations, is not likely to attract outstanding entries from the Third World countries.

11.16 We, therefore, recommend that India should hold only a non-competitive film festival every year and should attempt to get outstanding films from all over the world. For this purpose, the present concept, of 'festival of festivals' is the right approach. According to this concept, effort is directed to obtain outstanding films which have earlier won recognition in different foreign film festivals in the preceding year. Within this concept, a more systematic effort should be made to provide for a strong Third World representation.

11.17 We have already recommended that our festival should have a strong market and the forum of the international film festival should be used systematically to promote the export of Indian films. In fact, the concept of the market should be strengthened by ensuring that most of the films imported by the NFDC are purchased through the Market organised at the occasion of the festival. Further there should be a systematic effort to promote third party deals i.e. the sale of foreign films to other foreign countries, so that the Market Section acquires a stature and attracts larger number of sellers and buyers of films. We are convinced that if a proper effort is directed, the Indian film festival can become a market place for buying and selling of films for the entire Third World.

11.18 The Indian Panorama Section of the International Film Festival has made a significant contribution in projecting artistic film works from India at international forums. The films which are presented in the Panorama are frequently picked up by foreign delegates for participation in their festivals. Therefore, the selection of films to be included in the Panorama should be done by the same Central Panel which selects films for participation in foreign film festivals. In the past there has been considerable delay in finalising selection of films for the Indian Pan-

rama. These should be eliminated by proper advance planning. The number of films to be included in the Indian Panorama should be kept comparatively flexible and the total package should be decided taking into account the availability of good quality artistic films produced in the country during the year. Until the Akademi becomes operational, the responsibility for putting together the Indian Panorama should continue to rest with the Directorate of Film Festivals. There has to be close coordination with the NFDC which must take effective steps to promote through the Festival the marketing of these artistic films particularly with buyers dealing with TV and art circuits in foreign countries.

11.19 In addition to the Indian Panorama of artistic films, there should be a separate Market Panorama. At present films entered in the Market are not given adequate publicity and quite often delegates participating in the festival remain unaware of the films entered in the market. The Market Panorama should be organised with adequate publicity and fanfare by the NFDC in collaboration with the Indian producers and exporters. Facilities should also be provided to the Indian film producers for screening their films at specified theatres during the festival. The arrangements in this regard should be settled by the NFDC in consultation with the film industry.

11.20 Our international film festival seems to have become unnecessarily concerned with providing 5-star hospitality to delegates. This has considerably increased the expense of organising the film festival, limited the number of delegates to be invited, and has also resulted in increasing the admission rates for shows. The last factor in particular has operated against the general audience in India who are expected to pay as much as Rs. 10 to 15 for seeing one film in the international film festival. We consider this entire approach as misconceived. Nowhere in the world, all the delegates are given a 5-star treatment. Even our official delegations are not provided with 5-star hospitality. Even otherwise, this kind of extravagance is contrary to our own image of a developing country.

11.21 We strongly recommend that while the festival should provide a good standard of hospitality to delegates the 5-star concept should be entirely given up. The number of delegates from abroad and the number of Indian delegates should be increased and the admission rates to theatres should be kept well within the reach of the Indian audience. While naturally there should be attempt to reduce the deficit, which the festival may incur, it has to be clearly accepted that almost everywhere in the world the festivals run at a loss and receive financial help from the Government or the local civic authorities. Similarly in India also the festival should receive financial support from the Government or its agency such as the NFDC.

11.22 We have already recommended in Chapter III that the overall responsibility for organising the international film festival, except the Indian Panorama Section, should be transferred to the NFDC, as it is

charged with the responsibility of developing film industry and helping the growth of good cinema. We may reiterate that this approach becomes even more logical in view of the proposed strong market bias of the film festival and the role of the NFDC in the area of import and export of films.

11.23 In the context of film technology, we have already suggested that the festival should have a proper Film Equipment Bazar which should display the film equipment available in foreign countries as also the equipment manufactured in India. Such a Bazar should be organised by the NFDC in collaboration with the Trade Fair Authority.

11.24 The NFDC will have to ensure that all sectors of the Indian film industry and other organisations such as the Chalachitra Akademi are fully involved in the organisation of the film festival at all levels. Leading Associations of film industry should be directly involved in the management of the festival. Similarly associations of film exporters should be actively involv-

ed in the Market Section and there should be close coordination between the Chalachitra Akademi and NFDC in the selection of films for the Festival and for putting together the Indian Panorama. We have already indicated in Chapter III the reasons as to why the selection of films for the Indian Panorama should be made by the Chalachitra Akademi and not by the NFDC.

11.25 We further feel that in a country like India there is need for a number of specialised international festivals in addition to an annual major event. For example, as we have already recommended, there should be separate International Children's Film Festival to be organised by the Chalachitra Akademi. Similarly there should be a separate International Film Festival for Short Films which should be jointly sponsored by the Films Division and the NFDC. Again, there should be specialised Market Film Festivals/Films Weeks and exchange of marketable films to be jointly sponsored by the associations of films producers and the NFDC.

CHAPTER XII

THE NATIONAL FILM DEVELOPMENT CORPORATION

12.1 Until recently, the Film Finance Corporation and the Indian Motion Picture Export Corporation, were two of the main agencies of the Central Government to implement the Central Government's policies for assisting the development of various aspects of film industry and the promotion of good cinema. The IMPEC was set up in 1963 initially as a joint-stock company in the public sector, mainly with the objective of promoting export of Indian films, particularly feature films, and discouraging various malpractices such as under-invoicing, illicit trade etc., which were prevalent in the export of Indian films. It became a wholly Government owned company in February, 1977. The Film Finance Corporation was set up in 1960 mainly to finance the production of artistic films. Later, as the films financed by FFC were not able to find distribution and exhibition outlets, the FFC also entered the field of distribution and exhibition. The FFC had also taken over certain other ancillary activities such as canalising the import of foreign films, direct import, distribution and exhibition of foreign films, financing of theatres and canalising import of raw stock.

12.2 While the present Group was still deliberating on framing a National Film Policy, the Government initiated action to merge IMPEC and FFC with the National Film Development Corporation. This proposal of the Government was referred to us for our views and after careful deliberation, we had adopted the following resolution on 5-3-1980 :—

“While taking note of the fact that the Government has already taken preliminary action to merge the Film Finance Corporation and the Indian Motion Picture Export Corporation with the National Film Development Corporation, which has been technically in existence from 1975 onwards, the Working Group on National Film Policy resolves that :

- (i) Government may go ahead with the completion of various formalities for the merger of FFC and IMPEC with NFDC and activate the NFDC.
- (ii) The NFDC in its newly constituted form, should, for the present, deal with only those activities which are already being performed by FFC and IMPEC without taking on any new activities.
- (iii) The Working Group will separately suggest a detailed framework for the activities of NFDC, and the Government policy regarding the same.

- (iv) The Memorandum and Articles of Association of NFDC should be amended to provide that the Directors of NFDC should consist of 50 per cent of Directors drawn from the various regions and different disciplines of film industry. The nomination of the Directors from the film industry should be out of a panel of names suggested by the film industry. The remaining 50 per cent of the Directors should include the representatives of the State Government in addition to the representatives of the Central Government.
- (v) The NFDC must opt for a genuine federal structure as distinct from the “Head Office” and “Branch Office” concept. This will call for setting up proper establishments in every important film making region with adequate decision making authority. For this purpose it is necessary that the Board of NFDC must have sub-committees of the Board functioning in each important film making region with specific fund allocation and clear authority for decision making.”

12.3 As will be seen from the Resolution, we had suggested to the Government that it may go ahead with the proposed merger. At the same time, we had indicated that the Working Group will separately suggest a detailed framework for the activities of the NFDC.

Background of Formation

12.4 The setting up of NFDC was a result of the realisation on the part of the Government that the various aspects of film i.e., economic and artistic, were closely inter-related and that a long range policy encompassing the field of production, distribution and exhibition should help in the growth and development of the film industry as a whole. This was also expected to help in utilising the full benefit of the film as a medium of cultural communication. In the wake of the crisis in the West Bengal film industry, a Study Team was set up by the Ministry of Information and Broadcasting in 1972 under the Chairmanship of Shri R. C. Dutt. The Committee had indentified acute shortage of theatres and untrammelled commercialisation of the film medium as the two core problems which restricted the healthy growth of the film industry. The Committee noted that in spite of the efforts of the FFC which was set up to finance artistic films, the effect on the film industry as a whole was limited as

its meagre financial resources did not permit financing of adequate number of films. In this background, the Study Team had suggested that a comprehensive Film Corporation should be set up which should be largely self-financing and should generate sufficient resources within itself. The Committee had further suggested that the proposed Corporation need not confine its activities to the financing of films of social and artistic value but should also take up import and export of films, enter the field of distribution of imported films as well as other films, and with the funds generated from these activities construct cinema houses and enter the business of exhibition. It was in this background that NFDC came into existence in May, 1975. Considering the range of activities envisaged for NFDC it was logical that it should take over the activities of the IMPEC and the FFC. Even otherwise, because of the financial resources available with IMPEC and the financial constraints being faced by FFC in the context of its promotional role, it appeared desirable to merge the two Corporations and create a financially viable organisation. However, for various reasons, NFDC remained dormant. It is only with effect from April, 1980 that IMPEC and FFC have been merged into NFDC, and NFDC has been activated.

12.5 It is relevant here to note some of the important lessons which have been learnt from the experience of FFC. The working of FFC has clearly demonstrated that financing production of artistic films does not serve much purpose unless distribution and exhibition facilities are created for such films. Further, because of financial constraints a significant number of good films cannot be financed unless this activity becomes financially self-sustaining. It is apparent that however desirable may be the idea of giving outright grants for the production of good films, this cannot be adopted on a wide scale due to limited resources, and particularly by a Corporation whose ultimate performance is judged on the basis of its financial viability. For this very reason the whole range of exclusively non-commercial promotional activities to which we have referred in the context of the Chalachitra Akademi such as the National Film Festival, the National Film Archive, Children's films, propagation of film consciousness, promotion of research in the history and aesthetics of cinema, running of art theatres, etc., cannot be effectively performed by a Corporation which is concerned with financial viability.

12.6 In the context of the present production and exhibition system, we have also emphasised that if the overall purpose is to improve the general quality of films in India, institutional finance has to be made available even for the production of popular films and exhibition outlets have to be considerably expanded. Financing of a few good films every year, which is no doubt commendable, has not made a significant impact on the general quality of films in India, but has created a separate stream of artistic films which have received only limited exposure. The experience in the area of import and export of films indicates that while in the traditional territories export of Indian films is not linked with the import of films from those countries, in the non-traditional markets import of films from

those countries has a bearing on the export of Indian films to those territories.

Framework of Activities for NFDC

12.7 We have carefully considered the broad framework of activities which the NFDC should perform. We are of the view that the overall charter of the NFDC should be to help in the general development of the film industry and to particularly help in the development of good cinema in the country. The general development of the film industry and a basic change in the environment within which the industry operates, is no doubt a pre-condition for the growth of good cinema, but the expansion of industry by itself will not result in making the movement of good cinema a strong and vibrant force in the country. This has been amply demonstrated by the experience in some of the States where the industry seems to be flourishing but good cinema continues languish. The NFDC will, therefore, have to adopt an integrated policy of aiming at the overall development of the film industry and simultaneously helping the growth of good cinema on a preferential treatment basis. The resources required by the NFDC to fulfil its charter will be considerable. It is, therefore, necessary that NFDC should be a financially viable organisation, but because of its developmental role, it should not aim at profit maximisation.

12.8 Within the above-mentioned overall concept, we recommend that the NFDC should inter alia undertake the following specific activities:—

- (i) NFDC should provide finance for production of low budget good quality films on low rates of interest. To encourage production of films of high artistic intent, NFDC may commission deserving film makers to make films on its behalf.
- (ii) NFDC should undertake development of distribution and exhibition facilities for films which it finances, as also other good films. For this purpose, the NFDC should not aim at profit-maximisation but should work on the basis of economic viability. The distribution and exhibition of films financed by NFDC should not be a pre-condition for grant of loans for the production of artistic films.
- (iii) It should undertake liberal financing of theatre construction through private entrepreneurs and in collaboration with banks and State Film/Theatre Development Corporations. It should have a lien on a part of the playing time of theatres which it finances. NFDC may also enter the business of owning or managing theatres wherever advisable and necessary. In this sphere, the NFDC should in preference finance unostentatious, functional and small theatres with further preference to theatres equipped with 16 mm projection facilities.

- (iv) NFDC should undertake registration of producers as suggested in Chapter IV and registration of studies and equipment hirers as suggested in Chapter VI.
- (v) It should encourage setting up of film co-operatives and give them loans in preference for film production and for setting up film production and exhibition facilities as suggested in Chapter IV.
- (vi) In regard to import of films, the NFDC should be a canalising and a monitoring agency and should directly import films only of acceptable standards. It should not, however, be an exclusive importer of films and independent importers should be allowed to import films as indicated in Chapter X. The import of films for non-commercial exploitation through film societies and art circuits should primarily rest with the proposed Chalachitra Akademi, as suggested in Chapter III. However, NFDC may also import such films. NFDC should continue to distribute and exhibit imported films directly as also through sub-distributors.
- (vii) In the area of export of films, NFDC should function as a canalising agency and as a market research organisation. NFDC should take special interest in exporting low budget good quality films with particular reference to regional films. It should aim at the development of non-traditional markets abroad and explore the scope for expansion of export to TV circuits. Where markets are nationally controlled and NFDC, as a successor to IMPEC, has monopoly contracts for export, it should allow export by Indian exporters by under-writing the contracts and levying a nominal fee in addition to the canalising fee. NFDC should also promote export of short films which is now left almost entirely to the Films Division. We have elaborated these ideas in Chapter X dealing with import and export of films.
- (viii) In the area of technology and equipment, NFDC should represent the requirements of film industry to the Government and assist in formulation of import policies for meeting the equipment import requirements. It should sponsor applications for import of equipment, but there should be no canalisation of equipment import through NFDC. It should continue to canalise import of raw stock and regulate its distribution as at present.
- (ix) It should provide assistance and finance to entrepreneurs engaged in indigenisation and manufacture of film equipment, and generally help in reducing the dependence of the film industry on imported technology. For this purpose, the NFDC should have a special cell which will continuously monitor the state of film technology in India and abroad, so that the policy regarding indigenisation is conducted in a proper perspective.
- (x) NFDC should develop sub-titling facilities for sub-titling of Indian films in foreign languages and of foreign films in Indian languages.
- (xi) It should provide loans for setting up and modernisation of studios, laboratories and other allied facilities keeping in view the overall situation, so that while adequate facilities remain always available, the overall facilities do not become surplus.
- (xii) The NFDC should maintain close coordination with all the State Film/Theatre Development Corporation and should prepare work modules/models and provide guidance for the State Film Development Corporations. In the States where Film Development Corporations are not in existence and are not likely to come up NFDC should undertake the activities of film development in critical sectors. This particularly refers to financing of theatre construction and provision of film equipment and production facilities.
- (xiii) NFDC should coordinate with the Associations of the film industry in all sectors and help in the growth of proper representative organisations.
- (xiv) NFDC should organise the International Film Festival of India as also specialised festivals for short films and marketing of Indian films, as mentioned in Chapter XI. It should sponsor delegations of Indian exporters and producers for participation in the Market Section of foreign film festivals.

12.9 In the Resolution dated 5th March, 1980 which has been reproduced above, we have already recommended that the Management Board of the NFDC should consist of 50 per cent of Directors drawn from the representatives of the Central and State Governments and the remaining 50 per cent to be drawn from the various disciplines of the film industry. This should be incorporated in the Memorandum and Articles of Association of NFDC. In making nominations from the industry it is important that adequate representation is also provided to film makers and technicians who are generally identified with artistic cinema. In any case, the representations from the industry should be made in consultation with all the sections of the industry. For this purpose, a panel of names should be invited from the industry.

12.10 We have also suggested in our resolution that the NFDC must opt for a genuine federal structure as distinct from a "head office" "branch office" concept. This will call for setting up proper regional organisations of the NFDC in every important film making centre with adequate decision making authority. Specifically it will mean that sub-committees of the Board of Management should function in important film

making regions with specific fund allocation and clear authority for decision making. We consider federalising NFDC's organisational structure as extremely important as concentration of authority at one place often results in neglect of attention to problems of other regions.

12.11 In conclusion, we would like to emphasise

that the NFDC has the potentiality of playing a decisive role in the development of film industry and the growth of good cinema movement in the country. Its success will largely depend upon the proper choice of personnel from the Management Board downwards, the active involvement of film industry in its functioning, and the freedom which the Government allows this organisation to manage its own affairs.

CHAPTER XIII

PROMOTIONAL ACTIVITIES OF THE STATE GOVERNMENTS

13.1 In Chapter II, while suggesting that the subject of cinema should be transferred to the Union or the Concurrent List, we have particularly emphasised that this should not result in reducing the role of the State Governments in the development of cinema. In fact, we would like to reiterate that for the growth of cinema with proper roots in local culture, the active involvement of State Governments is absolutely essential. This is amply demonstrated by the emergence of regional cinema in several States, such as Karnataka, Kerala, Gujarat and Orissa, where the film making activity has grown mainly as a result of the interest taken by the State Governments and their agencies. Even the recent re-emergence of Bengali cinema is largely because of the active help and support which the West Bengal Government has been providing to the film industry.

13.2 Generally speaking, the involvement of State Government in institutionalised form with the development of film industry is of fairly recent origin. Though the Central Government had set up Film Finance Corporation as far back as 1960, it was the State of Karnataka which incorporated the first State Film Corporation in 1968. In subsequent years, several other States have set up Film Corporations. At present there are eight States which have Film Corporations dealing with different areas of film activities as indicated below :—

1. Karnataka Film Industry Development Corporation Ltd. formed in 1968.
2. Tamil Nadu Theatre Corporation Ltd. formed in 1972.
3. Punjab Film and News Corporation Ltd. formed in 1973.
4. Kerala State Film Development Corporation Ltd. formed in 1975.
5. Uttar Pradesh Chalchitra Nigam Ltd. formed in 1975.
6. Andhra Pradesh State Film Development Corporation Ltd. formed in 1975.
7. The Film Development Corporation of Orissa Ltd. formed in 1976.
8. Maharashtra Film, Stage and Cultural Development Corporation Ltd. formed in 1977.

Karnataka Film Industry Development Corporation Ltd.

13.3 The Articles of Association of the Corporation provide for complete range of activities covering pro-

duction, distribution, exhibition, etc., but specifically this Corporation has undertaken mainly the following activities :—

- (i) Setting up fixed and mobile infra-structural facilities for film production, including shooting, re-recording, and editing facilities.
- (ii) Direct production of short and feature films.
- (iii) Advancing loans for construction of theatres. Of late, the loan facility for theatre construction has been stopped due to delay in the recovery of loans already advanced.

13.4 The Corporation does not provide loans for film production and has also not entered the field of direct construction and management of theatres. The Government of Karnataka, however, gives a subsidy of Rs. 1,50,000 to every colour film and Rs. 1,00,000 to every black and white film produced in the State of Karnataka in Kannada, Tulu, Konkani and Kodagu languages. So far subsidy amounting to Rs. 2.42 crores has been given for about 300 films. The State Government has a scheme for grant of awards to outstanding Kannada feature films and the maximum award for a feature film is Rs. 50,000. Films of artistic excellence are generally exempted from entertainment tax. Karnataka Government is also perhaps the only State Government which gives grants upto a maximum of Rs. 6,00 for sub-titling of Kannada films in any other language. Karnataka Government has not yet recognized either film production or theatre construction as an industrial activity.

Tamil Nadu Theatre Corporation Ltd.

13.5 This Corporation was specifically set up to promote, establish, administer, own, and run permanent or semi-permanent theatres in Tamil Nadu. The Corporation has done considerable amount of work in the development of theatres in Tamil Nadu. It has prepared building plans for semi-permanent theatres, which are supplied free on request, and also grants soft loans upto Rs. 1.20 lakhs or 2/3rd of the cost of theatre whichever is less. The Corporation has so far sanctioned 77 loans resulting in the opening of 65 theatres. The main thrust of the Corporation's activities has been towards the development of low cost semi-permanent theatres.

13.6 As in the case of Karnataka, there is no scheme in Tamil Nadu for providing loans for film production. However, recently the Tamil Nadu Government has instituted a scheme for financial assistance

every year to 5 films of quality and nationally desirable themes at the rate of Rs. 1 lakh per film. The State has also recently started an award scheme for feature films, children's films and documentary films. The State Government does not provide any financial help for sub-titling and does not recognise film production or theatre construction as an industrial activity. The State has decided to have a Film Archive for preservation of Tamil documentary films and feature films. Tamil Nadu has its own Institute of Film Technology which imparts training in various disciplines of film technology and acting. It is proposed to expand the training facility at the Institute to provide for a course in Television. Shooting floors and equipment in the Institute are offered on hire to private producers.

Punjab Film and News Corporation Ltd.

13.7 Here again the stated objectives of the Corporation include almost the total gamut of film activities such as production, distribution and exhibition and even manufacture of film equipment. But the main film activities of the Corporation are basically concerned with the direct management of 8 cinema houses and running children's film movement on a regular basis. It organises nearly 300 shows for children every month at 66 centres.

13.8 The overall involvement of the State of Punjab in the development of the film industry has been very limited. The State does not have any scheme for financing film production or advancing loans for construction of theatres. It gives exemption from entertainment tax to only Punjabi films for a limited period, provided 75 per cent of the shooting is done in the State. The exemption covers only 6 prints of the film for 6 weeks. Recently, in 1979, the State Government has instituted a State Award scheme for Punjabi language films with a maximum award of Rs. 25,000. The State does not have any schemes for either setting up production facilities within the State or for providing grants for sub-titling of films etc. The State does not recognize film production and theatre construction as an industrial activity.

Kerala State Film Development Corporation Ltd.

13.9 The Corporation has an authorised capital of Rs. 2 crores. This does not, however, include the studio complex of the Corporation which will involve roughly Rs. 4 crores and which is being fully financed by the Government of Kerala. The activities of the Corporation include :—

- (i) Production of short films which are financed by the sponsoring Departments.
- (ii) Setting up fixed and mobile infra-structural facilities for film production including studio, laboratory, sound recording and editing facilities.
- (iii) Distribution and exhibition of films and direct construction of theatres.

13.10 This Corporation, which has been extremely active in the area of providing infra-structural facilities, does not have any schemes for advancing loans for either film production or theatre construction or to provide subsidy for sub-titling of Malayalam films. The Corporation has plans for setting up sub-titling facilities.

13.11 Until recently, the State Government was giving a subsidy of Rs. 50,000 for every film produced in Kerala irrespective of language. This had resulted in a spurt of film production activities in Kerala. Recently this scheme has been modified and the subsidy will now be given only to quality films. The State has a film awards scheme which is operated directly by the State Government without the involvement of the Corporation. Even in Kerala film production and theatre construction have not been recognised as an industrial activity. However, Kerala is perhaps the only State which has a regular pension scheme for film artistes in financial difficulty.

Uttar Pradesh Chalchitra Nigam Ltd.

13.12 The broad objectives of the Uttar Pradesh Chalchitra Nigam include construction and direct management of theatres, construction of theatres jointly with private entrepreneurs, development of infra-structure for establishing film production in the State, production of quality and socially purposive films, etc. However, so far the Nigam has mainly concentrated on construction of medium size and large theatres. The Nigam has already completed about 15 theatres and its present target is to construct about 50 theatres. There is also a scheme for joint construction of theatres with private entrepreneurs. This scheme provides for 49 per cent participation by the entrepreneur with option for him to lease the theatre for a period of 10 years.

13.13 The State has evolved a scheme for giving a cash award of Rs. 50,000 for the best film and best actor, for films produced in U.P. but the scheme has still not been implemented. Another scheme has been formulated to provide subsidy to encourage the production of films in U.P. The subsidy proposed under this scheme is a maximum of Rs. 1 lakh in case of films costing upto Rs. 20 lakhs, a maximum of Rs. 1.5 lakhs for black and white film costing more than Rs. 20 lakhs, and a maximum of Rs. 3 lakhs for colour films costing more than Rs. 20 lakhs. The extent of subsidy is further subject to a maximum of 10 per cent of the production cost in case of films costing upto Rs. 20 lakhs and 5 per cent of the production cost in case of films costing more than Rs. 20 lakhs. The subsidy is payable provided 80 per cent of the shooting of the film is done in the State. The State gives exemption from entertainment tax to a limited number of equality films and socially purposive films. With a view to encourage construction of theatres, the State allows retention of 75 per cent and 50 per cent of entertainment tax for the first and second years respectively for new permanent theatres in areas where population is less than 50,000 and where no permanent cinema hall is running within a radius of 5 Kms. The State has still not recognised film production and theatre construction as an industrial activity.

Andhra Pradesh State Film Development Corporation Ltd.

13.14 The authorised capital of the Corporation is Rs. 1 crore which is fully subscribed. The main activities of the Corporation are as follows :—

- (i) Sanction of term loans subject to a maximum of Rs. 3 lakhs for construction of theatres in rural and semi-urban areas.
- (ii) Grants for construction of auditoria in district headquarters and important towns to the extent of 50 per cent of the cost, subject to the total cost not exceeding Rs. 12 lakhs.
- (iii) Production and purchase of documentaries.
- (iv) Sanction of term loans for setting up film studios.

13.15 The Corporation has already sanctioned term loans of Rs. 2.22 crores for construction of 94 cinema theatres, out of which 65 cinema theatres have been commissioned. It has also released grants to the extent of Rs. 16 lakhs for construction of auditoria in a few cities. The Corporation has sanctioned term loans of Rs. 75 lakhs to five studios including three new studios and renovation of two existing studios. Andhra Pradesh has earmarked 7 per cent of entertainment tax for film development activities.

13.16 The State Government provides subsidy upto Rs. 1 lakh for each Telugu feature film produced in Andhra Pradesh. The State operates an award scheme for Telugu films. The maximum award is Rs. 25,000. The State also has a scheme to award scholarships to students of the State studying in film institutes at Pune and Madras. The State is considering a proposal to set up its own film training institute. Andhra Pradesh does not have a scheme for financing film production and does not recognise film production and theatre construction as an industrial activity. There is also no scheme for giving subsidy for sub-titling of Telugu films in other languages.

The Film Development Corporation of Orissa Ltd.

13.17 The authorised capital of the Corporation is Rs 50 lakhs and so far Rs. 13 lakhs have been made available to the Corporation. The objectives of the Corporation include the total spectrum of film activities i.e. production, distribution and exhibition. Specifically the Corporation has taken up the following activities :—

- (i) Direct construction of theatres in important towns
- (ii) Extending financial assistance by way of loans and bank guarantee for construction of private theatres.
- (iii) Extension of soft loans for production of Oriya feature films.
- (iv) Payment of subsidy to the extent of Rs. 1 lakh for black and white films and Rs. 1.5 lakh for colour films in Oriya language.

(v) Establishment of a studio complex including shooting, editing, dubbing and processing facilities.

(vi) Organisation of Regional Film Festivals and Children's Film Festivals.

13.18 The Corporation has developed very imaginative schemes for financing theatre construction. It has formulated a design for inexpensive cinema houses involving a total investment of Rs. 4 lakhs. These theatres, with a seating capacity of 600 and provision for further extension to 800 seats, are proposed to be located in semi-urban areas. Under the scheme, out of the total investment of Rs. 4 lakhs 15 per cent will be invested by the private entrepreneur, 70 per cent by commercial banks/financial institutions and 15 per cent will be provided as soft loan by the Corporation. For arranging loans from the commercial banks/financial institutions, the Corporation will stand guarantee for the loan.

13.19 Under another scheme the Corporation has entered into arrangements with the FFC/NFDC, where 50 per cent of the investment in a theatre will be given as loan by the NFDC. The loan of the NFDC is subject to a limit of Rs. 1 lakh in case of theatres in rural areas, Rs. 3 lakhs for theatres in semi-urban areas and Rs. 7.5 lakhs for theatres in urban areas. The Film Development Corporation will extend guarantee on behalf of the entrepreneur to the NFDC for the loan. The entrepreneur's participation is to the extent of 50 per cent of the construction cost. The loan under this scheme is also available for renovation/extension of existing theatres or completion of theatres which are lying incomplete. This scheme provides for option on playing time to the extent of 50 per cent by the NFDC/Orissa Film Development Corporation. The Corporation has also proposals to help film producers for obtaining loans from commercial banks/financial institutions for film production. Under this scheme the Corporation proposes to provide soft loans at low rates of interest towards equity for availing of loan from commercial banks and financial institutions. The Orissa Film Development Corporation has also finalised a scheme with the FFC/NFDC for providing finance for production in Oriya films.

13.20 Orissa is the only State which has declared theatre construction and film production as an industrial activity, and projects for this purpose can be registered with the District Industries Centres. The State regulations require that all cinema houses in the State must exhibit Oriya films for a minimum period of four weeks during a year. The State also has an awards scheme which covers feature films, children's films, educational films and documentaries. At present there is no scheme to give subsidy for sub-titling of Oriya films in other languages.

Maharashtra Film, Stage and Cultural Development Corporation

13.21 The Corporation has an authorised capital of Rs. 2.5 crores. Its general objectives cover not only promotion of cinema but also promotion of all cultural

activities including folk arts such as Tamasha. Its charter of activities includes complete range of film activities including production, distribution and exhibition of films. The main film activity of the Corporation has so far been to set up a Film City in Bombay with complete range of production facilities.

13.22 The State does not have any scheme for giving direct subsidy or loan for production of films. However, in case of Marathi films entertainment tax is refunded for utilisation to produce another film. In actual practice, there have been considerable procedural difficulties in the prompt refund of entertainment tax. Further, as box-office oriented films are likely to collect larger entertainment tax, the scheme has indirectly encouraged production of box-office oriented films without considerations of quality. The State has an awards scheme for outstanding Marathi feature and short films, which includes awards for technicians and artistes also. Exemption from entertainment tax is given to selected films of any language. The State does not recognise theatre construction or film production as an industrial activity and does not provide any subsidy for sub-titling of Marathi films in other languages.

13.23 Apart from the States which have State Film/Theatre Development Corporations and the activities of which we have reviewed, the West Bengal Government has been taking keen interest in the development of film industry and cinema in that State. The State does not have any Corporation to undertake developmental activity but the functions are handled directly by the concerned department of the State Government.

Schemes of West Bengal Government

13.24 The West Bengal Government has a Film Development Board which recommends grants-in-aid for production of films to private producers. Under this scheme a maximum of Rs. 2 lakhs for a black and white film and a maximum of Rs. 3 lakhs for a colour film is given to producers/directors of repute for making artistic films in West Bengal in any language. The maximum amount of grant mentioned above is given subject to the grant not exceeding 75 per cent of the estimated production cost. Other things being equal, preference for grant is given to genuine technicians. In selected cases, the West Bengal Government has also undertaken direct production of feature films by engaging film directors from the industry. There is however no scheme for giving loan for film production.

13.25 The State Government is also considering a scheme for grant of loan for theatre construction. Under this scheme, theatres in rural areas costing upto Rs. 2 lakhs, non-municipal areas costing upto Rs. 6 lakhs, and municipal areas costing upto Rs. 15 lakhs will be provided loan to the extent of 25 per cent by the West Bengal Government and another 25 per cent through institutions such as NFDC and commercial banks. The remaining 50 per cent of the investment will have to be made by the concerned entrepreneur. The loan scheme for theatre construction provides for option on the playing time to be given to the West Bengal Government/NFDC. The minimum option on playing time is 50 per cent, and if higher playing time

is made available, interest on loan will be correspondingly reduced.

13.26 In Chapter VI we have already referred to the scheme of the West Bengal Government to set up a colour lab and to assist in the modernisation of existing studios. While the State Government does not have any specific scheme for giving subsidy towards sub-titling/dubbing of Bengali films, it has given a few grants for this purpose on ad-hoc basis. Similarly although no regular scheme of pension to the technicians and their families in financial distress exists, ad-hoc grants have been given in a few cases.

13.27 The State Government does not have any scheme for giving awards to outstanding films. It also does not recognise production of films and construction of theatres as an industrial activity. The Government has undertaken construction of an art theatre complex in Calcutta which will provide archival facilities and undertake promotion of cine literacy. The Government also exempts selected films from entertainment tax.

General Features of State Schemes

13.28 From the foregoing survey we observe that almost all the State Governments, where film production activity is already located, are involved in varying degrees with the development of film industry. There are also several States such as Gujarat, Madhya Pradesh and Bihar to which we have not referred, which have recently started taking interest in film development. This interest of a large number of State Governments in film development is definitely an optimistic sign. However, we feel that there is still a general lack of clear strategy and a well defined perspective for undertaking development of film industry and particularly creating conditions for the growth of good cinema at the State level. For example, it has not been sufficiently realised that particularly in the Northern and Eastern States the first pre-requisite is to undertake a massive expansion of theatre network of low cost small size variety in semi-urban and rural areas. For this purpose, in addition to facilities for institutional finance there has to be a basic change in the entertainment tax policy of the State Government, as we have indicated in Chapter V. Simultaneously with theatre expansion, exhibition outlets for good films have to be provided by obtaining option on the playing time in the new theatres which are constructed with State help. Again, the policy for providing finance by way of subsidy or loan for film production has to be specifically tailored to help production of low budget artistic films, for which in addition to financial assistance, inexpensive mobile shooting facilities should be provided. It is necessary that subsidy is given to such regional language films for subtitling in other languages which will help to expand their exhibition outlets. Some of the State agencies have undertaken huge capital intensive studio projects which are likely to be unsuitable for low budget film makers and are, therefore, unsuited for promotion of good cinema. Most of the State Film Corporations in their replies to us have indicated constraint of resources as one of the major factors which is inhibiting their activities. It is, therefore, all the more distressing that the resources available should be diverted to large capital intensive projects. The States

have not realised the need to involve themselves adequately in the propagation of cine literacy, without which audience for good cinema cannot be created. There also appears to be a multiplicity of organisations and departments at the State level which deal with various aspects of film development. Even in those States where State Film Corporations are in existence, there are several activities which are being directly performed by various Departments of the State Government.

State Akademi and State Corporations

13.29 We recommend that the model of organisations which we have suggested at the Central level should be broadly duplicated at the State Level. In other words, there should be a State Chalachitra Akademi/State Film Akademi in every major State for promotion of cinema as an art form on an entirely non-commercial basis, and a State Film Development Corporation to provide financial help and infrastructural support for the development of film industry and good cinema.

13.30 The broad range of activities of the State Film Akademies should include State Film Awards, operation of art theatres, maintaining a film lending service, providing support to film society movement, introduction of courses in film appreciation in schools and colleges, holding festivals of Indian Films and Film Weeks of foreign films, and operating a Film Information and Documentation Centre. The State Akademies should make provision to accommodate branches of the National Film Archive and set up a Children's Film Centre. The Children's Film Centre, in addition to obtaining foreign children's films through the Chalachitra Akademi and organising regular shows for children in schools and colleges through mobile vans, should undertake production of children's films through independent film makers as suggested in Chapter IX.

13.31 As far as the State Film Development Corporations are concerned, these should broadly follow the range of activities suggested in the case of the National Film Development Corporation, except import and export of films, canalisation of raw stock etc. which are common to all States and will be handled at the Central level. The activities of the State Film Development Corporation should definitely cover financing of low budget good quality films, financing of low cost functional theatres particularly with 16 mm projection facilities, developing distribution and exhibition outlets for films financed by State Film Corporation, financing schemes for modernisation of studios, laboratories etc., provision of mobile shooting infrastructural facilities, sub-titling of regional language films in other Indian and foreign languages etc.

13.32 The Corporation should advise the State Governments for simplifying cinema licensing rules and for development of incentive schemes for exemption from entertainment tax for new theatres as suggested in Chapter V and for evolving a proper policy in the area of all State taxes applicable to the film industry.

13.33 It should assess the technological requirements of the film industry in the State and assist the concerned

persons in getting their import applications sponsored through the National Film Development Corporation. The State Corporation should also monitor the export of films from the State to foreign countries and intervene with the NFDC in case the export of films from the State is not receiving enough support from the NFDC. The Corporation should enter into bilateral arrangements with the Corporations of other States for arranging exhibition of its films in other States and vice versa. The focus of the activities of the Corporation should not be only on the development of the film industry but on providing preferential treatment to artistic films in every sphere.

13.34 The State Corporation should also make investments in those areas of film technology such as animation, in which the private entrepreneur may not be sufficiently interested to make capital investment. In Chapter VI while making a survey of the Film technology scene in the country, we have already mentioned that the State Film Development Corporations should not undertake heavy capital intensive projects such as studio complexes which are likely to be beyond the reach of low budget film makers who have been responsible for the upsurge of regional artistic films. Instead, the effort should be to provide inexpensive mobile shooting facilities which can be hired by low budget independent film makers. The concept of low budget must in fact permeate the total activities of the Film Development Corporation including financing of film production, theatre construction and creation of technological intra-structure. It is also necessary that just like the NFDC, the State Film Development Corporations help in the formation of film cooperatives of film makers and technicians and give them preferential treatment for financial assistance in every area. This general approach should help in reducing the speculative nature of film production which is one of the major evils of the film industry.

13.35 In the major film producing states, the State Film Development Corporations should set up facilities for equipment, maintenance and repairs. Alternatively it should financially assist independent entrepreneurs for setting up such facilities. This is extremely important as individual film makers will not be able to set up maintenance facilities for their own equipment and as we have mentioned in Chapter No. VI, there are at present hardly any maintenance facilities available for film equipment.

13.36 It is necessary that the State Film Akademies and the State Film Development Corporations receive adequate financial resources from the State Governments. While the State Akademi will work on the basis of a grant, as in the case of Chalachitra Akademi, the State Film Development Corporations should work on a financially viable basis. As we have suggested in the case of NFDC, the objective should not be profit maximisation but development with financial self-sufficiency. We, therefore, hope that in due course the Film Development Corporations will become financially self-generating. However, in the initial stages they will require considerable amount of capital to be made available by the State Governments. For this purpose, it is necessary that 10 per cent of the revenues earned

by the State by way of taxes on the film industry, particularly in case of entertainment tax, should be earmarked for providing financial resources to the State Film Akademies and the State Film Development Corporations.

13.37 In the above mentioned concept we visualise that all the film development activities at the State level except taxation policies and cinema licensing rules will be channeled through the State Film Akademi and the State Film Development Corporations. The organisations at the State level will have to maintain close coordination with the organisations at the Central level i.e. the NFDC and the Chalachitra Akademi. It is necessary that State level organisations visualise their

role in the overall perspective of developing good cinema on a national basis and not in the limited context of only developing regional cinema at State level.

13.38 We would like to emphasise that the State Film Akademies and the Film Development Corporations should be allowed to operate on genuinely autonomous lines. Because of glamour, publicity and opportunity to exercise authority, there is a tendency to interfere with the work of the State Corporations at every step. This should be strictly avoided. On the other hand, the local film makers and technicians should be actively involved in the management and operation of the Akademies and the Corporations at all levels.

CHAPTER XIV

CENSORSHIP

Need for Censorship

14.1 Some form of social or legal censorship has always restricted freedom of expression in all societies. Restrictions on freedom arise from the very nature of society, from the compulsions of communal living which restrict individual freedom, sensitivities and susceptibilities of various interest groups in a society, the need to protect national interests as interpreted from time to time etc. The area of freedom increases in direct proportion to the democratisation of the economic, social and political structure of society and the extent to which a society recognises the value of dissent. Particularly in the context of a hyper-conservative society like India, which has rigid social and religious norms of behaviour, where the political consciousness has still not matured and where harsh economic conditions inhibit individual growth, there are bound to be serious limitations on the freedom of expression. In this situation, any system of formal censorship is bound to come under heavy pressure on the one hand from the traditional elements in society who want to preserve status quo and, therefore, demand rigid standards of censorship, and on the other hand from artistes and intellectuals who challenge the status quo and, therefore, want maximum liberalisation. The latter are ironically supported by market manipulators who demand complete freedom to depict anything which is likely to sell. We feel that if the overall objective of censorship is to safeguard generally accepted standards of morality and decency, in addition to the well recognised interests of the State, the standards of censorship applicable to freedom of expression cannot be very much ahead of the standards of behaviour commonly accepted in the society. Censorship can become liberal only to the extent society itself becomes genuinely liberal.

14.2 Article 19(1) of the Indian Constitution gives the right to freedom of speech and expression to all citizens subject to reasonable restrictions. Article 19(2) lays down the broad scope of reasonable restrictions in the interest of the "Sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality, or in relation to contempt of court, defamation or incitement to an offence". The freedom to make and exhibit films, which is a part of the freedom of expression, is, therefore, subject to the reasonable restrictions contained in the Constitution. This provides the legal basis for censorship of films.

14.3 It is, however, "pre-censorship" of cinema which makes it different from restrictions on other arts and other modes of expression. The rationale for pre-censorship of cinema arises mainly on account of the well recognised nature of this medium for pervasive impact upon all sections of society including children

and adults, literate and illiterate. Further, considering the speed with which a film is able to reach out to the people, any attempt to ensure that a film conforms to acceptable norms of reasonable restrictions, subsequent to the release of the film, would be self-defeating. Besides, if the question as to whether a particular film observes reasonable restrictions on freedom of expression or not, is left to be decided through courts in each disputed case, a large number of films will get involved in endless litigation and free circulation of films would become almost impossible. It was primarily this consideration which had prompted the British Film Industry to set up voluntary censorship and gradually give it a stature of almost compulsory pre-censorship. A censor certificate in U.K. or in India does not prevent a citizen from taking a film to the court but, by and large, it provides an acceptable basis for the film producer, exhibitor and the public to believe that in the opinion of a responsible body, the film has observed reasonable restrictions in the exercise of freedom of expression.

14.4 Ideally if the Indian film industry were to adopt a system of voluntary censorship, as in U.K., there would be no need for statutory pre-censorship. However, the present state of organisation and self-discipline in the Indian film industry does not indicate that a system of voluntary censorship is practicable in India. After taking note of the use of exploitative sex in films Khosla Committee had also concluded that "A system of voluntary censorship or code of conduct by the film industry must, therefore, be rejected as wholly unpracticable and impossible of achievement". In fact, we understand, of late, even in U.K. there has been a demand to introduce statutory censorship of films.

14.5 In addition to the requirements of reasonable restrictions on freedom of expression as envisaged in the Constitution, it also appears that the public opinion in the country is still not ready to accept abolition of censorship. The Institute of Mass Communication conducted a study in the Southern Region of Viewers' Reactions to Film Censorship in July-August, 1979. The study was spread over the States of Andhra Pradesh, Karnataka, Tamil Nadu and Kerala. The study noted that between 70 per cent to 90 per cent of the respondents were in favour of censorship of feature films before they were released. Around 55 per cent of those who favoured censorship of films in Andhra Pradesh and Tamil Nadu, 38 per cent in Kerala and 28 per cent in Karnataka did so because they felt that censorship would help in removing scenes of unnecessary sex from films. Substantially high percentage of respondents (56 to 90 per cent) agreed with the view that the main aim of the censorship was to protect children from harmful effects of films. It is important

here to note that according to the study, very high percentage of film viewers in the Southern Zone are young, and 70 to 90 per cent of the viewers have higher secondary qualifications. It is, therefore, reasonable to conclude that a vast majority of viewers feel that pre-censorship of films is necessary.

14.6 Taking all the above mentioned factors into account, we are of the view that statutory pre-censorship of films should continue.

Censor Board Set up

14.7 We do not propose to go into the history of film censorship in India, as this has been comprehensively covered in the Report of the Enquiry Committee on Film Censorship (1969), popularly called the Khosla Committee Report. Under Entry 60 of the Union List of the Constitution, the Central Government is responsible for sanctioning of cinematograph films for public exhibition. Section 3 of the Indian Cinematograph Act 1952 provides for the constitution of a Board of Film Censors by the Central Government.

14.8 The Central Board of Film Censors consists of nine official members and a whole time Chairman who are appointed by the Central Government. Their normal tenure of office is three years. It may be noted here that Section 3 of the Indian Cinematograph Act 1952 does not lay down any specific qualifications for appointment of the Chairman or members of the Censor Board. Section 5 of the Act dealing with Advisory Panels does mention that persons on the Advisory Panels should be "qualified in the opinion of the Central Government to judge the effect of films on the public". Even this general qualification has not been laid down in case of Chairman and the members of the Censor Board. The Government, is, therefore, completely free to choose anybody for appointment to the Censor Board. Not unoften this unchartered freedom has been used for making appointments on considerations of political patronage. At the same time the Government has tried to include at least some persons on the Board who belong to the film industry and, therefore, it is fair to say that the view point of the film industry is generally represented on the Censor Board. Since the basic consideration in censorship is to assess the likely effect of the film on the public with reference to well established national interests, the Censor Board cannot be entirely constituted out of the representatives of the film industry. The Khosla Committee while suggesting an independent Censor Board had observed: "The Censors must possess suitable educational qualifications and cultural background. They should be persons commanding public respect, they should have a broad outlook on life. They should know something about the arts and the cultural values of this country, they should have travelled widely and should be persons who can be expected to deal with the problem of censorship without the handicaps of unreasonable inhibitions or an obsession with every petrified moral values or with the glamour of so-called advanced groups".

14.9 We, therefore, recommend that the Government must lay down clear guidelines for the appointment of Chairman and the members of the Censor

Board. These guidelines while remaining fairly general to provide for flexibility, should keep in view the broad qualifications recommended by the Khosla Committee. The guidelines should specifically provide for an adequate representation of people drawn from the film industry including those who are directly involved in the creative aspect of film making.

14.10 The Board has its headquarters at Bombay with Regional Offices located at Bombay, Calcutta and Madras. The Regional Officers who are not members of the Board, are assisted in the examination of films by Advisory Panels in terms of Section 5 of the Cinematograph Act. As mentioned earlier persons who are qualified, in the opinion of the Central Government, to judge the effect of films on public are appointed as members of the Advisory Panels. Members are chosen from a cross-section of the society including educationists, lawyers, medical practitioners, psychiatrists, social workers, social scientists, journalists and cine artistes. Generally two-third of the members of the Advisory Panels are appointed in consultation with the Censor Board and one-third directly by the Central Government.

Examining Procedure

14.11 A film is initially considered by an Examining Committee consisting of the Regional Officer and 4 members of the Advisory Panel in the case of a feature film and one member in case of documentary/short film. In case the recommendation of the Examining Committee is either not acceptable to the Board or to the applicant, a Revising Committee, may be constituted by the Chairman for reconsideration of the film. The Revising Committee ordinarily consists of the Chairman, or in his absence a member of the Board and members of the Advisory Panel excluding the members who were on the Examining Committee. Based on the recommendation of the Advisory Panel or the Revising Committee, a film is certified either for universal exhibition or for adults only or may be denied a certificate for exhibition. Before any order prejudicially affecting the applicant of a film is passed, the applicant is given an opportunity to represent his views in the matter. Appeal against the decision of the Board lies with the Central Government under Section 5(C) of the Cinematograph Act. If the applicant is still not satisfied with the decision of the Central Government, he has the right to take the matter to the Court under the ordinary law of the land.

Scope of Censorship

14.12 Section 5(B) (1) of the Indian Cinematograph Act, 1952, which is in line with Article 19(2) of the Constitution provides that "a film shall not be certified for public exhibition if, in the opinion of the authority competent to grant certificate, the film or any part of it, is against the interest of the security of state, friendly relations with foreign states, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence".

14.13 It will be seen from this provision that the basic principles for the functioning of the Board of Censors have been derived from Article 19(2). How-

ever, among the reasonable restrictions which are envisaged in the section the words "the sovereignty and integrity of India" appear to have been left out, perhaps by oversight as this expression was incorporated in the Constitution by the Constitution Sixth Amendment Act 1963, which was enacted after the Cinematograph Act 1952. It is, therefore, necessary that the Cinematograph Act should be amended to incorporate considerations of sovereignty and integrity of India as a reasonable restriction on the freedom to make and exhibit films.

14.14 Section 5(B) (2) of the Cinematograph Act provides that subject to the provisions contained in Section 5(B) (1) the Central Government may issue such directions as it may deem fit, which shall guide the authority competent to grant censorship certificate for sanctioning films for public exhibition. In exercise of these powers, the Central Government in January 1978 (Annexure VII) has laid down that the film censorship will ensure that (a) the medium of films remains responsible and sensitive to the values and standards of society; (b) artistic expression and creative freedom are not unduly curbed; and (c) censorship is responsive to social change. The notification of the Central Government (Annexure VII) goes on to lay down specific guidelines in regard to various types of depiction in films.

14.15 The power of the Central Government to give detailed guidelines to the Censorship erodes the independence and the authority of the Censor Board. It promotes the Censor Board to function on the basis of anticipating the intention and the desire of the Central Government. Even from a practical point of view if censorship has to be responsive to social change, the guidelines for censorship will have to change in step with the evolution of society and, therefore, no rigid guidelines given by the Central Government can be continuously relevant. We feel that if the guidelines given by the Central Government are brief they will be merely a repetition of the provisions contained in the Constitution and hence useless, and if they are detailed they can amount to unreasonable restrictions and hence become dangerous.

14.16 After detailed examination, the Khosla Committee had recommended, "Any law dealing with film censorship should merely state that films must not be repugnant to the Constitutional provision stated in Clause (2) of Article 19. There is no need to have a long catalogue of general principles or their application. Uniformity will be ensured by a single Central Board of Film Censors who will frame their own censorship code". We are of the view that if the Censor Board has to function with complete responsibility for its own decisions, the principle laid down in the above

mentioned recommendation of the Khosla Committee should be accepted. The Central Government should not have any authority to issue guidelines to the Censor Board and the Board should have the freedom to evolve its own code and guidelines as necessary from time to time. It is reasonable to presume that in making selections for the membership of the Censor Board, the Central Government selects people of eminence who are responsible and responsive to the needs of society and who are competent to interpret the scope of censorship in terms of the reasonable restrictions laid down in the Constitution. It is, therefore, unnecessary to hamstring the Censor Board by specific guidelines to be issued by the Central Government which has the danger of projecting the specific political and social beliefs of the persons holding political power. This is clear from the fact that in 1979 it was considered necessary by the Central Government to issue a specific guideline to the Censor Board to inter alia ensure that scenes which have the effect of justifying or glorifying drinking are not shown.

Revisonal Powers of the Central Government

14.17 The freedom of the Censor Board is further eroded by the fact that not only appeals against the decision of the Censor Board lie with the Central Government but under Section 6(1) of the Cinematograph Act, "the Central Government may at any stage call for the record of any proceedings in relation to any film which is pending before, or which has been decided by the Board, and after making such enquiry into the matter as it considers necessary, make such order in relation thereto, as it thinks fit, and the Board shall dispose of the matter in conformity with such order". The net effect of this provision is that the Central Government becomes the ultimate censor of films. The Central Government has the authority not only to overrule the decision of the Censor Board but even to issue a specific order to the Board to dispose of a film in a particular manner.

14.18 We consider that this provision of the Cinematograph Act gives unlimited powers to the Central Government to interfere in the working of the Censor Board. It opens avenues for political pressures to be brought upon the Censor Board, and negates the very idea of having an independent body of eminent people to deal with the sensitive subject of censorship. The Khosla Committee had observed, "It is only the sense of complete responsibility which invests an individual with dignity, understanding and circumspection, and makes him examine each problem sanely, rationally and logically and then dispose it of. There is no reason to fear the commission of mistakes by such a body (i.e. the Censor Board), because even the Government is comprised of men who are liable to make mistakes, and under the present system, though the decisions overruling the views expressed by the Board of Censors are taken by the Minister, the initial notings are recorded by a junior civil servant, and often it is these notings which ultimately shape the Minister's reasoning". We are in complete agreement with these views. We reiterate that it is necessary that the Censor Board should be given the opportunity to accept full responsibility for its decisions and in such decision making it should

not generally be subject to any interference from any outside authority.

14.19 It has at the same time to be recognised that there are certain areas which are pre-eminently the concern of the Central Government. Specifically these are (i) sovereignty of the State, (ii) the security of the State and (iii) friendly relations with foreign States. The Central Government is the best agency to consider the effect of a film on these matters. Therefore, while the Censor Board will naturally keep these aspects also in view for granting censorship certificates, the Central Government should have revisional powers over the decisions of the Censor Board in these specific areas. We, therefore, recommend that the Cinematograph Act should be suitably amended to take away the revisional and appellate powers of the Central Government over the decisions of the Censor Board in all cases except where issues are involved which have a bearing on (i) the sovereignty and integrity of India, (ii) the security of the State, and (iii) friendly relations with foreign States.

14.20 Though the Central Government should not have appellate authority over the Censor Board, except in specific cases mentioned above, it is necessary that some machinery for appeal against the decisions of the Censor Board is provided, so that all disputes do not have to be dragged to law courts. Arising out of an application filed by Shri K. A. Abbas concerning his short film "A Tale of Four Cities", the Central Government had given an assurance to the Supreme Court to initiate legislation to set up an Appellate Tribunal for hearing appeals against the decisions of the Censor Board instead of the Central Government. The Cinematograph Amendment Act 1974, which was passed by the Parliament but has not been brought into force, contains a provision for the constitution of Appellate Tribunals. This Act contemplates that 12 persons will be nominated by the Government from amongst persons who are familiar with social, cultural and political institutions of India or who have special knowledge of various regions of India, or who have special knowledge of films and their impact on society, or who have for at least ten years held civil judicial posts, or who have been practising law for at least ten years, or who have been members of the Central Legal Service for at least three years. Under this Act every Appellate Tribunal is to consist of three members to be appointed by the Central Government out of the panel of twelve members as mentioned above. The Act, however, retains the final authority with the Central Government under Section 6(1) to intervene in any case decided by or pending before the Censor Board and to issue specific directions.

14.21 We do not consider that the provisions as contemplated in Cinematograph Amendment Act 1974 would have met the objectives of giving functional autonomy to the Censor Board and of providing a proper judicial tribunal for entertaining appeals. We recommend that the Government should set up a standing Tribunal to be headed by a person with judicial background to hear appeals against the decisions of the

Censor Board. The Tribunal should provide for inclusion of an eminent film maker while hearing appeals. Appeals to the Tribunal should lie in all cases except the three specific areas mentioned above, where the revisional and appellate powers should rest with the Central Government. In these specific cases further appeal against the decision of the Central Government should directly lie with the Courts and not the Appellate Tribunal.

Types of Certificate

14.22 We have considered the question as to whether the present system of granting 'U' and 'A' certificates for exhibition of films adequately meets the objective of censorship. We have taken note of the systems prevalent in some of the foreign countries like U.S.A. and U.K. which follow a more sophisticated system of classification of films. For example, in case of U.K., 4 types of certificates are given i.e. 'U', 'A', 'AA' and 'X'. Category 'U' implies that a film has been passed for general exhibition. Category 'A' also permits general exhibition of a film but parents and guardians are advised that the film contains material they might prefer children under 14 years of age not to see. Category 'AA' declares a film as suitable only for exhibition to people of 14 years of age and above. Category 'X' restricts the exhibition of films only to adults of 18 years and above.

14.23 Ideally the decision as to whether a certified film may or may not be seen by children should rest with the parents. However, to help the parents in taking such a decision some general indication of the nature of material in the film is necessary. The present system of classifying the films between two extreme categories of 'U' and 'A' implies that a film is either completely suitable to be seen by the children or the film is completely unsuitable for Children and, therefore, they should not be allowed to see the same. This demarcation makes censorship even more arbitrary than it needs to be. This system compels the Censor Board to adopt a stricter attitude in granting 'A' certificates. Experience has shown that whenever appeals have been filed against the decisions of the Censor Board where the Censor has given 'A' certificate or has insisted upon exercising cuts in granting a certificate, the courts have generally taken a more liberal view. On the other hand, sometimes in its anxiety to be liberal with 'U' certificates, Censors have allowed depiction which may have adverse effect on juvenile minds.

14.24 We, therefore, recommend that an intermediary certificate, which may be designated as 'UA', should be introduced. This certificate should indicate that the film is for universal exhibition but contains material which the parents may not like children upto the age of 12 to see. The purpose of this certificate will be purely advisory. It will be the responsibility of the parents to either allow or prevent their children from seeing such films and not of the theatre management to ensure compliance with this restriction. The implication of this certificate should be prominently displayed at theatres and in the advertisements of the film, so that these are clearly understood by all concerned.

14.25 We also feel that in granting an 'A' certificate, a puritanical approach towards depiction of sex should not be adopted but a stricter view should be taken regarding the depiction of excessive, sadistic and debasing violence. During the Viewers' Reaction Study of the Institute of Mass Communication to which we have referred earlier, around 60 per cent of the respondents in Andhra Pradesh and Karnataka and 55 per cent in Kerala explicitly mentioned that Indian films exhibit excessive violence. Between 48 and 72 per cent of the respondents agreed with the view that films with scenes of violence incite people to resort to violence in real life. At the same time, the study has noted "The range of respondents, who favour that kissing be allowed in Indian films, is very wide".

14.26 In line with our recommendation that the Censor Board should evolve its own code and guidelines for censoring films, we do not propose to make any specific recommendation as to what should or should not be allowed, but we would only like to draw the attention of the Censor Board to the fact that there appears to be a need to lay down stricter standards for discouraging depiction of excessive, sadistic and debasing violence in our films.

14.27 Another area where the Censor Board has generally adopted a rigid approach is the exposure of corruption in relation to established authority such as the police, the political Government etc. Such an approach prevents creative film makers from portraying social reality as it exists. Cinema, like literature, has to be given the freedom for social and political comment if it is to fulfil its function as a catalyst of social change. We hope that once the Censor Board is given the freedom to function independently, it will adopt a more liberal approach in this area.

'Q' Certificate

14.28 The Khosla Committee had suggested that the Censor should also give "outstanding merit certificate to films having outstanding, artistic, aesthetic, cultural and educative qualities". We are of the view that a certificate by the Censor Board indicating that a film has definite artistic quality should be given but this will be helpful only if the certificate is supported by measures such as exemption from entertainment tax and exemption from excise duty on prints etc. to which we have referred earlier. It is important that such a certificate is not given by the same body of men who are basically concerned, with the negative aspects of censorship. We feel a separate committee attached to the Censor Board consisting primarily of film makers, film critics and people from allied arts should recommend the grant of quality certificate. This will ensure that the views of people who know the medium and who are artistically sensitive are reflected in exercising a qualitative judgement on the film. Here again the final authority for grant of such a certificate should rest with the Censor Board and the Central Government should have no authority to intervene. Unlike the National Awards this will help to draw audience attention to a good film at the time of release itself.

14.29 Only those films should be considered for grant of 'Q' certificate, where the producers specially request for such a consideration. The grant of 'Q' certificate will not change the scope of the other three certificates i.e. 'U', 'UA' and 'A'. The 'Q' certificate will only indicate that the film has a certain quality standard whereas the other certificates will indicate the category of audience for which the film is suitable depending upon the subject matter and the treatment. It is not unrealistic to expect a film with mature theme, which may obtain 'Q' certificate, may not be suitable for universal exhibition and, therefore, the certification of such a film based upon the category of audience for which it is suitable will still remain relevant.

Organisational Structure

14.30 Under the present organisational setup, the real work of the censorship is not done by the Board itself but by the Examining Committees which are constituted out of the members of the Advisory Panels. It is the Examining Committees which actually see films and recommend grant of a particular certificate. Appointments to the Advisory Panels which are made by the Central Government, do not include enough persons with an artistic background or with the knowledge of cinema. We recommend that all nominations to the Advisory Panels should be made by the Censor Board itself and not by the Central Government and these should provide adequate representation to film makers and artists from other fields.

14.31 Further, at present the Regional Officers of the Censor Board are not members of the Board and do not have the authority to grant censorship certificate immediately after seeing a film. In practice, this lacuna has been overcome in so far as the Regional Officers have been authorised to issue certificates, in anticipation of the approval of the Chairman of the Censor Board for films which have been recommended for grant of clear 'U' certificate unanimously by the Examining Committee. However, in case of films which have been recommended for 'A' certificate, the existing procedure still involves considerable amount of delay. There is hardly any involvement of the Censor Board Members at the Regional Office level, where most of the censorship work is done.

14.32 We recommend that the membership of the Censor Board should be suitably enlarged. It should consist of as many full time members as there are Regional Offices and each Regional Office should be headed by a full time member who may be called the Regional Chairman of the Censor Board. Further in each region there should be atleast 2 or 3 non-official members and it should be necessary that either the Regional Chairman or a non-official member sits with the Examining Committee, so that the members of the Censor Board are directly involved in taking a decision on every film. The Regional Chairman should have the full authority to grant censorship certificate to a film so long as the decision is not contested by the applicant. In case the decision to grant a particular certificate is contested by the applicant, the matter should be reviewed as at present by a Revising Committee presided over by the Chairman or in his absence by one of the members of the

Board who was not initially associated with the Examining Committee.

14.33 The Regional Offices of the Censor Board are at present functioning in an insulated atmosphere. There is an obvious need for the censor machinery to be in constant touch with the film industry. The emphasis should not be on insulation but on communication. For this purpose, an Advisory Committee largely drawn from the film industry should assist the Regional Chairman of the Censor Board in resolving procedural and policy problems which may be within the competence of the Regional Chairman and to represent these matters to the full Board where a decision of the Board may be necessary. This will help in proper representation of the problems of the film industry to the Censor Board.

14.34 In this context we would like to mention that one Censor Office for the entire southern region is no longer adequate to efficiently discharge the function of censorship. Considering the fact that Karnataka, Kerala and Andhra Pradesh are now making a large number of feature films every year, there is need to set up Censor Board Offices in Bangalore, Hyderabad and Trivandrum. Similarly, as and when film making activity expands in other regions, suitable expansion of the censorship machinery should be considered.

14.35 With the almost complete elimination of the revisionary powers of the Central Government and the grant of authority to the Censor Board for framing its own guidelines, the Censor Board will acquire considerable functional autonomy. It is, however, necessary that this autonomy should be statutorily guaranteed, so that indirect pressures are not brought to bear upon the Censor Board to erode this autonomy. The Censor Board should become statutorily an autonomous institution and should cease to function as a department of the Ministry of Information and Broadcasting. The Chairman and the members of the Board should be appointed for a fixed minimum tenure of 3 years. The Government should accept the principle that the Chairman and the members will not be disturbed during the tenure except in cases of gross misdemeanor or reasons of physical disability which make it impossible for the concerned person to discharge his duties. The Board should lay down the broad policy for censorship and should review it periodically.

14.36 The Chairman and the Members of the Censor Board should be eminent people who command confidence of the people. The status of the Chairman of the Board should be atleast of the rank of Secretary to the Government of India, and the status of full time members who will head the Regional Offices should be of the level of atleast Joint Secretaries to the Government of India.

14.37 The Board should be given a fixed budget and should be left free to manage its own affairs. We do not support the view that the Censor Board should be financially self-sufficient and should generate its own resources. The function of the Censor Board is basically one of policing and it is the res-

possibility of the Government to meet the expenditure of the Board. It would be an unfair burden on the film makers that censorship fee should be enhanced on the consideration of making the Board financially self-sufficient.

Violation of Censorship

14.38 Censorship is meaningful provided it is actually implemented at the time of exhibition. We understand that at present the violations of censorship at the time of exhibition are fairly widespread. These include insertion of excised portions in the censored print, screening of uncensored films by forging the title on certificate issued in favour of another film, exhibition of banned films and exhibition of uncensored films. The Censor Board does not have any machinery to enforce censorship at the exhibition level. This is entirely left to the State Governments. The Censor Board also does not have an authentic copy of the censored version of the film for ready reference. We suggest that action should be taken in this direction as follows :—

- (i) Censor Board should maintain a video copy of the censored version of the film.
- (ii) The Board should have a nucleus cell of enforcement staff who should carry out spot checks in areas where violations are frequent and bring the same to the notice of the State Government and the theatre licensing authority for appropriate action.
- (iii) It must be made a legal responsibility of the laboratories that except for the print required for censorship no other prints of the film are prepared until the film has been censored.

14.39 In the case of Raj Kapoor Vs. Laxman (1979) relating to the film 'Satyam Shivam Sundaram' the Supreme Court has observed 'The censor is not the moral tailor setting his own fashion but a statutory gendarme policing films under Art. 19(2) from the angle of public order, decency or morality. These concepts are themselves dynamic and cannot be wittled down to stifle expression nor licentiously enlarged to promote a riot of sensual display'. The Censor Board has to constantly try to maintain balance in a continuously changing social environment.

14.40 The conclusion we would like to emphasise that censorship all over the world is becoming more and more liberal as the value of reedorn of expression is being increasingly recognised and the norms of social behaviour are becoming more liberal. In a democratic society the right to dissent is fundamental and the criticism of established authority is an accepted feature. Under any circumstances censorship of films or restrictions on the freedom of expression will always remain controversial but it is imperative that the Censor Board remains continuously aware that in placing restrictions on the exhibition of films it is not dealing merely with a trading or commercial activity but is actually concerned with the fundamental right of citizens to express themselves freely within the restrictions envisaged in the Constitution.

CHAPTER XV

TRAINING FACILITIES

15.1 The highly sophisticated and continuously expanding technological base of film industry and film art obviously requires a very large input of technical skills. Therefore, the need for providing training in the creative and technical aspects of film making for the proper growth of cinema in the country cannot be over emphasised. In 1945, the Central Polytechnic, Madras, had started a course in Cinematography and Sound Recording. Later this section of the polytechnic was separated and an Institute of Film Technology was established at Adyar, Madras, in the year 1960. In the late forties the S.J. Polytechnic Institute, Bangalore had also started courses in Cinematography and Sound Engineering. It was however, the Film Enquiry Committee (1951) which for the first time focused attention on the need to provide comprehensive training in all aspects of film making. This Committee had recommended the establishment of a Film Institute by the Central Government for training of film technicians and artistes.

FTII, Pune

15.2 As a follow up of the recommendations of the Film Enquiry Committee, a Film Institute was set up at Pune in 1960-61. The objective was to provide facilities for professional training in the art and technique of film making and thereby help to improve the technical as well as aesthetic standards of Indian films.

15.3 At first the Film Institute at Pune was a Department under the Ministry of Information and Broadcasting. Arising out of various problems and complaints concerning the working of the Film Institute, the Government in 1971 appointed an Enquiry Committee under the Chairmanship of Shri G. D.Khosla to enquire into the working of the Institute and make recommendations for its improvement. This Committee, which submitted its report in 1972, had inter alia recommended that "an organisation like the Film Institute which train young people in making good quality films cannot be relegated to the position of a mere office of a Ministry. . . .". The Committee recommended that "the status of the Institute be raised to that of an autonomous body, by an Act of Parliament and in the Act the aims and objectives of the Institute be clearly defined". The Committee had in fact that it would be desirable to link the Institute with the University Grants Commission. Pursuant to the recommendations of this Committee the organisational structure of the Film Institute was changed and it was converted into a society in 1974 under the Societies Registration Act, 1860. Simultaneously the TV Training Centre which was started earlier at Delhi in 1971 was also amalgamated with the Film Institute and the Institute was renamed as the Film and Television Institute of India. This Institute is now the premier institute in India for training in all aspects of film making.

15.4 Initially the Institute started with diploma programmes in (i) film direction-cum-screen play writing, (ii) motion picture photography, (iii) sound recording and sound engineering, and (iv) film editing. The first three courses were of three years' duration and the last one, of two years' duration. In 1963, an additional one year advance course in direction and a two year course in acting were introduced. The latter was subsequently discontinued. The Khosla Committee (1972) which had enquired into the Film Institute had inter alia suggested fundamental changes in the course design. The Committee had suggested that "for the first two terms, all students should follow all the courses with special emphasis on the particular course chosen by them". As a result of this recommendation the courses in the Institute were restructured and in 1975 a two year common course in cinema was introduced leading to specialisation in the 3rd and 4th years in one of the major disciplines, i.e. (i) film direction-cum-screenplay writing, (ii) motion picture photography, (iii) film editing, and (iv) sound recording and sound engineering. In 1977, there was a further change in the course design. A two year integrated course leading to specialisation in motion picture photography or editing was introduced, to be followed by one year course in film direction TV production. A separate one year course in sound recording and sound engineering was reintroduced.

15.5 The minimum qualification for admission to the integrated course is Intermediate or its equivalent. For the course in sound recording and sound engineering the minimum qualification is diploma in electronics or radio engineering or sound engineering or equivalent or graduation in science with physics and maths. The Director of the Institute during discussions with the Group has, however, clarified that the Institute does attract a fair number of students with postgraduate qualifications.

15.6 The number of students trained upto December 1979 at the FTII was as follows :—

Screenplay writing	68
Direction	153
Sound Recording & Sound Engineering	132
Motion Picture Photography	143
Editing	132
Acting	170
Total	<hr/> 798 <hr/>

Out of the above, 45 students obtained diploma in more than one field and, therefore, the total number of students trained in the Institute would be around 753. This includes 59 foreign students. Currently, the Institute accepts about 20 students for the integrated film course and about 10 students for the course in sound recording and sound engineering. Out of these 30 seats, 7 seats are reserved for students from Asian and African countries.

15.7 The Institute has a teaching staff of 37 and a non-teaching staff of 249. The annual expenditure of the Institute is around Rs. 50 lakhs.

15.8 There is no doubt that in the course of about two decades of its existence the FTII together with the National Film Archive and the Film Finance Corporation have made a significant contribution to the development of the art of cinema in the country. The Estimates Committee (1973-74, 59th report) has extensively quoted from the various memoranda which it had received recognising the contribution of the Institute in creating a new generation of film technicians and film makers. Students coming out of FTII with qualifications in technical fields such as motion picture photography, film editing, sound recording and sound engineering have been particularly welcomed by the established film industry. The FTII graduates in direction have had to face generally a more difficult time. These young film makers usually have a high commitment to cinema as an art form and their concept of cinema is generally quite different from the notion of cinema prevalent in the established film industry. However, these film makers have definitely succeeded in creating a significant body of work in Indian cinema which has artistic integrity and a keen sense of social awareness. To this extent, therefore, the FTII has also succeeded in helping to raise the aesthetic standards of Indian cinema. This point is particularly significant as the objective of the FTII was not merely to supply technicians to the film industry but also to raise the artistic standards of film making.

15.9 At the same time we feel that the Institute has not been able to grow in the broader perspective of the total training requirements of the Indian film industry. For this purpose it is necessary that an Expert Committee is constituted which should undertake a scientific study of the overall training requirements in different disciplines of film making. This study should also cover the existing training facilities available in different private and public training institutes. It is only after such an assessment is made that a long term training plan can be evolved. Such a plan should take into account the need and scope for upgradation of training facilities in existing institutes and then suggest the specific areas and levels of training which should be the exclusive concern of the FTII. We, therefore, recommend that the Central Government should constitute an Expert Committee to undertake such an assessment urgently. Incidentally the Estimates Committee (1973-74, 59th Report) had also suggested that a realistic assessment of the short term and long term needs of the film industry for artistes and technicians should be made by the Government in consultation with the film industry.

15.10 During our study we have observed that of lack of rapport between the products of the FTII and the film industry results in low levels of acceptance of FTII graduates. We are conscious of the fact that acceptance of creative technicians and film makers is a complex problem which is tied up with the broader question of social and technological change. We are also aware of the fact that a certain amount of resistance to the institute products is bound to be there as they are expected to work as catalyst of change, and change of attitude in any area is not always welcomed. However, we feel that neither the attitude of strait jacketing the training programme to meet the existing requirements of the industry nor an attitude of encouraging belligerence on the part of FTII graduates, is likely to bring about the desired change in the film industry. We are convinced that there is need for greater cooperation between the institute and the film industry in all areas of the Institute's activities so that the industry becomes aware of the need for change and the students of FTII are able to appreciate the historical ethos in which the film industry has grown. We, therefore, recommend that the Expert Committee which may be constituted to assess the training needs and the availability of training opportunities, should also examine the reasons for low acceptability of FTII graduates by the industry and suggest ways and means for improving the rapport between the industry and the FTII without weakening the important role of FTII as a catalyst of change.

15.11 Even in the absence of an overall assessment of training requirements, it is obvious that the number of graduates being produced by the FTII is far short of requirement. With the newly introduced integrated course, the FTII will be producing 20 technicians in cinematography and editing, out of which some may take up the course in direction. In addition, it will also produce another 10 technicians in sound recording and sound engineering every year. This is hardly adequate for the largest film making country in the world. The demand for film technicians is likely to grow further as the current indications are that film production is likely to increase considerably in the next few years. The diverse nature of film making activities in different regions of the country is likely to further accentuate this demand.

15.12 We, therefore, feel that there is an urgent need for the FTII to consider expansion of its training facilities. In undertaking the expansion programme, the FTII should aim at developing into an institute of excellence for training in various disciplines of film making, not only in the context of our own needs but it should also aim at providing advanced training for students from other Asian and Third World Countries. This is of special significance in view of India's leadership of the Third World.

15.13 We further recommend that FTII should immediately take up advanced training in certain crucial areas which do not appear to have received attention so far. Some of these are :—

- (i) *Advanced Training in Film Processing* : In Chapter VI we have drawn attention to the extremely unsatisfactory state prevailing in

the area of processing laboratories. During discussions with the Director of the Institute we have been informed that the Institute has a proposal for setting up a colour lab which is awaiting Government's clearance and once this is done, they propose to introduce a course for training lab technicians. The raising of technical standards in the laboratory work is pressing necessity. Therefore, rather than wait for a separate lab to be set up at Pune, the FTII should explore the possibility of starting a course for lab technicians immediately. The theoretical training can be given at the institute and arrangements for practical training can be initially made in one of the public sector laboratories which are coming up at Delhi, Trivandrum and Calcutta. We have earlier noted that the Films Division has a proposal for setting up a full-fledged lab at Bombay and we have suggested reconsideration of this proposal taking into account the overall availability of lab facilities in Bombay. In case, after examination, the Government finds that a separate colour lab for Films Division is necessary, it should be considered whether the practical training requirements for the proposed lab technicians course at FTII can also be met through this lab. We are aware of the fact that the Institute of Film Technology, Madras has a three year course in film processing. We, however, understand that this does not meet the standards of an advanced course.

- (ii) *Advanced Training in Production Management* : Our survey of the production sector has convinced us that the prevalent standards of production management in the industry are woefully low, Film making is a cooperative activity which requires management of a large number of skills, personnel and very high investment of finance. We understand that elements of production management are at present included in the training course for film makers at FTII. It is, however, necessary that a full-fledged course in production management is introduced which should cover the application of management sciences to the film industry.
- (iii) *Refresher Courses* : To improve the technical standards in the film industry and bring about a change in the prevalent attitude it is not only necessary to train fresh graduates but it is equally important to provide refresher courses to the film makers and technicians already engaged in the industry. The Khosla Enquiry Committee had recommended, "The Committee feels that it is desirable to start refresher course for the people engaged in the industry...so that they can benefit from the latest equipment available at the Institute and also by the developments abroad which can soon find place, in a teaching institution, more promptly than in the industry". The FTII has still to start

a regular programme of refresher courses. We recommend that refresher courses for working technicians in the advanced techniques of film making should be started by the FTII at the earliest. These should be highly intensive short duration courses, so that active technicians are able to spare the required time. The possibility of organising advanced short term refresher courses at the major centres of film industry should also be explored. For this purpose, assistance of the Associations of Technicians should be obtained.

- (iv) *Training in Specialised Techniques* : The FTII should pay particular attention to the need for training in specialised techniques such as animation, miniaturisation, special effects, high speed photography, underwater photography, process photography etc. This should be made part of the advanced course for film makers and cameramen. Currently considerable amount of money is being spent by the industry for obtaining the services of experts in special effects from abroad.

15.14 To fulfil its role as a training institute of excellence and as a catalyst of technological change in the film industry, it is necessary that the FTII develops a proper machinery for monitoring the latest developments in film technology. We understand that the institute already has an exhaustive library of books and journals. This should be expanded to include classification, documentation and dissemination of information to the film industry through a documentation service. A proper system of exchanging information with comparable institutes abroad should be developed. It is suggested that the Ranganathan system of library science, as approved by UNESCO, may be studied for adoption in the Institute. We would like to emphasise that it is only through such a documentation service and through refresher course that the FTII can function as an agency for introducing the latest technology in the field.

15.15 We also recommend that a section of the institute should work on the lines of an open university which should offer capsule courses in specialised areas. These courses should be available to any person who fulfils the basic minimum qualification for the course and who is willing to pay the entire cost of the course. The minimum qualifications prescribed for such courses need not necessarily be formal qualifications but should take into account the experience which a person may have acquired during his association with the industry.

15.16 We also find that the Institute has not developed either a teacher exchange or a student exchange programme with similar institutes in foreign countries. During discussions with the Director of the Institute we were informed that while a student exchange programme was thought of, this could not be implemented because this would result in students missing a semester at the FTII. We feel that the

training programme at the FTII should be more flexible and should provide for credits to be given for the work which a student may have done at a foreign institute. We, therefore, recommend that a proper student exchange programme should be developed. Similarly the FTII should exchange teachers with foreign institutes and provide an opportunity to the Indian teachers for updating their knowledge, and also enable the institute students to learn from renowned teachers from foreign institutions.

15.17 The Institute is already inviting film makers and film technicians as guest-lecturers. This approach, which is in the right direction, should be further extended. A whole time teacher in the Institute naturally tends to become too theoretical. Even otherwise, the Institute is unlikely to attract outstanding technicians or film makers as whole time teachers. The basic grammar of film making can be taught by the full time teachers but for teaching practical aspects of film making, the Institute will have to depend more and more on film makers and technicians drawn from the field as guest-teachers.

15.18 With the newly introduced integrated course, the FTII is not likely to have more than 80 students at a time. There is already a teaching staff of 37 and, therefore, the student teacher ratio should be considered good by any standards. However, the number of non-teaching staff in the Institute which is nearly 250 appears to be very much on the high side. Any teaching programme has to be cost conscious and the cost reduction should be done in the non-essential areas rather than in essential areas. We understand the current cost of training a student at the FTII is around Rs. 40,000. It should be possible to reduce this cost if the number of non-teaching staff is gradually brought down and the intake of students is gradually increased.

15.19 We have noted that in addition to providing training in the specialised areas, the course content includes teaching in Indian history, culture and humanities. We particularly commend this approach.

15.20 The Director of the Institute, has also informed us that the Institute is trying to develop an apprenticeship scheme for the FTII students in collaboration with the film industry. However, the scheme can become functional only if the industry pays a minimum maintenance allowance to such apprentices. We recommend that the possibility of extending the Apprentices Act, 1961 to the organised sectors of the film industry such as laboratories, studios, etc., both in the private and in the public sector, should be explored so that the industry at least partly shares the responsibility of providing trained personnel. In this context we understand that from 1965-66 onwards an apprenticeship scheme was introduced in the Films Division and this continued upto 1973-74. Under the scheme the Films Division was accepting apprentices in direction, photography, recording and editing. The scheme was confined to the diploma holders coming from the FTII and the purpose was to provide them with practical experience. We recommend that the scheme should be revived but it should not be con-

finied only to the FTII students but should provide for acceptance of apprentices directly from the market.

15.21 At present the T.V. Wing of the Institute, by and large, functions in isolation and the training facilities are only utilised for in service training to the Doordarshan employees. Doordarshan recruits its personnel directly from different fields and then puts them through an orientation course at the Institute. In fact the Doordarshan is actually sending its engineers who are basically responsible for maintenance of equipment for training in FTII. The qualifications required for maintenance engineers are quite different from the qualifications necessary for cameramen and sound recordists etc. The film and television training all over the world is becoming more and more integrated and there is a wide range of skills which are common to both the media. We, therefore, recommend that the jobs of cameramen, editors, sound recordists etc. in the Doordarshan should be straightaway filled by FTII graduates.

Additional Training Facilities

15.22 In addition to the FTII, the Institute of Film Technology, Adyar, Madras also provides for training in the field of direction, screen-play writing, cinematography, sound recording and sound engineering, film processing and film editing. We have already referred to the training facilities available at S. J. Politechnic Institute, Bangalore in Cinematography and sound engineering. There are also some private institutes which provide training in some areas of film making. We have gathered an impression that the training given at Madras and the Bangalore Institutes is not of the same level as at the FTII Pune and, further, even these three Institutes put together are not likely to meet the expanding requirements of the Industry for trained personnel.

15.23 The Estimates Committee (1973-74, 59th Report) had noted that there is a demand for training institutes in other film producing centres and had stated: "The Committee would like Government to take concrete steps in consultation with the State Governments and Film Industry to set up such Institutes in other film producing centres also." We are in agreement with this recommendation of the Estimates Committee. We have already mentioned above that the training requirements are likely to considerably expand in future on account of the expansion of film industry, the increased software requirements of television the use of cinema in the field of education and developmental communication etc. There is, therefore, an urgent need to expand training facilities in all areas of film making. At the same time it is necessary that the standards of training are not allowed to deteriorate but are in fact upgraded.

15.24 We have already recommended that an Expert Committee should examine the level of training facilities available in the existing training institutes. This Committee should also identify areas where standards of training in existing institutes need to be upgraded. For this purpose it should assess the kind of funding required. Under entry 66 of the Union List (Seventh Schedule) of the Constitution,

coordination and determination of standards in institutes for higher education or research and scientific and technical institutions, falls within the powers of the Union Government. The Central Government should, therefore, earmark funds to be made available to the state training institutes for development of training programmes and upgradation of standards. In case the standards of the state training institutes do not come up despite assistance from the Central Government, it should consider takeover of such institutes. The general approach should be that while FTII should be raised to the level of a training institute of excellence of international standard, the other institutes should provide graduate level training in selected areas. Once coordination of standards between the FTII and other institutes has been established it should be possible for the students of these institutes to directly join the post-graduate level course at the FTII without going through the basic two years integrated course.

15.25 The existing institutes in different states and the other institutes which may be set up should not duplicate the facilities of the FTII in all fields but should also take up new areas of training such as theatre management and production designing. It needs to be emphasised that the objective of the State level institutes should be to turn out well qualified film technicians and film makers. Only exceptionally talented persons or those who are keen to undergo advanced training should find it necessary to pursue further post-graduate training at the FTII.

15.26 We further recommend that the State Governments should consider setting up training institutions in Calcutta and Trivendrum which are major centres of film industry. The overall responsibility to set up these institutes should rest with the State Gov-

ernments but the Central Government should provide financial assistance to these institutes, for training in selected areas. Several State Governments are providing scholarship etc., for training in various fields of film making. The Government of West Bengal and Kerala are already taking keen interest in the development of film industry in their States. It should not, therefore, be difficult to persuade these Governments to set up proper training institutions at Calcutta and Trivendrum. These institutes should also provide diploma or graduate level training as we have suggested for the existing institutions at Madras and Bangalore. The availability of training institutions at the major centres of film making will also facilitate organisation of refresher courses for working technicians and film makers to which we have referred. While these refresher courses, which will be in the nature of advanced capsule courses will have to be organised by the FTII, the local institutes at the film making centres can function as the venues for such courses and also supplement the resources of FTII.

15.27 In Chapter VI we have already emphasised the need for providing training to projectionists. These facilities should be set up at the local level by the film industry either by itself or in collaboration with the State Government. It is also important that the film technicians are trained in the repairs and maintenance of the equipment which they handle. We understand that elementary maintenance is taught as a part of the technical courses at the FTII. We recommend that the course content for repairs and maintenance of equipment should be suitably enlarged. However, we appreciate that FTII will not be able to provide advanced training in equipment maintenance and it is for this reason that we have suggested in Chapter VII that this aspect of training requirement should be met by the proposed Centres of Film Technology.

CHAPTER XVI

LABOUR LEGISLATION AND TRADE ASSOCIATIONS

16.1 While dealing with the production sector, exhibition sector and taxation we have suggested that the film industry should be formally recognised as an industry by the Government and should be given the same facilities as are available to other major industries. It, therefore, follows that the film industry should accept the regulation, discipline and responsibility of a major industry. We have earlier suggested that in addition to the system of licensing, which is applicable for theatres, the producers and studios should be registered and a system of licensing should be introduced for laboratories and distributors. We also feel that the conditions of workers engaged in the film industry should be legally regulated and the industry should be assisted to form well organised Trade Associations and to adopt a basic level of voluntary discipline.

Need for Special Labour Legislation for Cinema Workers

16.2 It is well-known that film industry employs a large number of persons. However, no authentic survey has so far been conducted to ascertain the exact number of persons employed in different sectors of the industry. On the basis of data furnished to the Government by one of the Film Chambers of Commerce in the context of the deliberations of the Estimates Committee (1973-74, 59th Report), it was estimated that the film industry employs roughly 2 lakh people. During the last seven years, this number would have further grown. Trade sources indicate that the overall number of people employed in the film industry would be of the order of about 3.5 lakhs. Nearly 60 per cent of the workers are employed in the exhibition sector and the rest in the production and distribution sectors. Majority of the persons in the production and the distribution sectors are employed on a casual or contractual basis. Even in the exhibition sector there is a significant number of casual workers particularly in touring theatres.

16.3 The workers employed on casual and contractual basis naturally do not have the benefits of security of employment, old age pension, social security or compensation against accidents during the period of employment. Speaking in the Rajya Sabha on 27th August, 1973 on the Cinematograph (Second) Amendment Bill, the Minister for Information and Broadcasting had stated "All those who work in the supporting roles before the camera or behind the camera or who assist the technologists, they are an exceedingly miserable lot. The labour laws seldom apply to them. The conditions are generally very bad. And the worst of the whole thing is that in India for every 100 films started, 70 per cent fall on

the way. So, the result is that not only is the money wasted, but those people, who may work for six or seven or eight months, generally remain unpaid because the producer generally vanishes from the scene." It will, therefore, be seen that the Government is fully aware of the fact that the general working conditions for the cine employees are extremely unsatisfactory. This is further confirmed by the fact that various Associations of cinema employees have been persistently representing to the Government for introducing special labour legislation to regulate the working conditions in the film industry.

16.4 The need for special labour legislation to cover the cinema workers has arisen mainly for three reasons :—

- (i) Unlike other organised industries, there is a large number of film workers/employees who are engaged on casual, daily rated, temporary or contractual basis and they are, therefore, not automatically covered by existing labour legislation.
- (ii) There is also a substantial number of regular cinema employees employed in theatres, production studios, laboratories etc., who are not fully covered by the labour legislation as the number of employees in each establishment is either lower or is shown to be lower than the minimum limit prescribed under various labour Acts.
- (iii) Even from the employers point of view, particularly in the production sector, since their production is not on a regular basis, it may not be practicable to treat them on par with factories or industries which undertake production on a regular basis.

16.5 In this context it may be mentioned that certain sectors of film industry such as large studios, laboratories, big theatres etc., are even today within the purview of various labour legislations such as the Factories Act, the Payment of Wages Act, Industrial Disputes Act, Employees Provident Fund Act and the Shops and Commercial Establishments Act, etc. The Industrial Disputes Act, 1947, has defined "industry" as "any business, trade, undertaking, manufacture or calling of employers and includes any calling, service, employment, handicraft, or industrial occupation or avocation of workmen." Disputes raised by cinema workers in the organised sectors of film industry have been frequently raised under the Industrial Disputes Act, 1947 within the meaning of this definition of 'industry'.

Recommendations of Earlier Committees

16.6 The need for bringing the workers engaged in the film industry within the purview of labour legislation was considered by Film Enquiry Committee, 1951, i.e., the Patil Committee. While this Committee did not specifically suggest a special legislation to cover cinema workers, it had suggested that the Industrial Disputes Act, 1947 should be extended to cover cinema workers. This Committee had also suggested that Factories Act may be extended to cover cinema workers particularly in the production sector with suitable relaxations in regard to overtime rules.

16.7 In a memorandum dated February 29, 1980 addressed to the Minister for Information and Broadcasting, a copy of which was sent to us, the All India Film Employees Confederation has stated that "several attempts were made by well meaning Members of Parliament to raise the issue on the floor of Parliament and introduce non-official Bills during early sixties. However, they were always assured by the Government that it would itself bring a comprehensive legislation to help ameliorate the problems and difficulties of the film employees". Finally, in February, 1966, the Government of India worked out an outline of legislation to regulate employment in the film industry and placed it before the Standing Labour Committee at its 24th session. The Standing Labour Committee recommended that a Tripartite Committee consisting of the representatives of the employers, employees and the Government should examine the draft scheme and make suitable recommendations. This Tripartite Committee submitted its report in 1968. The report was unanimous. A copy of the draft outline of legislation as recommended by the Tripartite Committee is placed at Annexure VIII.

16.8 Broadly, the Committee had made the following recommendations :—

- (i) The Committee recommended that the proposed legislation should cover all the three sectors of the film industry viz., production, distribution and exhibition.
- (ii) The proposed legislation should apply to all cinema establishments engaging 10 or more workers, with a further proviso that the appropriate Government should have the power to extend the Act to smaller establishments also.
- (iii) The definition of worker should cover all categories of regular and casual employees including skilled, unskilled, manual, supervisory, technical, artistic or clerical workers, freelance artists, technicians and script writers.
- (iv) The legislation should apply to all workers earning upto Rs. 1,000 per month and should also cover workers engaged on a lump sum remuneration. The representatives of AIFEC have suggested to this Group that the limit of this lump sum remuneration should be fixed at Rs. 20,000 as normally

completion of a film does not take less than 20 months and, therefore, lump sum payment of Rs. 20,000 will be equivalent to a wage of Rs. 1,000 per month.

- (v) There should be registration of employers engaged in film production which will help to keep out 'adventurers' who have no long term interest in the industry. The Committee suggested that licence for production of films should be issued to a producer only if he has a completed script ready, has a certain minimum experience in film industry and deposits in advance with the appropriate authority a percentage of the estimated expenditure on the film. The deposit was to be utilised for payment to workers in case of default in payment of wages. While the details of such deposit were left to the appropriate authority, it was suggested that this should be maximum of 2 per cent of the estimated cost of production.
- (vi) Any regulation of the hours of work in the film industry should take cognizance of special requirements of film making which, particularly in the production side, needs considerable flexibility.
- (vii) Regular employees in the film industry should be given earned leave with full wages for not less than 1/11th of the period spent on duty and medical leave on 50 per cent wages for not less than 1/18th of the period of service. In addition, the worker should also get 10 days casual leave every year.
- (viii) The scale of gratuity payable to regular employees should be on the lines laid down in the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955. This is not to be paid to temporary casual or freelance workers.
- (ix) As far as casual workers are concerned, the committee recommended that provision should be made for inclusion in the remuneration a specific component representing compensation at the rate of 10 per cent of the wages in lieu of leave and gratuity facilities.
- (x) The Committee also recommended that subject to various provisions as contained in the draft outline of legislation, the following Acts should apply to workers in the film industry :
 - (a) The Factories Act, 1948
 - (b) The Payment of Wages Act, 1936.
 - (c) The Workmen's Compensation Act, 1923.
 - (d) The Industrial Disputes Act, 1947.
 - (e) The Employees' State Insurance Act, 1948.
 - (f) The Employees' Provident Fund Act, 1952.

- (g) The Industrial Employment (Standing Orders) Act, 1946.
- (h) The Shops and Commercial Establishments Act.

In this context it may be mentioned that subsequent to the recommendations of the Committee, two other important labour legislations have come in force which have equal relevance to workers in the cinema industry viz., Payment of Bonus Act 1965 and Payment of Gratuity Act, 1972.

- (xi) The Committee recommended that provision should be made for the State Governments to appoint a Chief Inspector for enforcing the Act.

16.9 To ensure that all wages of workers are settled before a film is released, the Committee had considered the suggestion that the producer should furnish a certificate to be obtained from the Chief Inspector of the State that all wages of workers engaged in the production of film have been paid. It was felt that this may give rise to serious practical difficulties and upset release schedules. The representatives of AIFEC have indicated to the Group that in 1975-76 they had suggested to the Government that instead of such a certificate, the Government should insist upon an affidavit to be furnished by the producer, at the time of censorship, declaring that all dues concerning the workers have been settled. This has the advantage of not upsetting release schedule of the film and yet ensuring that the dues of workers would be settled. In case of a false affidavit, the producer would run the risk of prosecution in a court.

16.10 The working conditions of cinema employees and the need for special labour legislation for the same have also been examined by two other important Committees viz. the Committee for Employees in the Film Production Industry (October 1966) appointed by the Government of Maharashtra under the chairmanship of Shri P. G. Kher, and the West Bengal Film Enquiry Committee (1969).

Kher Committee

16.11 Some of the important recommendations made by the Kher Committee were as follows :—

- (i) The Associations of studios and laboratories and the trade unions of employees should enter into an agreement whereby the Model Standing Orders as set out under the Industrial Employment (Standing Orders) Act should be made applicable to all studios and laboratories not covered by the enactment. For production section a standard contract for employment should be evolved.
- (ii) The excessive number of freelance workers seeking employment in the film industry should be regulated.

- (iii) For regulating the employment of freelance workers an Employment Bureau should be constituted.
- (iv) A Casting Committee of the Employment Bureau should undertake the work of recruitment and regulation of entry, employment and retirement of junior artistes, movie stunt artists and dancers.
- (v) The Committee also recommended a minimum wage for unskilled workers and the principles for fixing wage for regular workers engaged in studios and laboratories. It further suggested payment of various allowances such as Sunday working allowance, food money, officiating allowance, location shooting allowance and conveyance allowance to workers.
- (vi) The Committee favoured the constitution of a Wage Board on an all India basis in order to remove regional wage imbalance, if any.
- (vii) The Committee recommended payment by the film producers and the workers towards Production Workers Employment Benefit Fund, to provide social security to workers.

16.12 The West Bengal Film Enquiry Committee had inter alia suggested the constitution of a Board for enquiring into the complaints regarding non-payment of dues to workers by producers or for reference of such disputes in the first instance to the Eastern India Motion Pictures Association. This Committee had suggested provision of better working conditions in studios such as canteens, wash-rooms etc, and the formation of a Technicians' Employment Exchange.

16.13 The present position is that despite the recommendations of various Committees a comprehensive legislation to cover workers in the film industry has still not been enacted. The Estimates Committee (1973-74) which had gone into this aspect in considerable detail observed : "The Committee deplore that although the draft outline of legislation to regulate employment in film industry was prepared by the Government and was placed before the Standing Labour Committee as early as 1966 and a tripartite committee submitted their Report on the draft legislation in 1968, the proposed legislation has not yet been enacted. It is thus evident that this important matter and has not received the urgent attention of the Government, it deserved." The Committee had gone on to recommend that this matter should receive urgent attention of the Government so that a Bill is introduced in the Parliament without further delay.

16.14 We fully share the concern expressed by the Estimates Committee regarding the delay in the enactment of special legislation to regulate the employment of cine employees. We recommend that the Central Government should take urgent steps to immediately introduce appropriate legislation for regulating the employment conditions of cine workers.

16.15 We further recommend that the proposed legislation should cover cine employers in all the sectors of film industry including production, distribution and exhibition. The legislation should cover all categories of employees with special protection to be provided for casual daily rated or contractual workers. In providing protection to workers who are paid on a lump sum basis, the Government should fix a fairly high limit of lump sum payment, so that almost all categories of contractual workers except very highly paid artistes and technicians come within the purview of the legislation. Written contracts for all casual or contractual employment should be made compulsory.

16.16 In the production sector, where the employment of casual and contractual workers is the highest, the legislation should provide for an affidavit to be furnished by the producer, while applying for a censor certificate, to the effect that either the producer has already made full payment to all workers or that a mutually acceptable agreement with the workers has been reached to make the payment by an agreed date.

16.18 One of the suggestions which the Estimates tail registration/licensing of producers and distributors as also other cinema establishments which we have already recommended separately.

Welfare Fund

16.18 One of the suggestions which the Estimates Committee (1973-74 58th Report) had examined was that the Government and the industry should join hands to set up a Trust with a view to taking care of those cine employees who fall on lean days and who are unable to earn any more due to old age, sickness, etc. This suggestion was commended by the Estimates Committee and it had recommended that the Government should take necessary initiative and extend full cooperation to the film industry in evolving a comprehensive scheme for such a Trust. The need for creating a special Welfare Fund or a Trust for helping cine workers in financial distress is too obvious to require any special emphasis. Kerala State has already introduced a pension scheme for cine workers in indigent circumstances. As far as regular employees are concerned, once the special labour legislation is enacted, which will provide for gratuity, provident fund etc., these employees will have a certain amount of social security. It is basically casual and contractual workers who will require help on an ad hoc basis from the proposed Welfare Fund or Trust.

16.19 We, therefore, recommend that the Government should take steps to set up a Welfare Fund to help cine employees, artistes and technicians in indigent circumstances. We recommend that to finance this fund the Government should collect an amount of Rs. 20 on every print of a feature film, which will annually provide 4 to 5 lakhs of rupees to the Government. The Government should make a matching grant to this fund out of its own resources. The Fund should be operated in consultation with the film industry, particularly its production sector.

Accident Risk Insurance

16.20 Another area to which we would like to draw attention is the absence of Accident Risk Insurance to cover the movie stunt artistes. The film industry employs a significant number of workers who perform jobs of a hazardous nature in the process of film making. Normally stunt artistes are employed to take the place of wellknown actors and actresses whenever a scene involves physical hazards. Incidents have been frequently reported in the press where these minor artistes have suffered serious injuries and have even their lives in the process of film shooting. The Estimates Committee (1973-74 58th Report) was advised by the Government that the suggestion to cover movie stunt artistes under Accident Risk Insurance is under examination in the Ministry of Finance. We, however, understand that these employees are still not covered by accident insurance. We recommend that the Government should take immediate steps to bring movie stunt artistes under Accident Risk Insurance scheme.

Trade Associations

16.21 In any modern large scale industrial and trading activity, well organised associations of different interests is a necessary requirement. Such associations help in establishing mutually acceptable norms of industrial relations, resolve inter-sectoral conflicts of interests and enable an effective representation of the various problems and grievances of the industry to the Government. In fact if the associations are well organised these can make a major contribution in the democratic process of policy formulation by the Government in consultation with the industry. The absence of well organised associations in the Indian film industry has been one of the major reasons for the comparative indifference and adhocism with which the Government has reacted to the problems of the film industry. Quite often even when the Government has shown keenness to help the industry in solving various problems, the industry has failed to speak with a common voice and come up with generally agreed proposals. The industry has almost consistently resisted any suggestions of external regulations of its affairs by the Government, while at the same time it has not so far succeeded in creating strong voluntary associations which can resolve inter-sectoral problems and introduce an element of self-discipline within the industry. Even where organised associations of the industry have come up, these have mainly concentrated on representing grievances to the Government but have neglected to bring about self-discipline within their own members.

16.22 The film industry had realised the necessity of organising associations some 40 years ago. The initial incentive for these associations was provided by the need to make representations to the Government. In the beginning the grievances concerned mainly the production sector and the exhibition sector related mainly to censorship and import of raw stock and equipment. The problems of the exhibition sector related to the licensing rules

for theatres and entertainment tax. Originally, therefore, trade associations were formed in these sectors. However, as the various other segments of the industry gained in importance, separate associations were formed by distributors, laboratories, cine employees, directors, cameraman, musicians, exporters, etc. The associations were formed not only for particular trade or craft but also for separate regions.

16.23 With the proliferation of associations, it was felt necessary to form inter-regional and multi-trade associations leading to an all India body to resolve common problems and to project a common viewpoint to the Government. Such attempts have been assiduously made, from time to time, but have either not succeeded at all or have only partially succeeded. At present, there are a large number of associations of the industry of producers, exhibitors, distributors, directors, laboratory owners, other cine employees and exporters etc. Some of these have fairly large membership but there is still no effective all India body to which all the associations are affiliated. Attempts at coming together under an umbrella like the one provided by the Film Federation of India have been primarily frustrated due to assertions by different associations of their own importance on regional or sectoral considerations.

16.24 We are convinced that unless Government in dealing with the industry insists that it shall deal with only a single representative association at different levels, the formation of proper trade associations in the industry is unlikely. In this connection, we would also like to draw attention to the recommendation made by the committee for Employees in Film Production Industry appointed by the Government of Maharashtra, to which we have referred earlier, which had inter alia recommended that no person shall be engaged in the film production industry unless he was a member of one of the registered craft unions on a specified date. It was also suggested that admission of new members to the union should be based on certain criteria.

16.25 We recommend that the Government and the film industry should adopt the following broad approach for establishing proper associations in the film industry :—

- (i) Every person working in the film industry should belong to an association relating to his own trade or craft. This should not however, prevent freelance artistes, technicians and workers to operate outside the associations.
- (ii) No person should be a member of more than one association of the same discipline in one region. In other words a producer-director can be a member of the Producers' Association and also Directors' Association but cannot be a member of two Producers' Associations or two Directors' Associations in the same region.
- (iii) Government at different levels (Centre, State, local) should deal with only one asso-

ciation at the appropriate level, which represents the majority.

- (iv) A machinery should be developed to periodically verify the membership of different associations.
- (v) The local associations of different trades/disciplines should be federally organised into State or zonal associations which, through their representatives, should form the all India apex body.

16.26 We, further, recommend that the following categories should be recognised by the Government and the industry for forming trade associations :—

- (1) Producers
- (2) Distributors
- (3) Exhibitors
- (4) Studio and equipment owners
- (5) Laboratory owners
- (6) Directors
- (7) Technicians including cameraman, editors, sound recordists, musicians etc.
- (8) Artistes
- (9) General cine employees
- (10) Exporters.

16.27 It is important that the associations in any field or in any region do not work as 'closed shops' and shut out new entrants in the field. It must be a legal requirement that membership of an association is freely available to anybody who fulfils the basic qualifications of membership. In the absence of such a provision unhealthy pressures can be created in the associations by vested interests.

16.28 It is important that at the all India level all the major trades and disciplines of the film industry including the cine employees are represented, so that this body can speak with a common voice to the Government. For the Government side it will provide the benefit of obtaining opinions from the industry which will have wide support within the industry.

16.29 We would like to further emphasise that it is extremely important that the Government deals with only one association commanding majority at different levels even if there are more than one associations in a particular centre or in a particular trade. This will persuade the members of the minority associations to join the majority associations resulting in a single platform for resolving internal problems as also for a dialogue with the Government. We further recommend that the Government should help the various sectors of the Industry to lay down criteria for the membership of the associations and the Government should develop a suitable machinery for verifying the genuineness of the membership in accordance with the agreed criteria.

16.30 The model of regional and all India trade associations which we have suggested is already being followed in the tourism industry and the book trade. These industries have different trade associations for different branches of the trade but they come together

in a common apex body. We also understand that particularly in the tourism industry the unified associations became possible as the Government had insisted that no travel agent could operate unless he was part of an association.

CHAPTER XVII

IMPLEMENTATION : SOME SUGGESTIONS

17.1 In the introductory chapter of this report we have drawn attention to the need for quick implementation of the report. We are happy to see various statements appearing in the Press made by the Government indicating that the Government is anxiously waiting for this report for evolving a comprehensive and coordinated National Film Policy.

17.2 In processing and implementing the recommendations contained in this report, it should be kept in view that most of the recommendations are inter-linked and unless the whole package of measures suggested for a particular area is accepted and implemented, the desired policy objectives are not likely to be fully achieved. For example, promotion of good cinema in the country definitely requires financing of good quality films on low rates of interest by the NFDC on a fairly large scale. However, this measure is not likely to succeed by itself unless it is accompanied by action in other areas. A system of distribution and creation of exhibition facilities particularly suited to the requirement of good quality films has to be developed. The status of cinema as a cultural activity and as a medium of creative expression has to be recognised and the taxation policy including customs, excise and entertainment tax has to be modified in line with this recognition. Simultaneously, a major attempt has to be made to initiate audience in the appreciation of good cinema through a range of activities and a national platform, i.e. the Chalachitra Akademi, to promote cinema as an art form has to be created.

17.3 Similarly if the film industry is to be helped to develop on healthy lines, a series of measures have to be taken to reduce the speculative nature of the business of film production. Institutional finance for production of films has to be made available as for any other industrial activity. Film producers have to be made aware of the need for proper planning and preparation before launching on a film project and the distribution system has to be regulated. Further, conditions have to be created, which are conducive to a quick expansion of the theatre network. This implies availability of finance, simplification of the theatre licensing rules and the rationalisation of the entertainment tax structure. To feed the new theatres

in semi-urban and rural areas, the print cost has to be brought down by reduction in excise duty. Here again the measures suggested are closely inter-linked.

17.4 Even the adoption of a low cost 16mm technology has to be seen in the broader context of the need to reduce the currently high cost of film production and exhibition which make film business speculative and in the context of the present requirement to bring cinema within the reach of the masses in the semi-urban and rural areas. Here also it will not be enough to merely permit liberal import of 16mm technology and development of infrastructure for production of films in 16mm, but it is also necessary that this policy is dovetailed with the policy for expansion of theatre network by giving special incentives for construction of theatres with 16mm projection facilities. This in turn requires provision of institutional finance and exemption from entertainment tax for 16mm theatres all over the country.

17.5 The recommendations which we have made have to be implemented on all India basis and, therefore, bringing the entire subject of cinema under the Central direction by transferring the subject to the Union List or the Concurrent List, or by taking over the subject through Entry No. 52 of the Seventh Schedule of the Constitution becomes a basic precondition for implementing a National Film Policy. We, therefore, reiterate that while taking decisions on our recommendations, the Government must keep in view the interdependence of the various proposals and must not consider each recommendation in isolation.

17.6 To assist the Government in taking a decision on this report in the proper perspective, it is necessary that a special cell should be created which should be exclusively concerned with the processing and implementation of the recommendations. We do not think that the existing machinery in the Ministry of Information and Broadcasting, which is already overloaded with the ongoing tasks, can devote the kind of thorough and exclusive attention which the implementation of this report will require. Several recommendations contained in the report will require enactment of special legislation, consultations with several

Ministries of the Central Government, persuasion of the State Governments and monitoring of progress of implementation over a fairly long period. This can be done only by a cell specially created for the purpose.

Sd/-
(Jagdish Parikh)
Member
Sd/-
(M. Bhaktavatsala)
Member
Sd/-
(Tarachand Barjatya)
Member
Sd/-
(Vijaya Mulay)
Member
Sd/-
(Ramanand Sagar)
Member
Sd/-
(Tarun Majumdar)
Member
Sd/-
(Dilip Jamdar)
Member
Sd/-
(S. L. Kapur)
Member-Secretary

17.7 We are submitting this report in the belief that our recommendations will be quickly implemented and that the Government will assist the future development of Indian cinema through a clearly defined policy as outlined in this report.

Sd/-
(K. S. Karanth)
Chairman
Sd/-
(Shyam Benegal)
Member
Sd/-
(Bikram Singh)
Member
Sd/-
(Basu Bhattacharya)
Member
Sd/-
(Adoor Gopalakrishnan)
Member
Sd/-
(D. Ramanujam)
Member
Sd/-
(D. V. S. Raju)
Member
Sd/-
(Santosh Singh Jain)
Member

Bombay,
Sd/-
17th May, 1980.

SUMMARY OF RECOMMENDATIONS

RECOMMENDATION

CHAPTER II—FRAMEWORK FOR A NATIONAL FILM POLICY

1. Paras 2.11 to 2.15 Lack of legal powers with the Union Government is one of the major hurdles in laying down a National Film Policy. We recommend that the entire subject of cinema and film industry should be brought within the purview of Central policy and Central control. The subject of cinema should be transferred from the State List to the Union List or Concurrent List.

2. Para 2.16 Alternatively the Union Government should consider the possibility of taking over the control of cinema by legislation under Entry 52 of the Union List.

3. Para 2.17 State Governments should continue to have financial resources to support State level film activity. A fair formula should be evolved to share the entertainment tax revenues between the Central and State Governments.

4. Para 2.21 The Information and Broadcasting Ministry should be expanded and should be called the Ministry of Information, Broadcasting and Cinema. There should be a separate Department of Cinema to be headed by a Secretary.

5. Para 2.22 The Department of Cinema should develop expertise for dealing with the problems of film industry. It should have a Technology Cell staffed with technical people and a properly equipped Information Cell which should maintain up-to-date information and statistics.

6. Paras 2.24 & 2.25 The broad objectives of the National Film Policy should be as follows

- (i) To improve the cultural quality of cinema considering its impact upon society.
- (ii) To make cinema accessible to the largest number of people throughout the country.
- (iii) To help the growth of cinema as a medium of culture, artistic expression, communication, enlightenment and entertainment, and to develop a strategy for the propagation of film appreciation and consciousness.
- (iv) To help the Indian cinema by recognising it as an industry of vital importance and extend it the same facility as are available to other important industries.
- (v) To encourage the production of short films, information/documentary, educational and scientific films and provide facilities for their

exhibition in schools, colleges and community centres in addition to exhibition through theatrical circuits and harness their potential for social progress.

- (vi) To provide all facilities for production, distribution and exhibition of children's films in all regions of the country.
- (vii) To assist in changing the feature film marketing conditions in a manner which provide a fair opportunity for films of aesthetic excellence and social relevance to reach the audience and at the same time reduce marketing pressures on the box-office oriented film which compel it to operate in a speculative environment.
- (viii) To regulate and improve the working conditions of film employees.
- (ix) To liberalise policies regarding impor. of equipment and raw stock in line with the need for modernising the technological base of film industry and simultaneously to provide facilities to undertake research and development for indigenisation of film technology and to keep abreast of the latest developments
- (x) To expand training facilities in the creative and technical aspects of cinema, keeping in view the growth of cinema in India.
- (xi) To ensure that the taxation policies are in line with the general objective of encouraging the growth of cinema and that taxation does not contribute to making the market for cinema uncertain and speculative. This implies that the general strategy of generating tax revenues should aim at horizontal expansion of revenue and not vertical rise in taxation levels.
- (xii) To import films reflecting artistic and technical achievements from all over the world with a view to encourage creative interaction between Indian and international cinema, and to fully exploit the foreign exchange earning potential of Indian films by simplifying the procedure for export by providing expert marketing information and organisational support to exporters and by encouraging co-production with foreign film makers.

CHAPTER III—STATUS OF CINEMA AS AN ART FORM

7. Paras 3.8 to 3.10 Cinema in India has still not been given the status of a major art form which it rightfully deserves. To promote cinema as an art form,

on exclusively non-commercial basis, a separate Akademi to be called the Chalachitra Akademi should be set up. The broad functions of the Akademi have been detailed in para 3.10 of the report. These include holding of National Film Festival, selection of Indian films for participation in International Film Festivals, organisation of India Film Weeks in foreign countries and foreign film weeks in India, operating art theatres and assisting similar art theatres in State Capitals, import of art films for non-commercial exploitation, maintaining a National Film Archive and a National Film Museum, propagation of film culture by helping film society movement, operating a Film Educational Advisory Service for introduction of courses in cinema in the educational curriculum, operating a comprehensive Film Information and Documentation Service, organisation of the Indian Panorama Section of the International Film Festival, promoting research in the history and aesthetics of cinema, giving grants for film making to outstanding film makers and operating a Children's Film Centre.

8. Para 3.12 The activities of the Directorate of Film Festivals, except the International Film Festival, should be transferred to the Akademi and the Directorate should be wound up. The International Film Festival should be organised by the NFDC.

9. Para 3.15 National Film Archive has to function as a 'living' activity and has to be closely involved with the total gamut of activities suggested for the Chalachitra Akademi. The Archive should, therefore, be brought under the proposed Akademi.

10. Para 3.16 Government should undertake legislation to introduce a scheme for a compulsory deposit with the Archive of a video copy of every film made in India on the lines of the compulsory deposit scheme for book trade.

11. Para 3.17 The Akademi will be an entirely non-commercial organisation which will operate on the basis of a grant from the Government. Its functions will be quite distinct from the functions of NFDC which will have to generate its own resources.

12. Paras 3.18 & 3.19 Import of films for the art circuit and children's films should primarily rest with the Akademi. Such imported films as well as films imported for Film Lending Service, National Art Theatre and Film Archive should be exempted from customs duty. All prints taken out by Akademi should be exempted from excise duty.

13. Paras 3.20 & 3.21 The NFDC being a financing agency for production of films, will naturally have a special interest in promoting its own films. Therefore, the selection of films for participation in foreign film festivals and for the Indian Panorama Section of our International Film Festival should rest with the Akademi and not the NFDC.

14. Para 3.25 Local civic bodies should provide land at subsidised rates to film societies for setting up non-commercial exhibition facilities.

15. 3.26 Central and State Governments should give grants to film societies for purchase of mobile vans for exhibition of films.

16. Para 3.27 The Federation of Film Societies should set up organisation at State levels for better liaison with State Governments. Grants by Central and State Governments may be given directly to regional or State level organisations of film societies.

17. Para 3.28 All State Governments should exempt film society shows from entertainment tax, show tax, etc.

18. Paras 3.32 & 3.33 To equip school and college students to develop an interest and a critical attitude towards cinema as an art form, comparable with other arts, courses in film appreciation including film history, technique and rudiments of film making should be offered at 10 plus stage and the university level. Short term courses in film appreciation should be offered from Class VIII onwards. Special courses in communication including cinema should be developed at the university level.

19. Para 3.34 The Film Educational Advisory Service under the Akademi should help in designing teaching programmes and courses in cinema, train teachers and provide assistance in making the necessary study material available as is being done by the Educational Advisory Service of the British Film Institute.

20. Para 3.35 The Film Information and Documentation Centre under the Akademi should bring out a monthly journal directed to film criticism and film appreciation.

21. Para 3.36 The Akademi should receive a substantial grant from the Central Government. It should have its own office-cum-theatre-complex, with several auditoria and space for Archive, Film Museum, Children's Film Centre and Documentation Centre.

22. Paras 3.37 & 3.38 The organisational structure of the Akademi will have to be decided after careful consideration and should provide for active participation of film makers, technicians, film writers and film specialists. As the Akademi grows, it should establish Regional Centres in the major film producing States. State Governments should also set up Chalachitra Akademies with art theatres and branches of National Film Archive at the State level.

CHAPTER IV—PRODUCTION SYSTEM

23. Para 4.22 Film industry as a whole, including the production sector should be recognised as an industry and should be treated on par with atleast the hotel industry for various facilities.

24. Para 4.23 To free the producers from the clutches of financiers which indirectly adversely affects the quality of films, institutional finance through banks should be given on a fairly large scale for film production. Preference should be given to low budget films.

25. Para 4.24 NFDC should concentrate on its specific responsibility of financing good quality and artistic films. Artistic films should be given loan on liberal terms with low rates of interest. Conditions of collateral security should be relaxed and financial allocation should be considerably increased.

26. Para 4.30, 4.31 and 4.32 Regulation of film production is necessary only to the extent that there is need to discourage the entry of adventurers in film production, to ensure proper pre-planning and to prevent wastage of raw stock in inadequately planned projects. We are definitely against any measures involving prior scrutiny of scripts and pervasive control on the actual process of film making. We recommend that all film producers should be registered with the NFDC. While allocating raw stock the NFDC should take into account the previous production record of the producer, the state of planning including availability of script, financial plan, actual shooting schedule and signed contracts along with clear indication regarding the availability of dates for main artistes and technicians.

27. Para 4.33 All producers should submit a return to the NFDC on completion of film indicating the actual expense on the negative cost of the film.

28. Para 4.34 The Central and the State Governments and their film development agencies should encourage the formation of film cooperatives. The cooperatives should get preference for loans and other assistance for film making and for setting up production facilities.

29. Para 4.36 Big budget films indulge in extravagant expenditure and even take pride in this factor. It is necessary that the film industry should recognise the need for operating a sensible budget.

CHAPTER V—DISTRIBUTION AND EXHIBITION SYSTEM

30. Para 5.12 An indepth investigation into the system of theatre contractors in cities and towns should be undertaken by the concerned authorities under the MRTP Act.

31. Paras 5.14 & 5.16 The highly speculative nature of the film business is largely on account of the pressures of an unregulated distribution system. An executive division under the Department of Cinema should undertake compulsory licensing of distributors through an appropriate legislative enactment.

32. Paras 5.17 & 5.18 To discourage saturation release of film, Government should lay down maximum limits of theatres for simultaneous release of films in various centres and also excise duty should be steeply raised beyond 80 prints.

33. Para 5.19 Distribution territories should be recognised on a more rational basis, ideally on Statewise basis.

34. Para 5.22 We strongly feel that increasing the number of cinemas in the country is a matter of urgent necessity, requiring immediate attention on the part of the Government.

35. Paras 5.26 to 5.27 The theatre licensing rules should look at cinema theatres as a place of cultural activity rather than a cause of public nuisance. The fol-

lowing broad changes in the licensing policy for theatres should be made : (i) Detailed conditions applicable to the building of a cinema theatre should be removed from the licensing condition and theatres should adhere to the standard rules applicable to buildings for public assembly. Theatre licence should be based only on a few conditions necessary for proper viewing environment. (ii) Multiple theatres at one place and construction of theatres as part of commercial complexes should be encouraged particularly in major cities. (iii) There should be no condition as to the minimum size of plot. (iv) Building rules should not insist upon liberal parking space. (v) Requirements of fire safety should be revised, as now only safety base films are used. (vi) New theatres of 500 capacity should be eligible for almost automatic licensing for a period of five years. (vii) Licence once issued should be normally valid for five years.

36. Para 5.29 The Central Government should formulate the broad policy parameters for licensing of theatres to be adopted with suitable modifications in all parts of the country.

37. Para 5.31 Institutional finance through banks and public financial institutions should be made available on a liberal scale for theatre construction. Locational survey for selection of sites for theatres should be done on a scientific basis.

38. Para 5.32 We suggest the following broad strategy for speeding up theatre construction : (i) Adopting a target construction of 6750 additional theatres by 1985. (ii) The approach should be to provide theatres of 4 to 5 hundred capacity. (iii) Construction and operation of theatres should be recognised as an industrial activity for provision of institutional finance. (iv) Priority treatment for theatre construction on the same lines as given to hotel industry. (v) Amendment of IDBI Act 1964 for refinancing theatre construction. (vi) Preference for 16 mm theatres. (vii) encouragement of open air or semi-permanent theatres. (viii) special incentives as available to industries in backward areas. (ix) rural bias for theatre construction and (x) inclusion of theatres in town planning schemes and encouragement of travelling/touring theatres.

39. Para 5.33 Entertainment tax incentives for theatre construction should provide that (i) All new permanent or semi-permanent theatres in rural and semi-urban areas with a population of 25,000 or less should be completely exempted from entertainment tax for five years. (ii) In case of urban centres of more than 25,000 and upto 50,000 population, new theatres should be given entertainment tax exemption upto 50 per cent for five years. (iii) In case an existing theatre owner undertakes the construction of a new theatre in semi-urban or rural areas of upto 25,000 population, 1/4th of the total entertainment tax collected from his existing theatre for one year subject to a maximum of Rs. 1 lakh should be refunded to him as grant. (iv) All new theatres with projection facilities in 16 mm should be completely exempted from entertainment tax for five years, irrespective of their location. The exemption should apply to projection in 16 mm only.

40. Paras 5.34 & 5.35 NFDC should take initiative in standardising low cost theatre designs which can be straight away adopted by new entrepreneurs. For rationalising approach towards theatre construction two basic considerations should be kept in view i.e. mass production based on modular designs and the use of non-formal technology based on local conditions and materials.

41. Para 5.36 Formation of theatre cooperatives should be encouraged and these should receive the same preferential treatment as other industrial cooperatives, particularly in the small sector.

42. Para 5.39 Award winning films in regional languages do not get a national telecast. Doordarshan should arrange to obtain sub-titled prints from producers by paying the cost of sub-titling and make use of sub-titled prints available with the Directorate of Film Festivals. It should use simultaneous character generation techniques during transmission of films and para-dubbing for TV centres meant for rural areas.

43. Para 5.40 TV offers a very promising outlet for good films which has not been utilised in India. Doordarshan should provide a viable non-theatrical circuit for low budget good quality films. It should be obligatory for Doordarshan to telecast award winning films on all India circuit. Rates of payment for telecasting films should be suitably enhanced.

44. Para 5.41 Fees for telecast of regional films outside the linguistic zone should be substantially raised. Sub-titled films should be paid at the same rate as Hindi-films.

45. Para 5.42 Doordarshan should commission making of feature and short films particularly suited for the TV medium.

46. Para 5.44 Award winning films should be purchased in preference by Armed Forces Organisations, External Publicity Division, Field Publicity Units and Health and Family Welfare Units of Central and State Governments for non-commercial exploitation.

47. Para 5.46 While giving loans for theatre construction, 25 per cent option on playing time should be obtained by financing agencies for screening good films.

48. Para 5.47 Government should acquire, lease or construct one or two small size theatres in important cities and towns for exhibition of good films.

CHAPTER VI—FILM TECHNOLOGY AND RAW STOCK

49. Para 6.1 The Working Group had constituted a separate Study Group on Film Technology. The report of this Study Group should be treated as part of the main report.

50. Para 6.3 In view of the surplus availability of studio capacity the Government or its agencies should not construct more studios, particularly requiring heavy

investment. Instead, the State Film Development Corporations should provide financial assistance for modernisation of existing studios, set up mobile shooting facilities and assist entrepreneurs and film cooperatives for setting up similar facilities

51. Para 6.4 Indigenous availability of lighting equipment is generally adequate. However, the import of bulbs and sophisticated dollies should be liberalised.

52. Para 6.5, Movie cameras available in the country are in unsatisfactory condition. The import of cameras with suitable lenses should be liberalised and maintenance facilities for cameras should be set up. Import of reconditioned cameras should be encouraged.

53. Para 6.6 There is a shortage of professional sound equipment both of portable and studio variety. The import of this equipment should be liberalised. Some import of 1/4" magnetic tape should be allowed as the indigenous tape is not of professional quality.

54. Para 6.7 Inexpensive dubbing theatres of the type established by the Chitraklekha Film Cooperative at Trivandrum should be set up which will release sophisticated recording theatres for music recording. Import of equipment for modernising existing recording theatres should be liberalised and the use of crystal motors mounted on cameras should be encouraged.

55. Para 6.8 Import duties should be reduced on certain sophisticated sound equipments which are not suitable for indigenisation.

56. Para 6.9 HPF should take up manufacture of sprocketed magnetic tape and consider production of magnetically striped film.

57. Para 6.10 To encourage indigenous manufacture of editing equipment, financial support to entrepreneurs should be provided and import of certain components should be permitted.

58. Para 6.12 There is need to set-up a colour lab in Hyderabad. The proposal of the Films Division for a colour lab in Bombay should be re-examined taking into account the existing availability of lab facilities in Bombay. In the first instance only setting up 16 mm colour lab with direct blow up facility should be considered.

59. Paras 6.13, 6.14 and 6.15 There is need to improve the technical standards in the labs. Government should insist that labs provide their own generators. Existing labs should be modernised and proposed labs in public sector should provide for latest technology. Existing manufacturers of processing machines in India should be encouraged to take up manufacture of sophisticated colour plants.

60. Paras 6.16, 6.17 and 6.18 Considerable amount of silver is discharged in the chemical wash during processing of films. About 8 to 10 crores, of Rupees worth of silver per year can be recovered from the chemical bath. It should be compulsory for all labs to set up silver recovery plants. Films Division lab in Delhi

should also provide for a silver recovery plant. Standards of silver recovery should be laid down after scientific investigation. Recovered silver should be handed over to HPF and the labs should be reimbursed only the processing cost of silver recovery. HPF should pay an equivalent amount into a Film Development Fund to be set up by the Central Government. Alternatively benefit of recovered silver should be passed on to the producers by reducing the price of HPF raw stock.

61. Para 6.19 Films Division should set up a plant for recovery of silver from waste film.

62. Para 6.20 The norms for wastage allowance of raw stock for labs, recommended by the Expert Committee set up by the Government, should be quickly implemented.

63. Para 6.22 The sector of labs needs to be regulated from the viewpoint of quality assurance proper raw stock management, elimination of unauthorised prints, prevention of excise evasion and proper account of silver recovery. A proper system of licensing for labs should be introduced through the Department of Cinema. This Department should be assisted by a Monitoring Committee of technicians which should undertake periodic checks of labs to ensure quality performance.

64. Para 6.24 A public sector corporation should be asked to take up development and manufacture of 35 mm and 16 mm projectors in addition to the present manufacturers.

65. Para 6.25 There should be a switch over from arc carbons to Halogen or Xenon lamps for projectors, which can be developed by the Central Electronics Ltd. Ghaziabad.

66. Para 6.26 Entire requirement of theatre sound equipment can be met indigenously and no import should be allowed.

67. Para 6.27 To maintain proper standards of projection, there should be a Standing Committee of independent technicians in every State. The members of this Committee should carry out surprise inspection and report their findings to the State Government. Facilities for training of projectionists employed in theatres should be set up by the local film industry (Exhibitors' Association) either independently or in collaboration with the State Government.

68. Paras 6.28 & 6.29 Cinema today reaches primarily literate audience, therefore, sub-titling is the appropriate technology. A couple of entrepreneurs should be allowed to import modern sub-titling equipment. The possibility of handing over the sub-titling machine lying with the FTII to some private organisation should be explored.

69. Para 6.30 The Films Division should take up sub-titling of documentary films or fiction type short films and NFDC of feature length films. The State Film Development Corporations should develop sub-titling technology in the languages of their own regions.

70. Para 6.33 The organisational and management set up of the HPF should be redesigned on the lines of a corporate structure and segregation of activities into different business groups.

71. Para 6.34 Immediate action should be taken to set up facilities for manufacture of colour raw stock indigenously.

72. Para 6.35 NFDC should develop a scientific method for estimating the requirements of raw stock annually as also on a long-term basis.

73. Para 6.36 Import of raw stock under REP licences should be allowed even of the type which is manufactured by HPF and also by producers of award winning films.

74. Para 6.38 HPF should be brought under the Ministry of Information and Broadcasting instead of Ministry of Industries, as the film industry is the major consumer of HPF products.

75. Paras 6.39 & 6.40 The overall capability demonstrated by even current levels of achievement for indigenous manufacture of film equipment is extremely promising. Financial assistance should be provided to the entrepreneurs by the State Governments, the Central Government and the NFDC to encourage indigenisation.

76. Paras 6.42 & 6.43 16 mm is the appropriate technology from the view-point of cost, flexibility, need to expand exhibition outlets in semi-urban and rural areas etc. There are serious gaps in the availability of this technology in India in regard to cameras, re-recording and mixing facilities, processing and blow up facilities, as also projection equipment. The Government should provide all facilities for development of complete infrastructure for making and exhibition of films in 16mm. For this purpose there should be a complete customs holiday for a period of two years for import of 16 mm equipment without customs duty and without import licence.

77. Para 6.45 A strategy similar to 16 mm should be adopted for development of complete infrastructure for Super 8 production/reduction and exhibition.

78. Paras 6.46, 6.47 & 6.48 Video technology has tremendous potential for use in formal education, social education, developmental communication and for making film production more professional and economical. Import of video equipment should be initially allowed for educational institutions, film makers, field publicity units and other specialised agencies involved in community and rural development programmes. Indigenisation of this technology should be considered subsequently.

79. Para 6.50 Government should consider granting a complete customs holiday for a limited period of one or two years to import any film equipment which is not manufactured in the country or where the Indian equipment is not of international standard. Since film technology is not an item of mass consumption, the overall requirement of foreign exchange will not be very high.

80. Para 6.51 A list of items which are being currently manufactured in the country and a list of items which can be taken up for development and manufacture is given in Annexures III and IV of the Report on Film Technology.

81. Para 6.52 Two separate centres for Research and Development of Film Technology should be established and located in two of the most prolific film making regions of the country.

82. Para 6.53 For promoting research and development in the area of film technology, a three-tier structure is recommended : (i) A Film Technology Monitoring Cell under the Ministry of I & B ; (ii) Two Centres of Film Technology; (iii) Financial and technological support to individual entrepreneurs. Import of latest equipment should continue to be permitted until the locally produced technology has been marketed and comes up to international standards.

83. Para 6.54 To keep Indian film makers abreast of the latest developments, an International Cinema Equipment Exhibition should be organised along with India's International Film Festival. This should also help in the export of Indian film equipment.

84. Para 6.57 All studios, including dubbing theatres and recording theatres, mobile shooting units and equipment hirers should be registered with the NFDC. This will help to monitor overall availability of facilities and also facilitate sponsoring import applications.

CHAPTER VII—TAXATION POLICY

85. Para 7.10 In formulating entertainment tax policy the following objectives should be kept in view :—

- (i) To encourage construction of small theatres of about 500 seats, preferably with 16 mm projection facility, particularly in semi-urban and rural areas.
- (ii) To levy tax keeping in view the capacity to pay.
- (iii) To help in the wider circulation of good quality artistic films and children's films.
- (iv) To rationalise tax rates and simplify procedures.
- (v) To increase income by expanding theatre network and not by increasing rate of entertainment tax.

86. Para 7.12 An all inclusive entertainment tax rate should be fixed and no additional taxes such as surcharge, additional surcharge, municipal show tax etc. should be levied. This all inclusive entertainment tax should be 20, 30, 50, 75 and 100 per cent on basic admission rates of upto Re. 1, Rs. 2, Rs. 3, Rs. 4 and more than Rs. 4 respectively.

87. Para 7.14 There should be a statutory provision that all theatres should provide at least 20 per cent of the seats in the lowest class or tickets and not more than 20 per cent of the seats in the highest class.

88. Para 7.17 We strongly recommend that the compounding system of entertainment tax should be adopted in all States for semi-permanent and mobile theatres and for permanent theatres in towns upto 50,000 population.

89. Para 7.18 All National and State Award winning films, 'Q' certificate films and children's films should be permanently exempted from entertainment tax instead of exempting them only for a limited period. In granting exemption there should be no insistence to reduce the basic admission rates, except to the extent of excluding entertainment tax.

90. Para 7.19 All theatres run by the Chalchitra Akademi, the State Film Akademies or any other body specifically devoted to the promotion of cinema as an art form should be permanently exempted from entertainment tax.

91. Para 7.20 The rates of entertainment tax should in no case be discriminatory on the basis of 'U' or 'A' nature of the Censor Certificate or on the basis of a film being in black and white or in colour.

92. Para 7.21 We support the recommendation made by the earlier Committees that 10 per cent of the entertainment tax should be earmarked for the development of the film industry.

93. Para 7.22 There should be no separate show tax or local tax in addition to an all inclusive entertainment tax. State may share a part of their receipts with the local bodies.

94. Para 7.26 A downward revision of excise duty on prints should be undertaken. In such a revision the following points should be kept in view :—

- (i) The number of exempted prints should be increased from 12 to 20.
- (ii) Excise duty on additional prints should be fixed on slabs of 20 prints and the rates should be kept low upto 80 prints. The rates should be steeply raised for more than 80 prints which will be only required by big budget films.
- (iii) The enhanced exemption limit of 20 prints should operate irrespective of the period within which the prints are taken out. The rule of charging low rates of excise duty after 1 year should apply only for more than 20 prints.
- (iv) Difference in the rate of excise duty on colour prints and black and white prints should be reduced by bringing down the excise on colour prints.
- (v) To promote good quality artistic films, the prints of National and State Award winning films should be exempted from excise duty.
- (vi) Prints of films with 'Q' certificate should be charged duty at 50 per cent of the normal rate.

- (vii) All prints of 16 mm and smaller formats should be exempted from excise duty.
- (viii) The principle of levying higher rates of excise duty on prints of more than 4000 feet length should be retained to discourage production of unduly long films.
- (ix) All prints required by the National Film Archive, the Central and the State Akademies and the Children's Film Centres should be exempted from excise duty.

95. Para 7.29 As a general principle all short films except advertisement films and trailers should be exempted from excise duty on prints. If for some reason this basic change in principle is not acceptable, at least short films which are approved for compulsory release should be completely exempted from excise duty.

96. Para 7.30 As suggested in the case of 16 mm feature films, prints of 16 mm short films, except advertisement films and trailers, should be exempted from excise duty.

97. Para 7.31 All Short films/non-fiction films produced or sponsored by educational and cultural institutions, scientific and training establishments, research organisations etc. which may not be meant for theatrical circulation should be exempted from excise duty whether made in 35 mm or 16 mm.

98. Para 7.32 Excise duty on film equipment manufactured in India ranges from 25 to 40 per cent and is quite reasonable. Excise exemption of 16 mm and smaller projectors should continue.

99. Para 7.35 There should be a customs holiday for import of any film equipment not manufactured in India for at least one or two years and particularly a customs holiday for all 16 mm equipment for a period of two years for building of 16 mm infrastructure. This will mean exemption from customs and permission to import on OGL basis.

100. Para 7.36 On a general consideration the overall rates of customs duty on film equipment should not exceed 40 per cent.

101. Para 7.37 There is a case for reduction of customs duty on jumbo rolls as excise duty is again charged on this raw stock when prints of films are taken out.

102. Para 7.38 Art films for non-commercial exploitation and children's films should be exempted from customs. Customs exemption for films imported by the National Film Archive should continue.

103. Para 7.40 Deduction of a percentage of the capital employed in new industries for income-tax purposes, as admissible for other industries, should be extended to the film industry.

104. Para 7.41 Income-tax rebate by way of investment allowance or development allowance on 25 per cent of the cost on new machinery, as given to other industries, should be given to all sectors of the film industry.

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105. Para 7.43 Fully paid annuity policies are now taken into account for wealth-tax assessment. Perhaps a better approach would be to add the annual premium equivalent of the annuity policy to the taxable income of the concerned artiste/technician and exempt the policy from wealth-tax.

CHAPTER VIII—SHORT FILMS

106. Para 8.11 For effective use of film medium for development, the film making activity of the Films Division should be decentralised. The film making process and the film maker should be brought closer to the people at the grassroot level where developmental activities are taking place.

107. Paras 8.21 & 8.22 The overall role of the Films Division as a producer of short films should be re-defined. Films Division should be converted into an organisation of facilities which should be made available for short film making in all the regions. Almost the entire production of short films should be assigned by the Films Division to independent film makers. The existing personnel of the Films Division should be diverted to specialised tasks such as need assessment studies identification of projects, collection of information, preparation of an outline and estimates and collection of feed-back information.

108. Para 8.23 The panel of film makers maintained by the Films Division should be enlarged and made more representative.

109. Para 8.24 The rates of payment for independent film makers engaged by the Films Division should be re-fixed on a realistic basis taking into account the time value of the talent employed. The cost of films should be determined by negotiations and the tender system should be abolished.

110. Para 8.25 In drawing up the annual production programme, people involved in developmental activities and film makers should be actively involved. A proper need assessment organisation under the Films Division should be created, which should undertake research in regard to the needs of not only the urban theatrical audience but more so for the rural audience. For such studies help of Field Publicity Units, University Extension Services and the research theses available in the universities should be taken.

111. Para 8.26 The annual production programme should be widely advertised and made available to organisations of film makers.

112. Para 8.27 The present attitude of mainly relying upon suggestions from various Ministries for designing production programme should end. If specific Ministries insist upon making films to meet their own needs, the cost of production should be borne by the concerned Ministries.

113. Para 8.28 There should be in an audience Research Cell in the Films Division for continuously monitoring reaction to its own films. This should be an addition to the periodic evaluation being done by the Department of Evaluation Studies.

114. Para 8.29 The number of short films being produced by the Films Division should be substantially increased and specially localised films meant for the rural audiences for circulation through non-commercial circuits. The number of prints per film may be reduced. Most subjects of immediate rural concern cannot be treated effectively in films designed for national release.

115. Para 8.30 For making films for the rural audience appropriate technology such as 16mm or Super 8 should be employed.

116. Para 8.31 Films Division should opt for a genuine federal structure and production branches, along with production facilities should be set up in all the regions where film making talent is available. These branches should have the authority to engage local talent for film making without referring to the Head Office.

117. Para 8.32 Available time of 20 minutes in theatrical circuits should be fully utilised. Licensing rules should require that the approved film is shown *immediately* before the feature film.

118. Para 8.33 The Central Field Publicity set up should be vastly expanded and closely coordinated with the State set up. The State Government should pay for the cost of prints supplied by the Films Division.

119. Para 8.34 Exhibition outlets exclusively devoted for screening of short films at railway stations and bus terminals should be set up and the outlets of educational institutions and factories should be fully utilised.

120. Para 8.35 The major expansion of developmental communication in future is likely to be through television. There should be close co-ordination between the Films Division and the Doordarshan for production of films and TV features for rural audience. The Films Division should also make short films particularly suited for telecast.

121. Para 8.36 The overall style and format of documentary films should change from a single language commentary and greater use of dialogues should be made. For this purpose Films Division should switch over to sub-titling of dialogues of films in regional languages for different circuits rather than relying upon single language commentary.

122. Para 8.37 The Films Division should continue to make films of sensitive nature for the Ministry of Defence and the Ministry of External Affairs. It should also make specialised films which require long period of observation.

123. Para 8.38 Films Division should change over from Weekly News Review to Weekly News Magazine. It should treat topical items in depth as is done in feature articles in newspapers. Features on contemporary subjects from film makers should be incorporated in News Magazines.

124. Para 8.39 Immediate steps should be taken by the Films Division to develop expertise for the production of scientific and educational films in collaboration with educational and scientific establishments. A Research Cell should be created which should assess the requirements of films for educational institutions.

125. Para 8.40 Films Division should create necessary infrastructure for experimentation and development of animation and analogous technology, acquire the latest equipment and train personnel in this technology.

126. Para 8.41 The functions of film Advisory Board should be merged with the Censor Board.

127. Para 8.42 The scope of the scheme for compulsory exhibition of films should be enlarged to include all types of artistic short films, films of social relevance and even short fiction films.

128. Para 8.43 Apart from the role of short films as medium of conveying social message, its status as a creative art form should be recognised. The purchase of short films from independent film makers by the Films Division should be increased and should cover not only message oriented films but all categories of artistic short films.

CHAPTER IX—CHILDREN'S FILMS

129. Para 9.11 & 9.12 After surveying the work done by the Children's Film Society (CFS) and the present state of children's films in India the Group feels that the children's film movement cannot grow in isolation and should be brought under a much larger central organisation, with parallel organisations at the State level such as the Chalachitra Akademi. The Akademi should set up and operate a Children's Film Centre and similar Centres should be set up under the State Akademies at State level.

130. Para 9.13 & 9.14 The Centre under the Central Chalachitra Akademi should not directly produce children's films but should aim at promoting the production, distribution and exhibition of children's films. It should undertake research into the requirements of films for Indian children and help to expand the scope of this genre. It should import films for children, export and exchange children's films with other countries, and undertake sub-titling of children's films in regional languages including foreign films in Indian languages.

131. Para 9.15 The Centre should hold a separate annual Children's Film Festival and Children's International Film Festival periodically. The Akademi should provide for a separate section in the Documentation Centre and the National Film Archive devoted to children's films.

132. Para 9.16 The Centre under the Central Akademi should maintain an extensive lending library of films which should be made available to the Centres in the State Akademies, schools, colleges and other organisations involved with children's activities. It should run regular shows for children at its own theatres as also be hiring outside auditoria.

133. Para 9.17 The Children's Film Centres should work in close coordination with educational agencies, distinguished people engaged in the non-formal education and creative people from all over the country. It should resist exclusive involvement with urbanisation and should not be allowed to be monopolised by socialites. The Centre should run primarily on the basis of a grant from the Government but should supplement its resources from the distribution and exhibition activity.

134. Para 9.18 & 9.19 It is impossible for any single organisation to reach a significant section of the children population. Therefore, every State should set up Children's Film Centre under the State Film Akademies. For this purpose Central Government should give a matching grant to the State Governments. The Chalachitra Akademi should have the right to nominate an agreed percentage of members on the Management Committees of the State Children's Film Centres.

135. Paras 9.20 & 9.21 The State level Centres should perform all activities indicated for the Centre under the Chalachitra Akademi except import, export and preservation of films. State Centres should undertake production of children's films by assigning films to independent film makers and by involving people from different fields who are connected with children's activities.

136. Para 9.22 The Children's Film Centres should maintain film equipment to give participative demonstration and for recording feed-back of children's reactions to the films.

137. Para 9.23 Children's films should be screened in special auditoria attached in the Centres. However, generally the films would have to be taken to the schools and screened in consultation with the school authorities. For this purpose, the Centre should have mobile projection vans.

138. Para 9.24 TV offers tremendous potential for the exhibition of children's films. Children's Film Centres should coordinate with the television for production of children's films suited for telecasting and the Government should give directions to TV for providing greater exposure to children's films.

139. Para 9.25 For reaching non-school going children in the villages, exhibition facilities available with Field Publicity Units of the Central and State Governments, voluntary and semi-Government organisations engaged in children's fields should be utilised.

140. Para 9.26 Considering the exhibition outlets, children's films should be primarily produced in 16 mm format.

141. Para 9.27 There should be no excise duty, entertainment tax, show tax or any other local tax on the shows of children's films. Exemption should be automatic on the Censor Board classifying a film as "children's film".

142. Para 9.28 The Children's Film Society should be wound up and its activity should be transferred to the proposed Centre under the Akademi. This Centre should be located at Delhi. The project for setting up a children's complex, including the studio in Bombay, under the CPS, should be immediately stopped.

CHAPTER X—IMPORT AND EXPORT OF FILMS

143. Para 10.2 The basic policy objective of importing films should be to import films of artistic and technical achievements from all over the world. A secondary objective should be to allow import to the extent it is linked with export of Indian films.

144. Para 10.11 (i) Import canalisation of feature films should continue and NFDC should remain the canalising agency. A limited quota of imported films should be given to exporters or producer-exporters to import films from the countries to which Indian films are exported.

(ii) There should be an overall limit on the number of films to be imported. The films being imported from MPEAA sources should be substantially reduced and the import by NFDC and other agencies from other film making countries, including the Third World, should be increased.

(iii) Quality considerations should apply to the import of all films. Government should constitute a Screening Committee consisting of film makers, film critics, representatives of Chalachitra Akademi, NFDC, Censor Board, and Ministry of I & B to preview films before import.

(iv) Import of art films for non-commercial exploitation and import of children's films should be primarily handled by the Chalachitra Akademi.

(v) The NFDC should continue to collect canalising charges on imported films except on non-commercial art films and children's films imported by the Chalachitra Akademi and its agencies. The canalising fee should be levied not on the C.I.F. value but on the market value of imported films.

145. Para 10.12 The NFDC should obtain TV exhibition rights for India on an option basis while importing films.

146. Para 10.13 There should be no customs duty on import of art films by the Chalachitra Akademi, the National Film Archive and also NFDC in case NFDC also imports films exclusively for non-commercial circulation.

147. Para 10.14 Free import of short films under OGL should continue.

148. Paras 10.16 & 10.17 The policy objective for export of Indian films should be to fully exploit the foreign exchange earning potential. There is no need for special censorship for export of films.

149. Para 10.19 Canalisation of export of Indian feature films should continue as it has reduced malpractices, helped to monitor export markets and resulted in increasing the sale price per film.

150. Para 10.22 In addition to being a canaliser of export, the main function of NFDC should be promotion of exports. For this purpose NFDC should set up Regional Marketing Centres in important foreign markets for Indian films which should handle both import of foreign films and export of Indian films. These Centres should be staffed by a specialised cadre and provide help and advice to Indian exporters.

151. Para 10.23 The Regional Marketing Centres of NFDC should enter the field of exhibition in some important countries such as U.K., Indonesia and Latin America to create a regular show window of Indian cinema. Indian exporters and producers should be encouraged to operate theatres in foreign countries.

152. Para 10.24 NFDC should create facilities in India for quality sub-titling in foreign languages to provide sub-titled prints of Indian films for export.

153. Para 10.25 Co-productions with foreign countries should be encouraged and procedural restrictions should be simplified. A fixed foreign exchange allowance per member of the film unit should be given for shooting abroad.

154. Para 10.26 For exploitation of TV outlets abroad it is necessary to concentrate on the artistic films from India. NFDC should help to prepare shorter versions of such films which can fit into TV slots. Export contracts should have a separate clause providing for additional payment if TV rights are exploited.

155. Para 10.27 In addition to the Films Division, NFDC should also export short films which have a huge market on the foreign TV circuits.

156. Para 10.28 A small inter-ministerial committee should examine the existing export procedures for films with a view to simplifying the same.

157. Para 10.29 The additional commission levied by the NFDC for direct export of films should be reduced from 15 per cent to 10 per cent. In case of territories exclusively handled by NFDC, third party deals should be under-written by levying a commission of 5 per cent in addition to canalisation charges.

158. Para 10.30 The opportunity offered by India's International Film Festival for promoting export of Indian films should be properly utilised. Market Section should provide support facilities for marketing of Indian films by independent exporters. The expenditure of the Market Section should be met from the canalisation charges collected by the NFDC.

159. Para 10.31 To promote the export of regional films, NFDC should set up full-fledged offices in film making regions with full authority to clear contracts for export.

160. Para 10.34 The sale of video right for foreign buyers along with the export of Indian films should be allowed. NFDC should itself set up a pilot plant for transferring Indian feature films to video cassettes for export. In addition one or two manufacturers should be licensed for manufacture of video cassettes of Indian films exclusively for export.

CHAPTER XI—PROMOTIONAL ACTIVITIES OF THE CENTRAL GOVERNMENT

161. Para 11.4 We envisage that a complete review of the National Film Awards scheme will be undertaken once this activity is transferred to the Akademi. In the intervening period action should be taken on the following lines to make the Awards scheme more attractive :—

- (i) The National Awards for Children's Films should be held separately so that the children's films receive proper national attention. The number of awards should be expanded to include Best Educational Film for Children, best Original Story Idea for Children's Film, the Best Music Score for Children's Film and the Best Short Film for Children. In view of the present shortage of films for children the cash award should be substantially increased.
- (ii) The Award for the Best Feature Film with Mass Appeal, Wholesome Entertainment and Aesthetic Value should be replaced by an Award for the Second Best Feature Film. Awards for Best Feature Film on National Integration and Best Playback Singers should be discontinued.
- (iii) The value of cash awards for the Best Feature Film, Second Best Feature Film and Best Regional Films should be substantially raised.
- (iv) A new award for the First Feature Film of a Director should be introduced.
- (v) Cash value of the awards for individual distinction should be of the same as for Best Acting and Best Music Direction.
- (vi) There should be a separate Jury Award to cover any special distinction which may not be covered by the scheme of awards.
- (vii) The Award for the Best Sound Recording should be re-designated as the Award for Best Audiography and should be shared by the Recordist and Re-recordist.
- (viii) While giving the Award for the Best Cinematography, a Certificate of Merit should be given to the concerned laboratory.
- (ix) In case of short films, the cash award to the Producer and the Director should be the same and the award money should be suitably increased.

162. Para 11.5 The Jury for feature and short films should be drawn from people who are exclusively concerned with cinema. In the Jury for short films, an educationist should be included in view of the award for the Best Educational Film. The Jury should be constituted well in advance of the screenings.

163. Para 11.7 Effort should be made to take full advantage of Cultural Agreements with foreign countries and the number of Film Weeks being organised in India and abroad should be substantially increased.

Foreign film delegations should be brought in contact with the Indian film makers. Indian film makers should be included in the delegations which accompany Indian films to be presented as Film Weeks in foreign countries.

164. Para 11.8 A proper machinery for ensuring prompt return of prints should be set up. This should be the specific responsibility of the official who accompanies the delegation. Help of the Indian Missions abroad should be effectively enlisted.

165. Para 11.9 and 11.10 Regional Selection Panels for selection of films for foreign film festivals should be discontinued and all the offered films should be scrutinised by the Central Panel.

166. Para 11.11 Participation in foreign film festivals should be considerably increased. A careful short-listing of important film festivals, specialised film festivals and others should be done. The Central Panel should recommend films only for important general category festivals. Apart from the official entry, producers should be free to send their films to any festival.

167. Para 11.12 It should be the specific responsibility of the agency sponsoring Indian films in foreign festivals to actively promote works of lesser known film makers, so that the number of internationally known Indian film makers gradually expands.

168. Para 11.13 Participation of Indian film makers and exporters in foreign film festivals at their own expenses should be encouraged. The number of civil servants going with official delegations should be reduced.

169. Para 11.14, 11.15 and 11.16 The Competitive International Film Festival of India does not provide any intrinsic advantage in terms of quality of films, promotion of Indian cinema, interaction between film makers etc. over a non-competitive film festival. Even third world countries prefer to send their best films to competitive festivals in the West. India should, therefore, hold only a non-competitive film festival every year on the lines of a 'Festival of Festivals'. Within this concept, a more systematic effort should be made to provide for a strong Third World representation.

170. Para 11.17 The market forum of the International Film Festival should be systematically used to promote the export of Indian films. The NFDC should purchase most of the imported films through the market. Third party deals in the market should be promoted.

171. Para 11.18 Selections of films for the Indian Panorama should be done by the same Central Panel which selects films for participation in foreign film festivals. Until the Akademi becomes operational, the responsibility for putting together the Indian Panorama should continue to rest with the Directorate of Film Festivals.

172. Para 11.19 In addition to the Panorama of artistic films there should be a separate Market Panorama. This should be organised with adequate publicity and fanfare by the NFDC with the film industry.

173. Para 11.20, 11.21 and 11.22 The Festivals should provide a good standard of hospitality to delegates but the 5-star concept should be given up. The number of Indian and foreign delegates should be increased and admission rates to theatres should be kept low. Festivals everywhere run at a loss and receive financial help. Indian Festivals should also receive financial support from the Government or the NFDC. Festivals should be organised by the NFDC as already recommended in Chapter III.

174. Para 11.23 As already suggested in Chapter VI there should be a Film Equipment Bazaar in our International Film Festival which should display the film equipment available in foreign countries as also the equipment manufactured in India.

175. Para 11.24 In organising the International Film Festival, NFDC must involve all sectors of the Indian film industry and organisations like the Chalachitra Akademi.

176. Para 11.25 There is need for a number of specialised International Film Festivals in addition to an annual major event, such as International Children's Film Festival, International/Festival for Short Films, specialised market film festivals and Film Weeks.

CHAPTER XII—NATIONAL FILM DEVELOPMENT CORPORATION

177. Para 12.7 The overall chapter of the NFDC should be to help in the general development of the film industry and to particularly help in the development of good cinema in the country. NFDC should be a financially viable organisation but because of its developmental role, it should not aim at profit maximisation.

178. Para 12.8 NFDC should specifically undertake the following activities :—

- (i) Financing of low budget good quality film and production of films of high artistic interest by commissioning deserving film makers.
- (ii) Development of distribution and exhibition facilities for films which it finances as well as other good films.
- (iii) Financing of theatre construction preferably small theatres equipped with 16mm, with lien on a part of the playing time and directly owning or managing theatres wherever advisable and necessary.
- (iv) Registration of producers, studios, and equipment hirers.
- (v) Encourage formation of film cooperatives for film production and exhibition.
- (vi) Canalising import of films, direct import of good quality films.

- (vii) Canalising export of films, research in export market, development of non-traditional markets, general promotion of export of films, special attention to the export of low budget good quality films in regional languages and export of short films;
- (viii) Represent technology and equipment requirements of the industry to the Government and sponsor applications for import of equipment without canalisation. It should continue to canalise import of raw stock and regulate its distribution.
- (ix) Financial assistance to entrepreneurs engaged in indigenisation and manufacture of film equipment.
- (x) Development of sub-titling facilities for Indian films in foreign languages and foreign films in Indian languages.
- (xi) Loans for setting up and modernisation of studios, labs and other allied facilities.
- (xii) Coordination with State Film Development Corporations.
- (xiii) Helping the growth of proper representative organisations/associations of film industry.
- (xiv) Organisation of the International Film Festival of India and also specialised festivals for short films and marketing of films.

179. Para 12.9 The Management Board of the NFDC should consist of 50 per cent of the Directors drawn from the representatives of the Central and the State Governments and the remaining 50 per cent to be drawn from the film industry. The latter should include adequate representation to film makers and technician who are generally identified with artistic cinema.

180. Para 12.10 NFDC must opt for a genuine federal structure and set up proper regional organisations with specific fund allocation and clear authority for decision making. For this purpose the Board of Management should function in important film making regions.

CHAPTER XIII

PROMOTIONAL ACTIVITIES OF THE STATE GOVERNMENTS

181. Para 13.28 & 13.29 Though a large number of States are involved in film promotional activities, there is a general lack of clear strategy and well defined perspective for undertaking development of film industry and helping the growth of good cinema. There should be a State Chalachitra Akademi/State Film Akademi in every major State for promotion of cinema as an art form on an entirely non-commercial basis and a State Film Development Corporation to provide financial help and infrastructural support for the development of film industry and good cinema.

182. Para 13.30 The broad range of activities of the State Film Akademies should include State Film Awards, operation of art theatres, maintaining a film

lending service, helping film society movement, introduction of courses in film appreciation in schools and colleges, holding festivals of Indian films and Film Weeks of foreign films, operating film information and Documentation Centre, and running a Children's Film Centre. Provision should be made to accommodate branches of the National Film Archive.

183. Para 13.31 & 13.32 The State Film Development Corporations should broadly follow the range of activities suggested for the NFDC except important export of films and canalisation of raw stock. The Corporation should advise State Governments on the simplification of cinema licensing rules and development of incentive scheme for exemption from entertainment tax.

184. Para 13.33 The State Corporation should assist in getting equipment import applications sponsored through the NFDC and monitor the export of films from the State. It should intervene with the NFDC in case the export of films from the State does not receive enough support from the NFDC. The Corporation should enter into bilateral arrangement with Corporations of other States for the exhibition of its films in other States and vice versa. It should provide preferential treatment to artistic films in every sphere.

185. Para 13.34 The State Corporations should make investments in those areas of film technology such as animation in which private entrepreneurs may not be interested to make investment. It should not undertake heavy capital intensive projects such as studio complexes which are likely to be beyond the reach of low budget film makers. Instead it should provide inexpensive mobile shooting facilities. The concept of low budget must permeate the total activities of the corporation. Formation of film cooperatives should be encouraged.

186. Para 13.35 In major film producing States, the State Corporations should set up equipment maintenance and repair facilities, either directly or by financially assisting independent entrepreneurs.

187. Para 13.36 The State Corporations and State Akademies should receive adequate financial resources from the State Governments. As in the case of NFDC, the State Corporations should operate on the basis of financial self-sufficiency but not profit-maximisation. 10 per cent of the revenues earned by the State by way of taxes on the film industry should be earmarked for providing resources to the State Film Akademies and the State Film Development Corporations.

188. Para 13.37 The organisations at the State level must maintain close coordination with the organisations at the Central level i.e. the NFDC and the Chalachitra Akademi. The State level organisations should visualise their role in the overall perspective of developing good cinema on a national basis.

CHAPTER XIV—CENSORSHIP

189. Para 14.6 Statutory pre-censorship of films should continue.

190. Para 14.9 Government must lay down clear guidelines for the appointment of the Chairman and members of the Censor Board, which should keep in view the broad qualifications recommended by the Khosla Committee. The guidelines should provide for adequate representation of people drawn from the film industry including those involved in the creative aspects of film making.

191. Para 14.12 & 14.13 in Section 5(B)(1) of the Indian Cinematograph Act which follows Article 19(2) of the Constitution the words "the Sovereignty and integrity of India" appear to have been left out. The Act should be suitably amended.

192. Para 14.5 & 14.16 The power of the Central Government to give detailed guidelines to the Censor Board erodes the independence and authority of the Censor Board. The Censor Board should have the freedom to evolve its own code and guidelines within Article 19(2) of the Constitution as suggested by the Khosla Committee.

193. Para 14.19 The Cinematograph Act should be amended to take away the revisional and appellate powers of the Central Government over the decisions of the Censor Board in all cases except where issues are involved which have a bearing on (i) the sovereignty and integrity of India, (ii) the security of the State, and (iii) friendly relations with foreign States.

194. Para 14.20 Government should set up a Standing Tribunal to be headed by a person with judicial background to hear appeals against the decisions of the Censor Board. The Tribunal should include an eminent film maker while hearing appeals. Appeal should lie with the Tribunal in all cases except in the three specific areas mentioned in para 14.19 where the revisional and appellate powers will rest with the Central Government.

195. Para 14.24 An intermediary censor classification should be introduced which may be designated as 'UA'. This will indicate that the film is approved for universal exhibition but contains material which the parents may not like children upto the age of 12 to see. This certificate will be purely advisory.

196. Para 14.25 & 14.26 In granting 'A' certificate a puritanical approach towards depiction of sex should not be adopted but a stricter view should be taken regarding the depiction of excessive, sadistic and debasive violence.

197. Para 14.27 Censor Board has generally adopted a rigid approach regarding the exposure of corruption in relation to established authority such as police, political government etc. Cinema like literature has to be given the freedom for social and political comment.

198. Para 14.28 & 14.29 Censor Board should give a 'Q' certificate indicating that a film has definite artistic quality. This should be supported by exemption from entertainment tax and excise duty for such films. This

certificate should be recommended by a separate committee attached to the Censor Board consisting primarily of film makers, film critics and people from allied arts. Only those films should be considered for 'Q' certificate where the producers specially request for such a consideration.

199. Para 14.30 All nominations to the Advisory Panels of the Censor Board should be made by the Censor Board itself and not by the Central Government and these should provide adequate representation to film makers and artistes other fields.

200. Para 14.32 The membership of the Censor Board should be suitably enlarged. Each Regional Office should be headed by a full time member to be called Regional Chairman and there should be at least 2 or 3 non-official members in each region. Every Examining Committee should include either the Regional Chairman or a non-official member of the Board. The Regional Chairman should have full authority to grant censorship certificate so long as the decision is not contested by the applicant. In case the decision is contested, the present procedure of a Revising Committee should be followed.

201. Para 14.33 The Regional Officers of the Censor Board should not function in an insulated atmosphere. There should be an Advisory Committee largely drawn from the film industry, to assist the Regional Chairman in resolving procedural and policy problems.

202. Para 14.34 Considering the fact that Karnataka, Kerala and Andhra Pradesh are now producing a large number of feature films every year, there is need to set up Censor Board Offices in Bangalore, Hyderabad and Trivandrum. Similarly as and when film making activity expands in other regions, suitable expansion of the Censorship machinery should be considered.

203. Para 14.35 The autonomy of the Censor Board should be statutorily guaranteed and it should cease to function as a department of the Ministry of Information and Broadcasting. The Chairman and members should be appointed for a fixed minimum tenure of three years.

204. Para 14.36 The status of the Chairman of the Board should be at least of the rank of Secretary to the Government of India and of the full time members of at least Joint Secretary to the Government of India.

205. Para 14.37 The Board should be given a fixed budget and should be left free to manage its own affairs. The Censorship function is basically in the nature of policing function and it is the responsibility of the Government to meet the expenditure of the Board.

206. Para 14.38 To discourage violation of censorship, the Censor Board should maintain a video copy of the censored films and have a nucleus cell of enforcement staff to carry out spot checks. It must be a legal responsibility of the labs that except for the print required for censorship no other prints of a film are prepared until the film has been censored.

CHAPTER XV—TRAINING FACILITIES

207. Para 15.9 Government should constitute an Expert Committee, which should undertake a scientific study of the overall training requirements in different disciplines of film making and suggest a long-term training plan.

208. Para 15.10 The Expert Committee should also examine the reasons for low acceptability of FTII graduates, suggest ways and means for improving the rapport between the industry and the FTII without weakening the role of FTII as a catalyst of change.

209. 15.12 There is an urgent need for the FTII to consider expansion of its training facilities. The FTII should aim at developing into an institute of excellence not only for meeting our own needs but also for providing advanced training to students from Asian and Third World countries.

210. Para 15.13 FTII should take up advanced training in film processing, production management and in specialised techniques such as animation, miniaturisation, special effects, high speed photography, under water photography, process photography, etc. Refresher courses for working technicians in the advanced technique of film making should be started at the earliest.

211. Para 15.14 FTII should develop proper machinery for monitoring the latest developments in film technology. Its library should be expanded to become a proper information and documentation service.

212. Para 15.15 A section of the Institute should work on the lines of an open university which should offer capsule courses in specialised areas to any person who fulfils the basic minimum qualification and who is willing to pay the cost of the course.

213. Para 15.16 FTII should develop a proper student exchange and a teacher exchange programme with foreign training institutes.

214. Para 15.17 The present approach to involve film makers and film technicians as guest lecturers should be further extended.

215. Para 15.18 To reduce the cost of training, the number of non-teaching staff should be gradually brought down and the intake of students should be gradually increased.

216. Para 15.20 The possibility of extending the Apprentices Act, 1961 to the organised sectors of the film industry such as laboratories, studios, etc. both in the private and public sector should be explored. The Films Division's apprenticeship scheme should be revived and should cover FTII students as also apprentices directly taken from the market.

217. Para 15.21 The posts of Cameraman, Editors, Sound Recordists etc. in the Doordarshan should be straightaway filled by FTII graduates.

218. Para 15.24 The Expert Committee to assess the training requirements should also examine the level of training facilities to the existing training institutes and identify areas where standards need to be upgraded, and the kind of funding required. The Central Government should earmark funds for upgradation of standards in the State Training Institutes. In case the standards still do not come up, the Central Government should consider take over of such Institutes.

219. Para 15.25 The objectives of the State level institutes should be to provide graduate or diploma level training. These should also take up new areas of training such as theatre management and production designing.

220. Para 15.26 State Governments should consider setting up of Training Institutes in Calcutta and Trivandrum. Central Government should provide financial assistance to these Institutes for training in selected areas.

221. Para 15.27 The course content for repairs and maintenance of the equipment as a part of the technical courses should be suitably enlarged.

CHAPTER XVI—LABOUR LEGISLATION AND TRADE ASSOCIATIONS

222. Para 16.13 & 16.14 While the need for special legislation to regulate the working conditions of cine workers has been recognised since long, appropriate legislation has still not been enacted. We recommend that the Central Government should take urgent steps to immediately introduce an appropriate legislation for regulating the employment conditions of cine workers.

223. Para 16.15 The proposed legislation should cover cine employees in all sectors of the film industry, i.e., production, distribution and exhibition. It should cover all categories of employees with special protection to be provided for casual, daily rated or contractual workers. There should be written contracts for a casual or contractual employment.

224. Para 16.16 In case of production sector, the legislation should provide for an affidavit to be furnished by the producer, while applying for a censor certificate, containing a declaration that either the producer has already made full payment to all workers or a mutually acceptable agreement with the workers has been reached to make the payment by an agreed date.

225. 16.19 Government should take steps to set up a Welfare Fund to help cine employees, artistes and technicians in indigent circumstances. To finance this fund, the Government should collect an amount of Rs. 20 on every print of a feature film and make a matching grant out of its own resources.

226. Para 16.20 Government should take immediate steps to bring movie stunt artistes under accident risk insurance scheme.

227. Para 16.25 The Government and the film industry should adopt the following broad approach for establishing proper associations in the film industry :—

- (i) Every person working in the film industry should belong to an association relating to his own trade or craft.
- (ii) No person should be member of more than one association of the same discipline in one region.
- (iii) Government at different levels should deal with only one association which represents the majority.
- (iv) Membership of the different associations should be periodically verified.
- (v) Local associations should be federally organised into State or zonal associations which through their representatives should form the All India apex body.

228. Para 16.26 For forming trade associations, Government should recognise the categories of (1) Producers, (2) Distributors, (3) Exhibitors, (4) Studio and Equipment Owners, (5) Laboratories, (6) Directors, (7) Technicians including cameraman, editors, sound recordists, musicians etc. (8) Artists, (9) General Cine employees and (10) Exporters.

229. Para 16.27 There should be a legal requirement that membership of associations is freely available to anybody who fulfils the basic qualification so that the associations do not work as "closed shop" establishments.

CHAPTER XVII—IMPLEMENTATION : SOME SUGGESTIONS

230. Para 17.2 In processing the report, it should be kept in view that most of the recommendations are inter-linked and unless the whole package of measures suggested for a particular area is accepted and implemented, the desired policy objectives are not likely to be fully achieved.

231. Para 17.6 It is necessary that a special cell is created in the Ministry of I&B which should be exclusively concerned with the processing and implementation of the recommendations. Several recommendations will require enactment of special legislation, consultations with other Ministries and State Governments and monitoring of progress over a long period. Existing machinery in the I&B Ministry will not be able to find time to devote such attention to the Report.

(To be published in the Gazette of India Part I Section 1)

NO. 5/6/77-F(I)

GOVERNMENT OF INDIA

Ministry of Information and Broadcasting

New Delhi, the 8th May, 1979

RESOLUTION

In pursuance of the recommendation made in the last Conference of State Ministers of Information/Public Relations and after consulting the State Governments/Union Territories, it has been decided to appoint a Working Group to study the present state of the Film Industry in areas such as production, distribution, exhibition and taxation and to suggest a National Film Policy which would help the growth of Indian cinema. The Working Group is constituted as follows :—

Chairman

1. Dr. K. S. Karanth

Members

2. Shri M. Bhaktavatsala
3. Shri Shyam Benegal
4. Shri T. C. Barjatya
5. Shri Bikram Singh
6. Shrimati Vijaya Mulay
7. Shri Basu Bhattacharya
8. Shri Manoj Kumar
9. Shri Ramanand Sagar
10. Shri Adoor Gopalakrishnan
11. Shri Tarun Majumdar

Representatives to be nominated by the State Governments of Maharashtra, Tamil Nadu, West Bengal and Punjab

Member Secretary

16. Shri R. K. Shastri, Joint Secretary (I).

2. The terms and conditions of the Working Group will be as follows :—

- (a) To enquire into and examine the present state of cinema as an art form and as an instrument of social change, with reference to its role as a medium of information, education and entertainment and to suggest measures for its further promotion and development.
- (b) To enquire into all aspects of film making, including technology, raw material, equipment and processing, the whole range of related economic activities i.e. production, distribution, exhibition and financing and to suggest measures for improvement.
- (c) To examine the impact of Government policy and procedures—both Central and State—on the film industry with regard to censorship, entertainment tax, excise duties, local taxes, import levies, import and export of films and to suggest modifications consistent with overall objectives of the Government to promote the growth of healthy Indian cinema.

- (d) To suggest measures of State support, where called for to improve Indian cinema in all its forms—feature films, documentary films, news films and TV films.

3. The Working Group may set up sub-Working Groups where required and co-opt members, if necessary, to provide necessary information and technical expertise.

4. The Working Group may consult media experts and other sections of interested opinion.

5. The Working Group will have its headquarters at New Delhi and meet as often as considered necessary, but it may visit such other places in the country as considered necessary for proper and comprehensive study of the matter.

6. The Working Group may submit its report as soon as possible but within a period of six months from the date of the first meeting.

7. The membership of this Working Group will be honorary but non-official members will be entitled to travelling and daily allowance in accordance with the Ministry of Finance (Department of Expenditure) Office Memorandum No. 6/26/E. IV/59 dated 5th September, 1960 as amended from time to time.

ORDER

Ordered that a copy of the Resolution be communicated to the Chairman/Members of the Working Group, Prime Minister's Office, All Ministries and Departments of the Government of India and all State Governments and Union Territories.

Ordered that the Resolution be published in the Gazette of India for general information.

Sd/-

(S. K. Sahgal),

Secy. to the Govt. of India

Annexure I (Contd.)

No. 5/6/77-F. (I)

GOVERNMENT OF INDIA

Ministry of Information & Broadcasting

New Delhi, the 8th May, 1979

Copy forwarded to :—

1. The Chairman and Members of the Working Group.
2. All Ministries/Departments of Government of India.
3. All State Governments/Union Territories.
4. All Media Units/Sections of the Main Secretariat of the Ministry of Information and Broadcasting.
5. Information Officer, Ministry of I&B.

Sd/-

(M. M. Sharma),

Under Secy. to the Govt. of India

**QUESTIONNAIRE TO STATE GOVERNMENTS/UNION
TERRITORIES FOR ELICITING INFORMATION**

A. Licensing Rules :

- (i) Please furnish a copy of the latest Act/Rules regarding licensing of theatres.
- (ii) Do the licensing rules differ for metropolitan cities, other cities and semi-urban areas? If yes, the details thereof.
- (iii) Who is the licensing authority for theatres in metropolitan cities, other cities and semi-urban areas?
- (iv) Number of theatres.

	As on 31-3-1974		As on 31-3-79	
	No. of theatres	Licensed Capacity	No. of Theatres	Licensed Capacity
Permanent				
Semi-Permanent				
Touring				
Total				

- (v) In granting a licence for construction of a theatre what are the general considerations which are taken into account?
- (vi) Considering that the statutory provision for licensing of theatres was primarily designed to ensure safety of audience particularly on account of the inflammable nature of the cinematograph film, do you still consider licensing necessary as the cinematograph film is no longer considered highly inflammable and local municipal laws for construction of buildings lay down adequate safety precautions?
- (vii) Do you think that in the changed situation at least the construction of theatres of about 400 capacity in urban and semi-urban areas could be delicensed by modification in the Cinematograph Act?
- (viii) Is construction of theatres regarded as industry/small-scale industry in the State? If not is the State Government considering any proposal in this regard?
- (ix) Considering the fact that inadequate number of theatres is a bottleneck, what are the incentives, direct and/or indirect offered by the Government for construction of theatres in urban or semi-urban areas? These incentives may include availability of institutional finance, availability of land at cheap price as made available to cultural organisations etc.
- (x) Does the State Government have a scheme for construction of theatres directly? Does the State Government favour uniform regulations for construction of theatres which may be applicable all over India on the lines listed by ISI?

NOTE: You are requested to send factual information in advance if the information regarding policy issues is likely to take more time.

B. Taxation Policy :

- (i) What are the rates of entertainment tax for exhibition of films with reference to the basic admission rate?
- (ii) Do the rates vary in metropolitan areas, other cities and semi-urban areas?
- (iii) Do the rates vary according to the licensed capacity of theatres or for permanent, semi-permanent and touring theatres?
- (iv) Does the State follow a compounding system of entertainment tax under which entertainment tax is fixed on the basis of compounded licensed capacity of theatres as is being done in Tamil Nadu? If yes, the details thereof.
- (v) What are the considerations for exemption of films from entertainment tax? What is the duration for such exemption and who is the deciding authority?
- (vi) What has been the percentage increase in entertainment tax during the last 5 years (31-3-74 to 31-3-79)?
- (vii) Does the State Government favour a uniform rate of entertainment tax on an all India basis separately for metropolitan cities, other cities and semi-urban areas?
- (viii) Does the State Government have any schemes for exempting from entertainment tax the construction of new theatres in metropolitan cities, other cities and semi-urban areas?
- (ix) Are the shows of film societies affiliated to the Federation of Film Societies exempted from entertainment tax?
- (x) Are the National Award winning films and State Award winning films exempted from entertainment tax? If so, for how much period?
- (xi) What are the rates of show tax, if any, levied by the Local Bodies/State Governments? Under what circumstances exemption from show tax is granted?
- (xii) Do you favour the constitution of a Central Body under the Central Government consisting of nominees of the State Government which will recommend films for exemption from entertainment tax on all India basis? This will obviate the need for the producer of quality films approaching each State Government separately for exemption from entertainment tax.

NOTE: You are requested to send factual information in advance if the information regarding policy issues is likely to take more time.

C. Film Promotion Policies :

- (i) Does the state Government have a scheme for giving awards to outstanding films of the year? If yes, the details thereof.
- (ii) What are the direct subsidies/grants/loan facilities given by the State Government for encouraging production of films in the State?
- (iii) Does the extent of financial help given by the State Government under (ii) differ in regard to language films of the State and Hindi films or language films of other States?
- (iv) Does the State Government provide any financial help for sub-titling/para dubbling/dubbling of State language films in other languages? If yes, the details thereof.

D. Institutional Machinery for Film Promotion :

- (i) Does the State Government have a Film Finance/Development Corporation? If yes, what is the charter, scope of functions, to be performed and the capital outlay at the disposal of the Corporation?
- (ii) If there is no Film Finance/Development Corporation, is there a separate department under the State Government which handles all subjects concerning film production, distribution and exhibition? The details thereof.
- (iii) How long has the State Film Finance/Development Corporation been in existence? Has it generally achieved the objectives for which it was set up?
- (iv) What are the main problems faced by the Film Finance/Development Corporation and what is the suggested approach for solving the same?

E. General.

- (i) At present licensing of films for exhibition is in the Central List and licensing of theatres is in the State List. Does the State Government favour transfer of the subject theatre licensing to the Union or Concurrent List with a view to achieving uniformity?
- (ii) What are the major obstacles according to the State Government in the development of film production?
- (iii) What are the basic approaches for solving the same?
- (iv) Does the State Government have any suggestions for action at the Central Government and the State Government levels for encouraging the production of good films?
- (v) Does the State Government have any scheme for propagation of cinema consciousness by way of instructional courses at the school, college and the university level?
- (vi) Does the State Government have any scheme for setting up film centres which can function as a clearing house of artistic, technical and managerial expertise and also a centre of artistic film activity? Does the State Government have any schemes for setting up film archives?
- (vii) Are there any institutions in the State which provide training to the specialised and technical personnel required by the film industry? If yes, the details thereof.

QUESTIONNAIRE TO STATE FILM DEVELOPMENT
CORPORATIONS

1. What is the charter, scope of functions to be performed by the Film Finance/Development Corporation? What are the various schemes being operated by the Corporation?
2. What was the initial capital outlay and the present capital outlay at the disposal of the Corporation?
3. When was the Corporation formed and has it achieved the general objectives for which it was set up?
4. What was the agency which was looking after the Development of films in the State before the Corporation was formed?
5. In addition to the Corporation, is there any other agency or department of the Government which is also engaged in the promotion of film industry in the State? If so, what are their activities?
6. What are the main problems faced by the Corporation and, what is the suggested approach for solving the same?
7. What are the direct subsidies/grants/loan facilities given by the Corporation or the State Government for encouraging production of films in the State?
8. What is the financial help/incentive provided by the Corporation for construction of theatres?
9. Is there any financial help for sub-titling/para-dubbing dubbing of State language films into other languages? if so, the details thereof.
10. Does the Corporation operate any scheme of awards for outstanding films? If yes, the details thereof.
11. If the Award Scheme is operated directly by the State Government, does the Corporation has any role in the Award Scheme?
12. Is there any proposal for construction of smaller theatres in the State for promotion of low budget/art films?
13. Any other information which the Corporation will like to give on the subject.

VIEWS OF SHRI SATYAJIT RAY

Dr. K. S. Karanth, Chairman of the Working Group, had written to Shri Satyajit Ray among others requesting for his views on various aspects of cinema. While Shri Satyajit Ray did not find time to reply to the letter, Shri K. Bikram Singh, Deputy Secretary of the Working Group, took the opportunity of having a discussion with Shri Satyajit Ray on 12-4-80 when he was in Bombay. Some of the points made by Shri Satyajit Ray during the discussion were as follows:—

(1) Attainments of cinema: Shri Ray felt that while quantitatively the attainments of Indian cinema were very impressive, qualitatively the attainments were far from adequate. He reviewed the development of cinema in India right from the early times and felt that on re-assessment of the work of early film makers, he does not find them comparable to the films of the same period in the West. The works of early film makers suffered from a "low level of conception", as right from the beginning cinema in India was aimed at the lowest common denominator, and became primarily concerned with providing entertainment. This tendency was further accentuated with the introduction of colour. It was during the fifties that a change came about and some artistic film makers like Bimal Roy started creating meaningful cinema within the overall format already established for the popular cinema.

2. He further felt that while interaction between cinema and established writers had started taking place right in the early stages of cinema, unfortunately when the writers became directly involved with cinema, they deliberately changed the quality of their writing. This was again on the assumption that cinema was a popular medium devoted to generally uneducated masses and, therefore, the standards of literature could not be applied to cinema. Only recently in Karnataka intellectuals had started participating in films. On his attention being drawn to the situation in Kerala, he agreed that this was happening now in Kerala also.

3. As regards Hindi cinema, he felt that its main problem was that it had no roots in any cultural tradition unlike the regional cinema. However, a few recent films made in Bombay had depicted real characters which are culturally rooted in the life of Bombay.

4. He supported the idea of setting up a Chalachitra Akademi exclusively devoted to the promotion of cinema as an art form and bringing the National Film Archive under the Akademi. He very strongly felt that cinema should be introduced as a subject of study at the University level. In

fact he mentioned that while accepting the Honorary Doctorate from the Jadavpur University he had himself made a strong plea for including the teaching of cinema in the educational curriculum.

5. He felt that State support for promotion of good cinema was absolutely necessary. In selecting films for financing one had always to take a risk. Screenplays cannot provide a clear indication of what the film was going to be like, but this no doubt remained one of the basis for such a decision. He suggested that alternative criteria for financing of films should also be thought of, such as financing films of directors of proven worth. He further felt that irrespective of the fact, as to whether a film is financed by a State institution or by a private producer, there was 'a moral compulsion on the film maker to cover the cost whatever be the source of finance'.

6. On the subject of National Awards, he was of the view that a complete re-thinking was required. The amount of money attached to the awards was very low and giving lower cash award to the director was incorrect, as the director was the creative maker of the film, whereas the producer did not make any creative contribution. Even otherwise, the producer financially benefits by the award as a result of larger circulation of the film. He also felt that some of the awards like Best Feature Film with Mass Appeal, Best Film on National Integration, Best Playback Singer (male and female) etc. should be discontinued. New award for the first film of a director should be introduced. Some of the awards such as for Best Art Direction require a very specialised jury, as Art Direction is generally noticed only in case of costume or period films, whereas in contemporary films where Art Direction has to be unobtrusive, it generally remains unnoticed.

7. As regards sub-titling and dubbing of regional language films, he was of the view that the decision of the technique would depend upon the type of film. A fantasy which may not have very definite roots in a specific culture, can be easily dubbed in any language, but a film with strong cultural roots and clear identification of the cultural background of the characters generally suffers in dubbing, and should be sub-titled. He gave the example of his own film "SHAT-RANJ" where he felt it was necessary to adopt a bi-lingual approach. General Outram in the film was given dialogues in English as it would have appeared very unnatural if Outram were to speak in Hindi.

8. The above is not a verbatim record of what Shri Ray had said, but merely a general summary.

REPLY TO THE QUESTIONNAIRE RECEIVED FROM SMT. KAMALADEVI CHATTOPADHYAY, CHAIRMAN,
SANGEET NATAK AKADEMI.

1. Question—How do you view the attainments of Indian cinema as a creative art form?

Answer—I feel that the attainments of the Indian Cinema as a creative art form are very limited. More so because of the enormous volume of films that are produced in this country. Creative art forms cannot be on a mass scale. This would necessarily be limited and selective. One may ask why this should be so when the traditional dramatic performances attained reasonably high level of quality and in some cases reached fine standards. We must remember that these came from the people and are the expressions of their own creative talent, inspired by tales and themes very meaningful to them and are a part of their traditional consciousness. Whereas the Cinema is for India a form super-imposed with a lot of appendages of mechanical and technological character. It is not a spontaneous instrument springing from the soil and the people. Therefore, except where there have been creative persons and these necessarily have been few, the result has not taken on any worth while aesthetic value.

2. Question—Do you think Indian cinema has reached the level of maturity as a creative art form comparable to other established art forms in India such as dance, theatre, music, painting, sculpture, literature, etc.?

Answer—For the reasons stated above, it has not been possible for the Indian Cinema to reach the level of maturity as a creative art form like the established traditional ones.

3. Question—If the answer to question No. 2 is in the negative, what do you think are the major factors which are standing in the development of cinema as an art form in India and what are the suggested remedies?

4. Question—Do you think a formal recognition of cinema as an art form by the Government by the following methods could be a step in this direction?

(i) transfer of the subject of cinema from the Ministry of Information and Broadcasting to the Ministry of Education and Culture;

(ii) setting up of a Cinema Akademi to attain this objective (Chalachitra Akademi) on the lines of Sahitya Akademi, Lalit Kala Akademi, Sangeet Natak Akademi etc. and take necessary steps to encourage such a development;

(iii) introduction of cinema and film appreciation as a subject of study, as an aesthetic experience necessary in the modern age, at school and university level, on the lines as other art forms are included in the curriculum. If so, at what stage and age of the student?

Answer—I think that No. 3 and 4 could be taken together for the subject is very complex.

The Cinema has become wholly a commercial venture and is viewed only as such, quite unlike the other cultural expressions which still carry other values. Other art forms are within the reach of most people since they are traditional. In fact all the other forms are practised by the poorest people in the rural areas, which definitely is not the case with the Cinema which calls for large investments in both the soft as well as the hardware. If the Cinema is really to be developed to make it an instrument of fine artistic quality, it would have to have an organisation of its own. It would

be necessary to apply the same strict criteria to the products of the Cinema body as is now applied to the working of the other National Akademies. This would mean creating a cadre of technicians as also allied artistes of good calibre, of imagination and sensitivity, as also building up a team of script writers.

It is essential that the growing youth should be exposed to aesthetic experiences both at home as well as in the educational institutions, from a very early age. No amount of teaching aesthetics as a subject can make the impact as growing up in an environment which provides aesthetic experience. I do not believe in making this a subject to be taught. This is something that has to be imbibed, and should result in sharpening ones sensitivity.

5. Question—Do you think there is currently an adequate inter-action between cinema and other art forms?

Answer—The inter-action that exists today between Cinema and other art forms is purely one of convenience. For the Cinema uses music dance, etc. to enhance its populous appeal and not for want of any basic need. This has resulted in hybrid forms both in music as well as dance, with great damage to both of them.

6. Question—If not, how can this be encouraged?

Answer—This can be achieved only when the Cinema also becomes a mature art form and weaves in the other forms in a subtle natural manner.

7. Question—What is your general impression regarding the social values projected through the Indian cinema as at present? In other words, are the values being projected by Indian cinema supportive of the desired objective towards social awareness dealing with uplift of backward classes, communal harmony, equalitarian society, emancipation of women and downtrodden, eradication of superstition, and encouragement of rational outlook upholding the dignity of man and conscious towards his environments and ecology, etc.?

Answer—The film should necessarily have a social content otherwise it is purposeless. This does not mean a story with a blatant exercise-book maxim. Such crude preaching usually has a contrary effect. The nuances in a human personality or in society have to be projected with subtlety and delicacy. Today they are very crudely projected. In fact, all sorts of unnecessary and irrelevant elements are introduced in the way of tilting songs, garish costumes, exaggerated build-up of actors and playback singers, to make the film popular since it lacks power and vitality.

8. Question—Do you think cinema in India, more particularly non-fiction film, is playing an adequate role as a medium of enlightenment for the masses?

Answer—A number of documentary films certainly play an enlightened role and can do so if they are attuned to their environment. A great deal more can be done in this field with this medium for the themes and problems that can be covered are infinite.

9. Question—If not, what way can this be improved?

Answer—It is not the unusual and extraordinary that contribute to make documentary a success. In fact the simplest of things and experiences can be made more meaningful if the subject is handled with a natural human approach.

10. Question—What is your opinion about the kind of entertainment which is now being provided by the Indian cinema to the people? In other words, do you consider the general entertainment content of the film in India elevative, harmless, escapist or negative, wholesome, unwholesome, or even harmful?

Answer—The Cinema can become an instrument also of entertainment if its inner content is a true reflection of our everyday experiences. Most of the time the object seems to be to create unreal people moving in an unreal world, going through experiences which are not of everyday occurrence, thus making the pictures 'escapist'. This it is assumed will entertain by creating a wholly imaginary world.

Entertainment Tax including Surcharge as on 1-3-1979

State	Basic Admission Rate (paise)	Rate of E. Tax (%)	E. Tax (paise)	Addl. E. Tax Surcharge (paise)	Total Tax (paise)	Total Tax (%)	Gross Admission Rate (paise)
1	2	3	4	5	6	7	8
Andhra Pradesh	100	35	35	20	55	55	155
	200	45	90	40	130	65	330
	300	45	135	60	195	65	495
Assam	100	80	80	—	80	80	180
	200	100	200	—	200	100	400
	300	100	300	—	300	100	600
Bihar	100	100	100	—	100	100	200
	200	100	200	—	200	100	400
	300	100	300	—	300	100	600
Delhi	100	60	60	—	60	60	160
	200	60	120	—	120	60	320
	300	60	180	—	180	60	480
Gujarat (More than 1 lakh population)	100	40	40	10	50	50	150
	200	45.5	95	10	105	52.5	305
	300	53	160	10	170	57	470
Gujarat (50,000 to 1 lakh Population) (Adjusted %)	100	37.5	37.5	10	47.5	47.5	147.5
	200	45	90	10	100	50	300
	300	50.8	152.5	10	162.5	54	462.5
Gujarat (Less than 50,000 population) (Adjusted %)	100	35	35	10	45	45	145
	200	42.5	85	10	95	47.5	295
	300	48	145	10	155	52	455
Karnataka	100	25	25	35	60	60	160
	200	30	60	80	140	70	340
	300	30	90	120	210	70	510
Madhya Pradesh	100	40	40	—	40	40	140
	200	50	100	—	100	50	300
	300	50	150	—	150	50	450

1	2	3	4	5	6	7	8
Maharashtra (Bombay, Pune, Nagpur and Sholapur)	100	37.5	37.5	5	42.5	42.5	142.5
	200	46	92.5	20	112.5	56	312.5
	300	52.5	157.5	30	187.5	62.5	487.5
Maharashtra (other places) (Adjusted %)	100	32.5	32.5	5	37.5	37.5	137.5
	200	40	80	20	100	50	300
	300	47	140	30	170	57	470
Himachal Pradesh	100	75	75	—	75	75	175
	200	75	150	—	150	75	350
	300	75	225	—	225	75	525
Jammu & Kashmir	100	60	60	—	60	60	160
	200	60	120	—	120	60	320
	300	60	180	—	180	60	480
Haryana	100	100	100	—	100	100	200
	200	100	200	—	200	100	400
	300	100	300	—	300	100	600
Haryana	100	100	100	—	100	100	200
	200	100	200	—	200	100	400
	300	100	300	—	300	100	600
Chandigarh	100	60	60	—	60	100	160
	200	60	120	—	120	60	320
	300	60	180	—	180	60	480
Orissa	100	40	40	—	40	40	140
	200	60	120	—	120	60	320
	300	60	180	—	180	60	480
Punjab	100	100	100	—	100	100	200
	200	125	250	—	250	125	450
	300	125	375	—	375	125	675
Rajasthan	100	60	60	—	60	60	160
	200	100	200	—	200	100	400
	300	100	300	—	300	100	600
Tamil Nadu	100	33 1/3	33	43	76	76	176
	200	40	80	110	190	95	390
	300	40	120	160	280	93	580

Punjab has 100% Tax on first 40% seats and 125% tax on rest.

ANNEXURE VI(Contd.)

1	2	3	4	5	6	7	8
Uttar Pradesh	100	100	100	25	125	125	225
	200	100	200	50	250	125	450
	300	100	300	50	350	117	650
West Bengal (Black & White)	100	60	60	10	70	70	170
	200	90	180	10	190	95	390
	300	120	360	10	370	123	670
West Bengal (Colour)	100	60	60	50	110	110	210
	200	90	180	85	265	132	465
	300	120	360	110	470	157	770

In Kerala the tax is levied by the respective local authorities.
The rate levied shall be not less than 15% and more than 30%.
A surcharge of 60% on E.T. amount is also levied.

MINISTRY OF INFORMATION AND BROADCASTING

New Delhi—110011.

The 7th January, 1978

As Amended upto 27th January, 1979

NOTIFICATION

S.R.O.—In exercise of the powers conferred by sub-section (2) of section 5B of the Cinematograph Act, 1952 (37 of 1952), the Central Government hereby directs that, in sanctioning films for public exhibition, the Board of Film Censors shall be guided by the following principles:—

1. The objectives of film censorship will be to ensure that—

- (a) the medium of film remains responsible and sensitive to the values and standards of society;
- (b) artistic expression and creative freedom are not unduly curbed; and
- (c) censorship is responsive to social change.

2. In pursuance of the above objectives, the Board of Film Censors shall ensure that—

- (i) anti-social activities such as violence are not glorified or justified;
- (ii) the modus operandi of criminals or other visuals or words likely to incite the commission of any offence, are not depicted;
- (iii) pointless or avoidable scenes of violence, cruelty and horror are not shown;
- (iiia) scenes which have the effect of justifying or glorifying drinking are not shown;
- (iv) human sensibilities are not offended by vulgarity, obscenity and depravity;

- (v) visuals or words contemptuous of racial, religious or other groups are not presented;
- (vi) the sovereignty and integrity of India is not called in question;
- (vii) the security of the State is not jeopardised or endangered;
- (viii) friendly relations with foreign States are not strained;
- (ix) public order is not endangered;
- (x) visuals or words involving defamation or contempt of court are not presented;

3. The Board of Film Censors shall also ensure that the film—

- (i) is judged in its entirety from the point of view of its overall impact; and
- (ii) is examined in the light of contemporary standards of the country and the people to which the film relates.

4. Films that meet the above mentioned criteria but are considered unsuitable for exhibition to non-adults shall be certified for exhibition to adult audiences only.

5. The notification of the Government of India in the Ministry of Information and Broadcasting No. G.S.R. 168, dated the 6th February, 1960 is hereby superseded.

DRAFT OUTLINE OF LEGISLATION TO REGULATE EMPLOYMENT IN FILM INDUSTRY AS RECOMMENDED BY THE TRIPARTITE COMMITTEE

Scope and Application

I. (1) "Film Industry" shall mean all establishments engaged in production including processing, distribution or exhibition of cinematograph films as defined in the Cinematograph Act 1952.

(2) The Act shall apply to every establishment in the film industry employing 10 or more workers on any day during the preceding 12 months, provided that the appropriate Government may if it considers necessary extend the Act to smaller establishments. The term "establishment" should be defined in the Act.

(3) "Worker" means any person employed in any film industry establishment to do any skilled, unskilled, manual, supervisory, technical, artistic or clerical work in relation to production, processing, distribution, or exhibition of cinematograph films and includes an artist, whether free lance or not, a script writer, a musician, singer, and a dancer but does not include a person who, being employed in supervisory capacity draws wages exceeding Rs. 1,000 per mensem.

NOTE : Cognizance should be taken of the practice in the film industry to engage persons on lumpsum remuneration. The legislation should spell out how the limit should be applied in such cases.

(4) "Employer" may be defined as in the Minimum Wages Act with suitable modifications taking into care to ensure that in the case of personnel working under different contracts, the individual employer's liability is limited to the contract with him and that he is not called upon to shoulder liabilities which only a regular employer can assume.

(5) "Wages" may also be defined on the lines of the definition in the Payment of Wages Act as proposed to be amended.

NOTE : There should be provisions for including in the remuneration a Specific Component representing compensation at the rate of 10 per cent of the wages in lieu of leave and gratuity facilities to workers employed on a temporary, casual or contract basis.

Registration

II. Every employer engaged in production and/or processing of films shall have his establishment registered under the Act with such authority as may be prescribed by the State Governments. Licences for production of films shall be issued only if the producer

- (i) makes a deposit which should be a percentage of the estimated expenditure of the film. This deposit can be utilised for paying the wages of the employees in the extent of default by the producer ;
- (ii) has a complete script ready ; and
- (iii) has a minimum experience in the film industry (This condition may be laid down if legally permissible with the stipulation that the experience need not necessarily be in the production line).

Hours of work

III. (1) The appropriate Government may fix the numbers of hours of work which shall constitute a normal working day separately for different classes of employees depending upon the requirements in each case.

Leave

(2) Every worker employed in the film industry shall be entitled to ;

- (a) earned leave on full wages for not less than 1/11th of the period spent on duty ; and
- (b) leave on medical certificate on half wages for not less than 1/18th of the period of service.
- (d) 10 days casual leave for every year of service.

A worker shall cease to earn any leave when the earned leave due to him amounts to thirty days.

Employment of women and children

IV. (1) Notwithstanding anything contained in the Factories Act, 1948, the State Governments may make rules laying down the circumstances under which workers including women and children may be employed in the production of cinematographic films between 7.00 p.m. and 6.00 a.m.

Glare and shadows

(2) Notwithstanding anything contained in sub-section 3 of section 17 of the Factories Act, 1948 the State Government may lay down standards for controlling glare or formation of shadows in the production of cinematographic film.

(3) Notwithstanding anything contained in Section 67 of the Factories Act, 1948, the State Governments may allow employment of a child, who has not completed its fourteenth year, in the production of cinematographic film.

Rest Rooms

(4) In any place where workers are employed between 10.00 p.m. to 6.00 a.m. the employer shall provide sufficient number of restrooms or such other accommodation as may be prescribed by the State Governments.

Gratuity

V. (1) The scale of gratuity payable shall be on the lines laid down in the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955. Gratuity would be payable only to regular employees and not to temporary casual and free lance workers.

Period of notice for retrenchment

- (2) As discussed in para 13 of the Report.

VI. Subject to the above provisions, the following Acts shall apply to workers employed in the film industry :

1. The Factories Act, 1948.
2. The Payment of Wages Act, 1936.
3. The Workmen's Compensation Act, 1923.
4. The Industrial Disputes Act, 1947.
5. The Employees' State Insurance Act, 1948.
6. The Employees' Provident Fund Act, 1952.
7. The Industrial Employment (Standing Orders) Act, 1946.
8. The Shops and Commercial Establishments Act.

VII. (1) The State Governments may, by notification in the official gazette, appoint a Chief Inspector for the purpose of this Act.

(2) Any person required to produce any document or to give information to the Chief Inspector or Inspectors under this Act shall be legally bound to do so.

(3) If any employer contravenes any provision of this Act or any rule or order made thereunder, he shall be punished with a fine which may extend to 2,000 rupees and/or impri-

sonment which may extend to six months. First at enhanced rates shall be levied for repeated and continuing offences on the lines of the provisions in the Factories Act.

(4) The existing rights of the employees as a result of voluntary agreements, etc., will be protected if they are more favourable than envisaged in the legislation.

REPORT OF THE
STUDY GROUP ON FILM TECHNOLOGY

(Constituted by the Working Group on National Film Policy)

Government of India
Ministry of Information and Broadcasting
APRIL 1980

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CHAPTER I

INTRODUCTION

1.1 Of all the arts cinema has perhaps the most sophisticated technological base. Advances in film technology not only change the technical qualities of cinema but also help to enlarge its language, sharpen its grammar and alter its content. This is not to say that with the availability of sophisticated technology the quality of cinema automatically improves but merely to emphasise the correlation between technology and the potential for improvement in the quality of this medium.

1.2 In view of the above and further in view of its specific terms of reference which cover the whole range of film technology, the Working Group on National Film Policy in its preliminary meeting held at Bombay on July 21, 1979, resolved to set up a Study Group "to enquire into all aspects of technology of film industry including hardware, software, processing and raw material, and to submit a report".

Composition

1.3 The Working Group decided that the following members of the Group would constitute the Study Group on Film Technology :—

(1) Shri Adoor Gopalakrishnan	Member
(2) Shri Basu Bhattacharya	Member
(3) Shri M. Bhaktavatsala	Member
(4) Shri Ramanand Sagar	Member
(5) Shri S. L. Kapur	Member-Secretary

At a subsequent meeting of the full Working Group held at Bangalore on October 4 and 5, 1979, it was decided to enlarge the Study Group to include the following members :

(6) Shri P. Neelakantan	Member
(7) Shri Shyam Benegal	Member
(8) Smt. Vijaya Mulay	Member

Methodology of Study

1.4 The Study Group adopted the following approach for its investigation :

- (i) On-the-spot study of the various public and private sector establishments which are directly involved in various aspects of film technology such as manufacture of equipment, development of technological infrastructure for film production, processing and exhibition;
- (ii) Visit to research institutions or research-cum-production institutions engaged in areas not directly connected with film technology but whose potential could be utilised for development of film technology ;
- (iii) Examination of various memoranda on film technology received by the Working Group from various Associations of the film industry ;
- (iv) Discussions with film technicians directly engaged in film making ;
- (v) Discussions with Government representatives dealing with the subject of cinema ; and
- (vi) Discussions with scientists in the Department of Science and Technology responsible for formulation and execution of science policy.

1.5 Despite an extremely tight time schedule the Study Group was able to hold a series of discussions at Bombay, Madras, Ooty, Bangalore, Pune, Calcutta, Delhi and Trivandrum. The Study Group has held discussions with a large number of people in the industry, in scientific establishments and in the Government. A list of places and institutions visited by the Group may be seen at Annexure I.

1.6 Sophisticated technology in any area is expensive and its indigenisation usually has a long gestation period. Keeping in view the long term perspective in which the deliberations of the full Working Group have been conducted, this Study Group has also been primarily guided by long term considerations. Therefore, to the extent some of the immediate short term problems may not have been covered in this report, the omission is deliberate.

CHAPTER II

PRODUCTION FACILITIES AND PRODUCTION EQUIPMENT

2.1 The current annual film production in India is around 700 feature films and about 1300 short films including advertisement shorts and trailers. The production is predominantly in 35 mm. The technological infrastructure for this production has been developed in India primarily through imports. While an assessment of the present availability of technology for different stages of film making has been made in this and the following chapters, it may be stated at the very outset that the overall situation is not only unsatisfactory but in some areas even alarming.

2.2 Broadly three factors have contributed to the present position :

- (i) The technological requirements of film industry have become more sophisticated over the years. At the same time, the price of equipment and raw stock has steadily increased which has raised the financial requirement for capital equipment as also investment in actual film production and exhibition.
- (ii) In the overall context of the need for regulating imports with a view to conserve foreign exchange, while the regulation of film equipment imports in principle is perhaps necessary, the rates of custom duty have sharply increased during the last decade making it highly uneconomic to import equipment even when it is badly needed.
- (iii) There has been little or no coordinated effort to indigenise the manufacture of film equipment and thereby reduce continued dependence upon imports. Even in the limited areas, such as manufacture of projectors, where a certain amount of indigenisation has been achieved, the benefits of lower production costs have not reached the consumer for various reasons.

Studios and Studio Equipment

2.3 The general trend of film shooting has shifted from indoor studios to location shooting or out-door studio production. Some of the reasons for this development are (i) location shooting has become cheaper than studio shooting, (ii) low budget films of necessity have switched to location shooting as they cannot afford studio hire, (iii) a basic change in the attitude towards film-making on account of neo-realism or cinema-verite film movement, and (iv) availability of portable film-making equipment. In this changed environment, the general work demand on established studios has come down.

2.4 Another factor which has resulted in reduced work-load on studios is the use of private houses and bungalows for indoor shooting. Particularly in Bombay

there are several private houses which are hired out for shooting purposes on a regular basis. These have, therefore, become mini-studios.

2.5 In this situation the current availability of established studios which is around 65 is not only adequate but several studios are being compelled to close down on account of lack of business. In metropolitan towns where most of the studios are located, the pressure on urban land has been increasing. Several studios in Bombay have given way to multi-storeyed apartment buildings or commercial complexes. The present trend shows that, not in a very distant future, most of the studios within Bombay City may be compelled to make room for more lucrative real estate investments.

2.6 Though the number of existing studios is more than adequate to meet the requirement of film industry, the general conditions of available facilities in the studios are far from satisfactory. Even in Bombay which has about 20 studios, there are hardly 4 to 5 good studios. In Calcutta, there is not a single studio which is in proper working condition. The situation in Bangalore, Mysore, Trivandrum and Hyderabad in regard to availability of facilities in studios can also not be considered satisfactory. Only in Madras the condition of studios is, by and large, satisfactory.

2.7 In view of the foregoing, we would like to draw the pointed attention of the authorities concerned that as the overall availability of studios is already more than adequate, there is no need for the Government or its agencies to construct more studios. The general approach should be to assist in the modernisation of existing studios. This, on the one hand, will provide better facilities for film makers and, on the other hand, make the existing studios economically viable and thereby help them to survive. It is, therefore, curious that State Film Development Corporations in Kerala and Maharashtra are investing sizeable amounts in construction of new and expensive studios. Apart from the fact that these State owned studios will become competitors to existing studios and thus aggravate the overall position of surplus availability of capacity with the existing studios, the new 'heavy investment' studios are likely to be beyond the reach of the small budget film makers who have been primarily responsible for the growth of regional cinema.

2.8 The approach of the State Film Development Corporations should be to provide assistance to existing studios in each region for modernisation, giving priority to those run by film workers' co-operatives and by film makers. Modernisation of studios should include provision of high standard acoustics, greater manoeuvrability along with safety in lighting arrangements, intro-

duction of more sophisticated methods for erection and preservation of sets etc. The Corporations should concentrate on providing mobile shooting units consisting of a van, cameras, lights, sound equipment, trollies, dollies, generator, etc. which can be made available to film makers on reasonable rental for location shooting. The Corporations should also assist entrepreneurs, preferably film makers' co-operatives and active film makers, in setting up mobile shooting facilities by providing loans etc. In view of the growth of regional cinema, it is likely that some new centres of film making may come up and, therefore, demand for studio facilities in those areas may arise. In such an eventuality, the State Film Corporations should adopt a developmental role and should assist in setting up studio facilities by providing loans etc., rather than go into the business of studios themselves.

2.9 Our assessment is that availability of lighting equipment in the country both of studio and portable variety is almost adequate. The main shortcoming is acute shortage of certain variety of bulbs required for lighting purposes. These have to be imported at present and are extremely expensive both on account of the manufacturer's price and the customs duty levied by the Government. As these bulbs will continue to be imported, the customs duty on their import should be reduced.

2.10 As regards trollies, dollies, cranes, etc., while trollies and cranes are manufactured in the country, sophisticated dollies like crabdollies have to be imported. India has the capability of manufacturing dollies, but the demand will not be sufficient to support indigenous manufacture and, therefore, there is a case to liberalise import of dollies by reducing import duties.

Cameras

2.11 As has been mentioned earlier, most of the film production today is in 35 mm format. It is estimated that at present there are about 300 35 mm cameras available in the country. The predominant varieties of cameras in use in India are Arriflex, Mitchell, Eclair and Bolex.

2.12 On the basis of our discussions with actual users as also spot studies in various sectors, we feel that only 15 per cent of cameras are in prime working condition. Therefore, the overall availability of cameras is far short of the demand. Some of the available cameras can be brought back to proper working condition if easy import facilities are provided for replacement of parts and repairs.

2.13 During the last decade the ownership pattern of cameras has also undergone a dramatic change. Earlier when the studio system of production was in wide use, normally the cameras were owned by studios and a film maker while hiring the services of a studio was automatically provided with cameras along with the services of a technical crew. Of late, because of various factors such as the increase in the cost of cameras, the earning potential of cameras through hire etc., the ownership of cameras has shifted from the actual user to agencies which are predominantly engaged in the business of only renting equipment. The

latter category includes film stars, distributors, exhibitors and businessmen who are not directly engaged in film making.

2.14 In our view, the major factors for the present situation where even the available cameras are not maintained in proper working order are as follows :

- (i) The overall availability of cameras is grossly inadequate as compared to requirement.
- (ii) The above factor results in excessive load on available cameras giving little or no opportunity for proper maintenance.
- (iii) In a market situation where even badly maintained cameras continue to be in demand and, as most of the cameras are not in the hands of actual film makers, there is inadequate involvement of the owners to maintain the cameras in proper shape.
- (iv) Government policies concerning import of cameras and import of spares make it extremely difficult either to import new cameras which could bring about an overall change in the market availability of good cameras or to repair the existing cameras.
- (v) There is insufficient technical knowhow and inadequate availability of trained technical personnel for repairs and maintenance of cameras.

2.15 During the visit of the Study Group to Calcutta, one of the most senior cameramen in the country, Shri Subrata Mitra, illustrated how the landed cost of cameras has escalated over the last two decades placing them beyond the reach of film makers and cameramen. The details of data furnished by Shri Mitra can be seen at Annexure II. Briefly, as against the landed cost of Rs. 16,000 in January 1965 for an Arriflex 35 mm model II CBV (P+St) camera body, with basic attachments, the cost of the same camera had increased to about Rs. 1.48 lakhs in January, 1978. Out of this, the actual cost of camera was about Rs. 67,000 and the remaining Rs. 81,000 was on account of customs duty.

2.16 In view of the foregoing, the Study Group would like to make the following recommendations :

- (i) Camera being the primary equipment for film making, its import, along with all types of lenses for 35 mm and Cinemascope, should be liberalised by suitable reduction in customs duty. This is not likely to result in any major loss of foreign exchange as 35 mm movie cameras can be used only by professionals, and, therefore, the quantum of import cannot be high.
- (ii) Even without waiting for a decision on item (i), ad-hoc decision should be taken to permit free import of spares and parts required for repairs of existing cameras. In the absence of such an approach, a large number of cameras are likely to fall in disuse resulting in loss to the economy in terms of wastage of this expensive equipment in addition to hardship to the film makers.

(iii) Government's intervention appears to be necessary for development of maintenance facilities for this expensive equipment. As has been indicated subsequently in the report, National Instruments Limited, Calcutta, have the capability of developing repairs and maintenance facilities for movie cameras.

(iv) In view of the high price of new cameras, Government should encourage import of re-conditioned cameras by special reduction in import duties.

Sound Equipment

2.17 The film sound equipment can be broadly classified in two categories: (i) Professional portable sound recording equipment for outdoor use; and (ii) recording equipment used in recording theatres for recording effects, music, dialogue, dubbing and re-recording.

2.18 These days, the predominant type of outdoor sound recording equipment in use is 1/4" tape recorder with sync such as Nagra, Arrivox, Stellavox, Tandberg, etc. Professional tape recorders required for the film industry are not manufactured in the country and there is total reliance on imports in this area. In line with the new trends in film making which predominantly rely upon out-door shooting, it is apparent that film makers have to be given easy access to this equipment. In this connection it is understood that MELTRON (Maharashtra Electronics Corporation Ltd.) has entered into collaboration with Nagra for manufacture of field type recorders in India initially in CKD condition. It is hoped that the situation regarding availability of field recording equipment in the country will improve once this production goes on stream. However, during the intervening period it is necessary that the policy for import of this type of equipment is liberalised.

2.19 As regards 1/4" magnetic tape, there are atleast three manufacturers in India who are making 1/4" magnetic tape. Our enquiries show that the quality of magnetic tape being produced in India by all the manufacturers continues to remain sub-standard from the professional point of view. It appears that the indigenous manufacturers are taking advantage of the sheltered Indian market and, therefore, are not adequately motivated to improve the quality of their product. At the same time, film makers are being forced to obtain imported 1/4" magnetic tape of various international brands from doubtful sources.

2.20 We, therefore, feel that the complete protection which is available to Indian manufacturers in this critical area should be modified and import of 1/4" magnetic tape should be allowed by one of the Government agencies, so that a sense of competition is created. This will also enable quality conscious people involved in the business of film making to adhere to international quality standards.

2.21 As per the prevailing practice, most of the sound including dialogues recorded at the time of actual out-door shooting has to be dubbed/re-recorded in recording theatres. There is a common impression that the facilities required for dubbing of dialogues, re-recording of sound and recording of music are the

same. This is not really so. The facilities required for music recording which has to cope with a very large orchestra, have to be necessarily very sophisticated. This is not required in dubbing theatres meant primarily for dubbing of dialogues and recording other sound effects.

2.22 At present there is a shortage of recording theatres both for dubbing and music recording. Even the new recording theatres which are being planned in some areas such as KSFDC's recording theatre in Trivandrum, are being designed to provide for both dubbing and music recording. This general approach, on the one hand, substantially raises the cost of construction of recording theatres and, on the other hand, places such recording theatres beyond the financial reach of low budget experimental film makers who do not normally use songs in their films. Further it is also wasteful that expensive and sophisticated recording theatres designed for music recording and multi-channel sound mixing should be used for dubbing purposes.

2.23 In this connection the Study Group would like to record that the dubbing theatre which has been designed and set up by the Chitrlekha Film Cooperative in Trivandrum can work as a model for construction of low cost functional and aesthetic dubbing theatres. Our enquiries indicate that apart from the equipment cost, the construction cost of this theatre is only about Rs. 25,000. In this recording theatre ingenious use has been made of the locally available material like sand for sound proofing. This kind of approach deserves to be widely adopted.

2.24 With the expansion of low cost dubbing theatres as suggested above, the availability of music recording theatres will automatically improve. However, there is need for modernising the existing theatres, for which facilities should be made available. This means liberalising the policy for import of sound recording equipment, sound transfer equipment, sophisticated sound mixers, magnetic sprocket tapes for 35 and 16 mm for transfer of sound etc., which are necessary for modern sound recording studios.

2.25 In this connection it may be mentioned that the technology of crystal motors mounted on cameras has been already introduced in India. However, if this is linked to recording system through wireless microphones, the requirement of dubbing can be substantially reduced. This will also provide for indirect economy by way of less dependence on artists' time and savings in raw material. In view of its economic advantages, the technology of sound recording through wireless microphones and allied equipment needs to be particularly encouraged. For this purpose, the import restrictions and the level of customs duties on this equipment should be substantially reduced.

2.26 As regards sound mixers, during the Study Group's visit to Trivandrum, the Group had the opportunity of seeing a sound mixer of 12 channel designed by KELTRON which has been supplied to Chitrlekha Film Cooperative. Our discussions with this Cooperative indicate that they are satisfied with the mixer. Roman Electronics, Madras are also manufacturing sound mixers. This is an evidence that the capability for manufacture of sound mixers exists in the country.

2.27 There are a few items of very sophisticated equipment such as multichannel studio magnetic recorder, sel-synch interlock system, optical recorders, studio microphones, the demand for which is extremely limited and the technological knowhow for which is not available in India, and which will, therefore, continue to be imported. Considering the level of highly sophisticated technology and the level of demand, it is not even desirable to manufacture all these items in India in the foreseeable future and the Study Group is, therefore, of the view that these items will continue to be imported, but the level of import duties on these equipments should be reduced in the context of the need for developing dubbing theatres and music recording theatres.

2.28 At present there are no noise reduction systems in use in the industry. What are used are just frequency filters. The systems in existence are under international patents. Manufacture and incorporation of systems like Dolby in the recording and projection equipments, under patent, must be encouraged.

2.29 There is another area where developmental work needs to be taken up immediately i.e. in the area of sprocketed magnetic tape. Sprocketed magnetic tape is a substitute for optical sound track and is at present entirely imported. Films Division has already partially switched over to sprocketed magnetic tape and this technology is likely to become very popular in view of its economic advantages as also the quality of sound. The economic advantages arise from the fact that sprocketed magnetic tape is capable of being reused whereas the optical sound track once used becomes entirely a waste.

2.30 The Study Group, therefore, strongly recommends that the manufacture of sprocketed magnetic tape should be undertaken by the HPF or any other appropriate agency immediately.

2.31 Technology already exists for striping films magnetically for recording sound. Magnetically striped films can be used conveniently for dubbing, recording of songs, background music and also for transfer of original sound track. The same striped film can be reused after the sound is erased. This technology can result in improvement in sound quality as also savings in sound negative, sound positive, etc. We recommend

that HPF should also consider the production of magnetically striped films.

Editing Equipment

2.32 Main equipments used for editing are moviolas, editing tables, synchronometers, splicers, sound readers, rewinding machines etc. The conventional moviolas give a noisy operation and, therefore, recently the trend has been to change over to flat-bed Steinbeck type machines which are noise free. Steinbecks are available only with a few studios. As has been mentioned in Chapter VI of the report, one firm in Pune has already developed a range of editing equipment and another firm in Bombay is also undertaking development of flat-bed type editing tables. At present there is a shortage of editing machines, but the position will change once the editing equipment being locally developed becomes freely available. Therefore, editing machines may have to be imported only for a limited period. As the technical knowhow for a wide range of editing equipment has been already established in the country, the general approach should be to encourage indigenous production with integration of latest technology. For this purpose, the existing manufacturers and some more entrepreneurs should be given financial support for setting up proper production facilities and for import of certain components like prisms and lenses etc. which are not manufactured in India.

Special Equipment For Titling and Animation Work

2.33 For giving film credits, titles etc. special optical cameras are required. These cameras being of sophisticated variety have to be imported. Similarly for animation work special animation cameras with animation tables are required which have to be imported. There is very little work being done in animation in the country. A few animation cameras, which are again imported, are available with Films Division and some commercial advertisement concerns. The demand in this area is very limited. For animation work another technology required is special type of transparent paper for cells. This is at present being imported. Our investigations show that some of the manufacturers dealing in plastics have the technical knowhow for manufacturing this special type of paper. Depending upon the demand, the development of this type of paper can be taken up in India. Most of the special effects work is done in the laboratories with the help of optical effect printers. Facilities for this are available in the laboratories.

CHAPTER III

PROCESSING FACILITIES AND EQUIPMENT

3.1 Until about fifteen years ago film production was mainly concentrated in Bombay, Madras and Calcutta. At this stage most of the film production was in black and white. These centres had, therefore, laboratory facilities available predominantly for black and white processing. During the last 15 years not only film making has switched over from black and white to colour but the number of film making centres has also increased. Film making has now become an important activity in areas like Bangalore, Hyderabad, Trivandrum, Orissa and Gujarat also. The colour lab facilities are at present available only in Bombay, Madras and Bangalore. It is, therefore, necessary that the planning of colour lab facilities is geographically dispersed in accordance with the growth of new film centres.

3.2 This situation is likely to be partly remedied with the construction of a colour lab in Trivandrum by KSFDC and in Calcutta by West Bengal Government. These labs are also providing facilities for processing of 16mm black and white and colour films. Films Division is proposing to set up a black and white laboratory in Delhi and black & white/colour lab in Bombay. The latter will provide facilities for 16mm colour also. Once the proposed labs in Trivandrum and Calcutta become functional, only Hyderabad and Ahmedabad will be without laboratory facilities. The Orissa film industry is closely integrated with Calcutta and would perhaps not require separate lab facilities for the time being. As regards film industry in Gujarat, while film making activity has picked up during the last few years on account of incentives offered by the Gujarat Government, it has to be seen whether this will remain a sustained activity and would acquire proper base in Ahmedabad rather than continue to depend upon Bombay. In the case of Telugu films, of late, there has been an actual shift in film making activity from Madras to Hyderabad. Therefore, there appears to be need for setting up colour laboratory facilities in Hyderabad.

3.3 The proposal of the Films Division for setting up a 35mm laboratory in Bombay should be re-examined taking into account the overall availability of laboratory capacity in the country and particularly in Bombay. Films Division should also consider the need to disperse facilities and the impending change over to 16mm format. It may be desirable in the first instance to consider setting up only a 16mm colour laboratory with direct blow up facility to 35mm.

3.4 The laboratory processing facilities which are available are inadequate in regard to quality. For example, different kinds of films such as Fuji, Kodak, Orwo, Gaevent required different kinds of chemical bath. However, the general prevailing practice is to use the same chemical bath for most of the films. This

is not because of lack of technical knowhow or non-availability of chemicals. It is primarily on account of the fact that labs occupy a position of comparative monopoly and, therefore, they can get away with sub-standard service to the customers. At the same time, a large number of film producers are not adequately quality conscious. There are also certain gaps in the availability of lab technology in India. For example, crucial for 16mm processing are not available in most of the laboratories.

3.5 Our discussions with film makers have indicated that most of the labs display an attitude of indifference, if not callousness, in the handling of film negative. Personnel engaged in the handling of exposed negative are not properly trained. Most of them are not even properly educated. We feel that this situation is the result of the current monopoly of labs and can be remedied only after the labs under construction by Government agencies/Public sector corporations come into full stream.

3.6 Laboratories require continuous power and a constant voltage to maintain proper quality standards. In the present context of frequent interruptions in power supply, if not outright failure, the laboratories must be equipped with generators with automatic switch over facilities in case of power failure. Such facilities at present do not exist in most of the laboratories in the country and, therefore, several film negatives while being processed get spoiled due to interruption in power. This results in irreparable losses to the film producers. The Study Group recommends that Government should find ways and means to insist upon the existing laboratories to provide their own generators and no new laboratories should be allowed to be set up unless they provide for their own generators.

3.7 Our enquiries show that technical knowhow for conventional type of processing machines for black and white and colour film is already available in the country. Black & white printers are also being indigenously made. However, colour printing machines especially liquid gate printers have to be imported. Lab technology has made considerable advance abroad where now high speed processing machines are in use along with computerised method of colour correction with the help of automatic analysers, in addition to the use of standard equipment such as densitometer, continuous contact final printers etc. Considering the fact that lab technology is critical to the technical qualities of the final film which is seen by the viewer, it is necessary that the existing labs are modernised and new labs being set up in the public sector take advantage of the latest advance in processing technology. Simultaneously the existing manufacturing units which are already

marketing black and white processing plants should be encouraged to take up development and manufacture of sophisticated colour processing plants.

3.8 As regards the requirement of chemicals for film processing, the Film Enquiry Committee (1951), headed by Shri S. K. Patil, had drawn attention to the need for indigenous production of chemicals, as at that time a large number of chemicals were not locally available or were not produced in adequate quantities. The position since then has undergone a complete change. At present, except for a few chemicals required for colour processing, which have to be imported, most of the chemical requirement for film processing is met from indigenous sources.

Silver Recovery

3.9 It is well known and the discussions of the Study Group with people who have been closely involved with the operation of labs have confirmed this impression; that the laboratories are currently making fairly large profits, a sizeable proportion of which is earned by way of black money through the recovery of silver from the chemical wash and the liberal wastage allowance of 8 to 10 per cent which is accepted by the producers.

3.10 Silver is recovered from the chemical wash used by the laboratories for processing and fixing. Our discussions with the experts in the field indicate that the quantity of silver which is discharged in the chemical bath/hypo is as follows :

Type of film	Percentage of silver discharged in the chemical bath with reference to the quantity of silver in the film
(i) Black & white negative and positive	20%
(ii) Colour negative	100%
(iii) Colour positive	95%
(iv) Sound negative	95%

On this basis, it is estimated that from the "fixing" bath which is common for black & white positive, negative and sound negative and different for colour negative and positive, the following quantities of silver can be recovered :

Type of film	Percentage of silver discharged in the chemical bath
(i) Black & white including sound negative	8 to 9 gms per litre of hypo used
(ii) Negative and positive colour	4 to 5 gms per litre of hypo used

Some of the major colour labs are known to mix as much as 3 to 4 thousand litres of hypo everyday. Assuming a conservative recovery rate of 4 gms per litre of hypo, a big lab should be in a position to recover as much as 14 kgs. of silver per day from 3500 litres of chemical bath. Further, on the basis of a conservative silver price of Rs. 2500 per kg. and assuming that a big lab works for 300 days a year, the recovered silver represents a value of about Rupees one crore. For about 35 labs operating in the country, 5 I&B/80-18

the value of recoverable silver will be of the order of about Rs. 8 to 10 crores per year, as except for a few most of the labs are small establishments. This is in the nature of a general assessment which merely indicative of the potential for silver recovery. Exact picture can be ascertained only after a detailed enquiry.

3.11 There are two processes by which silver can be recovered from the chemical bath i.e. chemical process and the electrolite process. With the chemical process about 99 per cent of the silver can be recovered but the residue hypo cannot be reused. The electrolite process can also enable recovery of 100 per cent silver but offers the facility of recovering only about 90 per cent of the silver which enables the reuse of residue hypo. The cost of recovered hypo which is available for reuse is estimated around Rs. 2.50 per litre. Both the processes are comparatively simple and the plants for these can be inexpensively fabricated.

3.12 Most of the laboratories show some sale of used hypo to small entrepreneurs while in fact most of them have clandestine facilities for recovery of silver from the hypo which is sold in the black market. The huge amount of black money earned by this process enables the laboratory owners to undertake financing of film production through informal credit which provides a hold to the laboratories in the film production sector particularly of the big budget variety. During discussion, the Study Group was specifically told that it is on account of this money power of labs that producers, even when they are not able to get proper service from the labs and yet compelled to pay exorbitant processing charges, feel hesitant to voice complaints against the laboratory network.

3.13 Silver is a scarce commodity and is a crucial component in the price structure of raw stock. Further as the recovered silver is a byproduct of the raw stock purchased and brought by the producer, the benefit of recovered silver should go to the producer. However, as the labs simultaneously process films of several producers, it would not be practicable to directly give the benefit of silver recovery to any individual producer. In the circumstances, the Study Group recommends that the following procedure should be followed :

- (i) It should be made compulsory that all labs will set up silver recovery plants which does not require very large investments. Incidentally, the public sector laboratories being set up in Trivandrum and West Bengal are providing for silver recovery plants.
- (ii) Standards for recovery of silver from hypo should be laid down after proper scientific investigation.
- (iii) The recovered silver should be handed over to the HPF or any other raw stock manufacturing agency and the lab should be reimbursed only the processing cost of silver recovery and not the cost of recovered silver.
- (iv) The money value of recovered silver should be paid by HPF into a Film Development Fund to be set up by the Central Govern-

ment which should be utilised by the Government in consultation with actual film makers for such activities as Research and Development. The exact scope of this fund can be considered in detail by the full Working Group.

3.14 In this context it is understood that the proposed lab of the Films Division at Delhi does not provide for silver recovery plant. This is indeed curious as Films Division which has highly specialised technical personnel cannot be unaware of the silver recovery potential. The proposed scheme of the Films Division should, therefore, be modified and must provide for a silver recovery plant.

3.15 Another area from which silver can be recovered is waste film. It is estimated that 20 gms. of silver can be recovered from every roll of 35mm black & white waste film. The Study Group has not been able to make an estimate of the overall potential for recovery of silver from waste film. It is, however, understood that even an organisation like the Films Division does not appear to have paid adequate attention to this aspect. Rolls of 35mm waste film are disposed of at a price of about Rs. 17 to 18 per cent roll to a limited number of dealers, though in terms of silver alone the price of a roll of waste film should be around Rs. 50. It is a wrong policy to dispose of waste film on such ad-hoc basis. It is strongly recommended that the Films Division should set up a silver recovery plant from waste film.

3.16 As regards the wastage allowance, some time ago the Films Division has undertaken a detailed study, after which they had fixed a wastage allowance of 2.5 per cent for black & white printing and 5 per cent for colour printing. While this standard of wastage allowance has not been formally accepted by the labs, in practice as far as the Films Division work is concerned, they are adhering to this standard provisionally.

3.17 It is understood that Government has again constituted an Expert Committee to go into this entire question. In view of the fact that this question is being examined by an Expert Committee, the Study Group has no specific suggestion to make regarding the norms for wastage which should be allowed to the laboratories. However, it needs to be emphasised that liberal wastage allowance apart from adding to the expenditure of the film producer also results in making unauthorised copies of feature films, which is perhaps a source of prints being smuggled out of the country for circulation abroad. Further the raw stock saved by the laboratories also finds outlet in the market through questionable channels. In view of this, wastage allowance for film industry should be fixed at the same level as for the Films Division

3.18 In addition to the liberal wastage allowance, the laboratories also adopt another method of obtaining extra raw stock from the producers. Most of the films are of about 13,000 ft. or less, which is roughly equivalent to 4000 metres as the rates of excise duty for prints of more than 4000 metres length are very high. With the addition of wastage allowance at the current rate of about 8 per cent, the laboratories require roughly 14,400 ft. of raw stock for a print of 13,000 ft. However, the labs usually demand 15 rolls of raw stock equivalent to 15,000 ft. Thus, for every print which the labs take out, they save about 600 ft. of raw stock, in addition to a liberal wastage allowance. This remains unaccounted. Considering that on a conservative basis the labs take out more than 25,000 prints of feature films per year and they save half a roll of raw stock per print, about 12,500 rolls of film remain unaccounted. This is enough to make nearly 900 unauthorised prints of feature films every year. On such clandestine prints, naturally, no excise duty is paid.

3.19 The foregoing survey clearly indicates that the entire sector of laboratories needs to be regulated from the point of view of quality assurance, proper raw stock management, elimination of scope for unauthorised prints, prevention of excise evasion and ensuring proper account of silver recovery. At present there is little or no Government regulation on the labs. We, therefore, recommend that a proper licensing system for laboratories should be evolved and Government should set up a machinery to ensure that labs adhere to proper standards of quality in their work and render proper account for the raw stock utilised and silver recovered. The main Working Group has already decided to recommend that a proper system of licensing should be introduced for the distributors through an executive branch of the Department of Cinema under the Ministry of Information and Broadcasting. The work of licensing of the laboratories, ensuring quality and proper account of raw stock and recovered silver can also be assigned to the same executive wing. A monitoring committee consisting of film technicians should assist this office of the Information & Broadcasting Ministry in making periodic checks on the laboratories with a view to ensure quality performance by the laboratories.

3.20 It is at the same time necessary to encourage the laboratories to become more quality conscious. In the National Awards scheme, when an award is given for the best cinematography for a feature film, the contribution of the laboratory is not recognised. It is well known that the best camera work can be ruined if the laboratories do not take enough care to process the film properly. It is, therefore, recommended that along with the award for best cinematography, a certificate of merit should be given to the lab which has processed the award winning film.

CHAPTER IV

PROJECTION EQUIPMENT, SUB-TITLING AND DUBBING TECHNOLOGY

4.1 For exhibition of films, the main equipment required are projectors and sound equipment. While the requirement for exhibition in 16mm have been discussed in a subsequent chapter, the discussion in this chapter is confined generally to 35mm projection equipment.

Projectors

4.2 The manufacture of projectors in India with the collaboration of international manufacturers like RCA and Westrex was taken up a long time back and has been gradually indigenised. Their successors along with comparatively recent establishments account for the major quantity of projection equipment sold in the country. They are Messrs Photophones, Cinecita and Devi Projectors. Though these manufacturing units have been in production for decades, no major technological development in the design of projection equipment can be attributed to them. They have consistently resorted to importing units as long as they could manage to do so, moving from there to import of components of units and only when there was an imminent possibility of someone else manufacturing the components, to the actual manufacture of components. It is indeed surprising that a series of technical collaborations have been permitted in the past for the manufacture of a comparatively simple equipment like the projectors.

4.3 Secondly, they have clearly engaged in a restrictive practice of a price cartel. Prices of comparable projection equipments of the three manufacturers are identical and have escalated in an identical manner vastly over the last 20 years without any appreciable technical innovation. The facts are as follows :

- (i) The projection equipment manufacturers were permitted collaborations with provision for import of major components. For a long period of time they preferred to buy, assemble and sell rather than manufacture.
- (ii) In this sense they have remained mainly trading houses rather than serious manufacturers.
- (iii) Even today they are allowed to import and sell certain simple and easily manufacturable items like mirrors and lenses. Attempts are made to import improvements in the product line abroad and such items are traded with very high margins of profits.
- (iv) There have been very little developmental activity because the orientation has been

towards making profits, thus placing the country in a status of technological obsolescence in the most widely used equipment in the film industry. For instance, valves are used in standard amplifiers even today while transistors are offered in higher priced alternatives. It is well known that in the rest of the world transistors replaced the valves almost two decades ago and today transistors are also in the process of being replaced by the so called chip technology.

- (v) A set of two projectors used to cost around Rs. 50,000/- about 15 years ago. Though Messrs Cinecita and Photophone were competing against each other, it is obvious that they were in a price agreement because year after year price mark-ups were announced simultaneously which has brought comparable equipments to the price bracket of Rs. 1,75,000/- today. These establishments continue to maintain their status as small scale industries in spite of consistently huge turnovers due to their trading status on the one hand and their heavy dependence on sub-contracting components. It has come to the notice of this Group that sub-contracted components like the arc-houses are being bought at a price which is quarter of the price at which it is re-sold by the cartel to the customer.
- (vi) By virtue of the fact that the cartel also has agencies of analogous equipment manufacturers abroad, all categories of equipment which are not at present being manufactured in the country and which could easily be manufactured if only a desire was there, such as the 70mm projection equipment, stereophonic amplifiers etc., are imported through them and marketed with a high profit margin.

4.4 The Group notes that in spite of relative simplicity of the equipment itself, the Government still permits the import of certain components of the projection equipment including mirrors and lenses in the name of progressive indigenisation. It is also a fact that in all these years there has been hardly any innovative development in these equipments attributable entirely to the efforts of these units.

4.5 As has been indicated in Chapter VI subsequently, the technical knowhow for manufacture of professional projection equipment is already available with some of the public sector corporations such as KELTRON. During deliberations of the full Working

Group, it has been already recognised that the present availability of exhibition theatres is grossly inadequate and the theatre network will have to be expanded at a very fast pace both for projection in 35mm as also 16mm. Several State Governments have demonstrated tremendous interest in the growth of cinema houses. Consequently the demand for both 35mm and 16mm projection equipment will progressively increase. It is, therefore, necessary that one of the public sector corporations such as KELTRON takes up development and manufacture of 35mm and 16mm projectors in addition to the present manufacturers. Such a measure will on the one hand meet the expanding demand and on the other provide a sense of competition to the existing manufacturers thereby enabling price reduction in projectors. It is also necessary that trading licences should be restricted to genuine manufacturers who demonstrate progress in technological indigenisation.

Cinema Arc Carbons

4.6 The manufacture of cinema arc carbons for use in projection equipment in the country primarily began with the branches of multi-nationals. The largest of them, Union Carbide, has since been Indianised under the name of National Carbons. This is considered to be the best carbon manufacturer in the country at the moment. There are two other major manufacturers i.e. Messrs Best & Company, who market 'Beacon' and Messrs Advani Oerlikon, who have come in fairly recently. Though there is no uniformity in the prices indicating a cartel as in the case of projection equipment, the three manufacturers maintain a price differential which has been consistently uniform. However, the use of carbons in the arc houses is likely to be seriously endangered since carbon is a petroleum-based product. It is likely that the price will escalate sharply in the very near future. Even otherwise because of technical advantages, carbon arc projectors are being replaced by Halogen or Xenon type lamps. This will provide higher intensity, smoke free operation and will not require frequent replacement as is the case with carbon arc.

4.7 As has been mentioned in Chapter VI of this report, the Central Electronics Ltd. Ghaziabad have already developed Halogen lamp. This can be improved to suit the requirement of cinema projectors. The Group, therefore, recommends that development of a Halogen/Xenon lamp which will also require modifications in the arc house of the projector, should be taken up on a priority basis. Further, the trading and manufacture of this type of lamp which is bound to come in wide use should not be permitted to be monopolised by the existing manufacturers of projectors.

Exhibition Sound Equipment

4.8 At present despite a fairly sophisticated development of sound technology in the country, most of the stereo amplifiers being used in the theatres are still being imported. Mono-amplifiers and loudspeakers of upto 15" dia. are normally obtained through indigenous sources.

4.9 We feel that it is well within the competence of Indian manufacturers to meet the total demand both in quality and quantity of sound equipment required

for theatres and no imports in this area should be allowed.

4.10 Another problem in the area of exhibition technology is the continuous maintenance of proper standards of projection during actual exhibition of film. During discussions of the Study Group with cameramen and film makers, a point was repeatedly made that all the work which goes in the making of a film ultimately depends upon the quality of projection in the cinema theatres. It was further stated that the standards of projection even in metropolitan towns were extremely poor.

4.11 Because of overall shortage of theatres in the country and because of acute demand of theatres particularly in metropolitan towns, the cinema management is not adequately concerned with proper maintenance of projection and sound facilities and consequently even films with high visual and sound qualities are spoiled during projection. Besides, there is frequent mishandling of prints by the staff of theatres, i.e. projectionists resulting in damage to prints. A film at the time of exhibition to the audience in a theatre represents the end product of all the efforts of film makers and others engaged in production and distribution of films. It is, therefore, necessary that ways and means are found to exercise quality control on the projection of films in cinema theatres.

4.12 In this regard the Group would like to draw attention to the fact that the existing licensing rules do not lay down any technical standards for film projection. The rules are mainly concerned with hygiene and safety conditions. The licensing authorities while renewing the theatre licences do not, therefore, look into the projection conditions in the theatre. This is not only necessary from the film makers' point of view but also desirable from the view point of the audience who have to put up with sub-standard projection which can constitute a hazard to their eyes.

4.13 The Group, therefore, recommends that a body like the ISI should fix the basic minimum standards of screen light illumination and sound which should be incorporated in the licensing rules. Further the State Government should have a Standing Committee of Film Technicians, the members of which individually or as a committee should carry out surprise inspection of the projection equipment in theatres with a view to ensure that projection equipment is continuously maintained at the expected level. The members of this Committee should report their findings to the State Government which should take appropriate action.

4.14 It is also felt that the technical personnel employed in the cinema theatres such as projectionists are quite often not properly trained to handle the projection equipment and to undertake minor repairs. It is, therefore, necessary to provide training facilities to projectionists employed in the theatres. As the requirement in this area will be fairly large, it is felt that FTII will not be able to cater to this training requirement. It would, therefore, be desirable that the local film industry in collaboration with State Government or individually sets up training facilities for cinema projectionists.

Sub-Titling Facilities

4.15 At present there is only one concern in Bombay which undertakes sub-titling of films. Several years ago IMPEC had imported a sub-titling machine which has never been brought in use and is now reportedly lying with FTII, Pune.

4.16 The demand for sub-titling facilities has been increasing on account of the awareness of the Indian film makers for participation in foreign film festivals, presentation of Indian films in foreign countries as part of Cultural Exchange Programmes and exhibition of Indian films by the Indian Missions abroad which are supplied by the External Publicity Division of the Ministry of External Affairs. There is also annual requirement of sub-titling which arises on account of India's International Film Festival. Further, during discussions with the Doordarshan authorities it has been indicated that one of the factors which has hampered wider circulation of regional language award winning films on the TV circuit is non-availability of prints with subtitles. The Group also understands that some of the Middle East Countries which import Indian films prefer to get sub-titled prints rather than undertake sub-titling themselves. At present most of the sub-titling work on Indian films is being done abroad involving payment in foreign exchange and also considerably higher expense. Besides a large portion of potential demand for sub-titling remains unsatisfied.

4.17 The technology for sub-titling is fairly simple. There are basically three processes for sub-titling (i) by chemical process; (ii) by heat process; and (iii) by optical process. The software for sub-titling technology consists of translation and preparation of spotting sheets etc. which is already available in India.

4.18 Sub-titling has the following advantages over dubbing :

- (i) Sub-titling is a cheaper technology as compared to dubbing. While the cost of sub-titling of a feature length print in India is only around Rs. 5 to 6 thousand, the cost of dubbing is estimated to be around Rs. 70 to 80 thousand.
- (ii) Sub-titling provides minimum interference with the original film. Dubbing on the other hand makes an important change in the original film. This interference can be very serious in case of artistic films.
- (iii) Experience has shown that dubbing of North Indian language films into South Indian languages and vice-versa has not been acceptable to the audience as the audience find it difficult to accept a North Indian speaking in a South Indian language and vice-versa. The problem of audience acceptability from this angle does not arise in case of sub-titling.
- (iv) In case of television, sub-titling technology provides for instant sub-titling during the process of transmission through the technology of visual character generation for which the equipment with English characters is already available in India. If similar equip-

ment is developed for other Indian languages, it would be possible to show the same film with sub-titles in different languages in different TV circuits at a limited expense.

4.19 In view of the foregoing, the Study Group is of the view that as a general strategy India should aim at developing sub-titling facilities in all Indian languages rather than dubbing. In South India, where dubbing has been used, it has been a success mainly for mythological, costume and action films. As far as contemporary themes are concerned, the producers prefer to make different language versions by parallel shooting or re-make in case the film is expected to have substantial market in other language audience.

4.20 Often there is an argument used that sub-titling in a country like India where majority of the population is illiterate, would be unsuitable. This argument is based on a mis-conception since today cinema reaches only to those sections of the population who are literate and semi-literate. Even otherwise sub-titling can be used as one of the instruments by which literacy can be inculcated. As far as para-dubbing is concerned, this technology is entirely unsatisfactory for wide use for the simple reason that para-dubbing completely disrupts the original sound structure of the film.

4.21 Our enquiries show that there are only two sub-titling machines in India. One of them is being operated in Bombay and the other one which was originally imported by IMPEC is lying in disuse in FTII, Pune. The overall availability of sub-titling facilities as has been mentioned earlier cannot even meet a limited portion of the demand. The Group recommends that a couple of entrepreneurs who have gained some experience in the field of English sub-titling should be allowed to import modern sub-titling equipment for setting up sub-titling facilities. This refers only to English language sub-titling. This need not hamper the proposed plan of FFC/NFDC to set up sub-titling facilities which has been in gestation for a long time as the demand for sub-titling facilities in English is considerably more than what can be met by one or two entrepreneurs.

4.22 During our study some private organisations have also mentioned that they would be willing to take over the sub-titling machine which is now lying with FTII and set up sub-titling facilities after necessary repairs to the machine. This possibility should be explored.

4.23 The Group recommends that since sub-titling in Indian languages will mean a pioneering effort as no work has yet been done at all, this should be taken up by Government agencies from R&D to actual execution. There are immediate areas where sub-titling in all Indian languages could be applied. All Films Division documentaries should be sub-titled into various Indian languages without tampering with the film. At the moment Films Division tends to make documentaries which have a single voice commentary. This restricts the style and form of the documentary film. Sub-titling will liberate the documentary film and allow film makers to make films in the language of their choice. This will enable use of the spoken word and inclusion of verbal elements that give a short film a special regional character, without being confined into

a format which requires that the original version of the film should only be either in English or in Hindi.

4.24 In other areas such as feature length films, the entire alternate cinema which is usually low budget and regional, can be easily distributed on a national level with sub-titling. This will increase the market for such films.

4.25 The organisations which should take up research development and execution would be the Films

Division, FFC/National Film Development Corporation and the State Film Development Corporations. The latter should handle the languages of their region. The role of Films Division should, by and large, be confined to documentary films or the 'fiction type' of short films and that of FFC/NFDC primarily to feature length films. The State Film Development Corporations should address themselves both to the requirements of feature length films and short films in the specific languages which are of their interest.

CHAPTER V

RAW STOCK AND HINDUSTAN PHOTO FILMS

5.1 The raw stock requirements of the Indian film industry are at present being met by four methods :

- (i) indigenous manufacture of certain kinds of raw stock.
- (ii) import of jumbo rolls of colour positive film and its conversion into 35mm and 16mm rolls through slitting and perforation in India.
- (iii) canalised import through FFC of certain types of raw stock.
- (iv) direct import by individuals of certain types of raw stock under REP licences issued against export of films.

Hindustan Photo Films

5.2 The indigenous manufacture of raw stock in India is at present undertaken by Hindustan Photo Films Manufacturing Co. The range of HPF's products for the film industry includes completely indigenous manufacture of black & white positive 35mm and cine sound negative. In addition, the Company imports colour positive jumbo rolls from two international manufacturers and converts them in to cine colour positive rolls of 35mm and 16mm.

5.3 The HPF, which is a Government of India owned company, went into production in 1967-68. Prior to this, the entire demand of raw stock of the Indian film industry was being met by imports. The growth in the production levels of HPF during the last five years has been as follows :

Items Manufactured by HPF	Production in rolls	
	1975	1979
i) Cine Black & White Positive 35mm.	1,39,519	1,86,759
ii) Cine Black & White Positive 16mm	26,698	22,946
iii) Cine Sound 35mm	29,804	48,783
iv) Cine Colour Positive 35mm (Jumbo Roll conversion)	1,11,428	2,16,760
v) Cine Colour Positive 16mm (Jumbo Roll conversion)	—	3,873

5.4 Our discussions with HPF as also the film producers have indicated that HPF is today able to meet almost the complete demand for cine positive black & white 35mm and 16mm, as also cine sound negative 35mm. While HPF is also expected to meet the requirements of colour positive in full sometime this has to be supplemented by imports through FFC. There are several categories of raw stock which are exclusively available to the film producers through imports.

The level of requirement of raw stock through imports for various types of raw stock for 1979-80 has been estimated by FFC as follows :

Items	Total requirement No. of roll
<i>Standard Colour Negative</i>	
35mm Eastman-(305M)	18,430
35mm Fuji-(305M)	9,900
35mm Eastmancolour Intermediate (305)	3,300
35mm Eastmancolour Internegative (305)	90
<i>Sub-standard items</i>	
16mm Eastman colour negative (122M)	396
16mm Eastman colour Internegative (365 M)	198
16mm Eastman colour positive (365 M)	660
16mm B&W Dupe Negative (365 M)	66
Super 8MM Colour Positive with magnetic stripe in 16mm width (610 M)	550
Super 8MM B&W Positive with magnetic stripe in 16mm width (610 M)	450
Super 8MM Silent x 15 M. (Cartridges)	22
Super 8 MM Sound x 15 M. (Cartridges)	32
Regular Double 8 MM rolls (7.5M)	22
16MM Kodachrome 25 M. Duplicating film (300M)	625
16mm Kodachrome 25 M. in (30.5M rolls)	65

5.5 The total expenditure on import of raw stock including jumbo rolls by HPF is of the order of around Rs. 12 crores. Out of this roughly 50 per cent is on account of import of jumbo rolls by HPF.

5.6 The HPF was started with a view to spearhead development in an area of essentially high intensive technology. It has to be kept in view that since HPF is the sole manufacturer of film in the country, the film industry is critically dependent upon the performance of HPF.

5.7 So far the HPF has not adequately fulfilled its role of a reliable supplier of indigenously manufactured raw stock. This has been due to the following reasons :

- (i) Defective collaboration : The HPF was set up in collaboration with M/s. Bauchet, a company which at that time was involved in the manufacture of cinematograph product but which has since been taken over by Three M, a multi-national company. Even at the time of collaboration, M/s. Bauchet did not possess the latest technical knowhow for manufacture of raw stock.

- (ii) **Insufficient collaboration :** Instead of package deal which should have covered an integrated development of total technical knowhow for manufacture of all kinds of films and indigenous developmental facilities like research and development, the HPF purchased formulae for specific products at a given time such as black & white positive.
- (iii) **Total lack of developmental consciousness from inception :** Research and Development, to keep pace in knowledge growth with other products in the rest of the world, was never contemplated. The Research and Development Unit has always been used only as a trouble-shooting unit.
- (iv) The products of HPF have never stayed in comparison either in quality or in pricing with other desired products of the industry from abroad. In fact in the area of quality control, the performance of HPF has been extremely unsatisfactory. During discussions of the Group with film makers, it was almost uniformly represented that the entire range of products of HPF suffer from uneven quality. Some of the defects in quality are speed variation from emulsion to emulsion, uneven perforation, side cuts and damages, defects in sound stock and poor quality of packing.
- (v) The vulnerability of the plant extends also to product vulnerability. The company has at no time evinced interest in possible alternatives which might make the present product range redundant.
- (vi) The company has not widened its field to include analogous products such as reversal film.
- (vii) The company has not moved further and deeper into technology which they began with, meaning thereby that the manufacture of black & white negative, manufacture of colour positive and even the manufacture of colour negative have not even been explored.

5.8 The recommendations of the Group for the future course of the Company's growth are as follows :

- (i) HPF must be treated as a company manufacturing essential goods. As such, the products of the company must come under regulatory marketing controls as regards pricing, buffer stock distribution etc.
- (ii) The pricing structure of the products must evolve on the basis of evaluation of cost units compared with similar products elsewhere in the world. Further the price thus evolved should act as efficiency guides to the performance of the Company itself.
- (iii) In recent months the wide variation in the international price of silver has had the effect of destabilising its price structure. It is recommended that this destabilising element be segregated from the price components. The silver component of each product should

be charged as a silver surcharge in addition to the basic price excluding silver and this surcharge should be revised on the basis of an average over a stable period of time such as 3 months.

- (iv) It is also suggested that the silver component of stocks used, manufactured and sold by the company be subject to single point taxation.
- (v) The technical status of the Company as a prime manufacturer of all software used by the film industry has to be vastly widened allowing scope for not only extensive development but intensive attention to each one of their product lines. The Company must not only be allowed but positively encouraged to grow swiftly.

5.9 To ensure swift and proper growth of HPF, the following recommendations are made :

- (i) The Company itself must be re-structured on the lines of Corporate structure such as the Hindustan Machine Tools, a public undertaking. The products must be covered generically and separated into business groups. Instead of certain operations being common, a generic separation is essential for more important gains in terms of swift technological break-through for the Company.
- (ii) Each business group should preferably be located in a different film producing region of the country and should have independence of operation, accountable for performance independently. This, it is hoped, will also encourage group competition, helping efficiency.
- (iii) The functional units must be duplicated in every business group. This is particularly important in the case of Research and Development. It is the common experience of high intensive endeavours that simultaneous developmental work with close coordination in different units produces results quickly and problems of development and growth are made more easily surmountable.
- (iv) Each business group must be encouraged to move into horizontal expansion. For instance the business group consisting of X-Ray should be encouraged to expand into analogous medical supplies as well as products connected with application of X-Ray.
- (v) Altogether a new group of products which are considered as possible alternatives which may render the primary products of the Company more or less redundant should be taken up for manufacture by a separate business group. The ready example is tapes of all forms, magnetic tape, video tape, tapes of various gauges, tapes of various coatings used both for visual and audio recordings. This in fact achieves urgency in view of the fact that progress achieved elsewhere in the world is far outstripping our realisation of its importance.

(vi) The various business groups will come under the policy control of the Central Corporate body which will also have under its control functions of common importance. Two of the most important functions to our mind are (a) procurement abroad, and (b) export to other countries. Procurement abroad will include procurement of the main technological knowhow from more advanced countries as also maintenance of corporate relations with HPF's main suppliers and collaborators. Export to other countries should take into account that India has a very sophisticated technological infrastructure and there is considerable potential for export of not only finished raw stock but also manufacturing technology. The Company should move in the direction of suppliers of technology to third world countries by manufacturing jumbo rolls in India and setting up slitting and perforation plants on a turn-key basis in less developed countries.

5.10 The Company admittedly has taken over marketing only recently. The marketing effort of the Company has to be organised as a separate functional division on a far greater professional basis. This should include,

- (i) collection and dissemination of information on all analogous products around the world to the consumer ;
- (ii) effective sampling system for feed back information on product, manufacture and sale ;
- (iii) close liaison with consumer units to give in-plant guidance ;
- (iv) functioning of a consumer Consultative Committee on a constructive and continuous basis. The Consultative Committee must

consist of operative technicians connected with every product of the Company.

5.11 We would like to emphasise that since nearly 50 per cent of the foreign exchange is being currently spent on the import of jumbo rolls for colour positive and further, as the demand for colour positive is likely to increase with the growth of film industry, immediate action should be taken to set up facilities for manufacture of colour raw stock in the country. For this purpose collaboration with foreign manufacturers will be necessary. It is, however, important that the mistakes of defective and inadequate collaboration which were made while undertaking manufacture of black and white raw stock should not be repeated and collaboration must be entered into only with a manufacturer who has the latest technology.

5.12 NFDC is responsible for the overall assessment of raw stock in the country and canalising of imports. NFDC is also responsible for distribution of imported raw stock i.e. other than what is manufactured by HPF. Our investigations show that FFC had not developed a proper machinery for scientific assessment of raw stock demand on a long term basis. Normal demand for the next year is projected on the basis of an ad-hoc increase of 10 per cent. This is not entirely satisfactory. Since even temporary shortage of raw stock creates insurmountable problems in film production resulting in serious setback to shooting schedules and consequent increase in production cost, it is necessary that NFDC develops a more scientific method of projecting raw stock demand and arranging imports. Simultaneously NFDC should continuously coordinate with the HPF so that any shortfalls in production of particularly colour raw stock is immediately taken care of by increase in the import of raw stock.

5.13 We, however, note that of late FFC/NFDC has planned for maintaining a buffer stock equivalent to two months of raw stock requirement. This should help in overcoming temporary shortages.

CHAPTER VI

ASSESSMENT OF AVAILABLE TECHNICAL KNOWHOW

6.1 As mentioned in Chapter I, the Study Group has visited a number of Government sponsored institutions as also private concerns (Annexure I) with a view to assess the availability of technical knowhow and immediate or potential capability to manufacture film equipment. The general impression gathered by us is that while there are obvious gaps in the availability of technical knowhow, the overall capability demonstrated by even the current levels of achievement is extremely promising. Whatever results have been achieved so far have been primarily due to the determination and even single minded devotion of a few individuals who have been working in different areas of film technology with little or no institutional support. Our comments on the specific work being done by some of the concerns are as follows :

Roman Electronic Service, Madras

6.2 This concern is manufacturing amplifiers, pre-amplifiers, 35mm optical play-back machines, equalizers, channel mixers and is also undertaking modifications of synchronous motors, coolant motors and magnetic recorders. The concern has gained considerable experience in sound technology. While the work being done is certainly commendable, the activities are limited to copying foreign models and undertaking day to day needs of repairs and maintenance of various types of film equipment mentioned above.

Ararkay, Madras

6.3 This firm manufactures gears for Arriflex cameras, Mitchell cameras and Moviolas. The firm also makes zoom mounts, zoom brackets, camera stands, trollies, trucking devices, fluid gyro heads, vacuum based attachments for cameras and undertakes calumination of lenses. The stands and trollies seen by the Study Group were of fairly good quality. The manufacture of gears for two types of cameras and moviolas is certainly meeting industry's urgent needs. The firm has plans and capability for expansion.

Amoo Engineering Service, Madras

6.4 This firm is headed by an engineer who has been acting as the technical adviser to Kerala State Electronics Development Corporation Ltd. (KELTRON). The firm has done considerable work in the areas of Super 8, 16mm and 35mm projectors. The Super 8 silent projector developed by the firm should have application in educational field and in the rural areas. The firm is also developing a long spool 16mm projector with carbon which can take 4000 ft. of 16mm film. This projector will be suitable for a small theatre of 400 to 500 capacity. The demonstration

of the projector showed that it has a good throw and bright illumination. There are a few minor problems of balancing the big spool which the firm is quite confident of overcoming. The firm is supplying various projector parts to well known projector manufacturing firms. The proprietor of the firm felt that the full benefits of the developmental work being done by this firm were not being enjoyed by the manufacturer but were exploited by bigger firms who buy technology from this firm.

Central Machine Tools Institute, Bangalore

6.5 The Study Group visited this Institute with a view to study whether the Institute could undertake equipment development in the area of film technology and also as to whether the organisational design of the Institute could be adopted as a model for a separate institute for film technology devoted to research and development. They are developing a collimeter for checking the calibration of lenses. It is obvious that such institutes have the capability of developing a number of equipment required by the film industry, however, the economics of such effort needs to be closely examined. In case at any stage it is decided to set up a separate Research and Development Institute for Film Technology, CMTI could be adopted as a model.

Central Glass and Ceramics Research Institute, Calcutta

6.6 This Institute and the Durgapur Ophthalmic Glass Factory which has taken the technology from the CGCRI, produce optical glass. The CGCRI is a research institute and their plant for production has a capacity of producing only 20 tonnes of optical glass per year. The Durgapur Glass Factory meets the requirement of ophthalmic glass for spectacles etc. The optical glass being produced by CGCRI which the Group saw, was of extremely good quality. In this regard we were informed that the quality of quartz glass manufactured in some of the foreign countries which is imported by India. The optical glass being produced by CGCRI is one of the basic items for manufacture of projection lenses, camera lenses etc.

6.7 Unfortunately with the present production capacity, the CGCRI is not able to meet even the full requirements of the National Instruments Ltd. which is located next door and the latter is, therefore, compelled to import most of its optical glass requirements from abroad. The National Instruments Ltd. confirmed that the imported glass was generally of inferior quality as compared to the glass being produced by

CGCRI and yet it was about 2-1/2 times more expensive.

6.8 In view of the proven capability of CGCRI to produce optical glass of a high quality, it is suggested that the production capability of optical glass should be expanded. In addition to the requirements of optical glass for defence equipment, this will also meet the needs of film equipment manufacturers e.g. projection lenses which are at present being met by imports. It may be possible to even export optical glass from India in view of the high quality standards achieved by CGCRI. In case CGCRI, being a research institute, does not consider it advisable to expand its production, it may be better to set up a separate factory for production of optical glass.

National Instruments Ltd., Calcutta

6.9 The NIL is manufacturing 35mm still cameras with a single reflex lens of F 2.8. It has collaboration with a West German firm. At present the indigenisation is of the level of about 40 per cent. They are also manufacturing theodolite, microfilm, microfiche readers and some equipment like aerial cameras, binoculars, passive light and infra-red devices etc. CCTV lenses are under development. During discussions with the Managing Director of NIL, it was indicated that NIL would be willing to undertake development work in camera and production of lenses. He was also prepared to help in getting lenses calibrated on an experimental basis which could be of great help in the repairs and maintenance of movie cameras available in the country. The general impression gathered by the Group was that NIL can develop the basic instrumentation and technical knowhow for repairs and maintenance of movie cameras including calibration and recoating of lenses.

Central Electrical Engineering Research Institute, Delhi and Central Electronics Ltd., Ghaziabad

6.10 At the CEERI the Group saw a demonstration of software for using audio visual slides with coder and de-coder devices for cassettes. At the CEL the Group saw the audio slide projectors and production of audio visual systems which have considerable scope for use in the field of education, audio visual publicity and commercial advertising. The experience gained by CEL in the manufacture of audio visual systems can be developed to serve the needs in some areas of film technology. Another interesting development is the R & D work being done by CEL in Halogen lamps. The Group saw Halogen lamps upto 150 watts being developed by CEL. Its stabilisation has been tested for 50 hours. Higher wattage lamps are under development. The Halogen lamp has immediate use in the manufacture of projectors, particularly 16mm. CEL have plans for development of Xenon lamps also. The general impression gathered by the Group was that CEL was certainly an institution which can play a big role in developing film technology.

Indian Registry of Pathology, Indian Council of Medical Research, Safdarjang Hospital, Delhi

6.11 The Registrar of Pathology is primarily interested in the technology for making slides and proces-

sing. He has developed a new process of using cine sound film for making colour slides by attacking the silver nitrate and converting it into a metallic and dye complex. The processing equipment which he has set up (optical printer processing tanks) with local help is inexpensive and efficient. The work being done here can be of interest in the area of film processing technology.

Valco Industries, Pune

6.12 This concern is mainly involved with the development of film equipment. Among the equipment developed by this firm are 16mm and 35mm flat-bed editing machines, 16mm/35mm print checkers, motorised pic-synch viewers with picture track and one sound track, film/magnetic tape slitter and perforator for large width rolls, motorised fast winder, single frame attachment for conversion of professional cameras for animation work, improvised animation cameras and stand, Super 8 loop cassette projectors, Super 8 spool projectors, footage counters, etc. The Group saw the flat bed editing machine with cinema-scope magazine attachment, animation camera stand and motorised sync viewer. The Group was given to understand that while earlier models of editing machines made by this firm had some problems, those have now been overcome. The results so far achieved definitely indicate that manufacture of editing tables can be completely indigenised. The production cost of the editing machine is considerably lower than the imported models.

Rauko Effects Service, Bombay

6.13 This is an outstanding example of a technician-owner-sustained effort, over the last 25 years, to rise up to the needs of the industry in making available a surprising variety of technical services. The Group saw the processing machine and printing machine developed by this firm and the subtitling work which is being done by this firm. The subtitling machine is completely indigenious. The printing machine is the first successful model developed in India. They have also developed a developing and printing machine for 16mm B&W reversal film which is being used by TV centres. An editing machine on the moviola pattern is in the offing. There is a variety of other equipment like optical camera, copying camera, automatic winders, synchronometers and lab equipment etc. which has been developed by this firm.

Ad Labs, Bombay

6.14 This firm has set up facilities for blowing up from 16mm to 35mm which reduces the cost of film making particularly for low budget film makers. The results seen by the Group were very encouraging. This is perhaps the only lab in India which has liquid gate processing for 16mm.

Process Labs, Bombay

6.15 Though the Study Group did not visit Process Labs at Dahisar, Bombay, it is aware of the contribution made by this concern in the development of lab processing machines which are being used by almost all the laboratories in India. This is another example

of pioneering work. It is in view of the work being done by this concern that perhaps the import of B&W lab processing equipment has been stopped.

Kerala State Electronics Development Corporation Ltd. (KELTRON), Trivandrum

6.16 This is a public sector undertaking set up by the Kerala Government which is inter alia manufacturing 16mm projectors with arc lamps. The projectors so far marketed by this firm are primarily for home use or for limited public screenings. During discussions with the Chairman of KELTRON it was indicated that a sturdy model of 16mm projector is currently under testing. It was, however, felt that even the new model of 16mm projectors will not be able to meet fully the professional standards required for 16mm projectors for commercial exhibition on the basis of three shows a day, seven days a week. However, the Chairman advised that KELTRON could undertake the development of a professional 16mm projector with foreign collaboration within an year's time. KELTRON have also manufactured and supplied one sound mixing console to Chitralkha Cooperative Society at Trivandrum. This console is completely indigenised and its price is substantially lower than imported mixing consoles. The Chairman of KELTRON mentioned that they had approached the Government in 1974 for manufacture of VTRs with foreign collaboration but the Government had rejected their application.

6.17 They are developing a close circuit TV system with special effects generator for the Institute of Mass Communication, Bangalore. KELTRON have already developed a character generator with English characters which has great potential for use in TV and subtitling of video films. The system has been already used for a South Indian film. A Hindi character generator is under development.

6.18 The overall impression gathered by the Study Group was that a fairly high level of sophisticated technical knowhow is available with KELTRON and it has the necessary institutional backing to assist in the development of various types of film equipment.

Physics Department, University of Pune

6.19 The Physics Department of the University of Pune under the direction of Dr. M. R. Bhiday is closely involved with work in rural areas and for this purpose it is experimenting with inexpensive film techno-

logy for use in rural areas. While the Study Group could not meet Dr. Bhiday, who was out of the country, the Group had the benefit of discussions with Prof. Nigavekar and Prof. Damle. The Group saw the slide projector and Super 8 projector which has been developed at the University as well as simple electric light device using bicycle technology which the Physics Department is developing for the Centre for Educational Technology. During the demonstration, the slide projector and Super 8 projector worked on the power generated by the bicycle. The need for taking film exhibition to the villages for showing films of social education as also entertainment is now widely recognised. Considering the fact that such an effort, if dependent upon sophisticated technology, will require heavy investments, it is the kind of simple technology being developed at the Pune University which deserves to be considered for wider adoption.

6.20 The above survey has no claims to be comprehensive. For example, Electronics Corporations set up by other State Governments are likely to have capabilities similar to that of KELTRON. There are also several other private concerns which are engaged in the development and manufacture of different kinds of film equipment. This survey, however, underscores the fact that we already have considerable technical know-how available in the country. However, most of the efforts are primarily individual efforts and most of the small scale manufacturers are working under conditions of extreme financial constraints, lack of information exchange and pooling and with little or no support from the Government or the industry. We strongly feel that if proper support is provided to the individual entrepreneurs engaged in development and manufacture of film equipment, the continued dependence of the country on imports can be considerably reduced, while at the same time the cost of equipment required by the film industry can be significantly brought down.

6.21 In view of the above, the Group recommends that ways and means should be found to provide financial assistance to these individual entrepreneurs both at the State Government and Central Government levels. A machinery for coordination of the efforts of the individual entrepreneurs also needs to be set up. We also feel that the National Film Development Corporation, which is required to play a developmental role, should specifically undertake providing financial support by way of grants or low interest loans to these individual entrepreneurs.

CHAPTER VII

STRATEGY FOR FUTURE DEVELOPMENT OF TECHNOLOGY

7.1 The world of film technology is on the threshold of major changes. Two of the important factors which will transform the present situation are :

- (i) steep increase in the price of raw stock on account of continuous rise in the price of silver,
- (ii) introduction of video technology.

7.2 In the Indian context there are also some other important factors which will determine the future of film technology. These are the need to penetrate a large unexploited rural market for cinema and the use of film technology in the field of formal education as also developmental communication.

16mm Technology

7.3 As has been mentioned earlier, the Working Group has already accepted the need for speedy expansion of the theatre network to make cinema more accessible particularly in semi-urban and rural areas. This will imply very heavy investment not only in setting up theatres but increased production of films and larger number of prints of each film to fill up the new theatres. Because of the higher cost of capital equipment as also raw stock, 35mm technology is in principle not suitable for taking cinema to the semi-urban and rural areas. Cinema in these areas will necessarily be of small size and will cater to smaller audience. Further, while it is not impossible that isolated artistic films and films of social awareness may appeal to large section of audience, it has to be recognised that like anywhere else in the world, serious cinema will continue to cater to only small audience. For these reasons it is necessary that a suitable technology should be adopted which provides for cheaper production and exhibition costs. 16mm technology offers advantages both of cheaper production, cheaper exhibition and greater manoeuvrability for outdoor shooting. In the advanced countries the total range of 16mm technology i.e. shooting equipment, recording and editing equipment, processing equipment and exhibition equipment, has become so sophisticated that in terms of quality 16mm film is no longer inferior to the 35mm film. Infact, the 16mm raw stock currently available abroad has better emulsion and, therefore, gives a better quality of film.

7.4 At present in India 16mm cameras are generally available only with TV Centres and Films Division. There are very few 16mm professional cameras available with individuals which can be hired by film makers. Again there are no facilities available for re-recording and mixing of sound for 16mm except with the Films Division. Even those film makers who make films in 16mm at present have to do sound work in 35mm.

There is also dearth of sound transfer equipment. As regards laboratory facilities there are only about 4 laboratories which have facilities for 16mm colour processing. Of these only one laboratory has professional 16mm facilities. The other laboratories provide only reduction printing facilities from 35mm to 16mm and are generally not interested in doing negative processing work in 16mm as they are fully occupied with 35mm work. Also there is only one lab in the whole country which provides facilities for blow up from 16mm to 35mm. We have already mentioned earlier that the country also does not at present have a professional 16mm Xenon/Halogen lamp projector which can be utilised for commercial exhibition in 16mm for 9 hours a day and 7 days a week.

7.5 In view of the overall shortage of equipment and processing facilities, rentals for the available equipment and facilities in 16mm are high, in fact sometimes higher than 35mm. This is despite the fact that the capital cost of 16mm equipment is invariably lower than 35mm.

7.6 In view of the overall economic advantage of 16mm technology as also the flexibility which this technology offers for blow up in 35mm or reduction printing in Super 8, it is absolutely imperative that Government provides all facilities for development of complete infrastructure for making and exhibition of films in 16mm i.e. shooting equipment, sound recording equipment, editing equipment, processing facilities and exhibition facilities. It is understood that FFC/NFDC has developed a plan for purchase of 16mm equipment which will be made available to film makers. The Films Division is also evolving a plan for production of feature type short films in 16mm. Purchase of equipment for this purpose is being planned though the plan has not been formally cleared by the Government.

7.7 Though the above steps are in the right direction the Study Group feels that nothing short of a complete customs holiday for a period of atleast two years will enable the development of 16mm infrastructure. This holiday will imply not only exemption from customs duty but also import of equipment without any licence. The implications of this suggestion need not be considered startling as the total imports of 16mm equipment will not amount to more than Rs. 2 or 3 crores. The equipment which will be required in large numbers is only 16mm projectors. For this we have already suggested that an organisation like KELTRON should undertake development of an indigenous professional projector on a priority basis. However, till this is done free import of professional 16mm projector should be allowed.

Super 8

7.8 With the Xenon/Halogen type of lamp, a 16mm projector can cater to 4 to 5 hundred audience at a time. This will still leave village audience where small improvised theatres of 100 to 150 capacity are required to be set up. One of the firms in India has already demonstrated the possibilities of commercial exploitation with 8mm films. This company based in Bombay is setting up a chain of Janata theatres equipped with Super 8 projectors. In addition to the economy which Super 8 offers over 16mm making it economically viable for smaller audience, projection with Super 8 equipment does not require any sophisticated training. This is because of the fact that Super 8 films normally come in the form of a cartridge which does not have to be threaded. Automatic film processors—for Super 8—a completely self-contained unit which can be installed in an office in a normally lighted area—are already available. These provide for uncomplicated processing facilities.

7.9 We, therefore, suggest that a strategy similar to the one suggested for 16mm should be adopted for development of complete infrastructure for Super 8 production (reduction) and exhibition. In fact, when these two technologies will develop, they are likely to become interchangeable at the exhibition level as Super 8 films can be blown up into 16mm and similarly the 16mm films can be reduced to Super 8. Therefore, Super 8 will not replace 16mm rather it will make greater use of 16mm films by taking it in the form of Super 8 to villages where exhibition in 16mm cannot be economically viable.

7.10 A major technological change is round the corner with the introduction of Video technology. Two separate systems are being developed, the Video Tape (VTR) or Video Cassette system (VCR), and the Video Disc system. Both VTRs and VCRs offer the advantage of instant video recording replay and reuse. The video disc technology is primarily for replay in the same manner as a sound disc is used for replay. However, in terms of sophistication and the quality of visual and sound, it is learnt that the video disc has a far better quality than VCR. Further it is also gathered that the video disc which is being developed by a multi-national will ultimately offer longer playing time in less space and, therefore, the video disc technology will become the ultimate technology for video storage. In view of the above, ultimately VCR/VTR will become an intermediate technology for video disc.

7.11 It is obvious that the video technology has tremendous potential for use in the formal educational field as also in the field of social education, field publicity etc. In the case of cinema the video technology is likely to be integrated to make film making more professional and economical. Already video monitors are available which can be attached to the film camera at the time of shooting and provide facilities for instant replay and, therefore, the requirement of a number of takes for the same shot can be cut down. Similarly video monitors have also come in use in the field of editing.

7.12 It may also be emphasised that this technology will not supplant 16mm or Super 8 technology, as the video technology is not designed for mass viewing. However, again there is bound to be interchangeability between video, Super 8 and 16mm at the exhibition level. In fact, a Film Video player is already being marketed which provides a Super 8 film hooked to a video player to be viewed on a normal TV receiver. The video technology will, therefore, play a supplemental role. We also feel that the unexploited home market for cinema is still so large that the introduction of videos will not affect the film market in the near future. This is particularly so as the price of video equipment is bound to be high placing it beyond the reach of average man.

7.13 In the above circumstances what is required is that import of video equipment should be allowed in the first instance for educational institutions, film makers, field publicity units of the Government and other specialised agencies which are involved with community development and rural educational programmes. This limited induction of video technology in the country will provide opportunity to test this technology in the Indian situation and also assess the potential demand if restrictions are removed. Based upon this experience, the indigenisation of video technology can be considered at a subsequent date.

7.14 At the present moment there are some systems available in the West that can transfer video image to celluloid. The present level of its efficiency is about 40%. This is likely to improve considerably within the next few years making video transfer to celluloid generally acceptable. The Group feels that it is necessary to explore and monitor development in this field so that such technology may be imported and developed in India as it will contribute to bringing down the cost of making films. This also applies with equal force to the technology of video discs.

7.15 In view of the fact that video cassettes of Indian films have a ready market outside India and fetch attractive prices for various territories, the Group recommends that greater facilities for video transfer should be made available in different film making centres in the country. At the moment only one private organisation situated in Bombay has the monopoly to transfer films to video cassettes entirely for export market. This places the film producers at a disadvantage in negotiating a fair deal for video rights.

7.16 In the previous chapters we have drawn attention to the current unsatisfactory levels of all kinds of film equipment. The Government agencies have tried to regulate the import of film equipment through various changes and adjustments in import policy from year to year. It is doubtful whether this has resulted in any major savings in foreign exchange, as film equipment is ultimately used only by film professionals and is not an item of mass consumption. At the same time restriction on imports have created not only shortages of equipment, compelled the film makers to work with obsolete equipment resulting in sub-standard quality of film production but has also given rise to unhealthy monopolies in certain areas. We, therefore, suggest that

a basic re-thinking in this area is necessary. We strongly recommend that Government should consider granting a complete customs holiday for a limited period of one or two years to import any film equipment which is not manufactured in the country or where the Indian equipment is not of adequate international standard. It is not possible to give an exact estimate of the extent

of foreign exchange which such a policy will involve but our estimate is that the overall requirement will not be more than Rs. 10 to 12 crores. Here it needs to be emphasised that this is not a requirement which will be repeated every year. Once the backlog of requirement has been met, the demand will automatically come down.

CHAPTER VIII

RESEARCH, DEVELOPMENT AND TRAINING

8.1 The survey contained in the previous chapters highlights the following significant points :

- (i) Despite the long history of film making in India, there continues to remain heavy dependence upon imported technology.
- (ii) There has been no sustained or coordinated effort either on the part of the film industry or the Government to either directly undertake or to assist the indigenous development of film technology.
- (iii) The developmental work done so far shows a lot of promise and potential. However, this has been done almost entirely by small scale technician-entrepreneurs who have undertaken it entirely at personal risk which makes them vulnerable to exploitation by established manufacturers who buy parts from these small entrepreneurs at low prices.
- (iv) There are several Research and Development organisations or Research-cum-Production organisations which have the knowhow and the potential which can be used for developmental work in film technology. This is, however, not being utilised in the area of film technology for want of information exchange and lack of coordination between the research institutions and entrepreneurs engaged in development of film technology.

8.2 There is a range of sophisticated film equipment such as cameras, studio sound recording equipment etc., the demand for which is limited and the development cost extremely high and, therefore, these would continue to be imported for the present. At the same time there is a whole range of equipment and types of raw stock, the manufacture of which can be indigenised with suitable R & D back up. A list of items being currently manufactured in the country as also a list of items which can be taken up for manufacture are placed at Annexures III and IV. Both these lists are merely illustrative, without being exhaustive, of the major types of equipment which are being manufactured and which can be taken up for development and manufacture.

8.3 Research and Development is part of the charter of the Film and Television Institute, Pune, as also the Institute of Film Technology, Adyar, Madras. However, both these Institutes have primarily become training institutes and have not been able to devote attention to research work in the area of film technology. Even otherwise the training requirements in various disciplines of film technology by themselves are so large and

so specialised that the institutional framework for training needs to be separated from research and development work in film technology.

Centre for Research & Development in Film Technology

8.4 The Group in its visits has become aware of capabilities in diverse fields which would be eminently handy in application for the purpose of developing cinema technology. Secondly achievement of any specific objective will follow the course of any technological development i.e. (a) Product development including design, (b) Manufacture of proto-type, (c) Pre-production Planning, and (d) Actual manufacture. This is clearly impossible without an agency specially manned and equipped for the purpose.

8.5 The Study Group, therefore, recommends that two separate Centres for Research and Development in Film Technology should be established and located in two of the most prolific film making regions of the country. The Advisory Boards of these Centres should consist of nominees of Central and the State Governments undertakings concerned with analogous technologies representing specific disciplines such as optics, instrument technology, electronics, mechanical and electrical engineering, etc. The Centres should be manned by persons with technological background in relevant disciplines. It is suggested that the Centres be jointly financed by the Central Government and the State Government where these are located.

8.6 The activities of these Centres will be as follows :

- (i) Product Development : Product development will mainly concern itself with indigenisation.
- (ii) Development of need based technology : Removal of bottlenecks in technology which may be holding up progress in wide areas e.g. the development of 16 mm projector with intermittent sprocket and Xenon or Halogen lamp which is holding up the spread of 16 mm technology in the country.
- (iii) Application of technology : Emanating from the work areas calling for application of technology to working methods followed in the film industry.
- (iv) Manufacture of Proto-type together with preparation of production pre-planning documents : The products thus evolved will be converted to manufacturing models to be made available to any intending manufacturer through the development of a proto-type as well as complete break-down information on material sources and application of production technology.

- (v) Maintenance and Maintenance Training : Development of maintenance knowledge for equipment already being used in the country and training of Maintenance Engineers for the purpose.
- (vi) Refresher Courses : Training in methods of operating refresher courses for projectionists for persons to be deputed from each State.
- (vii) Attitude oriented technology : Co-relating aptitudes to skills required in unfamiliar operations. An example is manufacture of lenses, loud-speaker cones and programme wiring.

8.7 From the point of view of concentration of capacities in electronics, machine tools instrument technology, the ideal place of location of these Centres are Madras, Bangalore and Bombay, it is considered that a close proximity of a centre of film making activity is absolutely essential to facilitate the functioning of these Centres.

8.8 We may clarify here that the Research and Development Centres which we have suggested will not require very high investment. What we basically envisage are Centres in the nature of all purpose workshops with tooling and machine shop facilities. These Centres will not undertake any fundamental research in film technology, as the basis research in the areas of optics, electronics, etc. which go into film technology will have to be undertaken by highly specialised institutions. In fact, as we have mentioned earlier, considerable research work in such basic areas is being already undertaken by different research organizations, primarily in the context of defence requirements. The main purpose of these Centres would be to integrate the advances achieved in different fields for designing equipment and technology for the needs of the film industry and to generally assist small scale entrepreneurs functioning in the field of film technology by providing tool room and machine shop facilities.

8.9 Considering that the field of film technology is continuously expanding and research in the major areas such as optics, electronics, computers is already being undertaken by various specialised research institutions, there is need to monitor the technological requirements of Indian film industry and assess the extent to which these can be met by making use of R & D available in specialised institutions. The Group is of the view that India has sufficient expertise in undertaking research and development work for evolving appropriate film technology. During our discussions with Dr. P. K. Katti, Project Manager of the Department of Science and Technology and the Managing Director of the National Instruments Ltd., Ghaziabad, it was clearly indicated that these agencies would be willing to undertake research on problems of film technology to be identified by an appropriate body on behalf of the film industry and the Ministry of I. & B. During discussions with Dr. P. K. Katti, the idea of a Film Technology Monitoring Cell to be set up under the Ministry of I. & B. for monitoring the technological requirements of film industry and for assigning specific projects to existing institutions, was accepted. A note prepared by Dr. P. K. Katti and approved by the Secretary, Department of Science & Technology, spelling out this proposal

is placed at Annexure V. Such a Monitoring Cell should consist of the representatives of the Ministry of I. & B., Department of Science and Technology, Ministry of Industry, NFDC, film technicians and film makers.

8.10 To sum up, we propose the following three tier structure for promoting research and development in the area of film technology :

- (i) A Film Technology Monitoring Cell to be set up consisting of the representatives of various interests as mentioned above to identify problems of film technology, locate the groups, institutions and individuals who could work on these problems and recommend adequate grants for these jobs. Funds for this Monitoring Cell should partly be provided by the Department of Science & Technology through its Instrument Development Programme and partly by the Ministry of I. & B. and NFDC.
- (ii) Two Institutes of Film Technology to be set up in the nature of all purpose workshops which will work on smaller projects not requiring high technology inputs and which will provide workshop and tooling facilities to small entrepreneurs and give them information and advice on the latest technological developments.
- (iii) Financial and technological support to individual entrepreneurs who are struggling to indigenise specific items of film equipment. This support should be provided by the Monitoring Cell, the Institute of Film Technology and the NFDC.

8.11 While recommending the above mentioned three pronged approach towards a major attempt for indigenisation and development of an appropriate film technology, the Group would hasten to add that this should not result in immediate cessation of import of equipment. The Group is aware of the fact that quite often once a licence for indigenous manufacture of any item is given, it becomes an immediate reason for stopping import even before the indigenously manufactured item has been marketed and field tested. Such a policy results in providing protection to inefficient and obsolete technology. It is, therefore, important that in view of the continuously expanding nature of film technology, import of the latest film equipment should continue to be permitted until the locally produced technology comes up to international standards.

Annual Cinema Equipment Exhibition

8.12 The field of cinema equipment and technology is a highly developing and innovative field wherein new equipment and technology as also improvement in the existing equipment are being introduced almost every year. India, which is the largest user of cinema equipment, should keep abreast of the latest development. This can be achieved if along with India's International Film Festival an International Cinema Equipment Exhibition is organised every year particularly with focus on the needs of developing world. Such an annual exhibition will vastly assist the continuous and consistent growth of indigenous technology for the following reasons :

INCREASE IN PRICE OF CAMERAS : 1965 VS 1978

Example :—Arriflex 35 model IIC BV(P+St) camera body with 12/16V DC variable speed motor, sunshade/

filter holder, 200 ft. film magazine, battery cable, neck strap, no lenses, no tripod.

Year	Cost in D-Mark	Conversion rate of D-Mark	Cost in Rupees	Customs Duty in Rupees	Total cost in Rupees
Jan. 1965	7,295	Rs. 2.00 approx.	14,559	1,459 @10%	16,049
Jan. 1978	15,277	Rs. 4.40 approx.	67,219	80,663 @120%	1,47,882
Increase	7,982 (+109%)	Rs. 2.40 (+120%)	52,629 (+361%)	79,204 (+5429%)	1,31,833 (+821%)

NOTE :

- The above prices are based on Arnold & Richter Price Lists dated January 1, 1965, and March 1, 1977.
- The total costs shown here exclude insurance, freight and other incidental charges. The D-Mark cost of the camera is likely to have further increased since March 1977, subject to confirmation. The rate of customs duty may have decreased since January 1978, subject to confirmation.

SUMMARY :

- The total cost of the same equipment went up by Rs. 1,31,833 or 821 per cent during the period under review.
In other words, the 1978 cost is 8.21 times the 1965 cost.

- Four adverse factors worked together pushing up the total cost :—

- increase in D-Mark cost of the camera by 109 per cent ;
- increase in the Rupee cost of D-Mark by 120 per cent ;
- increase in the rate of customs duty by 110 per cent in the quantum of customs duty by Rs. 79,204 or 5429 per cent ; and
- increases in insurance, freight and other incidental charges.

Source : Shri Subrata Mitra, Cinematographer, Calcutta.

LIST OF ITEMS CURRENTLY MANUFACTURED IN
THE COUNTRY

1. 35 mm/16 mm Cine Projector with carbon arc.
2. Super 8 mm projectors.
3. Cinema arc carbon.
4. Editing Table and accessories.
5. Audio Mixers (KELTRON).
6. Projection Screens.
7. Black and White Positive.
8. Cine Sound Negative.
9. 1/4" Tape Recorders non-synch.
10. Lighting Equipments except certain kinds of bulbs.
11. Black & White Processing and Printing Equipment.
12. Playback machines.

LIST OF ITEMS WHICH CAN BE TAKEN UP FOR
MANUFACTURE IMMEDIATELY

1. Halogen/Xenon lamps and Housing for both 35 mm/
16 mm projectors.
2. Sophisticated Editing Tables with the Accessories
(Moviola Steenbeck Type).
3. Raw Stock (Colour) 35 mm/16 mm & Super 8.
4. Sprocketed Magnetic Tape Recorder 16 mm/35 mm.
5. Colour Film Processing Plants.
6. Colour Film Printers.
7. Spare parts and accessories for movie camera.
8. 1/4" Tape Recorders with pulse-synch and/or crystal.
9. Loudspeakers with more than 15" diameter and high
frequency domes.
10. Densitometer, Colour Analyser, Sensitometer.
11. Video tapes, cassettes and replay machines.
12. Sprocketed Magnetic tape 16 mm/35 mm.

NEED FOR A FILM TECHNOLOGY MONITORING CELL

(Note prepared by Dr. P. K. Katti, Project Manager, Department of Science and Technology and approved by the Secretary, Department of Science and Technology).

An orderly expansion of the film industry will throw up a large demand on studio and film processing equipment as well as projection equipment. Most of this equipment consists of highly sophisticated optical and opto-electronic modules. The sophistication and the reliability of these instruments have to be maintained at adequate levels for the equipment to meet minimum demands of the users—film producers and motion picture theatres. At present a major portion of the demands of this equipment is being met by imports.

The technology for a fairly high sophistication of this equipment in different areas of disciplines such as optics, electronic and film processing is available in our major National Laboratories and R & D institutions. From these technologies it is possible that highly optimised elegant systems which can compete with their imported counterparts can be made available to the users within a year of their identifying the exact specifications. The Department of Science and Technology has some experience of multi-institutional programmes to execute such programmes. Senior scientists and technologists and executives of the production units in different areas of instruments required by the film industry met the Working Group to assure the members of their capabilities and their interest to contribute to the establishment of an indigenous

industry to meet their requirements.

From the present available infrastructure it is possible to conduct intensive multi-institutional programmes for various types of systems and equipment to support the expansion of the film industry. Such a programme can be effectively attempted if the Ministry of Information and Broadcasting sets up a cell which can take up the responsibility of this aspect of the film industry. The Cell might contain a few senior experts in different areas of techniques who can effectively liaise with the film industry, R & D institutions and promoting agencies such as the Department of Science and Technology, the Electronics Commission etc. in rationalising the specifications of the equipment, identifying priority programmes of multi-institutional nature, conduct field trials and assist the production agencies in establishing economic production lines. They will also liaise with Government agencies in formulating policies which can assure a competitive indigenous and export market.

The Department of Science and Technology would welcome and support such a Cell in the Ministry of Information and Broadcasting and would cooperate with them fully for utilisation of indigenous R & D to meet the Industry's requirements. In the first instance, the Instrument Development Agency of the Department of Science and Technology could straightaway identify a few priority instruments which can be taken up under the currently running Instrument Development Programmes.