

## **PAC PARAS AND ACTION TAKEN THEREON**

### **FILM AND TELEVISION INSTITUTE OF INDIA, PUNE**

#### **Report No. 12 of 2017 of Comptroller and Auditor General of India**

The Comptroller and Auditor General of India in its Report 12 of 2017, Chapter XIV – Ministry of Information and Broadcasting, Para 14.1 – ‘Working of Film Television Institute of India Pune’ for the period from 2010-11 to 2015-16’ has briefly observed as follows:

α) Non-Completion of Course in Time: Between 2008 and 2012 out of 352 total seats available for six Diploma Courses i.e. courses with scheduled completion time of two and three years, 315 students were admitted. Of these, 212 students 67.30 % of the total students enrolled, were still on roll on 31<sup>st</sup> March, 2016 due to non-completion of academic exercises, projects etc. The tuition and hostel fees are not charged by FTII from students after the scheduled completion of courses. FTII has even not obtained any approval of Academic Council or Governing Council for extending the tenure of students. This results in revenue loss of 11.83 crores (2.78 crore due to not charging of fees and 9.05 crore due to non-recovery of hostel for overstay.)

β) Break in Admission Process and denial of opportunity to aspiring candidates: Due to cascading effect of the delayed courses the fresh

admissions was skipped by FTII for the batch year 2010,2014 and 2015 (except four TV courses of one year duration in 2014). This defeats the purpose of setting up such a premier institute besides denying students to secure admissions in the prestigious film and television Institute. Further this also results loss to the extent of Rs. 4.57 crore in the form of non-realization of tuition fees from candidates.

χ) Rationalization of tuition Fees for various courses: The tuition fees for the various courses introduced between 2003 and 2005 ranged between Rs. 50,000 to Rs. 1,20,000. However, GC of FTII in its 120<sup>th</sup> meeting dated 19<sup>th</sup> August, 2011 decided to reduce the fees of courses to Rs. 36,300 to be on par with fees charged for Diploma Courses from 2012 batch onwards. Further, from the year 2012 animation and Computer Graphics course was discontinued without specifying any reason.

δ) Inadequate Functioning of the GC : As per FTII rules GC should hold atleast three meetings in a year. However, GC did not meet even once in 2014-15 and met only once in 2015-16.

ε) Unfruitful expenditure in respect of Consultants:

- (i) Shri Michel Joseph was hired as consultant (Academics) on contract basis to ensure that new syllabus is put in place in 2014. The consultant was paid an amount of Rs. 6.53 lakhs during June, 2013 to June,2014. Audit noted that no advertisement was done as per GFR provisions. Further, Shri Joseph did not complete the syllabus work as per the

instructions of Academic Council. Hence, the new syllabus could not be finalized even by November 2015 resulting in non-fulfilment of goal. Thus the expenditure of Rs. 6.53 lakhs was unfruitful.

- (ii) FTII appointed M/s. Hewitt Associates to prepare a Detailed project report (DPR) in April, 2010 to study the upgradation of the Institute to international standards. However, the report prepared by Hewitt Associates was rejected as it was considered inappropriate for FTII by a committee of stakeholders headed by Shri P.K.Nair, renowned film archivist. A total amount of Rs. 18.87 lakhs was paid to the Hewitt Associates for the above work.

φ) Premature Disbursement of Funds amounting to Rs. 431.36 lakhs to CCW, AIR: FTII has paid advance payment of Rs. 3.50 crores and Rs 3.20 crores to CCW for construction of Studio Floor Acting and Class Room Theatre (CRT) against the mandated provisions of advance payment of Rs. 1.37 crore and Rs. 1.1 crore. Further, no Memorandum of Understanding (MoU) was signed with CCW, AIR as required under CPWD manual.

γ) Irregular payment of service tax of Rs. 61.23 lakhs: Central Board of excise and customs has exempted service tax for services provided to any educational Institutions i.r.o auxiliary educational services. However, it was observed by CAG that FTII, Pune has paid service

tax of Rs. 61.23 lakhs to the service providers for services like security, housekeeping and cleaning for the period between 2012-13 to 2015-16. This resulted in irregular payment of service tax to the extent of Rs. 61.23 lakhs.

**In response to the above mentioned observations of C&AG at Para 14.1 of its Report No. 12 of 2017, the following clarifications are submitted:**

**α) Non-Completion of Course in Time**

It is to be clarified that the delays being referred in CAG report is related primarily to the Film Wing and the Three Year Specialisation Courses. There was no delays in One Year Courses being run in the TV Wing nor in the One Year (Screenplay Writing Course) and Two Year Course (Art Direction and Production Design) of the Film Wing.

It is relevant to mention here that Delay in completion of courses at FTII was a matter of concern for more than two decades. One reason cascaded into another reason over last many years and created complex web of circumstances which manifested itself in the form of emergence of so called backlogs. In fact, there were years when no admissions took place. The commencement of new academic session in Film Wing took place in 2016 only after “zero years” in 2014 and 2015. However, this problem of backlogs became more serious for factors emerging during the period 2006 to 2011.

During this period admission for increased number of students were continued to be held without a parallel planning at the level of infrastructure or the level of human resources.

One of the major causes in delays was the use of 'film' as the shooting medium for student projects. The use of 'film' meant relying on agencies outside FTII to both process the raw film and make final release copies of the Diploma Films. This in turn meant delays and period of waiting without any control over the time-line of work. Due to the commitments made to students upon joining, the use of 'film' had to be continued this Academic Year (July 2016-July 2017).

Also, the syllabus of FTII and the infrastructure of the institution was not geared to handle more than 10 to 12 students per discipline per year. However, as per the Supreme Court guidelines on OBC Quota, **FTII admitted 16 students in every stream of the Diploma Courses for few years.** This had lead to a situation where the students in second year were not able to complete their projects in time as they had to be done in a queue.

**Batch 2011 and Batch 2012 have completed their Degree / Diploma courses as of now.**

There are currently five batches of Three Year Courses on campus: Batch of 2013, Batch 2016, Batch 2017, Batch 2018 and Batch 2019.

**Batch 2013 is however expected to be out of campus within one**

**month i.e. by the end of December 2019.**

As such, the 2016 batch will pass out in 2019-20.

### **Corrective Measure**

To address issue of non-completion of courses in time following remedial Actions Taken./

Proposed to be taken by FTII:

- i. One of the major causes in delays was the use of 'film' as the shooting medium for student projects. From the Batch 2017, the shooting medium for student's projects was changed from Film to 'digital' filmmaking for which FTII is fully equipped and capable of controlling the time-line of work. This is expected to put the production of Student Projects back on schedule and eliminate delays from the time-line.
- ii. A new syllabus based on credit based system and the semester system has been introduced from 2016 onwards. Continuous evaluation, choice-based credit system and electives are some of the components of the syllabus. This syllabus is at par with Masters' Degree programme of a reputed University/ Institute. It is pertinent to note that in Feb 2017, the 3 year and 2 year PG diploma Courses of FTII were granted Master's Degree equivalence by Association of India Universities. With the introduction of new syllabus, batches of all courses started from 2016 onwards are expected to complete on time.
- iii. Three-year course consists of 6 semesters of 20 weeks each. At the end of every module faculty give detailed qualitative assessment of the students. Student's performance is monitored continuously by an internal committee and 75% attendance has been made compulsory.

10. An academic office under the supervision of Academic Coordinator has been created. Academic Coordinator provides crucial academic guidance about teaching methodology, assessment and feedback system.
11. Internally, FTII has introduced day-by-day monitoring of each student project so that delays/problems can be identified on time and can be dealt earlier.
12. FTII is upgrading the infrastructure and equipments to handle more shootings at a time in order to ensure availability of resources for timely completion of projects.
13. Where necessary, FTII has evicted overstaying students and vacated hostel rooms. Any students staying beyond the declared timeline is treated as overstaying and appropriate recovery is being made from them.

**β) Break in Admission Process for the batch year 2010, 2014 and 2015**

Due to non-clearance of backlog due to reasons stated in point 10 (a) (Non-Completion of Courses in Time), the admissions were held up during the academic years 2010 and 2014.

Further, there was unrest and student strike in the year 2015, due to which no academic activities could be undertaken in 2015. Thus, admissions were also held up for the year 2015.

**Preventive Measures**

Number of steps are being taken by FTII at academic and administrative level to ensure that the problem of backlog is resolved.

### Academic Level:

- i) A new syllabus based on credit based system and the semester system has been introduced from 2016 onwards. **Hence, batches of all courses started from 2016 onwards are expected to complete on time.**
- ii) Internally, FTII has introduced day-by-day monitoring of each student project so that delays/problems can be identified on time and can be dealt earlier.

### Administrative level

- i. FTII had started the admission process well in time and regular admissions have been completed for 2016 , 2017 , 2018 and 2019 batches.

It is expected that these measures undertaken by FTII will help in putting all Student's projects on schedule and course will be completed on-time.

### **χ) Rationalization of tuition Fees for various courses and discontinuation of Animation and Computer Graphics Course from 2012 onwards**

In year 2011-12, the then Governing Council on recommendations of Academic Council lowered the fees by upto 70% and uniform fees of Rs. 33,000/- was implemented.

Now, FTII has increased the tuition fee (including hostel rent,



deposits and other charges) of all courses by 10% taking 2010 as base year. Currently, FTII is charging tuition fees of Rs. 1,18,323/- p.a. for all courses. Further, Tuition fees are being revised annually by 10 % for all courses.

As a policy all short courses are being conducted on self financing mode. For instance, the course Fees for the recently started "Writing for Television Fiction and Web Services " short course is Rs 132000/- (excluding GST) per participant.

Further, taking a cue from Skill India Mission FTII has launched SKIFT (Skilling India in Film and Television) initiative in May 2017 under which FTII is conducting short term courses in different parts of the country. FTII under its SKIFT initiative formulated a fee structure for all its courses so as to recover the input cost as well as to generate Revenue.

Regarding the issue of discontinuation of Animation and Computer graphics course from 2012 onwards it may be mentioned here that FTII Governing Council in its meeting held on 18.11.2010 decided that a Detailed Project Report (DPR) would be prepared by FTII to revitalize and upgrade the Institute with the help and assistance of a Group of Experts (GoE) keeping in mind the vision of FTII. The Group of Experts presented the Detailed Project Report which was discussed in the Governing Council Meeting dated 11.10.2011. *The DPR had mentioned*

*that the 18 months short course i.e. Animation & Computer Graphics Course started under the aegis of TV Wing in 2003 was lagging behind in terms of syllabus, faculty and infrastructure. The Group of Experts observed that the inputs provided to the students were very little as compared to the amount of fees charged.*

Accordingly, the GoE recommended that the Animation & Computer Graphics Course being offered as 18 months certificate course may be discontinued after the last batch of student completes their term in mid 2012. The Governing Council in its meeting on 11.10.2011 resolved to accept the above recommendation of Group of Experts.

However, it is relevant to highlight here that FTII had realised that Visual effects and Animation have become inseparable parts of film and television as they make platform more interesting, informative and effective. The same was also discussed in various Academic Council and Governing Council meetings. *Therefore, in tune with the industry requirements, a short course in Visual Effects and Finishing were held in Sept-Dec 2017, may-July 2018. The duration of the course is 12 weeks . The course will help the candidates in knowing the pipeline of creating visual effects and pre-production.*

δ) **Inadequate Functioning of the GC :**

The Government reconstituted the FTII Society w.e.f 2018 and

regularly Society meeting is being held up.

Governing Council and Academic Council meetings are being held regularly as per FTII Rule 32 which state that Governing Council shall hold at least three meetings in a year and not more than five months shall elapse between any two meetings of the Council.

The no of meetings held from April 2018 to September, 2019 are as follows

*Governing Council (GC): 3*

*FTII Society : 2*

*Academic Council (AC) : 3*

**ε) Unfruitful expenditure in respect of Consultants**

i) Hiring of Shri Michael Joseph for preparation of new syllabus: The Governing Council in its meeting held on 8th March, 2013 discussed the issue about Syllabus Review Committee in various disciplines. The Governing Council resolved that "It was decided to work towards integration of all the courses and to ensure that the new syllabus is put in place in 2014 in an appropriate manner. It was also decided to explore the possibility of hiring the services of Shri Michael Joseph as an Advisor (Academics) till the post of Dean (Academics) as proposed in the DPR is created or till it is necessary. The GC authorised the Chairman to finalise the terms and conditions in this regard".

The appointment of Shri Michael Joseph was done in accordance with the directions of Governing Council of FTII. However, due to academic and administrative deadlocks due to strike by students of FTII in 2015, new syllabus could not be introduced. However, the new syllabus was introduced from Batch 2016 onwards.

Issue of non-approval of syllabus was discussed in detail in subsequent Academic Council and Governing Council meetings (from 07.01.2016 onwards), Afterwards, a new syllabus based on Credit Based Choice system was introduced with effect from 2016 after obtaining approval of Academic Council and Governing Council. Continuous evaluation, choice-based credit system and electives are some of the components of the syllabus. This syllabus is at par with Masters' Degree programme of a reputed University/Institute. With the introduction of new syllabus, batches of all courses started from 2016 onwards are expected to complete on time.

ii) Hiring of M/s. Hewitt Associates for preparing DPR for upgradation of Institute: FTII had appointed consultancy firm M/s. Hewitt Associates to prepare DPR in April, 2010 to study the upgradation of Institute to international standards. However, the then Governing Council in its meeting on 18<sup>th</sup> Nov, 2010 felt that report prepared by M/s Hewitt Associates is inadequate on some counts. It was then decided that fresh DPR would be prepared by FTII to upgrade the institute with the

group of experts keeping in mind the vision of FTII.

It is relevant to highlight that FTII has been able to make significant progress on almost all the key suggestions made in the report of Group of Experts constituted to revitalize and upgrade the Institute through the following:

### **Procurement of latest Equipments**

During these years FTII has procured latest high end Cameras, (*Arri Mini, Lenses, Zeises etc*) Sound Engineering Workstations, Mixing Consoles and Editing suites / set ups .It has taken up the creation of digital post production chain and set ups and has started to create a second Re-Recording surround sound theater. FTII recently set up a State of Art Digital Colour Correction suite which will reduce and gradually eliminate the possibility of going to film processing labs in Mumbai for each production. FTII has already linked itself to National Knowledge Network established by NIC. This has all been established during last 4 years.

### **Physical Infrastructure Development**

To meet the growing needs of the Institute steps have been taken for Up-gradation of existing infrastructure of FTII and creation of additional infrastructure during last five years. This includes Satish Bahadur Classroom Theatre Complex (CRT) with 4 classrooms has been

functional since December 2018. Department of Screen Acting new Building with 2 Studios floors is functional since March 2019. In residential quarters in New Land was inaugurated in 2018-19. Construction of Auditorium-cum-Knowledge centre commenced in May 2019 and is on track. By December 2019, process of construction of New Girls Hostel would commence.

**(f) Premature Disbursement of Funds amounting to Rs. 431.36 lakhs to CCW, AIR:**

It is relevant to mention that Ministry of I&B in consultation with the Ministry of Urban Development had designated CCW, AIR as Public works Department for carrying out the Maintenance works (civil/electrical) of FTII in terms of Rule 126 (2) of GFR 2005. Ministry of I&B has also conveyed its approval in terms of rule 126 (1) to 126 (3) of GFR 2005 and in consultation with Ministry of Urban Development in term of Rule 126 (4) for execution of all kinds of original works and repair works through CCW until further orders subject to fulfilment of others terms and conditions stipulated under Chapter of GFR 2005 alongwith the conditions in CPWD Manual as applicable to CCW. Further, FTII has mentioned that since last 40 years, Civil & electrical works are being done by CCW AIR which is under the same Ministry and therefore no separate MoU was signed with CCW for construction of Studio Floor and Class Room Theatre (CRT).

However, it is to clarify that **MOU** for CRT, Acting floor Studios and 32 No. of Residential quarters is signed by CCW on 23.1.2019. **(Copies enclosed)**. Further, FTII will ensure that MoU/contract agreement is signed with CCW for any new projects.

Regarding the issue of Pre-disbursement of Funds to CCW, FTII has stated that Funds were released for the Studio Floor (Acting) and Class Room Theatre as per the demand note raised by CCW after taking into account estimated project cost.

It is submitted that the funds were transferred between Feb, 2014 and October, 2015 to CCW for the above two projects but the work was held up due to non receipt of tree cutting permission from Pune Municipal Corporation (PMC). The construction work could commence only in September 2016 after getting necessary permission. Therefore, the delay in commencement of project was incidental for reasons beyond FTII's control.

**Status of the work as of now:**

**All the projects i.e. 1) Studio floor Acting and 2) Class Room Theatre and 3) 32 numbers of Residential Quarters have been completed by CCW in 2018 -19 and handed over to FTII in 2018-19. (Completion Reports are enclosed.)**

To address the above issue for all new projects, payments are

being made strictly in accordance with extant rules & provisions. Further, CCW is taking current project works on initial deposit of 33.33% amount of the estimated cost and release of further instalments is on basis of progress of works.

φ) **Irregular payment of service tax of Rs. 61.23 lakhs:**

FTII accepts that service tax was paid inadvertently to the service providers.

**ACTION TAKN BY FTII**

After pointing out by audit, **officials of FTII personally visited office of the Central Board of Excise and Customs (twice) and got clarification as to how the Institute will be benefited by exemption in service tax.** Office of Central Board of Excise and Customs apprised FTII that as per the Govt. of India, Ministry of Finance, Department of Revenue vide Notification No. 25/2012(1) Service Tax New Delhi dated 20.06.2012 has exempted the Service provided to or by an educational institution in respect of education by way of auxiliary education services from the levy of service tax. It was further clarified by the office of Central Board of Excise and Customs that the FTII being an educational institution the service tax on auxiliary services provided to or by FTII are not payable by FTII.

**In light of above payment of service tax was discontinued**



**and was not being paid by FTII from August, 2016. As such all the service providers were instructed by FTII to not to include service tax on auxiliary services provided to FTII.**

**As such a request / demand for refund of service tax paid has already been submitted to Dy. Commissioner of CBEC (Now CGST), Pune vide this office letter dated 5.12.2017 and on 18.9.2019 (copies enclosed)**