

**CHAPTER XI : MINISTRY OF INFORMATION AND  
BROADCASTING**

**Directorate of Film Festival**

**11.1 Loss of Revenue**

**Failure of the Directorate to initiate action for timely award of canteen facility contract resulted in loss of revenue of ` 33.77 lakh.**

The Directorate of Film Festivals (Directorate) awarded a contract to M/s 'X' for operating a canteen at its Siri Fort Cultural Complex New Delhi. The contract was awarded for a period of two years commencing from 18 August 2006 at a licence fee of ` 2.61 lakh per month. According to the terms and conditions of the contract, the agreement could be extended for another period of one year with the mutual consent of both the parties.

Audit noted that the Directorate did not accept the request of M/s 'X' for extension of contract in August 2008. The Directorate had received various complaints against the contractor on the serving of unhygienic food and high prices. Despite these complaints the Directorate initiated the process for selecting a suitable agency for operating canteen facility only in June 2009, i.e. ten months after the lapse of the term of previous contract. Meanwhile, the Directorate consulted India Tourism Development Corporation (ITDC) and Indian Railway Catering and Tourism Corporation (IRCTC) to establish a permanent canteen in January 2009 and May 2009 respectively. No response was received from ITDC, while the proposal of IRCTC was not found feasible.

Finally, the Directorate entered into a contract with another firm on 15 September 2009, at a monthly rent of ` 3.35 lakh.

Audit noted that the inordinate delay in finalizing the tendering process resulted in a loss of at least ` 33.77 lakh to the Directorate (considering old rate of rental charges of ` 2.61 lakh per month) for the period from August 2008 to September 2009.

The Directorate stated (May 2010) that the delay in tendering process was due to court case filed by the contractor with Hon'ble High Court of Delhi. The Directorate further added that as it was busy with National Film Awards (NFA) and International Film Festival of India (IFFI), the new contractor could not be appointed. In such a situation the organisers who booked Sirifort

auditorium were allowed to bring their own caterer. A set of broad guidelines were issued by the Unit dealing with Sirifort auditorium.

However, Audit noted that the department had awarded the fresh contract in September 2009 while the case was still pending in court. Hence, the department's view cannot be accepted. Further, Audit noted that the delay actually occurred as the Directorate was engaged in organizing various events.

The matter was referred to the Ministry in September 2010; their reply was awaited as of March 2011.