

CHAPTER V : MINISTRY OF INFORMATION AND BROADCASTING

Prasar Bharati

5.1 Loss of revenue of ₹ 1.80 crore

Due to non-allotment of two vacant slots available under “DTH” service of Doordarshan despite 38 requests pending from private channel providers, Prasar Bharati suffered a revenue loss of revenue of ₹ 1.80 crore.

Prasar Bharati operates direct to home (DTH) service by the name “DD Direct Plus” which is being used as a platform for broadcasting free to air television channels. Prasar Bharati allots slots to private channel providers for placing their channels on “DD Direct Plus” at an annual charge of ₹ 67.42 lakh¹ per slot.

Audit examination revealed that of the 40 slots available with Prasar Bharati for allotment to private channels, two slots remained vacant since December 2008 despite request from 38 private channel providers were pending with Prasar Bharati on that date. Of the two slots, one was later allotted (November 2009) to a private channel provider “Russia Today” whereas the second vacant slot was placed (September 2010) on DTH HDTV² channel.

Prasar Bharati, thus, suffered a revenue loss of revenue of ₹ 1.80 crore due to keeping their one slot vacant for a period of one year and another slot vacant for a period of 20 months by not allotting them in December 2008 despite 38 pending requests from the private channel providers as on that date. Reasons for keeping these slots vacant for the aforesaid periods were neither found on record nor provided by the management despite specific requests.

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

5.2 Unfruitful expenditure

Infrastructure created at a cost of ₹ 82.20 lakh at Local Radio Station Dharmapuri remained unutilised for more than seven years due to non-posting of staff.

The concept of Local Radio Station (LRS) is to take radio programmes involving local events to the masses of local area and to function as the

¹ Carriage fee ₹ 60.00 lakh + service tax ₹ 7.42 lakh

² High Definition TV

mouthpiece of local community. Accordingly, the Director General, All India Radio (DG, AIR), New Delhi proposed (September 1997) to establish an LRS at Dharmapuri which included, *inter alia*, a multi-purpose studio, a 10 Kilo-Watt FM³ transmitter and staff quarters (10 numbers). Ministry approved the proposal in November 1997.

Administrative approval with expenditure sanction was accorded (January and June 1999) for construction of buildings and procurement of equipments at a cost of ₹ 4.50 crore⁴. DG (AIR) sent (December 2001) a proposal to Ministry seeking sanction of 48 posts for operation and maintenance (O&M) for LRS Dharmapuri. The project was completed at a cost of ₹ 3.27 crore⁵ and LRS Dharmapuri was technically made ready in January 2003.

The LRS, however, was not commissioned as the required O&M staff was not posted and, as an interim arrangement, to utilise the facilities and prevent deterioration of equipment, the station was commissioned as a relay station in October 2007 by diverting four persons from other stations. Since the station was functioning only as a relay station, the studio with its equipment costing ₹ 39.86 lakh⁶ could not be utilised and in addition to it ten staff quarters constructed at a cost of ₹ 42.34 lakh also remained vacant.

The Ministry stated in their reply (November 2010) that though the LRS was technically ready in January 2003, it could not be commissioned into regular service for want of O&M staff and the staff sanction was still awaited from the Ministry of Finance. The Ministry added that after full complement of O&M staff was sanctioned, the LRS would become fully operational and staff quarters would be occupied.

The reply is not acceptable. The Ministry had approved the proposal to establish the LRS in November 1997 itself and administrative approval with expenditure sanction was also obtained as early as in January 1999. The Department should, therefore, have initiated action in 1997 itself to obtain sanction of O&M staff before commencement of capital work in July 1999. The DG (AIR) had, however, sent proposal for sanction of O&M staff only in December 2001 after civil works were completed⁷.

³ Frequency Modulation

⁴ Construction of buildings for ₹ 159.14 lakh and procurement of transmitter and studio equipment for ₹ 290.80 lakh

⁵ Buildings : ₹ 127.49 lakh (including staff quarters ₹ 42.34 lakh and multi-purpose studio ₹ 23.29 lakh) and transmitter/ studio equipment: ₹ 199.25 lakh

⁶ Construction cost ₹ 23.29 lakh and equipment cost ₹ 16.57 lakh

⁷ Civil works completed in July 2001.

Thus, due to failure of the Department to obtain the sanction of required staff before incurring expenditure on infrastructure, the expenditure of ₹ 82.20 lakh was rendered unfruitful besides non-achievement of intended objective of broadcasting programmes of local events.

5.3 Loss of interest due to delay in investment

Failure of Prasar Bharati in timely re-investing the amount of fixed deposits matured resulted in loss of interest of ₹ 51.09 lakh.

Prasar Bharati invests surplus funds in fixed deposits with different banks as per the Prasar Bharati (Broadcasting Corporation of India) Investment of Moneys Rules, 2007. Rules provide that the decision on investment of surplus funds shall be taken by an Investment Committee, consisting of the Executive Member, Member (Finance) and Member (Personnel).

Audit scrutiny of fixed deposits made by Prasar Bharati during 2007-08 to 2009-10 revealed that it failed in timely re-investing the amount of fixed deposits after maturity in five cases. The delay in re-investing ranged from 1-10 days as detailed below:

Sl. No.	FDR amount (₹ in crore)	Date of maturity	Date of re-investment	Delay (in days) excluding holidays	Loss of interest (₹ in lakh)
1.	100	25 September 2007	5 October 2007	10	5.48
2.	150	29 September 2007	5 October 2007	6	4.93
3.	300	11 November 2007	13 November 2007	1	6.16
4.	300	14 June 2008	19 June 2008	3	22.19
5.	500	8 March 2009	12 March 2009	4	12.33
	1350		Total		51.09

The failure of timely re-investing the amount resulted in loss of interest of ₹ 51.09 lakh indicating inadequate monitoring by the Investment Committee of Prasar Bharati.

While accepting the delay Prasar Bharati stated (December 2010) that the delay in first two cases was due to non-holding the meeting of Investment Committee in the absence of its Chairman and the maturity of other three cases was on holidays. It further stated that the proposals are being processed well in advance to avoid such delays.

The reply is not acceptable as the Prasar Bharati failed to take action in advance to re-invest the amount from the next working day.

The matter was reported to the Ministry in August 2010; their reply was awaited as of February 2011.

5.4 Avoidable payments to contractors

Doordarshan did not enforce the clause of discount on monthly charges in the renewed period of the contract resulting in avoidable payment of ₹ 21.67 lakh. Further, delay in finalizing the contract resulted in avoidable payment of ₹ 29.20 lakh.

Doordarshan invited (November 2006) open tenders for hiring of Optical Fibre Connectivity (OFC) for Doordarshan News, between the different locations in New Delhi, using four different links.

In response, three firms submitted bids. After technical and commercial evaluation entered into contracts (September 2007) with M/s Bharti Airtel Ltd. for hiring of OFC link –I at the rate of ₹ 78.56 lakh per year and with M/s Spectranet A for Link II, III and IV at the rate of ₹ 29.43 lakh, ₹ 27.03 lakh and ₹ 62.23 lakh per year respectively for a period of one year up to September 2008.

The terms of the contract provided that in the case of renewal, beyond the initial one year period, per month charges would be provided at a discount of 10 *per cent* on the contracted amounts.

Audit noted that after completion of the contract in September 2008, Doordarshan, while initiating the process of fresh tendering, extended the existing contracts upto 31st October, 2009.

The fresh tenders for hiring these four OFC links were floated in February 2009 and the commercial bids were opened in June 2009.

M/s Spectranet emerged as the lowest bidder for all the four links at the rate of ₹ 82.92 lakh (Link I-₹ 36.51 lakh, Link II-₹ 13.25 lakh, Link III-₹ 12.17 lakh and Link IV –₹ 28.01 lakh) per year and was awarded the work with effect from 1 November 2009.

Doordarshan did not enforce the provision of discount of 10 *per cent* allowable on the extended period i.e. from October 2008 to October 2009. The payments made to M/s Bharti Airtel and M/s Spectra Net during the extended period worked out ₹ 84.08 lakh and ₹ 1.29 crore respectively.

Thus, the failure of Doordarshan to enforce the discount provision resulted in avoidable payment of ₹ 21.67 lakh⁸ to the contractors.

The Management replied (December 2010) that though the proposal for getting 10 *per cent* discount during the extended period was submitted to Directorate Doordarshan, however, the same was not approved and hence the extension was given to the firms on the same terms and conditions.

The reply of the department is not tenable as the provision of 10 *per cent* discount during the extended period of contract was an integral part of an already approved agreement.

In addition to above, Doordarshan took four months after the bids were opened in June 2009 and finalized the contract in November, 2009, in spite of the fact, that the rate quoted by the lowest bidder was ₹ 1.07 crore which was lower (about 54 *per cent*) than the rates existing under the extended contracts. The delay in finalization resulted in avoidable payment of ₹ 29.20 lakh⁹ during that period.

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

5.5 Avoidable payment of property tax

Despite exemption available, Prasar Bharati made payment of ₹ 45.34 lakh against property tax for its properties in Delhi resulting in avoidable payment.

The Hon'ble High Court of Rajasthan while allowing (August 2007) the petition of Prasar Bharati seeking waiver of land and building tax on properties in its occupation at Bikaner and Udaipur held that as the properties stood in the name of Union of India these were therefore exempted from state tax liability. Consequently, the Prasar Bharati advised (October 2007) all the heads of All India Radio installations to take appropriate action with regard to payment of property tax in light of the fact that the concerned land and property installations of AIR still belonged to Government of India and had not been transferred in the name of Prasar Bharati.

Audit scrutiny revealed (April and July 2010) that two units¹⁰ of Prasar Bharati at New Delhi had paid property tax of ₹ 45.34 lakh for the period

⁸ 10 *per cent* of (₹ 84.08 lakh plus ₹ 128.58 lakh)

⁹ Worked out after providing discount of 10 *per cent*.

¹⁰ i) Chief Engineer (R&D) AIR and Doordarshan; ii) Director General (Doordarshan)

2007-08 to 2009-10 in respect of its three properties namely i) Research and Development Building, I.P. Estate, New Delhi; ii) Receiving Centre, AIR, Todapur, New Delhi and iii) Doordarshan Bhawan, Copernicus Marg, New Delhi without taking cognizance of the advise issued in this regard. Since, these properties stood in the name of Government of India were, therefore, exempted for payment of property tax. This resulted in avoidable payment of ₹ 45.34 lakh towards property tax.

Upon this being pointed out by audit, Chief Engineer (R&D) AIR and Doordarshan took up (May 2010) the matter with Municipal Corporation of Delhi for waiver and refund of property tax paid. However, Director General (Doordarshan) stated (September 2010) that it had not received the decision of Hon'ble High Court of Rajasthan.

The above instances indicated lack of coordination among various units of Prasar Bharati and monitoring at the apex level. Therefore, Prasar Bharati needs to conduct a review of property tax paid by its various units in respect of properties standing in the name of Union of India and obtain suitable refunds from the concerned authorities.

The matter was reported to the Ministry in November 2010; their reply was awaited as of February 2011.