

CHAPTER XII: MINISTRY OF INFORMATION AND BROADCASTING

12.1 Unfruitful expenditure

Despite 90 per cent payment of Rs 3.07 crore in April 1995 by Doordarshan to the firm, 5 Channel Video Compression System was commissioned and upgraded by Doordarshan in April 2000 though it was to be done by the firm by June 1995. Liquidated damages/penalty for failure to upgrade the system works out to Rs 16.52 lakh.

Director General, Doordarshan had placed an order in January 1995 for supply, installation and commissioning of 5-Channel Video Compression System for an experimental project undertaken by the Chief Engineer (R&D), AIR and TV, with M/s Gujarat Communication and Electronics Limited, Baroda at a cost of Rs 3.30 crore. The cost included installation and commissioning at Central Station and 5 more Stations. It also included the cost of training for 5 Engineers for 10 days in India and two Engineers for 10 days at CLI, San Jose (U.S.A.) inclusive of to and fro boarding and lodging charges. While training abroad was completed, the training within India was imparted at DDK only for two days on 8 and 9 April 2000 instead of ten days.

The last date for supply of Moving Pictures Expert Group (MPEG) - I equipment was 15 January 1995 and it was to be upgraded with in six months at no extra cost. The system without up-gradation would not be compatible with the present generation of MPEG-II decoders, which are internationally standardised. Beyond June 1995, liquidated damages clause was invocable. Doordarshan (DD) received the equipment for MPEG-I in March 1995. Against this CE (NZ) released 90 per cent payment amounting to Rs 3.07 crore in April 1995 and kept the balance amount of Rs 32.63 lakh under the Suspense Account.

The Department stated in July 2000 that the system was upgraded in April, 2000 and that it was to be installed at a single location and not at different locations. They also stated that the system was purchased for experimentation on transmission of multiple TV programme through single satellite transponder using video compression techniques. They further stated in December 2000 that the system was commissioned on 9 April 2000 and working satisfactorily at DDK. However, the delay of five years was due to the fact that M/s GCEL, supplier of the system, could not get the desired upgrades from the manufacturer in USA.

The reply of the Department is not acceptable because as per the supply order the system was to be installed and commissioned at the central station and five more stations. This is further clear from department's reply that five decoders were to be installed at different locations with one central station because the purpose of the system was to transmit multiple TV channels (i.e. signals of five channels) through single transponder. But installing it just at DDK shows

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that DD was not utilising the system for the purpose for which it was purchased as DDK is not a transmitting station.

It would further be observed that the upgradation of the system was done by Research and Development wing of DD as the firm did not do it even after five years. It also did not provide training to five engineers as it was to be provided on the upgraded system. The training for only two days was arranged during its upgradation by DDK. As the firm failed to upgrade the system the provisions of Liquidated Damages Clause was attracted and a penalty of Rs 16.52 lakh, being five *per cent* of the total cost of the equipment ordered, was leviable. Further, contractual violations relating to upgradation and training are required to be evaluated in monetary terms for recovery. The department confirmed in April 2001 that the balance 10 *per cent* payment to the firm has not been released, but in the context of DD's failure in enforcing the penal provisions, it is doubtful if the recovery can be effected.

In regard to the upgradation of the system carried out by DD at an unspecified cost, it was found that despite upgradation, the benefits of the upgraded system to the level of present generation decoders, are still unavailable.

Audit reported the matter to the Ministry in October 2000; who have not replied as of February 2001.

12.2 Non-recovery of advertising dues

Laxity on the part of the Station Directors of All India Radio resulted in non-recovery of dues of Rs 1.07 crore from the advertising agencies.

Station Directors, Commercial Broadcasting Service, All India Radio (AIR) enter into agreements with the advertising agencies for broadcasting of advertisements. The agreements require the agencies to make payments of advertisement charges to AIR per month within 45 days from the first day of the month following the date of broadcast in the case of accredited agencies. For non-accredited agencies, the requirement is that they would make the payment on receipt of bills and in any case not later than 15 days before the broadcast is due to commence. The agreement provide for recovery of penal interest @ 18 *per cent per annum* and/or automatic cancellation of the accreditation of the agency for non-payment of dues by the due date on more than three occasions in a year or within 45 days from the first of month following the month of broadcast.

Audit found that there was accumulation of advertising dues of Rs 1.07 crore including Rs 40.51 lakh as penal interest from the agencies, while test checking records of AIR stations at Kanpur, Chennai and Kolkata, as detailed below:

Sl. No.	Name of Station	Period	Arrears of advertising dues (Rs in lakh)	Penal interest (Rs in lakh)	No. of advertising agencies in default of the payment of dues
1.	Kanpur	July 1991-March 2000	16.85	4.19	35
2.	Chennai	1985-2000	43.22	33.11	33
3.	Kolkata	1986-2000	6.03	3.21	12

The major advertising agencies in default of AIR Kanpur are Art Commercial, Mumbai (Rs 2.35 lakh), HTA Mumbai (4.38 lakh), Inter Publication Pvt. Ltd., Mumbai (Rs 2.08 lakh), Chennai: Rayar Communications (Rs 11.14 lakh), Shree Advertising (Rs 8.19 lakh), Shree Raghavendra Advertising (Rs 16.56 lakh) and of Kolkata: HTA (Rs 2.66 lakh), Madison (Rs 1.28 lakh).

Earlier Reports of the Comptroller and Auditor General of India, No.2 of 1996 and 1999 had also mentioned about non-realisation of the dues from the advertising agencies at AIR stations. The persistent accumulation of dues at AIR station despite audit observations in the past indicated laxity in adequate controls. The Ministry needs to take steps to ensure that the Station Directors follow the prescribed rules rigorously and that there is no heavy accumulation of arrears.

Audit reported the matter to the Ministry in October, April and September 2000; who have not replied as of February 2001.

12.3 Loss due to gross negligence

Gross administrative negligence in dispatch of expensive recording equipment resulted in its loss and in non-realisation of its value of Rs 24.90 lakh from air freighter.

Chief Engineer, North Zone [CE (NZ)], Akashvani and Doordarshan dispatched two Sony make Betacam S.P. Recorders costing Rs 24.90 lakh to Superintending Engineer (SE), Doordarshan Kendra, Jammu through Indian Airlines in August, 1996 and showed the cost of the consignment as Rs 50,000/- only. He did not insure the consignment to cover the transit risks.

When the material was not delivered to the consignees, the CE(NZ), lodged a FIR on 18 October 1996 with the Palam Airport Police Station, New Delhi when his efforts with Indian Airlines to search the lost cargo failed. He also lodged a claim of Rs 24.90 lakh for the lost equipment with Indian Airlines. The Indian Airlines admitted their liability only to the extent of Rs 50,000/- which was the cost of equipment mentioned in the consignment note and which corresponded with the freight charges levied.

CE (NZ) did not avail himself of the offer of refund of that amount on the plea that it would have absolved Indian Airlines for the claim of full value of the lost consignment.

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Office records of CE (NZ) revealed that a khalasi had gone to book the expensive consignment with Indian Airlines. He had under invoiced it to make the freight "To Pay" on the plea that he did not have ready cash to pay the full freight and consignment was to be booked the same day in view of elections in Jammu and Kashmir. However, apparently, no specific instructions were given to him in this regard. Director General (DG), Doordarshan rejected (September 1997) a request from CE (NZ) to write off the lost equipment and asked for fixation of responsibility for negligence. CE (NZ) could not produce evidence of concrete action in this regard so far (January 2001). It is strange that the matter of fixation of responsibility of such sensitive matter remains un-resolved so far.

Audit reported the matter to the Ministry in September 2000; who have not replied as of February 2001.