CHAPTER IX : MINISTRY OF INFORMATION AND BROADCASTING

Prasar Bharati

9.1 Undue benefit to a producer

An undue concession was extended to the producer of a serial by way of irregular grant of additional Free Commercial Time up to July 2001. During the subsequent period of telecast, the producer enjoyed concessional telecast fee and the same total quantum of free commercial time as before. Undue financial benefit of Rs. 10.66 crore accrued to the producer on these counts.

Prasar Bharti (PB) telecast a sponsored serial titled ‘Shaktiman’, which started in September 1997 under the category of children’s programme. After 15 August 1999 (76th episode), this serial was telecast on Sundays in the super ‘A’ category (prime time) slot. The producer of the serial was charged telecast fee at the rate of Rs.7.20 lakh per episode till the 130th episode telecast on 22 October 2000 and at the rate of Rs.10.80 lakh thereafter with free commercial time (FCT) of 180 seconds at the rate of 90 seconds per half an hour.

Audit noted that additional FCT of 60 seconds per half an hour had been allowed in the beginning since the serial was classified in the children’s category. In March 2000, PB informed the producer that while the programme had been granted extension for 26 episodes beyond the 104 episodes already sanctioned, the additional FCT would be withdrawn from the 118th episode (telecast on 16 July 2000). Despite this decision, PB continued to allow additional FCT of 120 seconds per telecast from 16 July 2000 onwards. No reasons were on record to indicate why PB did not enforce its own decision. It was only after July 2001 that the normal FCT was enhanced to 300 seconds in terms of the revised rate card. The undue benefit accruing to the producer for the period between July 2000 and July 2001 on account of additional FCT was Rs.4.90 crore.

The rate card of the telecast fee was revised in July 2001, according to which the telecast fee per episode chargeable for this programme from 22 July 2001 to 12 August 2001 (166th to 169th episodes) was Rs. 20.30 lakh. The telecast fee was further enhanced to Rs. 21.35 lakh per episode from 19 August 2001 (170th episode) till the last episode of the serial telecast on 3 November 2002 (220th episode). However, the Board had decided (June 2001) to freeze the telecast fee at Rs.10.80 lakh from 6 May 2001 making it clear that the telecast fee for this programme would remain pegged at that level irrespective of possible future extensions of the programme.

The reason recorded by PB for freezing the telecast fee was that the programme had a high TRP and was the only channel driver on DD National network on Sunday morning. However, Audit noted that their was no justification to freeze the fee because the FCT had already been increased to 300 seconds on 22 July 2001. Hence, the producer was given double benefit by way of substantially reduced telecast fee as well as enhanced FCT. The revenue loss suffered by the PB on this account worked out to Rs.5.76 crore for the period form 22 July 2001 to 3 November 2002 as per details given below :

Period		No. of telecast	Telecast fee chargeable as per new rate card	Fee charged	Difference	Total loss
From	**To**		***(Rupees in lakh)***			
22.7.2001	12.8.2001	4	20.30	10.80	9.50	38.00
19.8.2001	3.11.2002	51	21.35	10.80	10.55	538.05
Total						**576.05**

Thus, the total undue benefit extended to the producer by way of additional FCT from 16 July 2000 to 8 July 2001 and by way of concessional rate of telecast fee from 22 July 2001 to 3 November 2002 worked out to Rs.10.66 crore.

The matter was referred to the Ministry in May 2005; their reply was awaited as of February 2006.

9.2 Non-commissioning of TV transmission systems and studios

Doordarshan failed to appoint operational and maintenance staff for nine low power TV transmission systems built during March 2002 to September 2004. The consequent non-commissioning of these equipment resulted in their idling as well as idling of investment of Rs. 6.74 crore. Further, Doordarshan also failed to commission studios set up at six stations during March 2001 to March 2005 at a cost of Rs. 22.55 crore even 12 to 48 months after their completion.

Doordarshan (DD) wing of PB installs high/low power transmission systems at various stations in order to ensure maximum coverage of its various programmes. Audit ascertained (April 2005) that it had built nine low power transmission systems at various stations during March 2002 to September

2004 at a total cost of Rs. 6.02 crore. It incurred a further expenditure of Rs. 72.08 lakh on these systems as of March 2005. However, these systems had not been commissioned due to non-sanctioning of staff for operation and maintenance. Station-wise details are given below:

(Rupees in crore)

Sl. No.	Name of the station	Staff proposal sent to the Ministry	Date of completion of the transmission system	Cost
1.	LPT, Fatehabad	May 2003	September 2004	0.90
2.	LPT, Kaithal	May 2003	March 2004	0.73
3.	LPT, Khajuwala	May 2003	February 2004	0.58
4.	LPT, Kolhapur	May 2003	January 2003	0.70
5.	LPT, Mudhol	May 2003	January 2002	0.68
6.	LPT, Punganur	May 2003	January 2002	0.85
7.	LPT, Satrasal	May 2003	March 2003	0.78
8.	LPT, Sindhnur	May 2003	March 2002	0.71
9.	LPT, Bhalda	May 2003	February 2003	0.81
			Total	**6.74**

Audit also noted that the very proposals for sanctioning of staff for stations at serial numbers four to nine were sent to the Ministry only 2 to 15 months after the date of completion of the TV transmission systems. There was no prescribed system or manualised procedure in the DD to ensure the availability of staff for timely commissioning of the systems. Thus, non-sanctioning of staff for operation and maintenance of these TV transmission systems resulted in idling of equipment and investment totalling Rs. 6.74 crore for periods ranging from 11 to 43 months as of August 2005. DD informed in December 2005 that the transmission system had been commissioned at Khajuwala in September 2005; at Fatehabad, Kaithal, Kolhapur, Mudhol, Punganur and Sindhnur in October 2005 and at Bhalda in November 2005 by redeployment of staff. However, the transmission system at Satrasal was yet to be commissioned as of December 2005.

Similarly, DD had set up six TV studios during March 2001 to March 2004 at a cost of Rs. 17.73 crore. These studios had not been commissioned even 12 to 48 months after their completion as of March 2005 and incurring of further expenditure of Rs. 4.82 crore on them during 2004-05. The studio-wise details are:-

(Rupees in crore)

Sl. No.	**Name of the Station**	**Staff proposal sent to Ministry**	**Date of completion of the studio**	**Cost**
1	Patiala	May 2003	March 2001	2.90
2.	Calicut	May 2003	March 2002	3.06
3.	Madurai	May 2003	March 2003	7.41
4.	Warangal	May 2003	March 2003	2.53
5.	Coimbatore	May 2003	March 2004	3.61
6.	Rajouri	May 2003	March 2004	3.04
			Total	22.55

In response to the Audit observation (April 2005), DD stated in May 2005 that the studios could not be commissioned due to non-sanctioning of staff by the Ministry. It added that Prasar Bharati had no power to sanction the staff. Audit noticed that the proposals for sanctioning of staff for studios at serial numbers 1 to 4 were sent to the Ministry 2 to 26 months after the date of completion of the studio. Thus, due to non-sanctioning of staff, the studios were not commissioned as of March 2005 and it resulted in idling of investment of Rs. 22.55 crore. DD informed in December 2005 that the TV studio had been commissioned at Warangal in April 2005; at Madurai and Coimbatore in August 2005 and at Patiala in November 2005 by deploying staff from other Kendras and studios.

Thus, non-appointment of staff well in time for commissioning of TV transmission systems and studios resulted in idling of equipment and investments besides non-fulfillment of the objectives of DD.

The Ministry stated (January 2006) that while commissioning of the technically ready projects through redeployment of staff had been the consent endeavour of PB, it was becoming increasingly difficult for PB to manage these stations as they were not in a position to fill up the posts lying vacant due to non-receipt of clearances from the Ministry of Finance. It also added that despite these odds, DD had commissioned eight out of nine low power transmission systems by redeployment of staff. The fact remains that non-resolution of issues relating to operating staff resulted in delayed commissioning and non-commissioning of systems.

9.3 Premature procurement

Premature procurement of two transmitters by Doordarshan resulted in idling of Rs. 3.82 crore for two to four years as of July 2005. The guarantee for the equipment also lapsed.

In order to extend its coverage to viewers within 68 km radial distance, DD approved the establishment of a 10 KW VHF TV transmitter with a 140 metre high steel tower at Vadodara in May 1998. It placed an order (June 1999) with a central Public Sector Undertaking (PSU) for the supply of fabricated material and erection of the tower at a cost of Rs. 1.18 crore. The scheduled delivery was in September 2000. However, the PSU failed to erect the tower till December 2004 and thereafter DD decided to change its technical specification and accordingly the delivery was refixed in February 2006.

Audit ascertained (December 2004) that DD was aware that no work on the tower was carried out till February 2001 and yet placed an order (February 2001) with another central PSU for supply of the transmitter to be installed in the proposed T.V. tower for telecast of DD-I programmes. The transmitter was supplied in March 2001 at a cost of Rs. 1.95 crore. DD placed another order (December 2002) with the same firm for the supply of another transmitter, for installation in the said tower, for telecast of DD-II programmes. This transmitter was also supplied in March 2003 at a cost of Rs. 1.87 crore. The guarantee period for the first transmitter was 12 months whereas, for the second it was 24 months from the date of receipt of the consignment. Audit noted (December 2004) that these transmitters were lying idle due to non-erection of the TV tower. Further, foundation work of the tower started only in February 2003 and the revised date for the supply of T.V. tower components was February 2006.

Thus, premature purchase of the transmitters resulted in idling of equipment procured at a cost of Rs. 3.82 crore, for two to four years as of July 2005. In the meantime, the guarantee periods of these transmitters had also lapsed, exposuring DD to the risk of further expenditure should any defect come to notice at the time of their installation. The equipment have also remained unutilised for a considerable period of their economic life.

The matter was referred to the Ministry in August 2005; their reply was awaited as of February 2006.

9.4 Blocking of funds

Failure of Doordarshan to pursue the claim for refund of Rs. 62.39 lakh from the Delhi Vidyut Board resulted in blocking of this amount for over 5 years and 5 months and consequential loss of interest of Rs. 34.53 lakh.

Audit ascertained that the Delhi Vidyut Board (DVB) raised (December 1999) a supplementary bill for Rs. 62.39 lakh on the Central Production Centre (CPC), Doordarshan, New Delhi for electricity charges, for the period April 1998 to July 1999, on the basis of average consumption for the months from August to October 1999. CPC contested this supplementary bill as it had been regularly making payment of its electricity bills on the basis of meter reading. Nevertheless, it paid (December 1999) Rs. 62.39 lakh under protest, to avoid disconnection of electricity. It requested DVB in March 2000 for refund of this amount.

Audit noted (June 2005) that CPC did not take any follow up action in the matter after March 2000. This resulted in Rs. 62.39 lakh remaining blocked with DVB (now REPL[*]) for over 5 years and 5 month, as of May 2005, and consequent loss of interest of Rs. 34.53 lakh, worked out on the basis of the average borrowing rate of interest of the GOI of 10.22 *per cent* per annum.

In response to the Audit observation, Doordarshan stated (September 2005) that after the issue was raised by Audit in March 2005, it had taken up the matter with REPL for final settlement on priority basis.

The matter was referred to the Ministry in June 2005; their reply is awaited as of February 2006.

Satyajit Ray Film and Television Institute, Kolkata

9.5 Injudicious investment on staff quarters

The Satyajit Ray Film and Television Institute, Kolkata invested Rs. 2.20 crore on construction of 41 staff quarters without properly assessing the need. As a result many staff quarters remained vacant due to poor demand from the staff, while the Institute had to pay Rs. 27.47 lakh as house rent allowance to them.

The Satyajit Ray Film and Television Institute, Kolkata (Institute) constructed 41 staff quarters of B, C, D and E types including a bungalow for the Director between October 2000 and August 2002. An amount of Rs. 2.20 crore was

[*] Reliance Energy and Power Limited.

spent on construction. It was noticed in audit (July 2004) that between 2001-2002 to 2004-2005, a large number of quarters varying from 26 to 31 remained vacant for different periods. The Institute explained (July 2004 and December 2004) the vacancies by stating that the Institute being located on the outskirts of the city, normal amenities were not available and living conditions were not very conducive and a large percentage of employees did not apply for allotment of quarters.

The Ministry stated (February 2005) that the initial decision was to provide quarters for 25 *per cent* of the total staff complement of 212 of the Institute. However, since only 75 posts were sanctioned for the Institute, provision of quarters for 55 *per cent* of the staff was made keeping in view the remote location of the Institute. The Ministry also stated that the vacant staff quarters were utilised for the participants of off-line courses of short duration and some quarters had also been rented out to other educational institutions.

In the absence of any efforts made by the Ministry or the Institute to ascertain the likely demand for staff quarters, the decision to provide for quarters for 55 *per cent* of the sanctioned staff strength would seem to be an arbitrary one with the result that as of March 2005, as many as 26 out of 41 quarters were lying vacant. Meanwhile, the Institute paid Rs. 27.47 lakh as house rent allowance for the period 2001-2005 to its staff.