

**Performance audit of the system of revenue generation  
by Doordarshan and All India Radio**

**Highlights**

**Doordarshan**

- **DD could earn only Rs. 665.27 crore against the revenue target of Rs. 701.34 crore during 2004-05 as it failed to exploit the tremendous growth in its network to generate commensurate revenues.**  
(Paragraph 6.1.1.1)
- **Grant of additional FCT to sponsors while revising the rate card resulted in the DD earning only Rs. 27.87 lakh through the increased rates while the sponsors benefited by Rs. 6.55 crore.**  
(Paragraph 6.1.1.2)
- **DCS, New Delhi and DDK, Mumbai suffered losses of Rs. 12.56 crore and Rs. 6.52 crore respectively due to non-monitoring of the use of FCT in the telecast of feature films.**  
(Paragraph 6.1.1.3)
- **Irregular grant of FCT resulted in the loss of Rs. 8.88 crore in 100 cases.**  
(Paragraph 6.1.1.4)
- **DCS, New Delhi suffered a loss of Rs. 5.03 crore owing to failure to charge increased telecast fee as stipulated in the rate card.**  
(Paragraph 6.1.1.5)
- **Non-monitoring of telecast duration of the programme contents led to loss of Rs. 4.01 crore.**  
(Paragraph 6.1.1.6)
- **Doordarshan provided uplinking facilities to outside producers without entering into contracts resulting in non-realisation of Rs. 3.03 crore.**  
(Paragraph 6.1.1.7)
- **Non-initiation of timely action by Doordarshan to realise revenues resulted in outstanding dues of Rs. 513.38 crore.**  
(Paragraph 6.1.2.6)
- **Interest of Rs. 1.17 crore was lost due to delay in raising bills, non-charging of interest on late payments and incorrect application of the provision relating to charging of interest.**  
(Paragraph 6.1.2.7 & 6.1.2.8)
- **In DDK, Thiruvananthapuram, a studio established in August 2002 at a cost of Rs. 2.95 crore has not been commissioned as of December 2005.**

(Paragraph 6.1.3.1)

- The quality of maintenance of records/registers was poor. Internal audit in most of the cases had not been conducted since the inception of Prasar Bharati.

(Paragraph 6.1.3.4)

#### All India Radio

- During 2004-05, AIR could earn only Rs. 136 crore against the target of Rs. 251.15 crore; the target was fixed after rationalisation of the grouping of stations according to their potential market value and not on the basis of previous year's performance. Revenue generation by AIR was not commensurate with its infrastructure of 215 radio stations spread all over the country as against the almost 49 per cent share of the revenue that the private channels had with only 22 stations.

(Paragraph 6.2.1.1)

- Revenue from the FM channels at four metro cities declined heavily (by as much as 98 per cent in case of Mumbai) in 2004-05 from the level in 2001-02.

(Paragraph 6.2.1.2)

- AIR had no prescribed time frame for revision of rate cards. Its rates were not revised keeping in view the rates charged by the private FM channels. There was no rational policy of fixing of rates. Instead, the rates were increased in an *ad hoc* manner only to be retracted later, in certain cases.

(Paragraph 6.2.1.5)

- Due to non-execution of formal agreement, AIR could not recover Rs. 5.19 crore including interest of Rs. 84.12 lakh for the broadcast of special publicity campaign 'Irada Naye Bharat Ka' sponsored by the Ministry of Finance during 2004.

(Paragraph 6.2.2.1)

- AIR failed to recover Rs. 18.63 crore from the agencies/advertisers; some of the dues pertained to the period prior to 1990. In some cases, the matter was under litigation, whereas in some others, the whereabouts of the agencies were not even known.

(Paragraph 6.2.2.2)

- CSU, Mumbai allowed inadmissible incentives amounting to Rs. 1.04 crore to agencies which had outstanding dues.

(Paragraph 6.2.2.4)

- There were cases of delays in raising the bills and depositing the receipts to Prasar Bharati main account. In CBS Patna alone, this resulted in loss of interest of Rs. 72.76 lakh, for the period 2001-05.

(Paragraph 6.2.2.5)

*Summary of recommendations*

*Prasar Bharati may*

*(for Doordarshan)*

- *fix realistic revenue targets keeping in view the potential of each Kendra, set up a proper monitoring system to periodically review revenue generation and take timely corrective action based on such review.*
- *evolve a system to keep a watch on the commercial time utilised by the producer and on the duration of the programme content as well.*
- *either enhance the quantum of bank guarantee or shorten the period allowed for payment or both so that even in the case of agencies turning defaulters, outstanding telecast fees can be recovered by invoking the bank guarantee.*
- *consider opening a bank account for Regional Kendras for depositing the drafts, to avoid delay in realisation of revenues and loss of interest on that account.*
- *formulate specific and time bound action plan for recovery of outstanding dues from the defaulting agencies.*
- *strictly follow the provisions stipulated in the Doordarshan Manual, ensure proper maintenance of records and periodically reconcile the figures to find out the actual amounts outstanding against various agencies.*
- *strengthen its internal control system to detect cases of undue benefits allowed to the agencies due to incorrect charging of rates etc.*

*(for All India Radio)*

- *assess competition and accordingly devise a comprehensive marketing strategy and media plans to tap the expanding advertisement spending on the consumer goods and service market.*
- *revise and review its rate cards at regular intervals keeping in view the competition in the market.*
- *review the rules for incorporating penal clause on cancellation of sponsorship/spots to avoid loss of commercial time and revenue.*
- *adopt computerised accounting for monitoring of receipt and credit of revenue.*
- *explore avenues for letting out its studios to private producers and also educational broadcasters like universities and colleges.*
- *strengthen internal control in the areas of billing, collection, accounting and internal audit to check loss of revenue.*