

OVERVIEW

Prasar Bharati (Broadcasting Corporation of India) was constituted by the Government of India through the Prasar Bharati (Broadcasting Corporation of India) Act, 1990. Doordarshan and All India Radio function as two separate divisions of Prasar Bharati and are being managed by the Prasar Bharati Board appointed in November 1997. While Doordarshan started commercial services from January 1976, All India Radio has been running commercial service since November 1967 to promote sale of goods and services through advertisements.

Performance audit of the system of revenue generation by Doordarshan and All India Radio revealed that:

- Doordarshan was not able to exploit the tremendous growth in its network to increase its revenue; it could only earn Rs. 665.27 crore during 2004-05 against the target of Rs. 701.34 crore set by itself.
- Doordarshan displayed lack of commercial prudence by allowing additional free commercial time (FCT) while revising its rate card in March 2003. This resulted in the DD earning only Rs. 27.87 lakh through the increased rates while the sponsors benefited by Rs. 6.55 crore.
- Lack of adequate monitoring of the use of FCT in the telecast of feature films led to the loss of Rs. 19.08 crore during October 2000 to June 2005.
- Irregular grant of FCT resulted in loss of Rs. 8.88 crore in 100 cases.
- DCS, New Delhi did not charge increased telecast fee as stipulated in the rate card and suffered a loss of Rs. 5.03 crore during the test checked months of 2001-2005.
- Telecast duration of the programme contents was not monitored. This resulted in loss of Rs. 4.01 crore during September 2002 to March 2005.
- Doordarshan provided uplinking facilities to outside producers without entering into contracts resulting in non-realisation of Rs. 3.03 crore as on 31 March 2005.
- Lack of timely action to cancel accreditation of the agencies which failed to make payments to Doordarshan resulted in accumulation of outstanding dues of Rs. 513.38 crore as on 31 March 2005.
- Marketing management of All India Radio was not successful and it could earn only Rs. 136 crore in 2004-05 against its revenue target of Rs. 251.15 crore.
- AIR could not utilise its resources effectively and its marketing efforts to sell available commercial time did not succeed. This was reflected in the fact that the private channels with around only 9 per cent share of the total number of radio stations in the country had managed to corner 49 per cent share of the total revenue.
- Revenue of the AIR from its FM channels at four metro cities declined heavily in 2004-05 from the level in 2001-02.

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- AIR had no rational policy for fixing its rates. It revised its rates in an *ad hoc* manner without any fixed periodicity and without keeping in view the rates charged by the private channels.
- Failure to take elementary action like entering into formal agreements before telecasting a programme resulted in loss of Rs. 5.19 crore in February 2004.
- Lack of adequate monitoring and follow-up action resulted in Rs. 18.63 crore not being recovered from various agencies and advertisers as on November 2005. Some of the dues have become over 15 years old. In some cases even the whereabouts of the defaulters were not known.
- CSU, Mumbai irregularly paid Rs. 1.04 crore to agencies, which had not paid their dues to AIR.
- There were cases of delay in raising the bills and depositing the receipts to Prasar Bharati main account, which resulted in loss of interest of Rs. 72.76 lakh.
- Internal control and monitoring of commercial activities in Doordarshan as well as in AIR were ineffective.