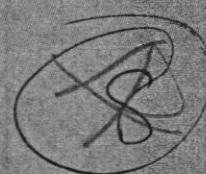


14

प्रसार भारती

PRASAR BHARATI

(India's Public Service Broadcaster)



वार्षिक लेखा

2013-14

Annual Accounts

2013-14



प्रसार भारती
PRASAR BHARATI
भारत सरकार की
Broadcasting Corporation of India



द्वितीय तल, पी टी आर भवन, संसद मार्ग, नई दिल्ली 110001
2nd floor, PTI Building, Parliament Street, New Delhi 110001

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Prasar Bharati (Broadcasting Corporation of India) for the year ended 31 March 2014

We have audited the attached Balance Sheet of Prasar Bharati (Broadcasting Corporation of India) as at 31 March 2014, the Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under Section 19 (2) of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 21(2) of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. Accounts of Prasar Bharati is a compilation of its 560 different DDOs out of which audit reports in respect of 5 DDOs was considered during its accounts certification.

2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/Comptroller and Auditor General's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii The Balance Sheet, Income & Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the format approved by the Ministry of Finance, Government of India.

iii In our opinion, proper books of accounts and other relevant records have been maintained by the Prasar Bharati (Broadcasting Corporation of India) as required under Section 21(1) of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990 in so far as it appears from our examination of such books.

iv We further report that:

A. Balance Sheet

A.1 Liabilities

A.1.1. Current liabilities and Provisions ₹ 7660.15 crore

✓ **A.1.1.1.** Prasar Bharati had shown ₹120.88 crore as liability in Schedule 7 under sub head Advance received under the deposit work. These advances were received from AIR/DD units by Civil Construction Wing (CCW) which was also a part of the Corporation. Being intra Prasar Bharati transactions, net effect of such transactions should have been zero. As such depiction of ₹120.88 crore as liability (advances) in the annual accounts of Prasar Bharati was irregular. This matter has been pointed out in previous years' audit also.

✓ **A.1.1.2.** Inter office remittances during the year were reflected under the head "Remittances to/from HQ/DDOs in transit/reconciliation". Under this head, payment made by Prasar Bharati headquarters/field offices was receipt of the field offices/headquarter. Hence, receipts and payments under this head should be equal and the accounts should reflect zero assets/liabilities at the close of the year. However, the annual accounts of Prasar Bharati for the year 2013-14 exhibit remittances in transit of ₹247.71 crore which needed to be reconciled expeditiously. This matter has been repeatedly pointed out in previous' years audit reports also.

A.1.1.3. A liability of ₹ 11.00 crore existed for creation of legacy fund for New Pension Scheme (NPS) in National Securities Depositories Limited (NSDL), but no provision for payment of this liability was made in the accounts of Prasar Bharati resulting in the understatement of liability by ₹11.00 crore.

A.1.1.4 The Commissioner of Service Tax passed an order no.17/ST/SRB/2014 dated 03.02.14 for depositing ₹16.62 crore as short paid service tax for the year 2008-09 alongwith interest and also imposed penalty of equivalent amount. Prasar Bharati has filed an appeal in this regard before CESTAT in May 2014. However, Prasar Bharati had not disclosed this amount as contingent liability in the accounts. Similarly, a demand of ₹ 3.55 crore raised by service tax department on 17.10.2008 for depositing short paid service tax during April 2007 to Sept 2007, was also not disclosed as contingent liability in the accounts. Hence, the contingent liability of Prasar Bharati was not properly disclosed in accounts.

B. Assets

B.1. Fixed Assets ₹1495.19 crore

Other income of Prasar Bharati included Profit on sales/disposal of assets ₹ 6.42 crore. However, no corresponding deduction was made from the assets of Prasar Bharati. Hence, the fixed assets of Prasar Bharati were overstated by ₹ 6.42 crore.

C. General

C.1. Prasar Bharati has shown in the accounts a loan of ₹ 2359.65 crore as capital loan from Ministry of Information & Broadcasting. However, as per records the amount of loan was ₹ 2434.28 crore leaving a difference of ₹ 74.63 crore which needs to be reconciled.

D. Grants-in-aid

Out of the grants-in-aid of ₹ 2140.00 crore (Plan ₹ 410.00 crore and Non-plan ₹ 1730.00 crore) received during 2013-14, ₹ 512.70 crore was received during March 2014 from the Ministry of Information and Broadcasting. Prasar Bharati utilised ₹ 2299.43 crore (Plan ₹ 434.77 crore, Non-plan ₹ 1864.66 crore) and an amount of Plan Grant ₹ 14.53 crore was refunded to the Ministry during the year 2014-15. The excess expenditure was met from internal receipts (IEBR).

E. Management Letter:

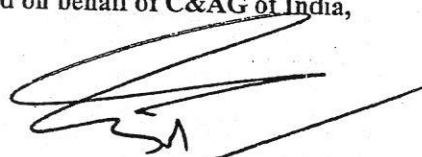
Deficiencies which have not been included in the audit report have been brought to the notice of the Prasar Bharati Management through a management letter issued separately for remedial/corrective action.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and Receipts and Payments Account dealt with by this report are in agreement with the books of accounts.

vi. In our opinion and to the best of our information and according to the explanation given to us, said financial statements, read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit Report, give a true and fair view in conformity with accounting principles generally accepted in India:

- a. In so far as they relate to the Balance Sheet of the state of affairs of the Prasar Bharati (Broadcasting Corporation of India) as at 31 March 2014; and
- b. In so far as they relate to the Income and Expenditure Account of the deficit for the year ended on that date.

For and on behalf of C&AG of India,



Director General of Audit
(Central Expenditure)

Place: New Delhi

Date: 4.2.15.

Annexure to Audit Report

1. Adequacy of internal audit system

- Pr. A.O. of the Ministry of Information and Broadcasting is responsible for the internal audit. However, internal audit for the year 2013-14 had not been conducted by Pr. A.O of the Ministry. No internal audit department had been set up in the organization.

2. Adequacy of internal control system: Monitoring

- The Corporation did not provide certificate regarding loss due to theft, embezzlement, fire or other natural calamities in respect of its field offices.

3. System of physical verification of fixed assets

- Value of fixed assets was accounted for in the books on the basis of a letter received from Chief Controller of Accounts by Prasar Bharati during the year 2002. In notes on accounts for the years 2006-07 to 2013-14, Prasar Bharati stipulated that amount of fixed assets was subject to physical verification and valuation. However, physical verification and valuation of fixed assets was yet to be taken up by the Corporation.

4. System of physical verification of inventory

- Prasar Bharati had shown inventory of ₹ 12.49 crore in the Accounts. There was no change in the inventory from the previous year. Physical verification reports of inventories were also not available with the Corporation.

5. Regularity in payment of statutory dues

- No undisputed statutory dues were outstanding against the Corporation at the close of the year.