

# प्रसार भारती

## PRASAR BHARATI

India's Public Service Broadcaster

वार्षिक लेखा

2014-15

Annual Accounts

2014-15



द्वितीय तल, पी टी आई भवन, संसद मार्ग, नई दिल्ली 110001  
2<sup>nd</sup> floor, PTI Building, Parliament Street, New Delhi 110001

## Annexure

**1. Adequacy of internal audit system**

Pr. A.O. of the Ministry of Information and Broadcasting was responsible for the internal audit. However, internal audit for the year 2014-15 was not conducted by Pr. A.O of the Ministry. No internal audit department was set up in the organization.

**2. Adequacy of internal control system**

Risk Assessment and Management Information System which are necessary for smooth functioning of the corporation were not in place in Prasar Bharti. Non-reconciliation of balances with field offices persisted since long time.

**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 2014-15, Prasar Bharati disclosed 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**


Physical verification reports of some units of Prasar Bharati were made available to audit. However, these did not contain any detail of physical number of inventory in absence of which audit could not verify whether proper physical verification of inventory was being made in the field offices of Prasar Bharati or not.

**5. Regularity in payment of statutory dues**

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

- 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 2015; 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: 14-01-16

C.2.2. In accounts of PAO DDK Chennai, it was reported that statement of confirmation of bank balances was not received from 51 DDOs, in absence of which authenticity of bank balances could not be verified.

C.2.3 In accounts of DD (Engg) DMC Warrangal, interest worth ₹ 15.54 lakh earned on fixed deposits was not reflected in receipts of Receipts and Payments account, thus resulting in understatement of receipt by the same amount.

C.3 As per norms of National Pension System "For the Central Government employees contribution through their nodal office to National Pension System (NPS) is mandatory. Every month 10% of his/her salary (basic +DA) and equivalents government contribution will be invested in NPS". The Employee's contribution & employer's contribution have not been transferred to National Securities Depository Limited (NSDL).

C.4 Provisions for retirement benefits as per actuarial valuation was not made in the accounts.

#### D. Grants-in-aid

Out of the total grant-in-aid of ₹ 2437.98 crore (Plan: ₹436 crore and Non-Plan: ₹ 2001.98 crore) received during the year 2014-15, ₹ 26.00 crore was received during the month of March 2015 from the Ministry of Information and Broadcasting. Prasar Bharati has incurred expenditure of ₹ 2487.83 crore (Plan: ₹ 454.13 crore and Non-Plan ₹ 2033.70 crore ) and an amount of Plan grant ₹12.36 crore was refunded to the Ministry during 2015-16. The excess expenditure was met from internal receipts.

**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:

days instead of applicable 366 days, since the maturity period of these two FDRs was 366 days. This resulted in understatement of interest accrued on FDRs by amount of ₹ 0.059 crore and overstatement of deficit as per Income & Expenditure by the same amount.

## **B.2. Expenditure**

### **B.2.1. Depreciation: ₹ 221.77 crore**

**B.2.1.1** During the year Prasar Bharati capitalized an amount of ₹ 58.93 crore under work in progress. However, out of these, works worth ₹ 5.17 crore were completed during 2015-16 and hence should not have been capitalized. Further depreciation worth ₹ 0.05 crore (@1% i.e half of the actual for the assets acquired in the same year) was also charged on these capitalized assets and debited to Income and Expenditure account. This resulted in overstatement of depreciation worth ₹ 0.05 crore in Income and Expenditure account.

## **C. General**

### **C.1. Non-disclosure or incorrect disclosure in contravention of the Accounting Standards**

**C.1.1.** Scrutiny of records revealed that Commissioner Service Tax has raised demand of ₹ 87.10 crore vide Show Cause Notice dated 18/05/2009, ₹ 18.94 crore vide Show Cause Notice dated 20/10/2010 and ₹ 3.55 crore vide Show Cause notice dated 17/10/2008 . However, these contingent liabilities were not included in notes to account as per the Accounting Standard, AS-29.

**C.1.2.** As per the para no. 12, 13 and 14 (c) of Accounting Standard-5 “disposal of items of fixed assets” is an Exceptional item and specified as a line item. Prasar bharati although mentioned the Exceptional Items of ₹ 3.34 crore in Schedule 24 as a separate line, but amount of sale of fixed assets ₹ 7.56 crore was not included in the same. The amount of sale of fixed assets was incorrectly included in other income in the Income and Expenditure account. Hence the head other income was overstated by the same amount and Exceptional items was understated by the same amount.

**C.2.** The following irregularities were noticed during audit of accounts of various DDOs of Prasar Bharati in different states:

**C.2.1.** In accounts of DD (HPT) Guna, fixed assets worth ₹1.70 lakh purchased during the year was not included, thus under stating the value of fixed assets by the same amount.

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 ₹ 8778.66 crore

A.1.1.1. Prasar Bharati has shown ₹ 326.59 crore as remittances to/from DDOs/HQ in transit. Under this head payments made between headquarters and field offices of Prasar Bharati are given. Being the intra office transaction the effect of this transaction shall be nil after reconciliation. However the reconciliation in this regard has not been made. This matter was pointed out during previous years also.

### A.2. Assets

#### A.2.1. Current assets ₹ 1899.26 crore

A.2.1.1. Current assets of Prasar Bharati included an amount of ₹ 594. 61 crore as FDRs. However, the receipt and payment account of Prasar Bharati showed closing balance of FDRs as ₹ 563.52 crore. The difference needs to be reconciled.

A.2.1.2. Current assets included good debtors worth ₹ 309.52 crore. However, as per detailed breakup of debtors provided to audit, the amount of good debtors was ₹ 308.57 crore as detailed below:

(Amount in ₹)

Particulars	Amount of debtors as per details provided to audit	Amount of debtors in annual accounts	Difference
Doordarshan Kendras debtors.	1716498029	3095293451	9583954
All India Radio debtors	1019661468		
Sports channel debtors	103050000		
	246500000		
Total	3085709497	3095293451	9583954

Hence the amount of debtors as appearing in the balance sheet needs to be reconciled.

## B. Income and Expenditure account

### B.1. Income

#### B.1.1. Interest earned ₹101.35 crore

In calculation of interest accrued, the Prasar Bharati has taken one day interest less as on 31<sup>st</sup> March 2015 in four FDRs. In the second case, Prasar Bharati divided the interest on two FDRs by 365

**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 2015**

We have audited the attached Balance Sheet of Prasar Bharati (Broadcasting Corporation of India) as at 31 March 2015, 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 14 DDOs were considered during 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