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प्रसार भारती

PRASAR BHARATI

India's Public Service Broadcaster

वार्षिक लेखा
2016-17
Annual Accounts
2016-17



प्रसार भारती हाऊस, कॉपरनऱुस डऱुग, नई दऱुलुी 110001
Prasar Bharati House, Copernius Marg, New Delhi 110001

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of the Prasar Bharati (Broadcasting Corporation of India) for the year ended 31 March 2017

We have audited the attached Balance Sheet of the Prasar Bharati (Broadcasting Corporation of India) as at 31 March 2017, 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 are a compilation of its 551 different DDOs, out of which audit reports in respect of 37 DDOs was 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 uniform format of accounts 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 Earmarked Endowment Fund

As per the Uniform Format of Accounts for Central Autonomous Bodies, amounts received as grants or assistance, or retained by the entity to be utilized for specific or earmarked purposes for which these are intended, are required to be disclosed under Earmarked Fund. Prasar Bharati had received the special revenue grant of ₹52.00 crore for development of Kissan Channel to earn on revenue target at least ₹100 crore (as per Minutes of the meeting of the Board (Prasar Bharati) held on 7.9.2015). However, the amount received and its utilization was not disclosed separately in the Earmarked Fund of the Balance Sheet. This has resulted in overstatement of income and understatement of Earmarked Fund.

A.1.2 Current Liabilities and Provisions – ₹2552.95 crore

A.1.2.1 Prasar Bharati had shown ₹241.44 crore as remittances to/from DDOs/HQ in transit. Under this head, payments made between headquarters and field offices of Prasar Bharati were 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, loan and advance etc. – ₹1908.45 crore

A.2.1.1 Prasar Bharati had shown consolidated debtors in terms of Kendra-wise worth ₹166.40 crore and the Statement of station-wise CSU & CBS centre worth ₹175.52 crore (including service tax of ₹6.58 crore) in their Annual Accounts. The service tax pending on debtors and the interest on debtors worked on the part of service tax due was not disclosed. The fact/status needs to be disclosed in Notes to accounts.

A.2.1.2 Prasar Bharati had deposited ₹178.48 crore with the Service Tax Department on account of disputed service tax/interest/penalty whereas the matter was sub-judice. Details are as under:

S. No.	Amount Deposited (₹in crore)	Date	Depositwith authority
1	10.00	May 2009	Service Tax Department
2	160.28	8 June 2011	-do-
3	8.20 (Against ₹18.94 crore)	29 July 2011	-do-
Total	178.48		

However, the deposited amount was shown as expenditure instead of being shown as Current Assets. This has resulted understatement of current assets and overstatement of expenditure by ₹178.48 crore.

B General

B.1 As per uniform format of accounts, sundry debtors need to be classified as 'Sundry Debtors outstanding for a period of exceeding 6 months and others'. In contravention, Prasar Bharati had depicted sundry debtor as 'Sundry Debtor –goods and doubtful'.

B.2 In Schedule -7 'Current Liabilities & Provision' under 'A-Current Liability', the sub-head 'advance received against deposit work', Prasar Bharati has shown a liability of ₹79.05 crore. In the absence of details

of the nature of this deposit, party to whom received, period-wise status of advance adjustment, the correctness of balances shown in the accounts could not be verified in audit.

B.3 In Schedule 8 – ‘Fixed Assets’, ₹430.52 crore was shown under the sub-head ‘Capital Work in Progress’ as on 31st March 2017. In the absence of details of work and periodicity from the work undertaken, and the correctness of balances shown in the accounts, could not be verified in audit.

B.4 As per Schedule 21 of annual accounts, the expenditure on Kissan Channel has been shown as ₹50.01 crore while as per details of expenditure furnished by the Corporation it was shown as ₹49.33 crore. This may be reconciled.

B.5 As per Schedule 18-Other Income, an amount of ₹48,26,072/- and ₹4,25,59,873/- have been shown as profit on Sales/Disposal of assets during the year 2016-17 and 2015-16, respectively. However, the corresponding assets have not been deducted from the Gross block. Similar practice has been followed by Prasar Bharati during previous years also. In absence of value of assets being sold the correctness of Gross Block being shown in Schedule 8-Fixed assets could not be established by audit.

B.6 An amount of ₹12.49 crore being “Provision” since 2014-15 which has been deducted from ‘Inventories’ under Current Assets in which item/party-wise details were not available. The same was disclosed under point 21 of the schedule 26 - Note on Accounts & Contingent Liabilities of the Annual Accounts. In the absence of any policy regarding creation of “provision of any assets”, without having details of the items, the provisions made was unjustified.

B.7 The following discrepancies were noticed during the audit of accounts of various offices of Prasar Bharati in different States:

B.7.1 AIR and Doordarshan Kendra Units in Tamil Nadu and Puducherry:

B.7.1.1 Non – reconciliation of Accounts Figures – Bank Reconciliation Statement not prepared: Doordarshan Kendra, Coimbatore had not prepared Bank Reconciliation Statement. Further, even though the Kendra had not maintained Cash Book/Bank Book, they have prepared Receipts and Payments (R&P) accounts for the period 2014-15 to 2016-17 in respect of Cash Transactions. Scrutiny of the cash transactions revealed that there was difference between Closing balance as on March as per the R&P Accounts and as per Bank statement as detailed below:

Year	Closing Balance as per (in ₹)		Difference (In ₹)
	R&P accounts	Bank Statement	
2014-15	38,52,743	11,36,287	-27,16,456
2015-16	6,42,636		
2016-17	29,79,283	35,89,186	6,09,903

In the absence of main books of accounts (Cash Book/ Bank Book) and BRS, audit could not verify the correctness of the R&P Accounts furnished to audit.

B.7.1.2 All India Radio, Karaikkal

B.7.1.2.1 Non Maintenance of Ledgers/Accounts Records

It was seen that Prasar Bharathi Hqrs vide their circular No. PB/BCI/ DAM(B&A)/599 have instructed that all AIR stations to maintain initial records such as Journal registers and Ledgers for various Heads/sub-heads. However, AIR Karaikal had not maintained such initial records of accounting. In the absence of such initial records correctness of the accounts could not be ensured in audit.

B.7.2 Doordarshan Training Institute, Lucknow:

The opening balance of 2016-17 did not include an amount of ₹2.64 lakh pertaining to term deposit. This resulted into understatement of Receipts and Payments account by ₹2.64 lakh.

B.7.3 Doordarshan Kendra, Bareilly:

The cheques issued worth ₹3.66 lakh in the current and previous accounting years were not encashed, but the same were not cancelled and taken back to the cash book. This resulted in understatement of closing balances in payment side by the same amount.

B.7.4 AIR Superpower Transmitters (SPT), Bangalore

B.7.4.1 Interest Received on Bank Deposits (FDR) under Receipts Head – ₹6,65,405

On a check of BRS statements with SBI respect to two bank accounts maintained by the AIR (SPT), it is seen that the total interest received from the two bank accounts is shown as ₹3,02,099. However, in the R&P account, the interest received under the above head is shown at ₹665,405 Hence, the above account head is overstated by ₹3,63,306.

B.7.4.2 Payment-Establishment Expenditure ₹4,85,32,324/-

The above amount includes the following payments which are made to the respective departments:

Payments made to IT Department in respect of TDS on contraction - ₹124725/-

Payments made to Service Tax Department in respect of Service tax deduction- ₹854236/-

Total - ₹978961/-

Since the above payment made are in the nature of other payment Service tax and Income tax/TDS, the Establishment expenditure is overstated by ₹9,78,961/-.

B.7.5 Akashvani Kendra, Lucknow

Time barred cheques of ₹4.40 lakh were neither encashed nor cancelled and written back in the cash book. This resulted in understatement of receipts and closing balances in Receipts and Payments Account.

B.7.6 Deputy Director (Engineering), AIR, Hospet

B.7.6.1 As per Remittance Register, an amount of ₹8.29 lakh was shown as 'income tax/TDS deducted and remitted' to the Income Tax Department during the year 2016-17. However, this amount of ₹8.29 lakh was not reflected under – Other Payments – (v) – Other Advances – (f) Income Tax/TDS on the payment side of the Receipt and Payment Account. This resulted in understatement of expenditure by ₹8.29 lakh.

Grants-in-aid

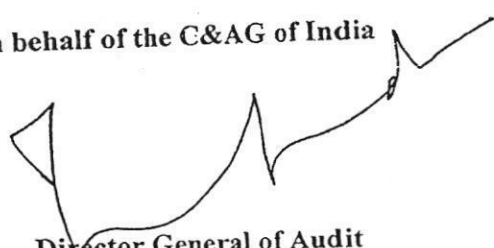
Out of the total grant-in-aid of ₹3003.31 crore (Plan: ₹425.00 crore and Non-Plan: ₹2578.31 crore) received during the year 2016-17 from the Ministry of Information and Broadcasting. As per the accounts Prasar Bharati had an unspent balance of ₹320.62 crore (Plan: ₹191.25 {Refunded} and Non Plan: ₹129.37 {adjusted in 2016-17}) for previous year 2015-16. Prasar Bharati had incurred an expenditure of ₹3105.63 crore (Plan: ₹421.99 crore and Non-Plan: ₹2683.64 crore) leaving an unutilized balance of ₹27.05 crore (Plan: ₹3.01 crore and Non-Plan: ₹24.04 crore) as on 31st March 2017.

Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipts & 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 explanations given to us, the 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 it relates to the Balance Sheet, of the state of affairs of the Prasar Bharati (Broadcasting Corporation of India) as at 31 March 2017; and
- b) In so far as it relates to Income and Expenditure Account of the deficit for the year ended on that date.

For and on behalf of the C&AG of India


Director General of Audit
(Central Expenditure)

Place: New Delhi
Date: 11-12-17

Annexure

1. Adequacy of internal audit system

Internal audit for the year 2016-17 was not conducted by Pr. A.O of the Ministry of Information & Broadcasting. No internal audit department was set up in the organization.

2. Adequacy of internal control system

The internal control of Prasar Bharati was not adequate due to the following reasons:

- a. Risk Assessment and Management Information System which are necessary for smooth functioning of the corporation were not in place in Prasar Bharati.
- b. Non-reconciliation of balances with field offices persisted since long time.
- c. The balance sheet of Prasar Bharati disclosed assets valued at Rs.1611.56 crore as on 31st March 2017. A Central Assets Register required to be maintained under General Financial Rules in Form GFR-40 was not maintained by Prasar Bharati. In the absence of Assets Register, the value of assets of Rs. 1611.56 crore could not be verified in audit.

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 2016-17, 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 the units of Prasar Bharati were not made available to audit thus 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 dues

As per accounts, no payment over six months in respect of statutory dues was outstanding as on 31 March 2017.