

19

प्रसार भारती

PRASAR BHARATI

India's Public Service Broadcaster

वार्षिक लेखा
2018-19

Annual Accounts
2018-19



प्रसार भारती हाऊस, कॉपरनिकस मार्ग, नई दिल्ली - 990009
Prasar Bharati House, Copernicus Marg, 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 2019

We have audited the attached Balance Sheet of Prasar Bharati (Broadcasting Corporation of India) as at 31 March 2019, 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 530 different field offices. The audit of 92 units were considered and included in the audit report.

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 Current Liabilities and Provisions (Schedule-7) – ₹3495.25 crore

A.1.1.1 Prasar Bharati had shown ₹443.78 crore as 'Remittances to/from HQ/DDOs in transit/reconciliation. 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. Similar observation was also raised in previous year's report 2016-17 & 2017-18. The management in its reply of audit observations for the year 2017-18 had stated that efforts were being made to liquidate/reconcile balances and all units had been directed to enter the details of inward and outward inter unit remittances for reconciliation and effect of reconciliation would be reflected in next account. However, the balances still remain to be reconciled.

A.1.2 Earmarked / Endowment Funds (Schedule-3)

A.1.2.1 The funds received from MHA (other than the administrative Ministry) are for specific purpose and as per Uniform Format of Accounts, the funds received as grants or assistance, or retained by the entity to be utilized for specific or earmarked purposes are required to be disclosed under Schedule – 3 (Earmarked/Endowment Funds). However, the Prasar Bharati has shown ₹38.61 crore in Schedule – 7 (Current Liabilities and Provisions), under the head 'Unspent amount of Grant-in-aid (MHA)' instead of Schedule – 3 (Earmarked/Endowment Funds). This has resulted in understatement of Earmarked/Endowment Funds and overstatement of Current Liabilities and Provisions by ₹38.61 crore.

B. Accounting Policies

B.1 Significant Accounting Policies (Schedule – 26)

B.1.1 The policy no. 3 inter-alia stated that '*Fixed assets are stated at transfer amount in respect of assets transferred to Prasar Bharati and the corresponding credit is to "Loan in Perpetuity". Transfer of Assets by the Central Government are subject to actual valuation and verifications.*'

During the review, it was observed that though the assets were transferred by Central Government in September 2002, actual valuation and verification has not been done so far even after a lapse of 17 years. Hence, the fixed assets do not represent a true and fair value as on 31 March 2019 in absence of proper valuation and verification. Moreover, the policy is deficient to the extent of not disclosing the method of valuation and verification used for fixed assets transferred to the Prasar Bharati and the amount of above fixed assets as on 31st March 2019.

B.2 Notes on Accounts &Contingent Liabilities (Schedule - 27)

B.2.1 Notes on Accounts no. 1 inter alia stated that *".....from 01.04.2005 the accounts are initially compiled on cash basis at field unit level and subsequently converted into accrual basis to the extent possible, based on the information collected from both the Directorates. Prasar Bharati Board however, decided to give effect to complete switch over from cash to accrual accounting at field unit also. To overcome this problem, Prasar Bharati has developed software called Expenditure Monitoring System (EMS). R&P A/c from all the DDOs are now being received through this software w.e.f. 01.04.2016."*

During the audit, it was observed that, in EMS software Prasar Bharati was receiving the Receipt & Payment Account online which contains only cash basis transactions and it did not provide the information of outstanding payables and payment received in advance by each unit. Hence, the accounts of the units were being maintained only on cash basis and not on accrual basis. Thus, the above note is incorrect to this extent. This issue was highlighted in previous year's report as well.

C General

C.1 Fixed Assets included gross amount of land and buildings amounting to at ₹3.28 crore and ₹530.31 crore, respectively. The title/conveyance/lease deeds of these properties were neither executed nor had Prasar Bharati made any effort for executing the same. No disclosure/information regarding the status of ownership of the fixed assets has been given in the notes to accounts. This issue was highlighted in previous year's report as well and management in its response stated that significant progress had been made in identifying land and building and digitalization of the related data. However, no disclosure has been made in the annual accounts for the year 2018-19.

C.2 As on 31 March 2018, 78 arbitration cases involving an amount of ₹583.19 crore were pending for settlement. The fact/status needs to be disclosed in Notes on Accounts. This

observation was also made in the previous year report. Prasar Bharati, in its response, has stated that a note in this regard would be included in annual accounts for the year 2018-19.

However, audit observed that no such note has been included in the annual accounts for the year 2018-19.

C.3 Scrutiny of Receipt & Payment accounts of Prasar Bharati with reference to the Expenditure Monitoring System (EMS) data of Prasar Bharati for the year 2018-19 revealed the following discrepancies:

(Amount in ₹)

Payments	Annex	Particulars shown in annex-III	Figures in Column DD (a)	Total of AIR+DD+PB (b)	DD figure as per EMS data (c)	Difference (a)or(b)-(c)
Establishment Expenditure	Annex-I	a) Salary	13951924454	-	14009994319	58069865
		(i) Salary				
		b) Medical Expenses	-	243354327	Data does not exist in EMS	243354327
Other Administrative Expenses	Annex-II	(a) Domestic Travel Expenditure	234156146	-	234765797	-609651
		(b) Foreign Travel Expenditure	50247835	-	51282860	1035025
		(f) Office Expenses ii) (a) mobile	6824694	-	6955542	130848
		(iv) Contractual/Consultants	302377465	-	305690437	3312972
		(ix) Consumables	95676304	-	98560058	2883754
		xi) News papers & Magazines/ books	-	19598645	16407296	3191349
		I) Hospitality(OAE)	7055519	-	7511437	455918
		m)(ii) fuel charges for power supply	-	155080584	Data does not exist in EMS	155080584
		O) METP (i) Routine	205696503	-	205968233	271730
		P) Other Charges (v) Hiring Studios/ Equipment's for Studios	130027006	-	134324914	4297908
Programme Expenses	Annex-III	(vi) Payment to Professionals (ii) resource persons/Casuals	522695301	-	540513785	17818484
		(xiv) Others	333658859	-	327480269	6178590
Fixed Assets	Annex-IV	(i) Library Books	0	-	3191349	3191349

On being pointed out the, department accepted that there was technical error and intimated that the same has been rectified.

Audit in this regard observed that in such circumstances when data in the software can be rectified/changed after finalization of accounts, the reliability of the accounting software becomes unsatisfactory. Prasar Bharati shall upgrade the software so that the data is free from any technical error and freezes after finalization of accounts.

C.4 As per Uniform Format of Accounts, capital grants should be depicted in Balance Sheet as addition to Capital fund and corresponding addition to fixed assets. Any unspent balance shall also be categorically mentioned as liability in the Balance Sheet.

During the year 2018-19, Prasar Bharati had received ₹219.04 crore as Grants-in-aid for Creation of Capital Assets. However, no Grant-in-aid for Capital Creation was shown in Balance Sheet as addition to Capital Fund although there is an addition of ₹180.03 crore in Schedule – 8 (Fixed Assets). Further, the Balance Corpus/Capital fund in Schedule -1 (Corpus/Capital Fund) has been shown as Nil.

C.5 The following discrepancies were noticed during the audit of Receipt and Payment accounts of various offices of Prasar Bharati in different States:

C.5.1 **High Power Transmitter (HPT), All India Radio (AIR), Khampur, New Delhi**

C.5.1.1 ₹12817231 was shown under the head 'VIII Other Receipts – Others' which included receipt of ₹12817211/- (₹11000000/- transfer entry from other banks of the unit and ₹1817211/- cheque reverts). These receipts were to be adjusted in the same head.

C.5.2 **Deputy Director General (Engineer), High Power Transmitter (HPT), All India Radio (AIR), Kingsway, New Delhi**

C.5.2.1 ₹20.92 lakh was received on account of sale of 232 unserviceable items but no items were deducted from the Assets Register.

C.5.3 **Director General (News), All India Radio (AIR), Akashwani Bhawan, New Delhi**

C.5.3.1 As per Receipts and Payments Account, assets were shown amounting to ₹52.48 lakh while as per details given by DG (News), it was amounting to ₹30.32 lakh. This resulted in overstatement of assets by ₹22.16 lakh.

C.5.4 **Director, Director General, All India Radio (HQ), Akashwani Bhawan, New Delhi**

C.5.4.1 In annual Receipt & Payment accounts, earnest money deposit (EMD) received and refund/payment during the year was shown as ₹40.87 lakh and ₹28.79 lakh. However, as per EMD/Valuable register, it was amounting to ₹43.72 lakh and 'nil'. The difference needs to be reconciled.

C.5.5 EE (C) Metro Division-I (Integrated DDO of EE (C) MD-I, II and SE (C-III), Sookhana Bhawan, New Delhi

C.5.5.1 Refund of LTC Advances of ₹1.75 lakh was wrongly booked as Interest received from Employees and was not adjusted from the LTC Advances. This has resulted in overstatement of both expenditure on account of LTC as well as income under the head Interest received from the employees.

C.5.5.2 Details of cheques deposited but credit not given by bank for ₹4.13 lakh pertaining to the period prior to March 2019 were not furnished to audit.

C.5.5.3 Details of following receipts appeared in Receipt & Payment Account were not furnished to audit:

S.No.	Head of Account	Amount in ₹
1	Receipt from Other Stations/Kendras	19495113
2	Other receipts	10400

C.5.6 Station Director, All India Radio (AIR), Akashwani Bhawan, New Delhi

C.5.6.1 Audit noticed mismatch of figures between Consolidated Receipt & Payment Account and the figures shown in Expenditure Statement. Details are given below:

(Amount in ₹)

Head	Figure as per Receipts & Payment A/c	Figure as per Expenditure Statements	Difference
Salary under Establishment Exp	437996661	438016583	19922
Advertisement under Administrative Exp	5155800	5136554	19246
Office Expenses under Administrative Exp	41161578	41186846	25268
Programme Expenses (PP&S)	101142973	101393513	250540
Expenditure on fixed assets	1808391	1067461	740930

The above differences need to be reconciled.

C.5.7 Doordarshan Kendra, J.C. Nagar, Bangalore

C.5.7.1 As per Receipt and Payment account of 2018-19, under miscellaneous head has been reflected as ₹1759507/- whereas the miscellaneous income as per miscellaneous receipt account depicted as ₹2407671/-. This has resulted in understatement of income by ₹648154/-.

C.5.8 All India Radio (AIR), Betul, Gwalior

C.5.8.1 In course of checking of the Bank Reconciliation Statement it was noticed that a cheque of an amount of Rs. 134658/- was issued and debited by Bank. Further scrutiny revealed that the office paid the amount twice was debited by Bank on 10.07.2018 and 25.07.2018. However Bank Balance was reduced in Bank Book one time only and the second amount was shown as outstanding/ recoverable in Bank Reconciliation Statement resulted in overstatement of Bank Balances in Payment side of Receipt and Payment Account for the year to the extent of Rs. 134658/.

C.5.9 All India Radio (AIR), Ambikapur, Chattisgarh

C.5.9.1 Unspent balance of grant should be refunded at the end of the year to Headquarters. However, an amount of ₹41.74 lakh was not surrendered. This resulted in understatement of Payments and overstatement of closing balance by ₹41.74 lakh.

C.5.10 Doordarshan Kendra, Chennai

C.5.10.1 Pay & Accounts Office, DDK, Chennai functions under the control of CCA, Ministry of Information & Broadcasting, New Delhi. All receipts and payments of 44 DDOs under Prasar Bharati, Southern Region comes under the purview of Doordarshan Kendra, Chennai. However, consolidated Annual Receipts and Payments Account for each year has not been prepared by the office of the Doordarshan Kendra, Chennai.

C.5.10.2 Non preparation of Bank Reconciliation Statement (BRS) and non maintenance of Bank Book for accounts related to Prasar Bharati funds in respect of two accounts maintained with balance of ₹3027519/- and ₹10571005/-.

C.5.11 Deputy Director General (Engg), Doordarshan Kendra, Chennai

C.5.11.1 As on 31.03.2019, ₹56.16 lakh was available with Tamil Nadu Electricity Board (TNEB) as Security Deposit (SD). In this connection, it was observed that Security Deposit and Meter Caution Deposit (MCD) paid to TNEB were accounted as 'expenses' under the head 'Power Supply' instead of showing it as SD/MCD. Further, refund of SD/MCD by way of adjustment in the bill was also not shown as receipts in the R&P account. Only the net bill amount after adjusting refunds was accounted under payment side.

C.5.11.2 The DDG (Engg), Doordarshan Kendra, Chennai is maintaining three accounts. The closing balance of three accounts as on 31.03.2019 as per the bank accounts which was depicted in the R&P Account and as per the bank statements of the accounts is as follows:

(Amount in ₹)

Account No	Account Name	Amount as per Bank	Amount as per Receipt and Payment account(Rs)
31140160951	Expenditure Account	10,000.00	60,00,000.00
10067582022	Salary Account	10752.16	10,000.00
10667582077	Receipt Account	59.00	0.00

The bank reconciliation statement in respect of the above accounts has not been prepared by DDG (Engg), DDK, Chennai.

C.5.12 Pay & Accounts Office (PAO), All India Radio (AIR), Chennai

C.5.12.1 Scrutiny of the Receipt & Payment Account of PAO, AIR, Chennai for the year 2018-19, revealed that the closing balances in respect of Salary, OAE, Loans and Advances was depicted as ₹126177781 instead of ₹8387090, exhibited in bank statement as on 31.03.2019, as per details given below:

(Amount in ₹)

Sl. No.	Name of the Bank	Account Number	Head	Closing Balance as on 31.03.2019
1.	SBI, Mylapore	10476542164	Salary	37657
2.	SBI, Mylapore	35533164464	OAE	10506
3.	Bank of India, Santhome	801621100001439	L&A (Receipt)	6969544
4.	Bank of India, Santhome	801621100001437	L&A(Payment)	1369384
	Total			8387090

Due to non-reconciliation of the bank book figures with bank statements a difference of ₹117790691, audit could not verify the correctness of the Receipt & Payment accounts furnished to audit.

C.5.13 Assistant Director (E), AIR, Ananthapur

C.5.13.1 Prasar Bharati headquarters vide their circular no. PB/BCI/DAM (B&A)/599 have instructed that all AIR station to maintain initial records ledger/registers for various heads/sub-heads. However, AIR, Ananthapur had not maintained ledger account/Register Program Expenditure and Tally ERP software for the expenditure incurred on programmes of ₹3147304/-.

C.5.14 Deputy Director (E), Doordarshan Kendra, Hyderabad

C.5.14.1 It was seen from Bank Reconciliation Statement issued between May 2011 to January 2019 amounting to ₹25,37,588/- were not encashed as the recipient had failed to

deposit the cheque and amounts were still kept idle in the bank as liable for payment for lapsed cheques. The stale cheques should be reversed in the books.

C.5.14.2 Fixed deposits amounting to ₹5,87,202/- were not taken to the Receipt & Payment Account. Non exhibition of the amount in Receipt & Payment Account, the interest accrued on Fixed Deposit and the asset is understated..

C.5.15 All India Radio, Jabalpur, Madhya Pradesh

C.5.15.1 As per assets register of AIR, Jabalpur during the year 2018-19, an expenditure of ₹5,64,240/- has been depicted instead of ₹2,80,537/- shown in the Payment side under head "Expenditure on Fixed Assets" on receipts and payments account. Thus, difference of ₹283703/- needs to be reconciled.

C.5.15.2 Differences were noticed in closing balance of Receipt & Payment Accounts and Expenditure Control Register in the accounts of the AIR Jabalpur.

(Amount in ₹)				
Sl No	Name/Head on payment side	Closing Balance as per Receipts and Payments Account	Closing balance as per Expenditure Control Register	Differences
1	Administrative Expenses Contractuals/Consultants	1418621	1648843	-230222
2	Administrative Expenses minor works	1594115	1690198	-96083
3	Administrative Expenses METP	1099383	1099428	-45
	Total			-326350

C.5.16 CCW, All India Radio, Kochi

C.5.16.1 As per Receipt & Payment Account for the year 2018-19, the closing balance of bank account depicted as ₹72,74,298/- which was not agreed with the closing balances of as per the Bank Statement issued by the bank as ₹60,09,571/-, leaving a difference of ₹12,64,727/- which needs reconciliation.

C.5.16.2 Scrutiny of purchase of fixed assets revealed that an amount of ₹15.52 lakh has been shown as expenditure on fixed assets and capital in the payment side of the Receipt and Payment Account. But as per the works register an amount of ₹17.77 lakh was shown as payment made during the year against the various works executed by the CCW, leaving a differences of ₹2.25 lakh resulted understatement of fixed asset as well as expenditure to the same extent.

C.5.17 DDG (E), AIR, Ahmadabad

C.5.17.1 In Receipt & Payment Accounts of DDG(E), AIR, Ahmedabad, it was noticed that Multi Option Deposit balance of ₹8,29,955/- has not been shown separately under the heading Fixed Deposit/CLTD account and has clubbed the amount with other administrative Expenses i.e. closing balance of ₹29,54,107.06 (₹2124152.06 + ₹829955.00). Thus, the wrong classification resulted in over statement of closing balance of OAE and understatement of closing balance of Fixed Deposit/CLTD balance.

C.5.18 AIR, Ahwa

C.5.18.1 AIR, Ahwa has paid salary amounting to ₹11.11 lakh in the month of March 2019 and dearness allowance amounting to ₹0.54 lakh for the month of January and February 2019 in the month of April 2019 and the same has been booked in the month of April 2019. Further, scrutiny of vouchers revealed that the security bill of ₹0.54 lakh for the month of March 2019 was paid in April. Hence unit is not following accrual system of accounting.

C.5.18.2 As per Prasar Bharati Circular New Delhi (Feb 2018) transfer of unspent balances lying in the Salary and OAE (Other Administrative Expenses) should be done as per below:-

- 1) The amount under salary should be minimum in the R&P Accounts for the month of March, 2019.
- 2) In respect of other administrative expenses (OAE), an average requirement of 15 days for meeting essential payment may be kept, if necessary, and excess of it may also be transferred.

In Receipt & Payment Accounts, AIR, Ahwa kept the amount of ₹29,72,177/- in OAE account at the end of FY (2018-19) for meeting the essential requirement for next 15 days. From 1 April to 15 April, AIR, Ahwa have not incurred any expenditure from OAE. Amount ₹29,72,177/- was not surrendered by the AIR, Ahwa to Prasar Bharati.

C.5.19 HPT, Doordarshan, Agra

C.5.19.1 The Centre deducted ₹14,51,743/- from salary and service provider bills and deposited in the government account but it was not depicted in either side of the Receipts and Payments account.

C.5.20 Time barred cheques amounting to ₹41.59 lakh were not cancelled and written back in the Receipt & Payment Account by the following units of Prasar Bharati:

S. No.	Name of the Unit	Amount (₹)
1.	HPT, AIR, Khampur, New Delhi	264283
2.	CBS, AIR, New Delhi	13104
3.	EE (C), Metro Division-I, New Delhi	124000
4.	DDK, Bhopal	195340
5.	DDK, Chennai	3213225
6.	DDK Coimbatore	21400
7.	AIR, HPT, Avadi	56940
8.	CCW, AIR, DD Kochi	61614
9.	AIR, Betul	85846
10.	DD Kendra, Kozhikode	2000
11.	ADG(Engg) (SZ), AIR & DDK TN & Puducherry	78995
12.	PAO, AIR, Chennai	30480
Total		4159361

C.5.21 Tax Deducted at Source (TDS) and Profession Tax deducted from salary of the staff and payment of contractors were not exhibited separately as Receipts as well as Payments to the statutory authority in the Receipt & Payment Account by various field units of Prasar Bharati. This has resulted in understatement of Receipts as well as Payments by ₹21.11 crore. Details are as under:

S. No.	Name of the Unit	Amount (in lakhs)
1	HPT, AIR, Khampur, New Delhi	70.54
2	HPT, AIR, Kingsway Camp, New Delhi	64.07
3	NABM, AIR & DD, Kingsway Camp, New Delhi	40.14
4	DG (News), AIR, New Delhi	204.04
5	Director, National Channel, AIR, New Delhi	37.11
6	DG, AIR (HQ), New Delhi	601.80
7	CBS, AIR, New Delhi	33.67
8	Central Store, AIR, New Delhi	13.79
9	EE (C), Metro Division – I, New Delhi	44.78
10	Station Director, AIR, New Delhi	408.70
11	Director, Commercial Broadcasting, New Delhi	582.13
12	PAO, AIR, Chennai	10.16
13	AIR, Jabalpur	0.21
14	CCW, AIR, DD Kochi	0.17
15	DD Maintenance Centre, Kochi	0.02
16	DD Kendra, Kakkanad, Kochi	0.04
17	AIR, Alappuzha	0.03
Total		2111.40

C.5.22 In Receipts & Payment accounts of following field units of Prasar Bharati, there are differences in payments shown in consolidated Receipts & Payments Account and expenditure shown in Monthly Expenditure Statement as on 31 March 2019:

(Amount in crore)			
S. No.	Name of Unit	Payments as per consolidated	Expenditure as per Monthly Expenditure

		Receipt & Payment Account	Statement as on 31.03.2019
1	HPT, AIR, Khampur, New Delhi	17.14	14.88
2	HPT, AIR, Kingsway, New Delhi	16.25	14.28
3	NABM, AIR & DD, Kingsway, New Delhi	9.84	9.61
4	DG (News), AIR, New Delhi	16.16	15.94
5	Director, National Channel, AIR, New Delhi	0.36	0.35
6	DG, AIR (HQ), New Delhi	96.34	93.30

The differences need to be reconciled.

C.5.23 In Receipts & payments Accounts of following units of Prasar Bharati, the expenditure incurred on procurement of assets was booked in different heads instead of 'Expenditure on Fixed Assets'. This has resulted in understatement of Fixed Assets and overstatement of Expenditure by the like amount.

(Amount in lakh)

S. No.	Name of Unit	Expenditure booked under the head	Amount
1	HPT, AIR, Khampur, New Delhi	Administrative Expenditure	0.65
2	HPT, AIR, Kingsway, New Delhi	-do-	1.67
3	NABM, AIR & DD, Kingsway, New Delhi	-do-	3.34
4	DG, AIR(HQ), New Delhi	Programme Expenses	4.35
5	PAO, AIR, Chennai	Inter current account transfer of funds to other Stations/ Kendras	4115.00
Total			4125.01

C.5.24 The bank interest received against deposits was not included in Receipt & Payment Accounts by following units of Prasar Bharati. This has resulted in understatement of Receipts and closing balances by the like amount.

(Amount in lakh)

S. No.	Name of Unit	Amount
1	AIR, Gwalior	0.27
2	AIR, Betul, Gwalior	0.81
3	Programme Executive, AIR, Bolangir	8.74
4	PGF/HPT, DDK, Gwalior	1.42
Total		11.24

D. Grants-in-aid

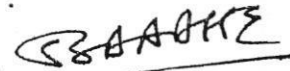
During the year 2018-19, Prasar Bharati had received Grant-in-aid of ₹3101.26 crore from the Ministry of Information and Broadcasting. Prasar Bharati had an unspent balance of ₹24.94 crore for previous year 2017-18 and interest earned ₹1.78 crore thereon. Prasar Bharati had

incurred an expenditure of ₹3013.01 crore leaving an unutilized balance of ₹114.97 crore as on 31 March 2019.

E. Management Letter: Deficiencies which have not been included in the Audit Report have been brought to the notice of Prasar Bharati 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 & Expenditure Account and Receipt & Payment 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-I 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 2019; and
- b) In so far as it relates to Income and Expenditure Account of the surplus 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: 27. 01. 2020

Annexure

1. Adequacy of internal audit system

- 1.1 Internal audit for the year 2018-19 was not conducted by Pr. A.O of the Ministry of Information & Broadcasting. No internal audit department was set up in the organization.
- 1.2 Internal audit was not conducted in various units like AIR, Bareilly; DMC, Bareilly; AIR, Jhansi; DMC/HPT, Behrampur since inception.

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.1494.44 crore as on 31st March 2019. A Central Assets Register required to be maintained under General Financial Rules in Form GFR-19 was not maintained by Prasar Bharati.
- d. Earnest money register and Security Deposit Register were not maintained by HPT, AIR, Kingsway, New Delhi; National Academy of Broadcasting & Multimedia, AIR & DD, Kingsway, New Delhi and Station Director, All India Radio (AIR), Akashwani Bhawan, New Delhi
- e. Grants-in-aid register and Expenditure Control Register were not maintained by DMC/HPT, Behrampur, Odisha and DMC, Dhenkanal, Odisha.
- f. Fixed Assets register was not properly maintained by Prasar Bharati Secretariat.
- g. Audit observed that Prasar Bharati is not maintaining cash book in respect of some bank accounts (as detailed below). The balances appearing in the bank statement at the end of financial year are depicted in the annual accounts. In absence of a cash book any wrong debit or credit by bank may go un-noticed and un-rectified. Similarly, any erroneous, irregular, receipt or withdrawal in the bank account may also go un-noticed and un-rectified.

Account Details	Account No.
Prasar Bharati (Grant-in-aid)	35824818680 (SBI)
Prasar Bharati (Grant-in-aid)	35851567380 (SBI)
Prasar Bharati (Grant-in-aid)	35851568099 (SBI)
PBCCI – Expenditure AC	38137584830 (SBI)
PBCCI – Expenditure AC	11084239041 (SBI)

PBBCI – Doordarshan Receipts AC	11084233390 (SBI)
AIR Resources of Prasar Bharati AC	11084233414 (SBI)
Prasar Bharati (B.D.I)	2417201001730 (CanaraBank)
Kashir 9041	
Prasar Bharati (B.D.I)	2417206000002 (CanaraBank)

- h. Accounts of Prasar Bharati are a compilation of its 530 different DDOs. The Receipt & Payment Accounts from these units are received by the Prasar Bharati online through EMS software. An amount of ₹2180.26 crore was shown as bank balance as on 31 March 2019. However, the balance confirmation letters from the banks in respect of units other than Prasar Bharati secretariat were not available with the Prasar Bharati Headquarters.
- i. Library accession register was not provided to audit by DDG (Engineer), HPT, AIR, Kingsway, New Delhi.
- j. Bank reconciliation statement was not prepared by Station Director, AIR, Akashwani Bhawan, New Delhi
- k. Examination of cash book of DDK, Bangalore revealed that DDK Bangalore maintains three bank accounts. The closing balance as per Bank Account which was depicted in the Receipt and Payment Accounts as ₹5495682/- whereas as closing balance of cash book was ₹962496/-. The difference was due to one bank account was not entered in Cash book/bank book and only issue cheque issue accounts is maintained in units, The Proper Cashbook/Bank book should be maintained.
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 2018-19, 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**
Detailed Physical verification reports of the units of Prasar Bharati were not maintained.
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 2019.