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Prasar Bharati Board slams CEO, says withdraw his powers 'forthwith'

Citing Satyam, Member (Personnel) says matter could be probed by CBI; Member (Finance) says no internal audit, alleges financial irregularities

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TAKING note of a series of alleged financial irregularities in Prasar Bharati, the largest national public broadcaster, in the last couple of years, its governing board has severely indicted CEO B S Lalli and recommended that "all (his) delegated powers should stand withdrawn forthwith."

Accusing the corporation of being run in a "highly unprofessional way with complete lack of transparency," at least five of the 10 members present at a Board meeting on January 21 — one member was absent — slammed the CEO. They accused him of mismanagement of financial affairs in Prasar Bharati in the approved minutes of the meeting, a copy of which is with *The Sunday Express*.

Member (Personnel) V Shivakumar, in fact, went on record to say that the nature of irregularities were such that these could eventually result in an investigation by the CBI or the CVC into the functioning of Prasar Bharati. CEO Lalli, however, denied the charges (see box).

The charges range from the absence of any internal audit to alleged misrepresentations in the balance sheet, from keeping the board in the dark on key financial decisions regarding the coverage of the 2010 Commonwealth Games to usurping the board's powers.

According to the min-



'Small group twisting facts... if any decision caused losses, I will correct'

When contacted by *The Sunday Express*, Prasar Bharati CEO B S Lalli, a 1971 IAS officer from Uttar Pradesh cadre, said:

■ "I stand by every decision I have taken. Each and every of these decisions, which have been made by me, were made on the merits of the case and I have no problems in taking responsibility for them," Lalli said from Lucknow.

■ "If as the result of any of my decisions, Prasar Bharati is found to have incurred any losses, I am willing to take appropriate corrective steps," he said, but refused to respond to specific cases at this point of time.

■ "There is a small group of mischievous elements within the organisation engaged in spreading misinformation and twisting of facts. I have a certain standing in public life. I would never indulge in any sort of financial irregularities or wrongdoing."

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sheet needed to be checked fully for its reliability. He said the grants received from the government had been shown as income in the balance sheet, which was "entirely incorrect." He also took strong objection to the lack of any internal audit and asked the CEO to explain why internal auditors had not been appointed so far.

Member (Finance) Arun Kumar Jain said he had made several submissions to the CEO drawing his urgent attention to "extremely serious systemic deficiencies" in the functioning of the Finance Wing and lack of accountability and non-compliance of instructions issued by Prasar Bharati headquarters to field units.

According to Jain's letters to the CEO, obtained by *The Sunday Express*, he raised several issues. For example:

■ Debtors (mainly of advertising revenue) reported at closure of the financial year 2007-08 have risen to Rs 156.66 crore from Rs 75.46 crore in 2005-06. More than Rs 500 crore of dues to Prasar Bharati are under dispute and referred to arbitration.

■ An amount of Rs 10 crore was placed in fixed deposits without obtaining approval as per Board Policy for a period of six months. The placement was done at interest rate of 7.75 per cent even though an offer of 11.5 per cent had already been received.

■ Expenditure incurred by field officers was in excess of budgetary provisions approved by the Board. Expenditure under the Non-Plan for the year 2007-08 has been booked at Rs 1451.72 crore against the approved budget of Rs 1354.65 crore without obtaining any Board approvals.

■ Specific proposals for outsourcing internal audit and the appointment of zonal auditors were submitted to the CEO two years ago but no decision made.

"As such, the mismanagement in financial matters had the potential to expose Prasar Bharati to major frauds and losses," Jain said at the board meeting.