

PRASAR BHARATI
(India's Public Service Broadcaster)
Prasar Bharati Secretariat
(Budget and Accounts)
6th floor, Prasar Bharati House,
Copernicus Marg, New Delhi-110001
Phone 23118414

No. ADG(B&A)/AI/ACS/2016-17(pt) 1110-15

Dated: 16.1.2020

Subject: General Instructions for Preparation of R&P Account.

This office has issued instructions from time to time on various aspects of accounting concepts useful for preparation of Receipt and Payment Accounts by the units. In this regard, it is mentioned that during the audit of the accounts of Prasar Bharati, several audit paras have been raised by C&AG of India Audit Team. Based on the observations of the audit, general instructions have been prepared and given below for compliance of the units.

1. Bank Reconciliation Statement

This office has issued instructions for preparation of the Bank Reconciliation Statement through Accounting Circular no 1 dated 02.02.2017. However, it has been observed that most of the DDOs are not preparing the bank reconciliation statement on monthly basis resulting in delay in preparation of annual accounts. In this regard, it has now been decided that Bank Reconciliation Certificate should be prepared by every DDO in the prescribed format (attached as Annexure-I) and will be submitted to Finance Wing of the respective Directorates by the 10th of the following month. The DDO will also furnish the item-wise details of all non-reconciled items i.e. details of outstanding cheques, bank charges, cheques not realized, cheque dishonored etc. along with the Bank Reconciliation Certificate.

It may also be noted that in respect of the CFDL account units may experience difference between the closing balance, as appearing in the Receipt & Payment account and the actual bank balance due to the cheques issued but not presented in the bank. Such cases may be dealt with in accordance with the instructions contained in Circular no. 13A. It shall be ensured that such differences should be monitored regularly and tallied with the amount of outstanding cheques.



2. Opening of unauthorised bank account

While reconciling the bank balances, it has been observed that few DDOs have opened Bank Accounts without the permission of Prasar Bharati. All the DDOs may ensure that no un-authorized Bank Account is in operation and if in operation, the same may immediately be closed and balance lying in that account should be transferred to Prasar Bharati.

3. TDS deducted by third parties including banks

Prasar Bharati is exempted from income tax under section 10(23BBH) of Income Tax Act, 1961 and accordingly, no TDS should be deducted by any third party while making payment to Prasar Bharati. However, it has been noticed that there are clients/ banks/ third parties, which are deducting TDS on the payment made to Prasar Bharati /DD/AIR.

In this regard, instructions have been issued through Accounting Circular No. 12 dated 07.01.2019 whereby it was requested to make all efforts in order to ensure that no TDS is deducted by clients/banks/third party. The circular also stipulates the accounting treatment of the transaction wherein the TDS has been deducted. The DDOs have to ensure that the TDS so deducted by the clients/ banks /third parties are accounted for in the Receipt and Payment account correctly, on a regular basis. It shall also be ensured that only TDS deducted by other clients/banks/third parties is booked under the Head "Other Payments – Income Tax/TDS-Non Plan". The TDS is deducted against a PAN and accordingly, it shall be ensured that no PAN other than AAAJP0288R, issued to Prasar Bharati, is used for official purposes.

(In this regard, Accounting Circular no. 6 and 12 may be referred).

4. Timely submission of Receipts & Payments Accounts

The DDOs are required to submit their monthly Receipt and Payment account latest by 15th of the following month. However, it has been observed that some DDOs are not submitting their accounts by the due date. Both the Directorates are requested to ensure that all the DDOs post their accounts on the EMS in time positively.

5. Recovery of advances /over payments and failed transactions

It has also been observed that any refund of unspent amount of advance or recovery of over payment of salary etc. have been booked as other receipt in the Receipts and Payments account.

In this regard, it is informed that any such receipt resulted due to the refund of unspent amount of advance, recovery of over payment of salary etc. is not the



income of Prasar Bharati and accordingly, such amount will be booked as receipt. Further, since, such advance or salary given by Prasar Bharati to its employees or otherwise was booked as expenditure, any refund received out of such advance, salary, etc. will be shown on the payment side of Receipts and Payments account with minus sign under the same head from where the payment was made.

Similarly, cheques issued/ NEFT / RTGS failed at the bank level due to various reasons and bank gives credit for such failed transactions. It has been observed that such transactions have been accounted for as receipts in the Receipts and Payments account. Generally, failed payments are re-issued by the banks automatically and payments are made successfully. If the amount of failed transaction has been credited in the bank account then such amount shall be shown on the payment side of Receipts and Payments accounts with minus sign under the same head from which payment was made.

6. Dishonor of cheques / drafts sent for collection and re-issue of un-presented cheques

There are instances where the collection in the form of Cheques /Demand Drafts deposited in the bank are dishonored on various grounds and banks return them to the field units. In such cases, the amount shall be shown on the receipt side of Receipts and Payments accounts with minus sign under the same head where it was originally credited.

A note of dishonor shall also be made in the valuable register or in the cash book against the original entry. Such failed transactions need to be monitored carefully by the units and the cases should be pursued for the recovery. It shall be ensured that all cheques /drafts sent for collection are encashed or returned by the bank.

In cases where the Cheques are issued by the office but not presented for the payment, appropriate action may be initiated for revalidation of a time barred cheque and cancellation of cheques in accordance with rule 46 to 48 of Receipts and payments rules 1983.

7. Interest earned on Security Deposit made by Prasar Bharati

In most of the cases it has been observed that the interest earned on Security Deposit made to Electricity Board has not been accounted for properly in the Receipt and Payment Account. The field units have booked the net payment as



power charges instead of booking the gross amount of power charges as expenses and interest earned as income separately.

For example: the gross amount of electricity bill is Rs.1,000/- and amount of interest allowed on security deposit made by the office is Rs. 500/- and accordingly, the Electricity authority issue a bill of Rs.500/- only i.e. (Rs.1000-Rs.500). In this case, DDO should book power consumption charges as Rs.1,000/-, interest receipts on Security Deposit as 500/- and make the payment of R.500 to Electricity Authority. All the DDOs may ensure that interest adjusted in the monthly accounts may be credited as interest receipt on Security Deposit and gross amount of bill should be booked as power expenses.

Further, payment of Security Deposit to the electricity department has been booked as power consumption charges. In this regard, DDOs must ensure that Security Deposit be accounted as payment of Security Deposit. All the field units are instructed to review their current year accounts as well as of previous years accounts and identify the misclassification of Security Deposit as power consumption.

8. Term deposits made by field offices

It has also been observed that some DDOs have Term Deposits with banks. All the DDOs may ensure that no term deposit is made and term deposit, if any, be closed immediately and the amount be transferred to Prasar Bharati.

9. Maintenance of Security Deposit Register

It has also been noticed that field offices are not maintaining the Security Deposit Registers properly. Security Deposit register may please be maintained in the proper format and amount of all unpaid/unreturned Security Deposits shall be recorded.

In view of the above observations, DDOs are requested to review their Receipts and Payments Accounts and rectify the mistakes, if any.

It should be ensured by the units that the instructions issued by this office are followed scrupulously so that true and fair view is reflected through the Receipt and Payment account of Prasar Bharati and audit paras are minimised.

Both the Directorates are requested to obtain the details of accounts receivable and accounts payable along with the details of other liabilities from the field units



by 25th April, 2020 and duly consolidated information may be sent to this office for the purpose of preparation of Income & Expenditure Account and Balance Sheet.

This issues with the approval of the competent authority.


16.1.2020

(C. K. Jain)
DDG (Finance)

ADG (Fin), AIR
ADG (Fin), Doordarshan

Copy to

- 1. DG:DD/ DG:AIR/E-in-C, AIR**
- 2. All ADGs**
- 3. ✓ DDG(T), Prasar Bharati Sectt. with request to upload the circular on Prasar Bharati website.**

Annexure

Sr.no	Particulars	Amounts
	Bank balance as per Cash book	
1	Cheque issued but not yet cleared by bank	
2	Interest credited by bank not accounted for in cash book	
3	Direct receipt into bank but not recorded in Cash Book	
4	Cheque dishonored / RTGS or NEFT failed	
5	Amount wrongly credited by the bank	
6	Any other mistake in bank book or in Bank Statement	
	Total A (Add 1 to 6)	
7	Cheque deposited but not realised	
8	Bank Charges not accounting for in cash book	
9	Direct payment by bank as per standing instructions (like installment of loan or interest thereon)	
10	Cheque Deposited but dishonored	
11	Re-issue of failed RTGS/NEFT	
12	Amount wrongly debited by bank	
13	Any other mistake in bank book or in Bank Statement	
14	Closing Bank balance as per bank statement	
	Total B (Add 7 to 14)	

Total A should be equal to Total B