

**PRASAR BHARATI**  
(India's Public Service Broadcaster)  
Prasar Bharati Secretariat  
(Budget & Accounts Section)  
6<sup>th</sup> Floor, Prasar Bharati House,  
Prasar Bharati House, Copernicus Marg  
New Delhi - 110001

No. ADG(B&A)/AI/ACS/2016-17/496-05

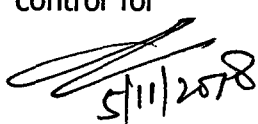
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Dated: 02.11.2018

**Sub: Guidelines on accounting of Flexi Deposit/ CLTD Account/ MODS Facility-reg.**

Kindly refer to the Accounting Circular No.6 Dated 23.02.2018 issued by Prasar Bharati vide No. ADG(B&A)/AI/ACS/2016-17. It has been observed that still some of the DDOs have not opened CLTD account or MODS or Flexi Deposit account linked with all OAE Bank accounts. Due to non-availing CLTD facility, Prasar Bharati is losing interest on unutilised funds. This has been taken very seriously by the management.

Hence, all DDOs are once again advised to open CLTD account on a minimum required amount for creating CLTD by bank which is generally Rs. 10,000/-.

Both the directorates are requested to ensure that the field units under your control are maintaining CLTD linked OAE bank accounts. It is also requested to kindly circulate the above instructions among all field units under your control for their strictly adherence.

  
(C. K. Jain)  
DDG (Fin.)

**DG: AIR/DD**

**Copy to:**

- (i) PS to M(F), for information.
- (ii) ADG (Fin), AIR/ DD, New Delhi, for information and n.a.
- (iii) CE (CCW), New Delhi, for information and n.a.
- (iv) DDG (Fin), AIR/ DD, New Delhi, for information and n.a.
- (v) Director (admin), PB sectt., for information and n.a.
- (vi) DD (Accounts), Prasar Bharati Sectt.
- (vii) DDO (Cash), Prasar Bharati Secretariat
- (viii) DDG (Tech.), Prasar Bharati Secretariat with a request to upload the above circular on the official website of Prasar Bharati.

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6<sup>th</sup> Floor, Prasar Bharati House,  
Tower-C, Mandi House Complex  
Copernicus Marg, New Delhi-110 001

**Accounting Circular No. 6**

No. ADG(B&A)/AI/ACS/2016-17/108-119

Dated 23.02.2018

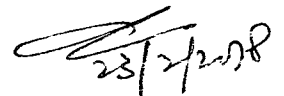
**Sub: Guidelines on accounting of Flexi Deposit/ CLTD Account/ MODS Facility - reg.**

Prasar Bharati Secretariat had issued instructions to open Corporate Liquid Term Deposit (CLTD) Account or Multi Option Deposit Scheme (MODS) Account or Flexi Deposit linked with all salary and OAE bank accounts to earn interest on idle funds lying in our bank accounts. This has again been reiterated by Prasar Bharati Secretariat vide letter no. ADG(B&A)/A/c 2015-16/ Salary A/c Balance/ dated 10.01.2018 (copy enclosed).

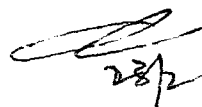
Some of the units/DDOs are not maintaining CLTD linked bank accounts due to which Prasar Bharati is losing interest on unutilized/ idle funds whereas some of the units are facing difficulties in maintaining proper records of CLTD and its accounting in books of accounts. Some of the units/DDOs are not distinguish between CLTD Account and Fixed Deposit Account.

For proper accounting and reconciliation of amount lying in CLTD, interest earned on the same and TDS deducted by bank, if any, on interest allowed, the following points shall be kept in mind:

1. CLTD or MODS or Flexi Deposit Account, whatever name called are the Term Deposits linked with Savings or Current Accounts created/ generated automatically by sweeping the surplus funds over a fixed amount declared by the bank/ mutually agreed by account holder(s) and the bank. The amount is normally automatically swept (auto-sweep) in the CLTD account based on the balance lying in saving / current at the end of the day over such fixed limit. The balance amount lying in MODS account will continue to earn interest as per the Term Deposit rates applicable at time of initial deposit. As soon as, any cheque/ payment request is presented in the said linked saving/ current bank account for payment, the amount, in multiple of thousand(s), equivalent to maintain minimum agreed amount in account after clearance of cheque, is transferred/ auto swept by bank from linked CLTD account(s) in the saving / current bank account subject to the maximum available balance in that CLTD account.

  
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2. For opting the facility of opening CLTD account linked with Saving / current account, account holder needs to request the bank for the same. Hence, if any field unit/ office of Prasar Bharati has not yet opted this facility then the same may be taken up with bank immediately.
3. In State Bank of India, CLTD account can be opened for any period agreed with the account holder. After completion of period for which CLTD is made by bank, it will be renewed, if not yet utilised for the period equivalent to the period of original CLTD.
4. It should be noted that the banks breaks CLTD/ MODS in Last-In-First Out (LIFO) basis. It means the CLTD created at last must be broken first. In case, the CLTD is matured/ pre-matured then bank should break second last CLTD and so on.
5. At the time of break/ maturity of CLTD, bank normally deducts TDS on interest allowed and thereafter transfers the remaining amount of principal and interest in the linked saving / current account.
6. Bank allots separate bank account number to each CLTD Account for which account holder may take the statement also. The field units may approach to bank for obtaining CLTD/ MODS statements so that the complete information on interest given, TDS deducted and balance amount in that CLTD can be ascertained.
7. It is again reiterated that from the Financial year 2012-13 (i.e. Assessment year 2013-14) onwards, the income of Prasar Bharati is exempt from income tax. For this purpose, Section 10 (23 BBH) of the Income Tax Act inserted vide Finance Act 2012, CBDT Circular No.3/2012 dated 12<sup>th</sup> June 2012) of the Income Tax Act may be referred. Further, section 196 of Income Tax Act, 1961 states that no deduction of tax shall be made by any person from any sums payable to a corporation established by or under a Central Act which is under any law for the time being in force, exempt from income tax on its income where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.  
  
Since Prasar Bharati is exempt from Income Tax Act under Section 10 (23BBH), no TDS shall be deducted by any person including banks in the light of Section 196 of Income Tax Act, 1961.
8. In case, bank(s) deducts TDS, then the matter shall be pursued with the concerned bank branch for not deducting income tax on interest.



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9. While preparing monthly Receipts and Payments Account, the field units must ensure that the gross amount of interest (i.e. Interest before TDS) has been accounted for under the head "Interest Received-On Bank Deposits (FDR)" [Sl. no. (IV)(a)] available in Receipt side of Receipt and Payment Account.
10. In case the bank has already deducted income tax on interest then it must be insured that TDS certificate(s) in Form 16A has been collected from that branch for such amount(s). Further, the amount of TDS should be shown under the head "Other Payments-Income Tax/TDS-Non plan" [Sl. no. (VIII)(F)] in Payment side of Receipt and Payment Account for the month in which interest has been credited in CLTD account.
11. The amount lying at the end of month shown in the CLTD bank statement shall be shown under the head "Closing Balances- Fixed deposit/CLTD A/C" [Sl. no. (X)(c)] in Payment side of Receipt and Payment Account. This closing balance will become opening balance of next month.
12. DDOs are required to reconcile each CLTD Account with their main Bank accounts and pass the necessary entries in their books of accounts as mentioned above.

It is requested to kindly circulate the above instructions among all field units under your control for their guidance and information.

  
(C. K. Jain)  
DDG (Fin.)

**DG: AIR/DD**

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