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**A/Cs Circular No 45 of 11/09**

**No. A/III/13448/FPBs/XXIV**

**Dated 06-11-09**

To,

All PCsDA/CsDA  
{ Including ZO (DPD), Chennai, AO (DAD) MoD (Civil)  
and AN-VI (Local) }

**Sub: - Reconciliation of Defence Transactions**

It may be recalled that in the last Apex Committee Meeting held on 08-09-08, the proposal of adhoc settlement of discrepancies up to 31-03-2000 in respect of RBI/PSBs Branches was agreed to in principal in the background that old records were not available with the RBI/PSBs Branches. The data received from all the CsDA is under examination at this HQrs.

2. While calling for the above data, need of agreement of the outstanding amount under 'Cheques and Bills' with that of PSB Suspense (020/76) and RB Suspense (unclassified) (020/83) and clearance thereof was emphasized vide HQrs letter No A/III/13348/FPB/XIV dt 01.10.08. The clearance of unlinked cheques is implied. In fact, the outstanding amounts under Cheques and Bills should normally be equal to net discrepancies under PSB Suspense (020/76) and RB Suspense (unclassified) (020/83) in Plus Charges. (The gross discrepancies under Plus Charges represent excess advice and amounts of unlinked cheques, the outstanding discrepancies under Minus Charges suggest advice awaited from RBI CAS, Nagpur). It need no emphasis that for clearance of outstanding discrepancies, the cases of excess advice are to be taken up with the Focal Point Branch concerned, Unlinked Cheques are to be extracted to the concerned Focal Point Branch/treasuries for confirmation or otherwise of payment and the cases for less advice are to be listed out to RBI CAS through FPB under intimation to SBI GAD, Mumbai.

3. As per Para 95 (ix) of Defence Account Code, when cheques remain unlinked in the Schedule III for more than three months after the month in which they are issued, they are required to be extracted to concerned Audit Sections. This is equally applicable to Sub-Offices. The provisions under this para do not seem to be strictly followed in several cases. When validity of cheques (three months after the month of issue) expires and cheques remain unlinked in Schedule-III, there might be two possibilities-(i) the parties have not presented cheques in the Bank or (ii) the paid cheques have lost in transit/not submitted by the dealing branch/FPB along with the Debit Scroll. The possibility of not presenting the cheque by a party in the bank is remote. In the latter case, the concerned party will sincerely approach the concerned paying authority. Therefore, the only other reason for unlinked cheques is its loss in transit or failure to dispatch by FPB/dealing Bank.

4. It has come to the notice that some of the RBI branches are not entertaining requests of the Controller Offices for confirmation of payment after one year of the issue of cheques. Most of the RBI and SBI branches are also expressing their inability to confirm or otherwise regarding payment of cheques due to non-availability of records/destructions of records. The existing process of reconciliation, therefore, needs to be modified keeping in view this fact. With a view to streamlining the procedure and to making the reconciliation procedure more effective, it has been decided that the existing provisions under Para 95 (ix) of Defence Account Code may be modified to the extent that progressive number of unlinked cheques, having expired validity period, may be extracted by the Accounts Section to the concerned Focal Point Branch on monthly basis and copy endorsed to the concerned dealing branches (Cash Assignment Holder's branch/treasury branch on which cheque has been drawn) with request to furnish certificate of payment in Annexure-8 referred to in Para 4.3.2 of Memorandum of 'Revised Procedure for Reporting & Accounting of Transactions of Ministry of (Receipts and Payments)' (Para 176 of OM-II Vol-I). On receipt of confirmation of payment of Cheques in the prescribed format, Punching Medium will be prepared for clearing PSB Suspense (020/76) or RB Suspense (Unclassified) (020/83), as the case may be, and 'Cheques and Bills'. After preparation of PM, the discrepancy in the registers of 'Main Scroll' 'Debit Scroll' and 'Register of Unlinked Cheques' register will be scored off

indicating against each TE No and month. In case, it is confirmed by the FPB that the cheques have not been paid so far, the matter will be referred to the concerned Audit Section/Sub-Office for consideration of issuing the fresh cheque in lieu thereof, if necessary, or withdrawing the whole transaction. The Punching Medium will be prepared accordingly.

5. It may please be ensured that the progressive number of unlinked Cheques with complete particulars like serial number of the cheque, date of issue, amount, particulars of the treasury on which drawn, name of the Focal Point Branch are forwarded to the concerned Focal Point Branch monthly by 10<sup>th</sup> of the every month with a copy endorsed to each of the treasury on which cheques were paid.

6. Meanwhile, year wise status of unlinked cheques may please be forwarded in the enclosed format in annexure 'A'

7. An amendment to above may be initiated by PCDA (SC) Pune in due course.

**(Mayank Sharma)**  
**JtCGDA (A&B)**

Sl No	Year from	No of Unlinked Cheques	Amount	Remarks (Indicated letter No and date under which details of unlinked cheques were sent to Focal Point branch/treasuries.	Indicate time bound action plan in brief for clearance of the unlinked cheques
1	2000-01				
2	2001-02				
3	2002-03				
4	2003-04				
5	2004-05				
6	2005-06				
7	2006-07				
8	2007-08				
9	2008-09				