

RBI/2004/232

DGBA.GAD.No.H- 1098-1131 /42.01.001/2004-05

October 25, 2004

The Chairman/Managing Director
Chairman and Managing Director
State Bank of India and its Associates
All Public Sector Banks/Jammu & Kashmir Bank Ltd.
ICICI Bank Ltd/IDBI Bank Ltd
UTI Bank Ltd/HDFC Bank Ltd

Dear Sir,

**Accounting System for Direct Taxes—Direct Tax Refunds —
Amendments to Para 12-A-II (i) of Pink Booklet**

Please refer to our letter DGBA. GAD. No.H- 684/ 42.01.001/2003-04 dated January 9, 2004 on the above subject.

2. It has been further decided in consultation with the Principal Chief Controller of Accounts, Central Board of Direct Taxes, New Delhi to authorise additional branches of State Bank of India in Ahmedabad, Hyderabad, Bangalore, Nagpur, Patna, Thiruvananthapuram, Jaipur, Kanpur and Guwahati for direct tax refund work. In view of the above, Para 12-A-II (i) of Pink Booklet titled "Accounting System for Direct Taxes" stand amended as under:

"12-A-II. Procedure for Payment of Income Tax Refund Orders (ITROs)

(i) The work relating to payment of Income Tax Refund Orders will be done only by the branches specifically authorised for the purpose. Till the requisite authorisation is not withdrawn by the Pr.CCA, CBDT, the existing branches of banks where the payment of refund order is being presently made, will continue to do so. The unauthorised handling of direct tax work by bank branches is a serious affair and is fraught with the possibility of interpolation & defalcation by way of forged signature and theft of ITROs books etc. Before entertaining the ITRO for payment the bank branch should, therefore, ensure that it is specifically authorised for direct tax refund work. The branch which is not an authorised one should not entertain any ITRO for encashment/ honour and, if receives any, the same should be returned to the ITO concerned. **As per the extant provisions, direct tax refund work is entrusted to only authorised branches of RBI or SBI or Associate banks of SBI at an ITO centre/ a district.** The Refund Orders.....the following points will be noted."

3. Please make necessary corrections in your copy of the Pink Booklet as well as Accounting System for Online Tax Accounting System (OLTAS).

4. The date from which State Bank will commence payment of ITROs in the aforesaid centres will be advised to you in due course.

Yours faithfully,

(M.T.Vargese)
General Manager