

April 16, 2004

The Chairman & Managing Director /  
Managing Director  
State Bank of India and its Associates  
All Nationalised Banks  
HDFC Bank Ltd., / ICICI Bank Ltd.,  
IDBI Bank Ltd., / UTI Bank Ltd.  
(as per list enclosed)

Dear Sir,

**Accounting Procedure for On-line Tax Accounting System (OLTAS)**

Please refer to our Circular No. RBI/2004/129 (DGBA.GAD.No. 989/ 42.01.034/2003-04) dated March 31, 2004 advising you to extend the Pilot run of OLTAS to all your branches authorised to collect Direct Taxes with effect from April 1, 2004 under the existing Accounting/Challan Procedures for transmission of challan data to Income Tax Department's TIN (Tax Information Network) hosted by NSDL.

2. It has now been decided by Government of India in consultation with Reserve Bank of India to launch the OLTAS and the new Accounting Procedure with effect from 1.6.2004 on all-India basis. Accordingly, we now forward herewith a copy of the 'Accounting Procedure Relating to On-line Tax Accounting System (OLTAS)' duly approved by Government of India. It may be observed therefrom that the change in procedure mainly relates to the introduction of Single Copy Challan with tear-off Tax Payer's Counterfoil, branding of acknowledgement stamp with unique serial number on the single copy challan and on Tax Payer's Counterfoil.

3. Income Tax Department have already forwarded the file structure for the new accounting system to all the agency banks and also have arranged meetings of banks for clarifying the procedure. Your bank has confirmed having developed the required software and imparted training to the dealing staff.

4. Under the new procedure, acknowledgement in respect of challans tendered with Clearing Cheques/Drafts (i.e. other than cash and transfer cheques/drafts) may only be given after realization of such cheques/drafts. You may, therefore, continue to issue paper token in respect of such challans indicating the date of tender and the date on which the Counterfoil will be kept ready for delivery.

5. Income Tax Department have replaced the present four/three copy challan with a Single Challan with a tear-off Taxpayer's Counterfoil. The receiving banker needs to return the tear-off portion to the assessee after realization of the proceeds of Clearing Cheques/Drafts after branding a rubber stamp acknowledging the payment with Challan Identification Number with BSR Code and date of tender of the challan as advised in our letter DGBA. GAD. No.1008/42.01.034/2003-04 dated April 1, 2004.

6. The tear-off portion of the challans accompanied with cash or Cheques/Drafts drawn on the same receiving branch should be returned to the tax payer on the same day with necessary acknowledgement as prescribed in para 1.3.3 of the new Accounting Procedure and as per specimen provided in the Annex to our Circular referred to in para 5 above.

7. The non-computerized / non-networked authorized branches should ensure that data pertaining to those branches are transmitted from its nearest computerized/networked branch to the Nodal Branch and from Nodal Branch to Link Cell electronically so that complete data pertaining to all the authorized branches of your bank throughout India are seamlessly transmitted to the TIN hosted by NSDL. You may please advise all your authorized branches accordingly and ensure that they are fully geared up for migration to OLTAS with effect from June 1, 2004.

8. The new Accounting Procedure will replace the existing procedure in so far as it relates to sending scrolls and challans to the Income Tax Department. It may be noted that except to the extent of changes in the Accounting Procedure now being forwarded to you for OLTAS, the instructions contained in our Pink Booklet "Accounting System for Direct Taxes" (updated up to 30th June, 1999) will continue to be in force. If you have any query in this regard, please do not hesitate to contact us.

9. You are requested to issue necessary instructions to your dealing branches to introduce the new procedure as set out in the enclosed 'Accounting Procedure Relating to On-line Tax Accounting System (OLTAS)' and advise the concerned dealing officers/staff to study the new Accounting Procedure carefully to ensure its smooth implementation with effect from 1.6.2004.

10. In the meanwhile, please acknowledge receipt of this letter.

Yours faithfully,

sd/-

(Prabal Sen)  
Chief General Manager

Encl : As above.