

CHAPTER-15

BANK RECONCILIATION- REVENUE TRANSACTIONS OF CBDT.

15.1 System of Collection of Tax in C.B. D.T.

The Departmentalisation of the accounts of the revenue transactions of the CBDT came into effect from 1st April, 1977. The operation of the scheme for collection and accounting of Direct Taxes introduced from 1st April, 1977 however had certain shortcomings such as : (i) considerable delay on part of the banks in transferring direct tax collection to Govt. account at RBI, CAS, Nagpur, (ii) delay in transmission of scrolls/challans to the Zonal Accounts Offices (ZAO) and the Income Tax Department and (iii) delay in reconciliation of direct tax collections made at the Banks with the figures accounted for by the ZAOs and in the final reconciliation between the figures of the CCA, CBDT and those reported by the RBI, CAS, Nagpur. The procedure of collection and accounting of direct taxes was, therefore, reviewed and a revised scheme introduced from 1st October, 1988.

15.2 The basic feature of the revised scheme introduced w.e.f. 1.10.88 was that in order to expedite transmission of documents to ZAO & I.T. Department and remittance of the direct Tax collections to Govt. account, several intermediary stages between the Receiving branch and the RBI, CAS, Nagpur namely the link branch, Focal Point branch, SBI, UMALO, New Delhi and RBI New Delhi existing before 1.10.88 were eliminated. Each of the authorized public sector banks was to have a Nodal branch at the ZAO centre which would function as a Focal Point branch for all the authorized receiving branches of that bank at that centre. The Nodal branch in addition to acting as a pooling point would also function as a receiving branch. In the zones where a bank has less than 5 branches, no Nodal branch of that bank needs to be set up at ZAO Centre. In such cases the branches will function as sub-agent to SBI for reporting, remittance and reconciliation of direct taxes. The receiving branches of a bank in a particular zone would report the transactions and also submit the sets of documents (scrolls/challans) meant for ZAO and the Designated Officer in-charge of the Computer Centre/CTU of Income Tax Department directly to their respective Nodal branch at the concerned ZAO centre.

15.3 Online Tax Accounting System (OLTAS)

15.3.1 OLTAS i.e. Online Tax Accounting System was implemented with effect from 1.6.2004. The Basic Premise was Capture of all information at the very first interface with the Tax payer (the Receiving Branch) & subsequent transfer of this information online to the Tax Information Network to all agencies of the Receipt Operation Cycle.

15.3.2 Main Features of OLTAS are a single Copy Challan, fully computerised and networked branches and accuracy and timeliness of information flow

15.4 Procedure for acceptance of taxes at the receiving branches

15.4.1 A taxpayer can pay direct taxes at a nominated branch of an authorized bank either in cash, direct debit to account or by a cheque/draft drawn on the same bank or another bank/branch at the

same centre where the payment is made. The payment of tax by outstation cheques/drafts can also be made at any authorized bank, or through an electronic means of remittance to the authorized bank / branch. For every payment there should be a challan in the prescribed format. The challan consists of two parts - the main challan at the top and the taxpayer's counterfoil at the bottom.

15.4.2 According to the instructions issued to the authorized banks by the Reserve Bank of India, the receiving clerk/ teller of the receiving branch shall check the following points while accepting the payment: -

- (a) Whether the main portion of the challan and the taxpayer's counterfoil form have been filled in properly and the amount and major head of account to which the amount is to be credited is correctly recorded therein;
- (b) Whether details such as the name and address of the taxpayer, assessment year and nature and type of payment are properly filled in. The amount should be written correctly both in words and figures.
- (c) Whether the details of the Permanent Account Number (PAN) / Tax Deduction Account number (TAN) have been quoted in the challan at the prescribed place. U/s 139 A (5) (b) of the Income Tax Act, quoting of PAN is mandatory. Similarly, u/s 203A of the Act, quoting of TAN is mandatory. This number, as quoted by the taxpayer should be validated (checked to see whether it is in conformity with the valid PAN/TAN structure) and the designated banks accepting tax payment should ensure that the challans for payment are accepted only when a valid PAN is quoted in the challan. However, where the taxpayer indicates that he has already applied for allotment of PAN or TAN but has not yet been allotted the same, the tax payment challans may be accepted by the bank provided the tax payer indicates PAN/TAN application number in the challan. In such cases it should invariably be ensured that the full address of the taxpayer has been mentioned in the challan.

15.4.3 After scrutinizing the challan and satisfying himself that the amount of cash, cheque or draft tendered agrees with the amount shown in the challan, and also that the cheque is valid and not post dated the receiving teller or counter-clerk of the branch will issue a paper token to the tenderer to facilitate delivery of the counterfoil receipt to him. In the case of challans deposited with cheque or draft, the counterfoil receipt will be issued only on realization of the amount of the cheque or draft and hence the counter-clerk will indicate on the token, the date on which the same will be available.

15.4.3.1 A challan tendered with cash, if found in order after scrutiny, will be stamped 'CASH RECEIVED'. The bank will also stamp both the main portion and the taxpayer's counterfoil of the challan with a stamp mentioning the name of the bank & branch, the BSR code the branch (7 digits), date of deposit (DDMMYY) of the amount and unique serial number of the challan (5 digits). The stamp will be impressed on both the main portion as well as the taxpayer's counterfoil of the challan. Care must be taken to ensure that the impression of the receipt stamp is clear and legible.

An authorized official of the branch will sign in full the taxpayer's counterfoil of the challan and initial the main copy of the challan having received the amount. In the taxpayer's counterfoil, the amount received will be indicated in both words and figures. The receipted taxpayer's counterfoil will be returned to the tenderer and the main copy will thereafter be passed on for scrolling in the Receipt scroll.

15.4.3.2 A challan tendered with cheque/ draft will be branded with a 'double date stamp' to indicate the date of tender of the instrument as well as the date of realization. It is possible that some branches might be following the practice of branding the challans with an inward date stamp as soon as the challans are tendered over the counter. In that case the double date stamp may not be necessary. However, it must be ensured that the inward date stamp is invariably branded on both the main copy and the taxpayer's counterfoil of the challan.

The checking official will initially ensure that there is no difference between the amount of cheque/ draft and the amount recorded in the challan by the tenderer. The cheque/ draft will thereafter be sent for realization. Subsequently, on realization of the cheque/draft, the date of realization will be indicated on the double date stamp or in the space in the challan as the case may be. The bank will also stamp both the main and the taxpayer's counterfoil of the single copy challan with a stamp mentioning the name of the bank & branch, the BSR code the branch (7 digits) date of deposit (DDMMYY) of the amount and unique serial number of the challan (5 digits). After signing the challan for having received the amount, the taxpayer's counterfoil will be returned to the tenderer against the surrender of the token.

15.4.3.3 A Running serial number will be given to all the challans (both paid by cash and by cheque) for each day. It must be ensured that the serial number on each challan issued on a particular day should be unique, so that it can be traced subsequently. The bank must therefore ensure that the serial numbers given to the challans deposited with cash do not overlap with the serial numbers given to the challans against which cheques have been realized on that day.

Counterfoil of the challans tendered along with cash/ cheque/ draft payable at the same branch will be returned to the tenderer duly receipted at the counter. The challans tendered with cheques/ drafts drawn on a different branch of the same bank or any other bank situated at the same center, will be returned duly, receipted only after realization of the instrument but not later than the working day following the day fixed under the rules of 'Local Bankers House' for return of unpaid instruments of any day's clearing.

15.4.4.1 In case of challans tendered with cheque/ draft, the date of realization of the cheque will also be stamped on the main portion of the challan, which will be retained at the bank for onward transmission to ZAO along with the Receipt Scroll. Although as per the Income Tax Act the date of presentation of cheque/ Demand Draft will be treated as date of payment of tax, the cheque/ Demand Draft will be scrolled only after its realization.

15.4.4.2 The main portion of the challan through which a cheque/ draft is deposited will, therefore, have two dates as under:

- i) Date of tender: DDMMYY (in the rubber stamp acknowledgement)
- ii) Date of realization: DDMMYY (at the place indicated in the challan)

In case of cash tender the 'Date of tender' and 'Date of realization' will be the same.

15.4.4.3. The collecting bank will not issue receipt in any other format.

15.5 Preparation of Scrolls by the Collecting Branch

15.5.1 A running serial number will be given to all the challans received at a bank branch counter on each day against which cash payments have been made or cheques/ drafts have been realized on that date.

15.5.2 All the challan fields such as name and PAN, the serial number, date of deposit and BSR code of the branch are required to be captured when the challan is deposited by the tax payer at the bank counter. The data structure of the fields of the challan for which data has to be captured and transmitted will be as informed to the banks by the Income-tax Department. Permanent Account Number (PAN) and the name of the taxpayer will invariably be incorporated in the Receipt & Payment Scroll.

15.5.3 At the end of customer banking hours, the bank branch should identify all those challans against which payment has been received in cash for the day or for which payments by cheque/draft have been realised for the day. As the details of all these challans are already in the bank's computer system, the bank should generate a file containing all the challan data for which payments have been realised for that day and transmit it to its Nodal Branch for onward transmission to the Income Tax Department's Tax Information Network (TIN) through the banks' Link Cell. These electronic challans are further segregated at the National Computer Centre of the I.T. Department into the various Regional computer Centres. However, the non-computerized/ non-networked authorized branches should ensure that data is transmitted from its nearest computerized/ networked branch to the Nodal Branch. It should be ensured that no challan for which payment has been realised on that day is left out. A running scroll serial number extending through a financial year (1st April to 31st March) will be given to the records relating to each type of tax (major head) which are transmitted on a particular day. The complete data structure of records and the file which are to be transmitted by the bank to the Department will be in the format prescribed by the Income-tax Department. The collecting branch will in no case alter the online data file at its end after it has been transmitted to the Income Tax Department.

15.5.4 The collecting branch should also identify all those challans against which instruments were returned unpaid. Such instruments along with the related challans should be kept separately in the bank for taking further necessary action as deemed fit.

15.5.5 The collecting branch will also generate separate printouts of the scrolls as in annexure and summary in Form in Annexure 3 based on the type of tax (major head-wise) on a daily basis from the challan data on its computer, which has been transmitted to the Income-tax Department. The same running serial number extending through a financial year (1st April to 31st March), which was given to the scrolls transmitted for the relevant day, prefixed by the appropriate abbreviation of the type of tax (major head) concerned, will be printed on the scroll. The collecting branch will in no case generate any printed scrolls or summary from data, which is changed in any manner from the data earlier transmitted to the Department. Thus the scrolls generated by the branch will exactly match the scrolls generated by the RCC from the data transmitted to the Department's TIN on-line by the bank. Thereafter, the branch will prepare a set of computer printed summary and receipts scrolls and attach with each scroll the physical challans arranged in the same serial order in which they are entered in the scrolls. At the beginning of the next working day, the receiving branch will forward the same to the Nodal Branch for onward transmission to the ZAO.

15.5.6 In case of any error by the collecting bank branch in reporting the amount of payment made by a taxpayer or major head of payment, the bank will transmit the corrected information on-line to TIN through an error record, the format for which will be as prescribed by the Income-tax Department. Rectification of the errors in the amount and the head of account will also be reported to ZAO through 'Error Scroll' to be sent through Nodal branch. Only the amount of tax payment as reported by the bank to the TIN will be accepted by the Income-tax Department as the payment made by the taxpayer.

15.6 Procedure for payment of Income Tax Refund Orders (ITROs)/ECS

15.6.1 Direct tax refunds can also be credited directly to the taxpayer's bank account through Electronic Clearance Service (ECS) of RBI. The detailed scheme of ECS has been issued by RBI. In order to avail of this facility, the taxpayer gives a mandate by mentioning the type of his bank account (Savings or Current), account number and bank branch code (9 digit) in his Return of Income. After processing of the taxpayer's Returns and determination of the refund by the Assessing Officer, all taxpayers' refunds (in which credit through ECS has been sought) in the jurisdiction of an RCC are automatically consolidated on the computer system at the RCC. All this refund data is downloaded, encrypted and copied onto a magnetic media (floppy or rewriteable CD) or transmitted electronically. This is sent by the RCC to the RBI/SBI, as the case may be, and another one will be sent to local ZAO. After validating the data in the file, the bank will forward two copies of the file in floppy / CD to RBI (NCC) for processing and the third copy will be sent to ZAO for their record. . .

The RBI (National Clearing Cell) will decrypt the file, based on secured keys as determined in consultation with the Department. After validating the data, the RBI will debit the account of Sponsor Bank and credit the accounts of the Destination banks for crediting the amounts to the accounts of tax assessees.

A single debit to the Department's account appears in the payment (refund) data transmitted by the bank to the Income Tax Department for that day. Separate Payment Scrolls will be prepared for refunds made through ECS. In case any of these credits to the taxpayer's accounts are not effected due to reasons like closing of the account etc., the same is later accounted for by a separate minus entry in the Payment Scroll marked as 'ECS Return'. The files in the electronic media (floppy or rewriteable CD etc.) are returned along with the computer printed payment (refund) scroll to the ZAO while the same data is transmitted online by the bank to the Income Tax Department through the Income Tax Department's Tax Information Network (TIN).

The uncredited items will be separately reported to the Income Tax Department and the Assessing Officer will issue cheques for these in favour of the assessee under the manual system.

15.7 Preparation of Payment (Refund) Scrolls

15.7.1 The procedure for preparation of payment scrolls will be the same as the procedure applicable to Receipts scrolls.

15.7.2 The scrolls will be made into set similar to that relating to receipts except that instead of the challans, the paid Refund Orders will accompany the scrolls. The entire data regarding the paid refund vouchers will be transmitted electronically by the paying bank to the Link Cell for onward transmission to the Department's TIN while the physical scrolls with the paid Refund Order will be forwarded to the ZAO through the Nodal Branch. In the cases of ECS, no instruments will be received with Payment scroll. If the Nodal Branch is not locally situated, all the above documents (receipt/payment scrolls etc.) should invariably be sent by Registered Post.

15.7.3 In the case of ECS Refunds, the data will be transmitted online to the Link Cell and subsequently to the Income Tax Department while the same ECS detail on electronic media will be sent to the local ZAO by Paying Bank through the Nodal branch

15.8 Loss of Counterfoil by the taxpayer

15.8.1 In the event of loss of the receipted challan counterfoil by the depositor, the bank branches may issue a certificate of credit to the depositor, on receipt of a specific request in writing from the assessee. The bank may do this after satisfying themselves about the bona fides of the applicant in each case and may charge a nominal fee at its discretion. The certificate should mention the challan details i.e. amount, bank name and branch, BSR Code and Date of Deposit of cheque/cash major head, challan serial number, date of realization of cheque /date of deposit of cash and Collecting branch scroll number and date on which details of tax payment have been transmitted earlier.

15.9 Functions of Nodal Branch

15.9.1 The Nodal Branch will be responsible for the prompt and accurate transmission of the collections/refunds reported to it daily by all the receiving branches under its jurisdiction (including its own receipts). It will further be responsible for prompt remittance of the collections of all the receiving branches (including its own collections) linked to the Government account at RBI, CAS, Nagpur. It will also be responsible for reconciliation of figures with the ZAO.

15.9.2 On receipt of the on-line data regarding all the challans realized for a particular day from the

Collecting Branches, the Nodal Branch will take the following action on day-to-day basis:

- a. It will collate the challan data on its computer system and transmit the data in the format prescribed by the Income Tax Department to its Link Cell for onward transmission to the Tax Information Network of the I.T. Department on the same day after giving a common Nodal Branch scroll number and date to all the challan records being transmitted on that day.
- b. It will also generate a copy of the summary and main scroll based on the computer data in a floppy or other media (as informed by ZAO) and transmit it to the ZAO on the next working day.
- c. On receipt of the hard copy of the computer-generated Branch scrolls from the collecting branch, the Nodal branch will validate that these computer-generated branch scrolls exactly match the data transmitted earlier by the collecting branches. It will consolidate these computer printed Branch scrolls (with challans) received from all the branches including its own along with the main scroll by stitching the scrolls together Major head-wise. It will also generate a computer printout of the Major head-wise Main scroll and Summary. It will then forward these (with the challans) to the ZAO concerned on a daily basis.
- d. A Second set of scrolls prepared in the same manner without challans as discussed at (c) above will be retained by the Nodal branch for its record.
- e. The Nodal branch will also similarly generate computer printed separate main scrolls for payments (i.e. refunds), and forward them along with the paid ITROs to the ZAO. It will also forward ECS refund details on electronic media to the local ZAO. The refund data (in respect of paper ITROs and ECS refund) will be transmitted on-line by the Nodal Branch to TIN through the Link Cell. It will retain the advice/advices of the paid ITROs.
- f. During the first 15 days in April every year, the nodal branches will transmit and prepare two separate sets of scrolls – one normal scroll pertaining to April transactions and the other one pertaining to March transactions (which means scrolls of cheques / drafts / ITROs tendered and cleared up to 31st March by receiving branches and sent to the nodal branch subsequent to 31st March but before 15th April) - these will be scrolled by nodal branch as March residual account. The nodal branches will intimate the link cell at Nagpur for inclusion of these transactions as March transactions. The nodal branches will send another scroll for April transactions prominently indicating the month of account. Any cheque/draft tendered on or before 31st March and realized on or after 1st April will be treated as part of the April transactions. However, in light of the instruction that data for all challans for which payment has been realized on a given day should be transmitted online to the Income Tax Department on the same day, separate March residual scroll should only be needed in exceptional cases.
- g. The nodal branch will pass on the consolidated amount accounted by it to its Link Cell on day-to-day basis.

15.10 Crediting the tax collection to Government Account

15.10.1 The nodal branch acts as a pooling centre for all the receiving branches coming under its control and it is responsible for reporting of the transactions (along with all the related documents i.e. Challans and scrolls) to the ZAO. It is also responsible for transmitting the challan data for all these

transactions to its link cell at Nagpur for onward online transmission to the Income Tax Department as well as for crediting the amount collected to RBI (Central Accounts Section or CAS), Nagpur.

15.10.2 The Nodal Branch will prepare a daily memo and send it on a daily basis to its Link Cell at Nagpur (GAD, Mumbai in case of SBI) which in turn will make a daily settlement with RBI, CAS, and Nagpur.

15.10.3 The Link Cell of the bank at Nagpur will consolidate the challan data received from the Nodal Branch for transmission to the Department's Tax Information Network (TIN) and will also monitor the daily receipts and check the accuracy of the daily memos received from the Nodal Branches. The Link Cell will then transmit the daily memos to CAS, RBI, and Nagpur.

15.10.4 The Nodal Branches of the banks will carry out monthly reconciliation with ZAOs of the amount settled by them with their Link Cell at Nagpur. On the basis of their records the ZAOs will verify the statements received from the Nodal Branches both major head-wise and Nodal Bank-wise. In case of any discrepancy, the Nodal Branch will carry out the corrections immediately and adjust the difference in the amount already credited / debited to the CBDT's account through its Link Cell at Nagpur under information to the ZAO.

15.10.5 For the purpose of final reconciliation of the transactions with ZAOs and the Link Cell, the CAS, RBI, Nagpur will generate a monthly statement and furnish the same to ZAO and the Link Cell of the banks. RBI, CAS, Nagpur will furnish by 20th of the following month, a monthly analysis indicating major head-wise receipts / refunds etc. to the CCA, CBDT.

15.11 ELECTRONIC PAYMENT OF DIRECT TAXES

15.11.1 Payment of direct taxes through internet is the latest value addition to the existing method of paying direct taxes at the counters of the designated banks. The procedure for paying Direct Taxes through the Internet is outlined as follows:

15.11.2 The Income-tax Department through the Tax Information Network (TIN) will provide a screen at its website for the taxpayers to fill up electronic challan in the prescribed proforma. It will be mandatory for the taxpayers to quote PAN/TAN, Name and address of the taxpayers, Assessment year, Major Head, Minor Head, and Type of Payment. The system will validate the PAN/TAN against the database of PANs/TANs and also ensure that other particulars are filled up properly with valid codes. Once the data is validated, a drop down menu will appear indicating the names of various banks iauthrised to collect taxes through Internet and the payee will have to choose a bank in which he has an internet account. A link will transfer the data to the web site of the selected bank. The taxpayers will complete the transaction using the internet username and password allotted to him by his bank.

15.11.3 Procedure for reporting transactions

On the basis of PAN Database , NSDL will stamp ZAO name/ Code on the challan format and the Central Server of the bank would segregate the Challan data ZAO wise and send to the respective Nodal branch of the bank situated at the 24 stations. CIN would be allotted by Internet Collecting Branch and the BSR Code of Internet Collection Branch would also be used in generating this. Once challan is downloaded at Focal Point Branch, it would send the challan and scroll to concerned ZAOs and funds would be settled by the bank for normal challan as well as e-challans with RBI through its Link Cell.

15.11.4 On completion of the transaction, the taxpayer will have an option to download the counterfoil from the website of the bank. This will contain all details available that re usually given in the hard copy of the counterfoil including Challan, Identification Number (CIN).

15.12 Role of banks

Participating banks having net banking facilities will allocate one particular branch as the

Internet Collection Branch for receiving/accounting tax payments made through internet. The website of participating banks will display the PAN/TAN details, Name, Major/Minor head etc. of the challan form in non-modifiable format and allow only entry of payment details by the taxpayer at their website in a secure mode. They will also ensure that on completion of the transaction, the taxpayer is allotted a unique Challan Identification Number(CIN) comprising of BSR code of the Internet Collection branch, the date of receipt and serial number of the electronic challan in that branch on that day. The Banks will also print details of CIN in the customer's bank account statement/pass book so that the taxpayer will have a permanent record of CIN details. The black out period, during which the facility for tax payment over bank's website is disabled will depend upon the bank's operational policies and will be bank specific. Such black out timings will be displayed on the bank's site for the information of the taxpayer.

15.13 ACTION TO BE TAKEN BY ZONAL ACCOUNTS OFFICE

15.13.1 The Daily Main Scrolls are entered Designated Office-wise or Regional Computer Centre (RCC) wise in a Register being opened for each Nodal branch, separately for receipts and refunds (in the form given in CAM 86). Every month, separate folios are allotted to each Designated Officer and posting is done major head-wise. One page is allotted each month for recording date-wise and major head-wise figures consolidated for all the Designated Officers who are linked to the ZAO. This page is called the 'Monthly Abstract Page'. The entries in the Abstract page should tally with the major head-wise totals of the Daily Summary of Receipts/Refunds (Annexure 6) received along with the Daily Main Scrolls from the Nodal branch. This register has one fixed page and one perforated page alternately. The posting in the register is done by using carbon paper so that carbon entry appears on the perforated page. At the end of the month the totals thereof are struck and cross tallied with the totals of the Monthly Abstract page, by the 3rd working day of the following month. The perforated pages are thereafter detached from the register and sent to the Designated Officer concerned, for necessary verification. In response, the Designated Officer sends to the ZAO a letter of observations in the prescribed form as given in CAM 85 within 5 days of receipt of the statement. The ZAO keeps a watch on the receipt of this letter from the Designated Officer.

15.13.2 After the totals of various pages of the register in CAM 86 are struck and cross tallied with the totals of the Monthly Abstract page, a Designated Officer-wise monthly summary is prepared in a separate register in the form given in CAM 87. In this monthly summary, the monthly major head-wise figures of receipts and refunds of the various Nodal branches for each Designated Officer (available in the Register in CAM 85) are clubbed to enable the ZAO to arrive at the amounts major head-wise for which detailed accounts are to be furnished by each Designated Officer.

15.13.3 The consolidated monthly figures available in Register (CAM 86), Nodal branch wise, are taken to the Classified Abstract, for preparation of the major head wise account. The amounts are initially booked under the minor head 'Receipts Awaiting Transfer to other minor head etc.' (RAT) under the relevant revenue major head by contra debit to the head 'PSB Suspense', when they relate to Nodal branches of the PS Banks including SBI and to '8675- Deposits with Reserve Bank ' Central Civil-Reserve Bank (H.Q) when they relate to RBI's Nodal branch. This PSB Suspense head is cleared by adjustment under the head '8675 Deposits with Reserve Bank' on receipt of Monthly Closing Balance Statement (CAS 121 and 122) or Monthly Settlement Statement (DMA II) from the RBI, CAS, Nagpur in CCAs Office. The head 'RAT' is cleared by the ZAO by minus credit to the extent of Detailed Account is received, from the Designated Officer and by credit to the relevant minor/sub-heads etc. The ZAO keeps a close watch over the receipt of these Detailed Accounts from the Designated Officers

15.13.4 The daily main scrolls and the daily summary of receipts and payments, received from the Nodal branch should be checked on day to day basis before they are posted in the Register (CAM 86). This checking should be done to see that

(a) The serial numbers of the main scrolls and those of the receiving branches are in

consecutive order for the financial year;

(b) The entries in the scrolls tally with the amounts of the challans/refund orders of the prescribed certificate (s) of the Bank, and no challan/refund order or prescribed certificate of the nodal branch is missing;

(c) The totals of the daily scrolls of all the receiving branches attached to the daily main scrolls are correct;

(d) The total of the daily scrolls of the receiving branch, has been correctly carried over to the daily main scroll prepared Designated Officer-wise by the Nodal branch;

(e) The total of the daily main scrolls is correct;

(f) The total of the daily main scrolls is correctly carried over to the daily summary of receipts and payments; and

(g) The total of the daily summary of receipts and payments is correct.

15.14 Whenever error/omission/discrepancy is noticed, it should be taken up with the Nodal branches through personal contacts, on a day to day basis, for necessary rectification. Whenever the requisite rectification is not done, or is not found to be feasible for some unavoidable reasons (which should be rare), the matter should be taken up through correspondence and followed up with the Nodal branch.

15.15 On receipt of three copies of the Analysis of the Transactions relating to CBDT, separately for 'Receipts and 'Refunds' commonly known as Date wise Monthly Statement of DMS- from the Nodal branches (as mentioned earlier in Para 8.5), the ZAO takes action as under:-

(a) Compares the figures appearing in the DMS with the figures compiled in the Monthly Abstract page of the Register (CAM 86).

(b) In case no discrepancy is noticed, the ZAO verifies the DMS over his signatures recording the total of the DMS in words and figures and indicates, against each entry the month of adjustment in the account. One copy of the DMS, duly verified, is returned to the Nodal branch within two weeks of its receipt. The second copy is deposited with the JAO/AAO (Receipts) for safe custody, and the third copy is utilised as a working office copy.

(c) In the case of any discrepancy noticed in the DMS, the ZAO takes up the matter with the Nodal branch, by personal contact, within two weeks of its receipt. In the rare event of the discrepancy not being settled by personal contact, the matter is taken up through correspondence and meetings.

15.16 If the discrepancy is not settled within 2 months of the receipts of the DMS in question, it is returned to the Nodal branch concerned immediately on the expiry of two months, in the following manner:-

(a) In the DMS for refunds the figures which are not acceptable to the ZAO are encircled and correct acceptable figures are written over them in red ink. The revised totals of the DMS are worked out and shown in red, and verification recorded for the correct acceptable amount. The DMS is thereafter dealt with as stated above in (b) 10.6.

(b) In the case of DMS relating to 'Receipts' if the amount as per Main scrolls is more than the one shown in the DMS, it will be dealt with in the manner indicated at (a) above in DMS for Refunds.

(c) In case the amount as per DMS is more than the total compiled by the ZAO from the Main Scrolls, the DMS is dealt with as stated in (b) above and the difference is adjusted/credited under the minor head 'RAT' below the relevant receipt head by contra debit under the head 'PSB Suspense', if the DMS pertains to a Public Sector bank including SBI Nodal branch and under the head '8675-Deposit with Reserve Bank ' Central Civil - Reserve Bank (HQ), if the DMS pertains to RBI's Nodal branch. The matter is pursued with the Nodal branch for the receipt scrolls, until it is finalised as under:-

- (i) If the scroll dully supported by challans, is furnished by the bank, the head ' RAT' is cleared by a minus entry and by credit under "RAT" under the relevant major head, pending transfer to the relevant minor head on receipt of the detailed account from the Designated Officer.
- (ii) If the difference does not relate to CBDT and is withdrawn by the Bank, the amounts already credited/debited to the heads 'Challans/Vouchers Suspense' and 'PSB Suspense' or Reserve Bank Deposits are reversed.

Note (1) The DMS should be verified and returned within two weeks of its receipt. In case of discrepancies however, two months is the maximum period within which the DMS should be verified and returned as stated above.

Note (2) The ZAO should take into account the observation of the Designated Officer, sent in the prescribed letter form (CAM 85) .

Note (3) In case the Nodal branch does not send the DMS in the first week of the following month, the matter should be taken up with Bank through personal contacts. In case personal contacts do not yield the desired results, the matter should be taken up through correspondence and meetings. If the DMS is not received by the end of the month following the month to which it pertains, the matter should be taken up at a higher level.

15.17 The Z.A.O. gets a computerised 'put through' statement Nodal branch-wise, major head of account wise, and transaction date wise (Statement No. 1 in the form given in Annexure 10) from the RBI, CAS, Nagpur for the purpose of reconciliation of the transactions settled in respect of each Nodal branch. The ZAO compares the items in this statement with the copy of the verified DMS of the nodal branch available in his office. Discrepancies, if any, in the remittances etc., are settled by the ZAO with the Nodal branch through personal contacts. In case the personal contacts do not prove fruitful, the matter should be taken up through correspondence and meetings with the Banks. In case of any difficulty, the matter may be reported to the concerned Deputy Controller of Accounts for taking up the case at a higher level with the concerned bank . If still success is not achieved within a reasonable time, the matter may be reported to Headquarters(Principal CCA's Office) for taking up the matter with the Head Office of the Bank.

15.18 ZAO should prepare a monthly Bank Reconciliation Report immediately on receipt of a copy of RBI's statement No. 2 (Annexure 11) from Principal Accounts Office, showing therein the nodal branch-wise figures as per RBI's Statement No. 2 and those accounted for by the ZAO in the accounts and difference (for the month and the progressive difference) in the form as per CAM 88. Bank wise and date wise break-up of the progressive difference should be given in this report indicating also the action taken to settle this difference. This Reconciliation Report is to be prepared separately for receipts and refunds and sent to the Principal Accounts Office within 3 days of the receipt of the copy of RBI's Statement No. 2.

15.19 The ZAO should maintain the Broadsheet of 'Public / Private Sector Suspense with the amount booked as per the accounts. The amount as per copy of the 'Monthly Put Through Statement' received from CCA's office, is shown as clearance, and the closing balance/balance outstanding is worked out. Prompt action should be taken by the ZAO for getting the old outstanding amounts settled by the Nodal branch. Transactions which have remained outstanding under the 'PSB Suspense' for more than two months may be considered as old outstanding items. The ZAO will also maintain an age-wise analysis of balance outstanding under 'PSB Suspense' in the form prescribed for Abstract in form CAM 26.

15.20 PAYMENT OF INTEREST ON DELAYED REMITTANCES

15.20.1 The tax collections effected by the designated branches of the authorized banks have to be credited to the Government Account, promptly on day-to-day basis. The maximum number of days allowed for crediting tax collections to Government Account at CAS, Nagpur are as under : -

		No. of days
	Public Sector banks	T+3 days (excluding Sunday and Holidays i.e. RBI working days)
	Private Sector Banks	T+3 days (including Sundays and holidays)

15.20.2 All challans should be scrutinized to detect cases of delays in the remittance beyond maximum period. These delays should be investigated to ascertain whether these have occurred at the receiving branch or the Nodal Branch of the Bank. A record of all such cases of delayed remittance should be kept in the Zonal Accounts Office in a register in the prescribed form. The Matter should be taken up with the Bank for suitable remedial action to prevent such delays in future. The period i.e. 'T' is the date of Transaction and for the above purpose will be counted from the date of receipt in case of cash payment and date of realization in case of cheques/ drafts at the receiving branch till the date prior to settlement with RBI, CAS, Nagpur for credit to Government Account through the bank's link cell at Nagpur. ZAOs will identify such cases and impose the penal interest on Banks at their level itself and make efforts to recover penal interest. Monthly reports, as may be prescribed by the Pr. Accounts Office, will be sent by the ZAO to the Pr. Accounts Office by prescribed date for further monitoring and taking up the matter with the higher authorities of the banks wherever necessary. However, cases of Rs. One crore and above will be processed by the Pr. Accounts Office and taken up with the banks for recovery of penal interest. ZAOs should report all such cases to Pr. Accounts Office.

15.20.3 The rate of interest to be charged is Bank Rate as prevailing (which is generally notified biannually on May 1 and November 1) plus 2% or as decided by Reserve Bank in consultation with CGA from time to time

15.21 ACTION TO BE TAKEN BY PRINCIPAL ACCOUNTS OFFICE

15.21.1 The RBI, CAS, Nagpur sends every month the following four computerised 'put through statements' to the C.C.A. C.B.D.T.:

- (a) Statement No. 2 Major headwise summary of transactions (Receipts, Refunds net for the month separately for each ZAO (2 copies) in the form given in Annexure 11).

(b) Statement No. 3 Nodal branchwise, Head of account wise (with sub-totals at Nodal branch level) and grand total for the ZAO separately for each Z.A.O. one copy in the form as per Annexure 12).

(c) Statement NO. 4 Bankwise and Head of Account wise with grand total for CBDT (one copy) in the form as per Annexure 13.

(d) Statement No. 5 Head of Account-wise summary of transactions for CBDT as a whole (one copy) in the form as per Annexure 14.

15.21.2 The grand total of statement No. 5 is tallied with the grand total of the Bank-wise Statement No. 4. The grand total of Statement No. 3 of all the ZAO is worked out and tallied with the total of Statement No. 4. Totals of Statement No. 2 are tallied with those of Statement No. 3.

15.21.3 The total receipt is adjusted as minus debit to the head PSB Suspense and total refunds as minus credit to 'PSB Suspense' and by debit/credit to '8675 Deposits with Reserve Bank ' Central Civil Reserve Bank (PSB). This Transfer Entry is included in the Monthly accounts of the ZAO, New Delhi.

15.21.4 The head 'PSB Suspense' will continue to be cleared in the CCA's office, on the basis of monthly computerised 'put through statement' received from RBI, CAS, Nagpur. A copy/extract of the put through statement (ZAO wise, head of account wise) received from CAS, Nagpur is sent to the ZAO by the CCA's office, for checking/verification and settling discrepancies, if any, with the Nodal branch.

15.21.5 The Pr. CCA, CBDT will submit a consolidated quarterly report of delayed remittances to C.G.A. The penal interest will be worked on the basis of the rates communicated by CGA in consultation with Reserve Bank of India.

15.22 PERSONAL DEPOSIT ACCOUNTS

Under the Income Tax Rules, Personal Deposit Accounts are maintained with specified branches of the SBI or the RBI offices, for depositing money seized from persons suspected of Tax Evasion. The Tax amount in the P.D. Account is transferred to the RBI, CAS, Nagpur on a daily basis for credit to the Government Account and the balance in these accounts is only a notional balance. The delay in transferring the amounts under the Personal Deposit Account to the Government account attracts penal interest at the same rate as in case of delayed remittance of direct tax collections to Govt. account. Repayments are also made from this account by the P.D. Account holder by issuing cheques which are supplied by the ZAO. Separate receipt and payment scrolls are prepared and sent to the ZAO (along with paid cheques/challans). Copies of the scrolls are sent to the account holder. The bank maintaining the P.D. Account, prepares, at the end of every month, a monthly statement showing (i) Opening balance; (ii) total receipts; (iii) total payments; and (iv) Closing balance. Three copies of the statements are sent to the ZAO and one copy is sent to the Account holder by the 5th of the following month. (No copy of the scroll/statement is sent to the Designated Officers). The ZAO verifies the statement with reference to the receipts and payments scrolls and returns one copy to the Bank (after recording the certificate of verification thereon over his signature). The receipts and payments as per scrolls are booked by the ZAO under the head '8443-Civil Deposits-Personal Deposits' by contra debit/credit to the head '8658 Suspense Accounts-108-Public Sector Bank Suspense / 138- Other Nominated (Private Sector) Bank Suspense'. In the case of transactions arising at RBI Offices the contra adjustments are made under the head '8675-Deposits with Reserve Bank'. The head PSB Suspense is cleared on receipt of the monthly account from the RBI, CAS, Nagpur, by the office of the C.C.A., by per contra adjustment under the major head '8675-Deposits with Reserve Bank'. However, only the net effect under '8675-Deposits with Reserve Bank' will be posted as debit/minus debit in the Revenue Account (depending upon whether the net receipts are more or less than the refunds).

15.23 Accounting of "March" transactions (OLTAS)

15.23.1 Reserve Bank, Central Office, Mumbai will issue in the month of February each year special instructions to all banks collecting direct taxes regarding the procedure to be adopted in accounting the March transactions.

15.23.2 The Nodal banks will be receiving scrolls relating to March of the previous Financial Year in April. In order to account for the entire collections of March in the same financial year the Nodal banks have to follow the following procedure during the month of April:

The nodal banks have to prepare two sets of separate scrolls - one pertaining to March residual collections (payments realized from taxpayer's account before 31st March) and another for April transactions during the first 15 days in April. They should ensure that all tax collections made by the receiving branches upto 31st March are accounted as "March Residual Transactions" and should not be mixed up with the transactions of April. The main scrolls for March transactions prepared from 1st to 15th April are to be distinctly marked as "March Residual".

15.23.3 While reporting to their Link Cell in Nagpur, the Nodal banks should send two sets of figures distinctly showing March Residual and April Transactions separately upto 15th April.

15.23.5 The date-wise monthly statements should also be prepared in two sets, one pertaining to March Residual Transactions and another relating to April Transactions.

ANNEXURES TO CHAPTER - 15

ANNXURE 1 (Vide Para 15.3)

RECEIPT SCROLL, INCOME & OTHER DIRECT TAXES

Name of the Bank _____ Code No. _____ Station: _____ Serial No. _____/_____

Code No. _____ Date: _____

Major Head of Account. _____

ZAO No. _____ ZAO Code _____ D.O. No. _____

D.O. Code No. _____

Sr. No.	Name of the assessee	Cash		Clg.		Transfer		Total		Initials	Remark
		Rs.	P.	Rs	P.	Rs	P.	Rs	P.		
Total											

ANNEXURE 3
(Vide para 15.3)
DAILY SUMMARY

Name of the Zonal Accounts Officer

Code No.

Name of the Designated Officer.....

Code No.....

Date :

Major Head of Account	Receipt Rs.	Payment Rs.
0020		
0021		
0024		
0028		
0031		
0032		
0033		
Total		

- Note:**
- i) To be prepared by paying branch separately for each Designated Officer
 - ii) If there is no payment under any head of account 'NIL' may be recorded against that item.

**ANNEXURE 4
(Vide Para 15.8)**

RECEIPT SCROLL (MAIN)

Name of the Bank Code No. Station: Serial No. _____/_____

..... Nodal Code Date:.....
Branch:..... No.....

DO DO CODE NO. Major Head of Account.
.....

ZAO _____ ZAO CODE NO. _____

Sr.No.	Name of Receiving Branch	Code No.	Date of Receiving Branch Scroll	Amount Rs.	Initials	Remarks
	A					
	B					
	C					
	..					
	..					
	Nodal Branch's Own Collections					
	Total					

**ANNEXURE 5
(Vide Para 15.8)**

PAYMENT SCROLL (MAIN)

Name of the Bank Code No. Station: Serial No. _____/_____

Nodal Branch:..... Code No. Date:

DO DO CODE NO. Major Head of Account.

ZAO _____ ZAO CODE NO. _____

Sr.No.	Name of Receiving Branch	Code No.	Date of Paying Branch Scroll	Amount Rs. P.	Initials	Remarks
	A					
	B					
	C					
	..					
	..					
	Nodal Branch's Own Payments					
	Total					

ANNEXURE 6
(Vide Para 15.11 & 15.13)

DAILY SUMMARY OF RECEIPTS AND PAYMENTS ADJUSTED BY THE NODAL BRANCH IN GOVERNMENT ACCOUNT
ZAO

ZAO Code No. _____ -

Date

Major Heads of Account.

Name of D.Os	0020			0021			0024			0028			0031			0032			0033			Total					
	Rece ipts	Pay ments	Net	Rec eipts	Paym ents	Net	Rece ipts	Paym ents	Net	Rece ipts	Paym ents	Net	Rec eipts	Paym ents	Net	Rece ipts	Pay ments	Net	Rece ipts	Paym ents	Net	Rec eipts	Pay ments	Net			
1	2			3			4			5			6			7			8			9					
1																											
2																											
3																											
4																											
5																											
6																											
Total																											

Note : The register will be maintained in perforate form.
Two copies of the Daily Summary Sheets to be furnished to ZAO.

**ANNEXURE 7
(Vide Para 15.12)**

**ANALYSIS OF THE TRANSACTIONS RELATING TO THE CENTRAL BOARD OF DIRECT TAXES
FOR THE MONTH OF _____**

Name of Nodal Branch Code No.

Code No.

ZAO.....

Code No.

RECEIPTS

Major Heads of Accounts								
Date	0020 Corpn. Tax	0021 Taxes on Income Other than Corpn Tax	0024 Interest Tax	0028 Other Taxes on Income and Expenditure	0031 Estate Duty	0032 Taxes on Wealth	0033 Gift Tax	Total
1								
2								
3								
4								
5								
6								
..								
..								
31								
Total								

Note: 1. A statement in this form should be prepared in four copies.

2. Three copies should be furnished to the Zonal Accounts Officer, Central Board of Direct Taxes and the fourth copy retained as office copy.

Date

BRANCH MANAGER

**ANNEXURE 8
(Vide Para 15.12)**

**ANALYSIS OF THE TRANSACTIONS RELATING TO THE CENTRAL BOARD OF DIRECT TAXES
FOR THE MONTH OF _____**

Name of Nodal Branch

Code No.

ZAO.....

Code No.

REFUNDS

Major Heads of Accounts								
Date	0020 Corpn Tax	0021 Taxes on Income Other than Corpn Tax	0024 Interest Tax	0028 Other Taxes on Income and Expenditure	0031 Estate Duty	0032 Taxes on Wealth	0033 Gift Tax	Total
1								
2								
3								
4								
5								
6								
..								
..								
31								
Total								

Note: 1. A statement in this form should be prepared in four copies.

2. Three copies should be furnished to the Zonal Accounts Officer, Central Board of Direct Taxes and the fourth copy retained as office copy.

Date

BRANCH MANAGER

**ANNEXURE 9
(Vide Para 15.13)**

**TRANSACTIONS ON ACCOUNT OF CBDT
AMENDMENT STATEMENT
RECEIPTS(O)/DISBURSEMENTS(1)**

STMT NO.. STATMENT DATE BANK CODE

Please amend the entries as under:

Sr. No	Name of Branch	Branch Code	ZAO Code	Transaction date (DD/MM/YY)	Month of Account* (M M/ Y Y)	Head of Account		Original Amount		Amended amount	
						Name	Code	Rs.	P.	Rs.	P.

Note : Separate statements should be used for Receipt and Disbursements.

* Applicable for residual March transaction only.

Signature

- 1) Nodal Branch Manager
- 2) Officer-in-Charge of Link Cell

ANNEXURE 10
(Vide Para 15.18.2)

RESERVE BANK OF INDIA
CENTRAL ACCOUNTS SECTION

C.B.D.T. - MONTHLY CLOSING STATEMENT FOR THE MONTH OF _____

Z.A.O.	Account (Name of Tax)	Bank _____	
Transaction Date	Receipt	Refund	Net Dr/Cr
Total			
Bank Total			
Z.A.O. Total			

- Note :** 1. Separate statements for each Major Head of Account.
2. Separate statements for each Nodal Branch.

ANNEXURE 11
[Vide Para 15.19.9 and 15.20.1(a)]

RESERVE BANK OF INDIA, CENTRAL ACCOUNTS SECTION, NAGPUR
C.B.D.T. STATEMENT No.2
SUMMARY OF TRANSACTIONS FOR THE MONTH OF _____
ZAO _____

Account	Receipt	Refund	Net Dr/Cr
Corporation Tax			
Income Tax excl. Corpn. Tax			
Estate Duty			
Taxes on Wealth			
Gift Tax			
Total			



ANNEXURE 12
[Vide Para 15.20.1(b)]

RESERVE BANK OF INDIA,CENTRAL ACCOUNTS SECTION,NAGPUR
C.B.D.T. STATEMENT No.3
SUMMARY OF TRANSACTIONS FOR THE MONTH OF _____
ZAO _____

Bank Name	Account Name	Receipt	Refund	Net Dr/Cr
Allahabad Bank	Corporation Tax Income Tax Taxes on Wealth Gift Tax			
Bank Total				
Punjab National Bank	Corporation Tax Income Tax			
Bank Total				
State Bank of India	Corporation Tax Income Tax			
Bank Total				
ZAO TOTAL				

ANNEXURE 13
[Vide Para 15.20.1(c)]

RESERVE BANK OF INDIA,CENTRAL ACCOUNTS SECTION,NAGPUR
C.B.D.T. STATEMENT No.4
Bank-wise Summary of transactions for the month of _____

Bank Name	Account Name	Receipt	Refund	Net Dr/Cr
Allahabad Bank	Corporation Tax Income Tax Taxes on Wealth Gift Tax			
Bank Total				
Bank of Baroda	Corporation Tax Income Tax			

	...			
Bank Total				
Bank of India	Corporation Tax Income Tax			
Bank Total				
Bank of Maharashtra	Corporation Tax ..			
GRAND TOTAL				

ANNEXURE 14
[Vide Para 15.20 (i) (d)]

RESERVE BANK OF INDIA, CENTRAL ACCOUNTS SECTION, NAGPUR
C.B.D.T. STATEMENT No.5

Summary of transaction for the month of _____

Account Detail	Receipt	Refund	Net Dr/Cr
0020-Corporation Tax			
0021-Income Tax (Excl.Corpn.Tax)			
0024-Interest Tax			
0028-Other Taxes on I&E			
0031-Estate Duty			
0032-Taxes on Wealth			
0033-Gift Tax			
Grand Total			