

March 3, 2008

The Chairman & Managing Director/ Managing Director  
State Bank of India and its Associates/Allahabad Bank/Bank of Baroda/Bank of India/Canara Bank/Central Bank of India/ Corporation Bank/Dena Bank/Indian Bank/ Indian Overseas Bank/Punjab National Bank/Syndicate Bank/United Commercial Bank/Union Bank of India/United Bank of India/Vijaya Bank/UTI Bank Ltd/HDFC Bank Ltd/ICICI Bank Ltd/IDBI Ltd

Dear Sir,

**Provision for 'drop down menu' in the e-payment software of nominated banks**

The Comptroller & Auditor General of India in his report for 2007 has observed that erroneous classification in respect of some large value Central Excise duties had impacted the distribution of revenue between Centre and States. On review of the report the Public Accounts Committee emphasized the need to have strong systemic checks in place to ensure that such mistakes do not recur.

2. It has, therefore, been decided in consultation with Central Board of Excise and Customs that pending implementation of the new accounting procedure for e-payments (EASeR), the e-payment software of the banks nominated in EASIEST must incorporate the following features:-

i) The assessee must be required to only key in his Assessee Code. The related fields such as the name and address of the assessee, location code etc must be pre-populated by the system based on the information available in the Assessee Code Master/Directory available with the bank's Core Banking Solution. In other words, the assessee cannot make any entry manually with regard to these related fields.

ii) The relevant fields relating to the various Account Head Codes for Central

Excise and Service Tax must compulsorily be in the form of a 'drop down menu' and again, there must be no provision for manual entry by the assessee with regard to the account heads or relevant account head codes. The description of the head of account must be in full and not abbreviated or shortened so that assessee has complete information to assist him in filling up the form.

iii) Apart from Assessee Code, the only other manual entry permitted to be made by the assessee must be the amount of tax to be paid on account of the various duties/services and their components. The relevant fields relating to the total taxes paid must also be automatically derived with reference to the entries against the various account heads.

vi) There must exist in the system, a facility of an option to the taxpayer to accept / modify / reject the various entries before finally authorizing the debit to his relevant account.

3. With the setting up of the e-PAO's and implementation of EASeR, there would be no scope at any stage of the process for manual intervention with regard to any of the records/fields there under. Accordingly, the changes indicated above would be mandatory for a nominated bank to participate in EASeR. The banks which do not implement the changes indicated above would be required to follow the system of routing transactions through FPBs etc prescribed for manual receipts.

Yours faithfully

(M.T.Varghese)  
General Manager