

April 29, 2004

The Chairman & Managing Director/
Managing Director
All Agency Banks
(as per list enclosed)

Dear Sir,

Implementation of On-line Tax Accounting System with effect from June 1, 2004

Please refer to our Circular RBI/145/2004 (DGBA.GAD.No. H-1068/2003-04) dated April 16, 2004 forwarding therewith the Accounting Procedure for On-line Tax Accounting System (OLTAS).

2. We have been advised by Director General of Income-tax (Systems) that as per the feedback received from Field Commissioners of Income-tax, in many centres RBI Circulars have not reached the branch-level with the result, many bank branches have not started transmitting data on-line to the Income Tax Department's TIN. It was also noticed that some of the bank managers were not aware of the BSR Code allotted to their branch by RBI. As you are aware, in the file structure of OLTAS, the seven-digit BSR Code of the branch assumes high importance as the data transmitted to the TIN without correct BSR Code is rejected.

3. As already advised, the new Accounting Procedure forwarded to you, under cover of our Circular referred to above, will be implemented with effect from June 1, 2004. In view of the concern expressed by DGIT (Systems), we request you to direct your Zonal Heads to immediately recirculate the instructions issued by RBI on the subject to all authorised branches as also take such other steps so that all Bank Managers are aware of

- (i) their bank branch BSR Code
- (ii) the need for preparing the new rubber stamp as per RBI's guidelines (ref. DGBA.GAD.No. 1008/42.01.034/2003-04 dated April 1, 2004)
- (iii) need for transmitting data on-line to TIN in addition to the normal practice of sending paper scrolls and challans to the ZAO and Income Tax Department during the month of May, 2004 and switchover to new Accounting Procedure with Single Copy Challan with effect from June 1, 2004.

4. We also feel that your Link Cell at Nagpur may be connected to TIN (National Securities Depository Ltd.) at Mumbai with a dedicated leased line so as to ensure secure and two-way communication.

5. In view of the importance accorded to the OLTAS Project by Government of India, you are requested to take all measures for smooth roll- out of OLTAS with Single Copy Challan under new Accounting Procedure with effect from June 1, 2004. All your authorised branches including those at far-flung areas without computerisation and networking should join in the OLTAS as from that date. We reiterate that the non-networked branches may piggyback the data through the nearest Nodal Branch of your bank.

Yours faithfully,
Sd/-
(Prabal Sen)
Chief General Manager