



**I.T.G.O.A
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Income Tax Gazetted Officers Association

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Date: 08th September, 2014

**To,
The Chairman,
Central Board of Direct Taxes,
New Delhi.**

Respected Sir,

Sub: Separate password for caging of refund and matching of names with the a/c no. by the bank --- matter regarding

In the recent past, it is noticed that in some charges, the assessing officers were held responsible for issue of fraudulent refunds. It is really painful to note that in some charges, the A.O's are even charge sheeted despite the fact that they have detected such frauds and brought the issue in the knowledge of the higher authorities and due to their timely detection further frauds were averted and also refund amount could be blocked or recovered.

In this context we wish to draw your kind attentions to the following facts:

1. The CBDT has issued instruction that the RSA token and password to access ITD must not be shared by the AO with any of his staff members.
2. In reality no AO can follow this instruction. If it is to be followed then he had to process all the returns under his charge, pass / upload all 154 orders and issue refund through the system himself. If the AO does all these works there would be no time left for him to attend the core area of his functioning namely scrutiny assessment & collection of demand. This may be mentioned that in some of the charges the AO's are having processing workloads of more than 15,000 cases.
3. If the RSA token and password is not shared then the AO has to complete all the steps of processing starting from entry of return, verification of tax challans / TDS, checking of bank details and claim to issue of refund on his own – which is impossible. Therefore the AO has no other option but to share his token password to his staff members.
4. The part of caging the refund is done by the AO himself and that point of time he checks whether the assessee is really entitled to get refund. The problem is for caging the refund there is no separate password. Therefore if anybody doing other jobs in AO's token wishes to keep the AO in dark and issue a refund then he can do that at any point of time as he is having the password.
5. Actually, such instances have taken place in some charges and the AO's are facing departmental enquiries for no fault of theirs.

6. In view of the above facts, **it is requested that some checks need to be created in the system itself. The best option would be to give AO a separate password that will be required to access the caging part of the ITD.** If this is done then caging of refund cannot be done unless he knows this separate password. There would be less chance of refund fraud.
7. There is another problem with the e refunds. If there is a mistake (which is bound to take place as the a/c no. are at least consist of 11 digits now) in putting bank a/c no. then the refund would automatically credited to the wrong a/c. This happens because while crediting the refund amount in a particular account, banks have no in-built mechanism to see whether the amount is actually being credited in the account held in the name of the assessee or not.
8. This issue may be taken up with the banks so that when refund is credited to one a/c the software must check the name of the account holder with the name of the assessee.

Looking forward for your prompt action in this regard.

Thanking you.

Yours faithfully,



(Bhaskar Bhattacharya)
Secretary General