

Corporation Bank Takes Tax Payment The ATM Way

By: Pooja Gautam | Oct 21, 2009

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'Be wary of strong drink. It can make you shoot at tax collectors... and miss,' said Robert Heinlein. But what if the tax collector is your very own ATM machine? It may be a little difficult to get any results by shooting at a machine; however, having a machine at the other end certainly makes the inevitable task of paying taxes smoother and hassle free.

Corporation Bank has come up with a solution whereby its customers can pay their taxes through ATMs. The machine that used to be our last minute instant cash resource is now going to take in some of that cash as well. B R Bhat, general manager-IT, Corporation Bank, explains how they thought of this idea, "In the present day competitive environment, leveraging technology for business excellence is a priority, more so, in the banking sector."

"This initiative taken by the bank is aimed at offering operational convenience and flexibility to customers and the public at large," he adds further.

ElectraCard Services (ECS), a provider of software solutions for electronic payment systems, has facilitated this facility for Corporation Bank. The facility can be used by customers to pay direct tax through ATMs upon registration.

The bank has a complement of more than 1,000 networked ATMs offering round-the-clock facilities to customers. "It is essential that optimal usage of the extensive ATM infrastructure already built is ensured by offering diverse products and services," says Bhat. The product now launched is targeted at individual tax payers, who are the bank's debit card holders.

Ramesh Mengawade, CEO, ElectraCard Services, said, "One of the most exciting aspects of our partnership with Corporation Bank has been our capability to be the first consistently in the Indian marketplace with innovative solutions for consumers".

Consequently, the bank has thrown open an option to its customers to conveniently pay taxes using the universally accepted and popular delivery channel viz. ATMs. Thus, adding value to the directive taken by the CBDT, which recently made it compulsory that all corporates and persons covered under Section 44AB of the IT Act, are required to remit direct taxes only through the Internet, viz. the electronic mode.

The customer has to merely register a request for the facility, which will be subject to normal validation checks for accuracy of data in all respects. After the scrutiny, the template with a display label will be created/ available in the ATM, which will facilitate the taxpayer to pay the tax for the registered PAN and TAN. The customer would then be given a receipt with all the relevant details for having remitted the tax. "On making the tax payment using this facility, the customer will get a receipt with the Challan Identification Number [CIN] to be filed with the tax return as a proof of payment," says Mengawade.

The facility ensures cent percent data integrity for payments. "ATMs are being used increasingly by a vast section of public and consequently, this innovative offering for payment of direct taxes through ATMs is bound to gain customer acceptance in due course," says Bhat.

'All things are difficult before they are easy,' said Thomas Fuller. So, what are the difficulties that the bank faced and expects to face while offering this facility? "The bank's proposal to offer the facility was well appreciated and supported by the Directorate of Income Tax [Systems], NSDL and all other agencies involved," says Bhat. Consequently, the bank has not really faced any serious challenges in implementing the project at any stage right from conceptualisation to implementation. "Roping in the huge number of individual/ retail tax payers to make tax payments through ATMs is going to be a challenge, despite the fact that it has lots of in-built conveniences for users," says Bhat.

Talking about the Return on Investment on this technology, Bhat says, "It will be difficult to give a quantitative dimension to the tangible benefits or RoI accrued from a specialised activity like this. For the bank, it is the qualitative gains and standards, which arise out of any such service, like ensuring continuity of operations that assume much more importance".

"As such, the RoI may not really be of significance, but of course the core competency element or the specialisation factor is a key consideration," he adds further.

The facility is a value addition being provided via the existing delivery channel infrastructure of ATMs along with various other utility services and products, which have already been ATM-enabled. "This would also mean that the TCO for the facility cannot be attributed to a particular service or product," says Bhat.

The bank plans to cross sell the product to existing clients and also to new customers, thereby, enhancing the customer base and increasing business volumes.

'Taxes are dues that we pay for the privileges of membership in an organised society,' said Franklin D Roosevelt. Corporation Bank has made sure that we pay our dues in time and without much hassle.

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