Documentation on Best Practices for the project of

e-Challan

(Online Government Tax/Revenue Payment System, Chhattisgarh)

e - Challan
pay online, any time, any where.

Prepared By

Government of Chhattisgarh

Directorate of Treasuries, Accounts & Pension

Supported By

Department of Administrative Reforms and Public grievances

Government of India

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Preface

e-Challan: 'e-Challan' is the web enabled software to facilitate capturing of online payments made by the users who have an internet enabled online bank account. The users can make any government payment of any department by simply filling the e-form provided and through the selected bank's gateway in which he/she has an online account. The data at the end of each day communicated by the bank concerned to treasuries for compiling required receipts account. It is worthwhile to note that Chhattisgarh is the only state where payers can utilize the facility for tax payments of all departments where as in other states similar facility is enabled mostly for few departments.

1. Introduction

1.1 Background

Challan is a standard form prescribed for government payments as per rules of 7(a) and 8(b) of Chhattisgarh Treasury Code known as CGTC. This format is designed for collection of government payments viz. sales tax, excise duty, professional tax, land revenue etc. from various private institutions, individuals from time to time and is implemented by government departments as per the requirements. e-Challan is the customized challan format approved by government of Chhattisgarh vide rule no 64A and 64B of Chhattisgarh Treasury Code where in payments can be accepted through internet and accounted by bank to treasury for all departments.

The government of Chhattisgarh desired to use the state-of-the-art technology to facilitate online payments for the required community through e-Challan. A person needs to have an online bank account with the identified banks by the government to make the online payment. e-Challan is the customized challan format approved by government of Chhattisgarh vide rule no 64A and 64B of Chhattisgarh Treasury Code where in payments can be accepted through internet and accounted by bank to treasuries for all departments.

1.2 Earlier scenario

- The payment of challan is accepted in the bank only and one has to go personally and stand in long queues to make the payment.
- Cases are there where tax payers lose money while carrying to banks for making the tax payment and
- Agents of industries or commercial establishments run away with the cash that was to be paid as tax.

 Due to mismatch of TIN number, head of account noted in bank often lead to delayed realizations of account in major revenue departments like Commercial Tax, Transport and Excise resulting late realization of receipts at Government level

1.3 The need

To overcome the anomalies discussed above the department desired to use advanced technologies to design, develop and implement a suitable model for the state of Chhattisgarh to enable tax payers to make the payments online. The facility is to be provided to account holders of all the banks provided the concerned banks come forward to arrange the facility.

1.4 The System

The physical challan forms printed by various departments contain various attributes as per the requirement. However, it is observed that all the challan's information is broadly classified into Major Head, Submajor Head, Minor Head and Subhead, payee name and address, purpose of payment and have TIN number for Commercial Tax Dept., Vehicle Reg. Number, Chasis Number for Transport Dept. and Registration Number for some other departments. The system is developed in such a way that form appears dynamically for each department after the user selects department for which the challan is to be paid.

The online payment facility is provided for the tax/revenue payers who have online internet bank account in the banks of State Bank of India, Axis Bank, ICICI Bank, Union Bank of India, Punjab National Banks and HDFC bank.

The system can be extended to any other bank also provided the bank come forward to follow the required procedure.

Once the e-challan is paid, an immediate receipt is made available from the bank as acknowledgement. The same is sent to customer's e-mail id for record and later printing if the same could not be printed immediately. At the end of the day bank submits the particulars of transactions in the prescribed format to the designated e-mail id. The data is updated from EOD file to enable customers/department to view the transactions on daily basis.

Subscribers were also facilitated to make online payments saving their valuable time which otherwise had to be spent in paying challans manually.

2. Strategy adopted/implemented

The challan forms prescribed through treasury code have been customized into e forms. The masters of department wise receipt classification have been provided in the software so as to minimize the misclassification from customer side.

Discussions held with banks individually to work out the implementation of the system. State Bank of India is the first bank that initiated the system for Commercial Tax Department in 2007 and later extended to facilitate other departments.

Accounting time is fixed as per mutual agreement between the department and the bank so that transactions took place till the prescribed time are accounted for the day and subsequent transactions to be reported on the next working day.

The account need to be submitted by designated branch of the bank to the identified treasury on T+1 day.

3. System Description

3.1 User Requirement

User needs to have an online bank account with the identified banks by the government to make the online payment. The e-challan software is accessible through internet on url: http://cg.nic.in/echallan. The user needs to register first to make any online payment.

3.2 How to Pay through e-challan

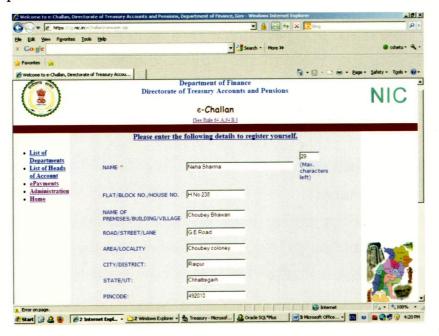
The e-challan software accessible through internet on url: http://cg.nic.in/echallan. The user needs to register first to make any online payment. Once registered, the user information captured in e-form will automatically populate on subsequent accesses made by the user. Once the registration is done, the desired department can be selected for which the payment is to be done. Then user can select the major head of the dept concerned and proceed with filling the e-form and click on submit to make the payment after selecting the desired bank's gateway.

The user is required to provide his/her user id and password to log in on the bank's gateway, verify the particulars filled in e-form, fill the amount and confirm the payment to complete the transaction. The hard copy of the e-challan is provided through bank's interface, which can be saved or printed and provided to the department concerned as is done with the regular challan. Further, the soft copy of the e-challan sent to the e-mail id provided by the payee in the e-form for necessary record.

3.3 Key Components of the system

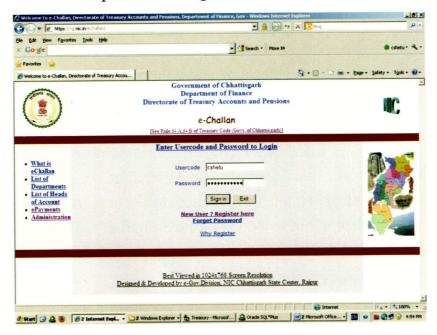
3.31 Registration Form:

One time registration need to be done by the user for making online tax payments. For new registration user should enter the details such as name, address, city, state, phone number, email id. Enter desired user id and password and then submit for registration. Verify the registration if failed check the entries again after successfully registration. One can login using user id and password



3.32 Sign in Form:

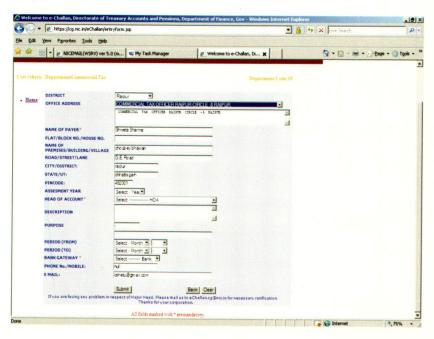
Enter the user code and password for go to e-challan entry



3.33 e-Challan Entry Form:

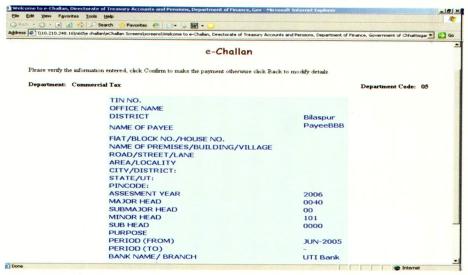
After sign in the page will open with list of departments and the user can select the department for which user has to pay the challan. As the user selects the department, then

user have to select the district. On the basis of selected district different office addresses of the district will display. And user has to select the office address. For payment of e-challan select the assessment year for which payment has to be done with HEAD OF ACCOUNTS (it includes major, sub major, minor and sub head), also enter the details /description with purpose of the payment. Enter the time period also. To get the bank gateway select the bank through which user is going to make payment then submit.



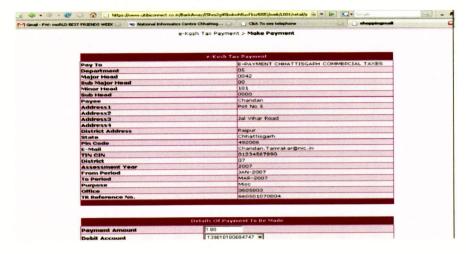
3.34 Verify Form:

A page will open on submitting the form displaying the information which user has entered, verify the information if the information is correct click confirm to make the payment otherwise click on modification to correct the details.

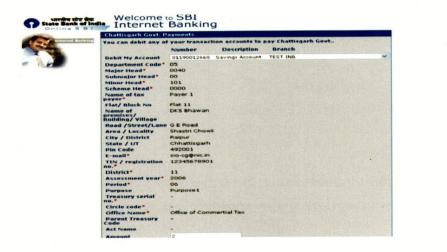


3.35 Make Payment:

Verify the detail and click in make payment



3.36 Bank Payment:





3.37 Reports:

Department wise/district wise/date wise reports of payment of challan is available



4. Result achieved

- 1. Online internet bank account holders among tax payers use this system for payment of government taxes.
- 2. Users are classified as Corporate and retail users
- 3. e-payment related information is provided to users, treasuries and departments for necessary use

- 4. This system ensures secure transaction of huge financial figures besides saving considerable time of tax payers which was to be spent standing in long queues in banks
- 5. Facility is provided for internet bank account holders of State Bank of India, Axis Bank, Union Bank of India, Punjab National Bank and ICICI Bank.

5. Statistics

(i) Year wise

YEAR	Number of e-challans accounted	Receipts Accounted Through e-Challan
		(₹in Crores)
2008	559	390.45
2009	11699	1225.50
2010	68780	1852.64
2011	231545	4362.60
2012	699837	7122.78

(ii) Bank wise transactions for the Financial Year 2011-12

Bank	Number of e-challans accounted	Receipts Accounted Through e-Challan
		(₹in Crores)
State Bank of India	342649	4600.87
Axis Bank	6752	739.78
Punjab National Bank	1316	99.07
Union Bank of India	2173	53.97
ICICI Bank	584	8.65

(iii) Department wise transactions for the Financial Year 2011-12

Bank	Number of e-challans accounted	Receipts Accounted Through e-Challan
		(₹in Crores)
Home	13	0.0000525
Finance/Registration	04	0.0004311
Commercial Tax& Excise	43914	5344.30
Transport	309178	76.65
Commerce & Industries	01	0.0000551
Mineral Resources	47	0.18139
Energy	134	81.11
Agriculture	09	0.000463
Labour	143	0.11
Public Health &	25	0.0047
Family Welfare		
School Education	. 06	0.0000045

6. Replicability of system

e-Challan is designed in accordance with established government rules and procedures. As the procedures are mostly common across various states the required system component can be implemented with little customization efforts.

7. Sustainability

The Government of Chhattisgarh officially notified that tax/fees amounting more than 50,000/- shall be paid through e-Challan only. The increase in volumes of transactions suggest that the software has been enough popularized among the tax payer community and the departments concerned. The tax collection through e-Challan is more than 60% for Commercial Tax Department and around 50% for Transport Dept. These departments verify

the e-challan information from online reports and realize at their end without waiting for confirmation from the treasury.

The system thus enjoys dependency to a larger extent among tax payer community and departments and hence is sustainable for longer term.

