

CHAPTER 2
TAXES ON VEHICLES

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2.1 Tax administration

The Transport Department levies and collects taxes on vehicles in the State, in terms of the Motor Vehicles (MV) Act, 1988, Central Motor Vehicles (CMV) Rules, 1989, Bihar Motor Vehicles Taxation (BMVT) Act, 1994 and BMVT Rules, 1994. The Department is headed by the Principal Secretary at the Government level and by the State Transport Commissioner (STC) at the apex level of the Department. The STC is assisted by two Joint State Transport Commissioners at the headquarters. The State is divided into nine Regional Transport Authorities¹ (RTAs) and 38 District Transport Offices. Motor Vehicle Inspectors (MVIs) assist them. The main function of the RTAs is to issue road permits to the vehicles and the responsibility of registration of motor vehicles, levy and collection of taxes, fees and grant of driving licences are performed by the District Transport Officers (DTOs) in the State.

2.2 Results of audit

Audit test-checked records of nine² out of 49 units of the Transport Department during 2020-21. Audit scrutiny revealed non/short realisation of taxes and road safety cess, leviable taxes not realised from transport vehicles, and other irregularities involving ₹ 277.09 crore (158 observations). Detailed Compliance audit on “Levy and Collection of penalty/fine after implementation of e-challan through electronic devices” was also undertaken between November 2020 and September 2021. Details are shown in **Table-2.1**.

Table-2.1
Results of Audit

Sl. No.	Categories	No. of observations	Amount (₹ in crore)
1.	Detailed Compliance audit on “Levy and Collection of penalty/fine after implementation of e-challan through electronic devices”	1	26.02
2.	Non-levy and short levy of Motor vehicle taxes	29	26.85
3.	Non-levy and short levy of One Time Tax from three wheelers	2	0.02
4.	Non-imposition of fees, fines and penalties	49	120.18
5.	Non/Short realisation of trade tax	1	0.23
6.	Other cases	76	103.79
Total		158	277.09

The replies in respect of cases of 2020-21 and cases of earlier years were not received (March 2022).

¹ Bhagalpur, Chhapra, Darbhanga, Gaya, Munger, Muzaffarpur, Patna, Purnea and Saharsa.

² DTOs – Bhojpur, Begusarai, Gopalganj, Muzaffarpur, Nawada, Purnea, Rohtas, Saharsa and Vaishali.

2.3 Detailed compliance audit on “Levy and Collection of penalty/fine after implementation of e-challan through electronic devices”

2.3.1 Introduction

Motor Vehicles (MV) Act, 1988 and Bihar Motor Vehicles Taxation (BMVT) Act, 1994, provide for levying and collection of penalties and fines from the vehicle owners and drivers who violate the prescribed rules. The levy of fines/penalties for offences are governed by Chapter XIII of MV Act, 1988 (as amended vide Amendment Act, 2019) and BMVT Act, 1994.

To bring transparency and provide user-friendly IT based facilities to the citizens, the Transport Department, Government of Bihar introduced (between August 2018 and February 2020) web-based electronic devices *i.e.* Hand Held Device (HHD)³ for levy and collection of fines by generating online e-challan. The Transport Department selected (December 2019) HDFC Bank for implementation of web based HHD. The fine collected through HHD is to be remitted daily/next working day into government account through “Online Government Receipts Accounting System” (OGRAS).

An audit on “Levy and Collection of penalty/fine after implementation of e-challan through electronic devices” was conducted (between October 2020 and September 2021) for the period from April 2019 to August 2021.

2.3.2 Audit Objectives

Audit was conducted with a view to ascertain whether:

- the objective of using Hand Held Device (HHD) for fines was achieved.
- revenue realised through HHD was remitted into Government account in accordance with rules provided in Bihar Financial Rules.
- information technology based service for online payment was provided to the public.
- effectiveness of existing system to monitor levy, collection and transfer of fines through HHD into Government account.

2.3.3 Audit Criteria

The audit criteria have been derived from following sources:

- The Motor Vehicles Act, 1988;
- The Motor Vehicles (Amendment) Act, 2019;
- The Bihar Motor Vehicles Taxation Act, 1994;
- Notification, circulars, executive orders and instructions issued by the Department from time to time; and
- Bihar Financial Rules.

³ Hand Held Device was introduced to enhance capability of Enforcement Wing of the Department and to bring about transparency in issuance of challans on spot. This was also intended to facilitate issuance of challans round the clock in case of traffic violations.

2.3.4 Audit scope and methodology

Out of 38 districts, 10 districts⁴ with revenue of more than ₹ 10 crore, including a check-post were selected for audit. State Transport Commissioner (STC), Transport Department being the apex unit, was also selected for audit. Besides, DTO, Bhojpur was selected in view of print media coverage and office of the Superintendent of Police (SP) (Traffic), Patna was selected in light of power delegated by the Transport Department for levy and collection of fines through HHD.

The audit methodology included examination of records related to levy and collection of fines/penalty through HHD at the apex unit (STC) and field units (DTOs), issue of audit memos and obtaining replies from audited entities.

2.3.5 Acknowledgement

Indian Audit and Accounts Department acknowledges the co-operation of the Transport Department in providing necessary information and records to Audit.

Audit findings

2.3.6 Irregularities in remittance of collected fines

₹ 6.27 crore realised through e-challan by Hand Held Devices was not remitted to the Government account. Remittance of ₹ 7.03 crore in Government account could not be verified due to non-maintenance of account/cash book for amount collected through Hand Held Devices.

2.3.6.1 Irregular parking of revenue in bank account

Rule 37 of the Bihar Financial Rules (BFR) provides that all transactions must be brought into account immediately and money received should be duly credited into the Government account. Further, instructions (February 2020) of the Transport Department stipulate that amount realised through hand held devices must be remitted into Government account through OGRAS next day after the day of transaction.

Audit scrutinised (between April 2020 and August 2021) the account in HDFC Bank for collection of fine through HHD and observed that in DTO, Patna, ₹ 4.76 crore credited (between March 2020 and August 2021) in HDFC Bank through HHD was transferred to the account of DTO, Patna in Indian Bank during July 2020 to July 2021 instead of Government account.

Similarly, in DTO, Gopalganj, ₹ 81.19 lakh credited (March 2020 to March 2021) in HDFC Bank through HHD was transferred to the account of DTO, Gopalganj in State Bank of India instead of Government account during December 2020 to March 2021. This was in violation of Rule 37 of BFR and instruction of the Transport Department which stipulates that revenue realised must be remitted into Government account by next day of transaction.

After being pointed out by Audit, DTO Patna replied (August 2021) that revenue realised would be deposited timely in future. However, he did not explain as

⁴ Begusarai, Gopalganj, Muzaffarpur, Nawada, Patna, Purnea, Rohtas, Saharsa, Samastipur and Vaishali.

to why he transferred the revenue already realised into another bank account (Indian Bank) of DTO Patna instead of Government account. Further, DTO, Gopalganj remitted the entire amount of ₹ 81.19 lakh into Government account on 5 April 2021 after lapse of more than one year.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

2.3.6.2 Short/delayed remittance of revenue realised through HHD

In Muzaffarpur, Audit observed that three traffic authorities collected ₹ 23.57 lakh between July 2020 and December 2020. However, a sum of ₹ 18.90 lakh only was remitted into Government account. Balance ₹ 4.67 lakh remained outside the Government account without proper details of account. Audit further observed that collected amounts were deposited with delay up to four months.

In Purnea district, Audit observed that three traffic authorities collected fines of ₹ 35.41 lakh during July 2020 and December 2020 but remitted of ₹ 34.60 lakh only into Government account with delay up to three months and balance of ₹ 0.81 lakh remained outside Government account without details of accounts which was fraught with the risk of leakage of Government money.

In office of SP (Traffic), Patna, Audit observed that Transport Department issued one cashier user ID to SP (Traffic) for collection of revenue by disposal of pending e-challans. The SP shared this user ID with other three officials for disposal of pending challans. Audit further observed that in the SP (Traffic) office, four e-cashiers were working on a single cashier user ID allotted by the Transport Department. During the period between April 2019 and August 2021, they collected cash of ₹ 2.49 crore by disposal of pending e-challan. The collected amount was deposited into earmarked bank account with delay. Audit further observed that cashier retained up to ₹ 6.27 lakh while remitting the collected fine into bank.

After Audit pointed this out, the concerned DTOs and SP (Traffic), Patna stated (between December 2020 and October 2021) that necessary instructions would be issued to concerned traffic authorities for timely remittance of revenue into Government account. DTO, Muzaffarpur stated that matter would be communicated to the Department. However, reply was silent on action if any taken against officials who kept Government money in their possession unauthorisedly.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

2.3.6.3 Non-maintenance of account/cash book for amounts collected through fines

Audit scrutinised the online e-challan data in 10 DTOs⁵ and SP (Traffic), Patna and observed in seven DTOs⁶ and SP (Traffic), Patna that out of ₹ 55.57 crore realised (between April 2019 and July 2021) as fine through HHD, only ₹ 54.11 crore

⁵ Begusarai, Gopalganj, Muzaffarpur, Nawada, Patna, Purnea, Rohtas, Saharsa, Samastipur, and Vaishali.

⁶ Gopalganj, Muzaffarpur, Nawada, Patna, Rohtas, Saharsa and Samastipur.

was remitted into Government account. The balance amount of ₹ 1.46 crore was not found deposited into Government account as per details of OGRAS. In remaining three DTOs⁷, revenue of ₹ 7.03 crore realised between February 2020 and February 2021 through HHD as fine could not be verified by Audit as to whether it was deposited into Government account or not as user-wise OGRAS was not found on record. This is fraught with the risk of leakage of Government money.

Audit further observed that cash book, an important control register, was not maintained in any of test-checked DTOs in spite of instruction of the Transport Department. However, the Department did not take any action against erring DTOs..

After being pointed out by Audit, the DTOs concerned stated that necessary instruction would be issued for maintaining cash book to all users of HHD. They also stated that difference amount would be reconciled under intimation to audit.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

Recommendation: A system for direct crediting into Government account should be put in place.

2.3.7 Irregular modification of pending challans and consequent reduction of fine

3,061 challans worth ₹ 1.97 crore were irregularly modified and fines unpaid were reduced by ₹ 90.96 lakh.

Transport Department issued (March 2020) Standing Operating Procedure (SOP) for modification/deletion of challan in case of any error committed by challan issuing authority. The SOP stipulates that District Transport Officer is the competent authority for challan modification and State Transport Commissioner is the competent authority for challan deletion. The SOP also prescribes detailed procedures to be followed before challan modification/deletion and documents to be uploaded after challan modification/deletion on e-challan portal. Transport Department delegated authority of levy of fines/penalties only to traffic police.

Audit scrutinised the data of e-challan in office of SP (Traffic), Patna and observed that Traffic Police, Patna issued 2,85,116 challans for levy of fines during April 2019 to August 2021. Of this, 70,768 e-challans worth ₹ 12.28 crore could not be disposed off on spot and remained pending. Out of these pending e-challans, 2,916 challans were modified and penalty of ₹ 1.13 crore involved therein was reduced to ₹ 34.23 lakh. This modification of e-challan and consequent reduction of penalty of ₹ 79.38 lakh was irregular as the traffic police was not the competent authority for modification of challan as per SOP issued by Transport Department for modification of challan. Further, this modification was done by the cashier without bringing it into the notice of SP (Traffic) as evident from his order issued (24 September 2021) in the light of audit observation. However, no responsibility was fixed against the cashier who did the modification unauthorisedly.

⁷ Begusarai, Purnea and Vaishali.

Further, in 170 challans, where fines were levied for violation of traffic rules, were modified without any documentary evidence. This indicates lacuna in control mechanism over levy and realisation of fine through HHD and is fraught with risk of malpractices and loss of revenue.

Similarly, in DTO, Patna, Audit observed that cashier modified 145 pending e-challans and reduced the value of e-challan from ₹ 83.94 lakh to ₹ 72.36 lakh without following SOP.

After Audit pointed this out, SP (Traffic), Patna stated (October 2021) that amount of challan was reduced after proper verification of documents as these challans were issued invoking incorrect section of the MV Act. Moreover, supporting evidence was not made available to audit in support of his reply. However, the fact existed that SP (Traffic) was not authorised for challan modification as per the SOP.

DTO, Patna stated that instructions would be issued to concerned official for maintenance of proper records and modification of challan after approval of competent authority. However, no action against the cashier was taken by the SP (Traffic) and DTO for unauthorised modification of e-challans.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

Recommendation: The Department should ensure proper compliance of standard operating procedure relating to modification of challans and initiate action against the erring officials who did not follow the SOP.

2.3.8 Unauthorised use of manual money receipt

Even after realisation of fine worth ₹ 0.71 lakh through manual money receipt by ESI, the said amount was not remitted to the Government account.

Transport Department issued (March 2019) instruction to District Magistrate/Senior Superintendent of Police/Superintendent of Police (Traffic)/District Transport Officer, Patna to collect fine and penalty through HHD from 01 April 2019 and return the unused manual money receipts to the Department by 30 April 2019.

Audit scrutinised pending e-challans and stock and issue register of manual money receipts in DTO, Patna and observed that Enforcement Sub Inspector (ESI), Patna issued an e-challan on 12 September 2019 to a vehicle owner for ₹ 0.76 lakh which was not realised on spot. This pending challan was to be realised by e-cashier at the designated cash counter. However, pending e-challan was shown as realised on 14 September 2019 by ESI, Patna through manual money receipt (2088102KK) for ₹ 0.71 lakh. Audit further observed that the said money receipt was neither issued to any ESI nor the whole series consisting of 100 money receipts was available in stock as per stock register of DTO, Patna. Though money was shown realised through manual money receipt, it was not remitted into Government account as the e-challan was still pending.

After being pointed out by Audit, DTO, Patna stated (December 2021) that concerned money receipt form was not available in his office and it was also not clear to

whom concerned money receipt form was issued. Thus, unauthorised utilisation of manual money receipts for realisation of money and its subsequent non-remittance into Government account was indicative of weak internal control and one of the possible methods of corruption by siphoning of Government money. It also shows lack of monitoring mechanism.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

2.3.9 Non-initiation of legal action against pending challans

71,274 e-challans for ₹ 24.17 crore were issued to defaulting vehicle owners/drivers but neither any action was initiated against them nor any efforts were made for seizure of vehicles or documents.

Transport Department issued (August 2018) instructions which provide that signed e-challans would be issued by authorised officers to owners of the vehicles after receipt of on-spot fine. The instructions further stipulate for seizure of vehicles or documents after following due process and initiation of valid legal action after lapse of 14 working days in case of non-realisation of money.

Audit scrutinised online e-challan data and observed in 11 DTOs⁸ and office of the SP (Traffic), Patna that transport/traffic authorities issued 71,274 e-challans for ₹ 24.17 crore between September 2018 and August 2021 to defaulting vehicle owners/drivers either without impounding vehicles/documents or without realising fines. Details of pending e-challans are shown in **Table 2.2:**

Table-2.2
Statement of pending e-challan

Sl. No.	Name of DTO/ Office	Number of Pending e-challan	Pendency (in days)	Amount involved (in ₹)	Issued between
1.	Begusarai	103	19 to 350	36,40,491	02/2020 and 01/2021
2.	Bhojpur	86	54 to 250	52,95,000	02/2020 and 08/2020
3.	Gopalganj	263	15 to 399	54,89,008	03/2020 and 03/2021
4.	Muzaffarpur	169	20 to 327	71,60,500	02/2020 and 12/2020
5.	Nawada	74	16 to 378	23,81,000	02/2020 and 02/2021
6.	Patna	1,843	15 to 1,078	6,25,46,220	09/2018 and 07/2021
7.	Purnea	68	16 to 315	51,94,500	03/2020 and 12/2020
8.	Rohtas	348	18 to 415	2,22,84,478	02/2020 and 03/2021
9.	Samastipur	351	15 to 497	1,17,12,850	02/2020 and 06/2021
10.	Saharsa	36	28 to 333	18,94,300	02/2020 and 12/2020
11.	Vaishali	81	22 to 312	26,54,700	02/2020 and 11/2021
12.	SP (Traffic), Patna	67,852	15 to 889	11,14,29,010	04/2019 and 08/2021
Total		71,274		24,16,82,057	

It is evident from above table that concerned officers did not initiate legal action as instructed by the Department even after elapse of 15 to 1,078 days of challans becoming pending despite availability of this information in *VAHAN* database. Audit also observed that specific validation check was not provided in *VAHAN* software to prevent these vehicle owners from payment of tax, issue/renewal of

⁸ Begusarai, Bhojpur, Gopalganj, Muzaffarpur, Nawada, Patna, Purnea, Rohtas, Saharsa, Samastipur and Vaishali.

permit/insurance/pollution under control certificate as owners of these vehicles continued to pay due road tax and to get fitness/permit/insurance/pollution under control certificate issued.

After this being pointed out by Audit, concerned DTOs stated (between October 2020 and September 2021) that necessary instructions would be issued to authorised officers for disposal of these challans.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

Recommendation: Department should ensure timely initiation of legal action against defaulters where challans remain unrealised beyond 14 days of their issuance.

2.3.10 Non-levy of fine for driving of vehicle without driving license

The concerned authorities neither ensured mention of driving license on 1,01,944 e-challans nor imposed fine for driving vehicle without having driving license.

Section 181 read with section 3 of the MV Act, stipulates that whoever drives motor vehicle without valid driving licence shall be liable to pay fine of ₹ 5,000. Transport Department while delegating authority to traffic authority for levy of fine instructed these traffic authorities to realise fine as stipulated in the Act *ibid*. Further, Department issued (February 2020) user manual for HHD which stipulates *inter alia* incorporation of driving licence number in HHD while issuing challan.

Audit scrutinised e-challan data in respect of transport and traffic authorities in nine districts⁹ and observed that out of 3,15,123 test checked e-challans issued (between September 2019 and July 2021), in 1,01,944 cases, driving licence number was not recorded in challan. The concerned authorities did not levy fine for driving motor vehicles without driving licence.

After audit pointed this out, DTOs concerned replied (between December 2020 and July 2021) that necessary instruction would be issued to levy fine under appropriate section of the MV Act. However, SP Traffic, Patna stated (October 2021) that during issue of challan, HHD went in No DL mode by default and, as such, issued challan did not reflect DL number. The SP also stated the reason for no DL number in challan was inability of HHD to read old driving license. DTO, Muzaffarpur stated that matter would be communicated to the Department.

However, as the HHD facilitates custom entry manually, the reflection of DL number in the challan could had been ensured. Non-entering of DL number in challan was fraught with the risk of malpractices and loss of Government revenue.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

⁹ Begusarai, Gopalganj, Muzaffarpur, Nawada, Patna, Purnea, Rohtas, Saharsa and Samastipur.

2.3.11 Failure of supervisory control at Rajauli check-post Nawada

At Rajauli check-post in Nawada, user IDs for five taxation officials were issued but only one user ID was recorded in check-post register. No register/record for daily shift-wise collection of revenue and its remittance into Government account was maintained.

Transport Department instructed (April 2019) all five check-post DTOs¹⁰, regarding levy and collection of Bihar Entry Tax (BET) and fine through e-challan, to operate roster for three shift duty at check-post scrupulously and made available user ID and password to all officers/officials of check-post authority.

Audit examined records of daily collection of e-challan at Rajauli check-post, Nawada and observed that user IDs for five taxation officials were issued for levy and collection of fine. Of this, only one user was recorded in check-post register. Further, no register/records for daily shift-wise collection of revenue and its remittance into Government account was maintained and as such, audit could not verify shift-wise actual collection of revenue. However, as per details made available by DTO Nawada, amounts were collected and deposited by these users as shown in **Table 2.3**

Table: 2.3
Statement of collection and remittance of fine

(Amount in ₹)

User ID/Name of taxation officer	Period during which fine levied	Fine collected	Fine remitted	Balance
Taxation 01 (Shri Dilip Kumar)	April 2019 to August 2020	79,63,000	79,63,000	0
Taxation 02 (Shri Anish Kumar, ESI)	April 2019 to June 2019	9,74,400	9,64,500	9,900
Taxation 02 (Shri Hareram Kumar, ESI)	June 2019 to December 2019	78,90,900	78,57,000	33,900
Taxation 02 (Shri Sandip Kumar)	January 2020 to July 2020	50,21,500	50,21,500	0
Taxation 02 (Shri Gariyan Miryunjay)	August 2020 to December 2020	33,48,000	33,48,000	0
Taxation 03 (Shri Vimal Kumar)	April 2019 to February 2021	9,26,36,702	9,26,36,702	0
Taxation 04 (Shri Ashok Kumar Paswan, ESI)	June 2019 to January 2020	77,17,100	77,00,000	17,100
Taxation 05 (Shri AM Singh, DTO)	June 2019 to September 2020	1,52,42,700	1,44,57,300	7,85,400
Total		14,07,94,302	13,99,48,002	8,46,300

It is evident from above table that ₹ 14.08 crore was realised as fine during January 2020 to February 2021 and ₹ 13.99 crore was remitted into Government account and balance ₹ 8.46 lakh was not remitted. Of total unremitted amount, ₹ 7.85 lakh was collected by the DTO himself.

¹⁰ Gaya, Gopalganj, Kaimur, Nawada and Purnea.

After audit pointed this out, the DTO stated (March 2021) that necessary instructions were issued from time to time in this regard. He further stated that in the light of audit observation, further instruction would be issued to taxation officers for maintenance of records and reconciliation of differential amount. However, the DTO did not respond to the fact that ₹ 7.85 lakh collected by him personally was yet to be remitted to Government account. There is thus, the possibility that the unremitted amount had been misappropriated.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

Recommendation: The Department should take legal action against erring officials and put effective system in place to ensure proper maintenance of records and functioning of shift-wise duty of taxation officials at check-posts.

2.3.12 Remittance of fine under improper head of Account

Receipts from fine on vehicles for ₹ 9.33 crore was remitted under the improper head which deprived the Road Safety Council of its share of Road Safety Cess Fund amounting to ₹ 93.30 lakh.

Notification (March 2017) of Transport Department provides for remittance of revenue realised through fines under revenue head 0041-00-101-0003. The notification also provides for transfer of 10 *per cent* of revenue so collected to road safety fund.

Audit examined online e-challan data at Rajauli Check-post, Nawada and observed that Taxation Authority collected ₹ 9.33 crore as fine during April 2019 to February 2021 and remitted under revenue head “0041-00-102-0010-00-01 receipts from entry taxes of vehicle having temporary permit” in place of proper revenue head “0041-00-101-0003 receipts from fine on vehicle”.

Due to remittance of fine under improper head of revenue, the Road Safety Council was deprived of its share of fund amounting to ₹ 93.30 lakh.

After Audit pointed this out, DTO, Nawada stated (February 2021) that necessary instruction would be issued to taxation officer for remittance of fine under proper head of account.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

2.3.13 Issue of e-challan through Hand Held Devices without identity of user

191 e-challans worth ₹ 5.06 lakh were issued through Hand Held Devices without identity of the user which resulted in non-verification of its remittance into Government account.

Transport Department issued (February 2020) instructions to all DTOs for utilisation of HHD for on spot fines by officers nominated/deputed for the purpose.

Audit examined the online e-challan data in DTO, Patna and SP (Traffic), Patna and observed that ₹ 5.06 lakh was collected in cash during December 2019 and April 2021 as fine by issue of 191 e-challans¹¹ (out of 1,86,165) through HHD in which no user ID was assigned to any user. As such, e-challans generated through these HHDs, did not have any username or signature of users.

Due to absence of username/signature on the challan, Audit could not ascertain remittance of ₹ 5.06 lakh collected through these challans into Government account. Further, issue of e-challan without assigning any user ID was not only in violation of the instruction of the Department, but was also fraught with the risk of unauthorised use of HHD and consequent siphoning of Government money.

After Audit pointed this out, the SP (Traffic), Patna stated (October 2021) that user ID was allotted by the Transport Department and could be verified by the Department. SP (Traffic), Patna also stated that ₹ 0.78 lakh out of ₹ 1.62 lakh was deposited into bank account. DTO, Patna stated that collected amount would be deposited after identification of user ID with the help of NIC.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

2.3.14 Minimal realisation of fine through digital mode

Only 11.86 per cent of the total amount realised was digitally transferred to designated banks in eight districts.

One of the objectives of the use of HHD was to provide IT based services and provide online payment service as per instruction issued (February 2020) by Transport Department. To fulfill this objective, HHDs for collection and realisation of fine on-spot and POS machines for realisation of fines, fees *etc.* at cash counters were provided to DTOs.

Audit scrutinised records in eight DTOs¹² and observed that out of total fine for ₹ 39.52 crore realised during the period between April 2019 and July 2021 on-spot and through cash counters, only ₹ 4.68 crore (11.86 per cent) was digitally transferred to designated account in HDFC Bank. Hence, even after expiry of more than a year, payment through digital mode was minimal. Audit scrutinised the reason for less payment through digital mode and found that POS machines for collection of fines at office counters were not even installed in eight DTOs¹³.

Audit further noticed that movement register of HHDs showing which device was issued to which authority and when this device was returned by those authorities were not maintained in eight DTOs¹⁴. In absence of this information, Audit could not ascertain what amount was levied and collected by which authority.

¹¹ DTO Patna: 41 e-challans for ₹ 3,44,201 and SP (Traffic) Patna: 150 e-challans for ₹ 1,61,500.

¹² Begusarai, Gopalganj, Muzaffarpur, Nawada, Patna, Rohtas, Saharsa and Samastipur.

¹³ Begusarai, Gopalganj, Nawada, Patna, Rohtas, Saharsa, Samastipur and Vaishali.

¹⁴ Begusarai, Gopalganj, Muzaffarpur, Nawada, Patna, Rohtas, Saharsa and Samastipur.

After Audit pointed this out, the concerned DTOs stated that POS machines for digital payment service would be installed at all cash counters of the office and movement register for HHDs would be maintained.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

2.3.15 Conclusion

The levy and collection of fines by e-challan system has too many leakages which not only leads to loss of Government revenue, but also has a scope of misappropriation and possibility of corruption. This clearly indicates lack of internal control and monitoring. The Department needs to enforce rules and laws relating to levy and realisation of fine through hand held devices and emphasise on initiating administrative action against the erring officials involved in mishandling of cash. Proper accounts are to be maintained and monitored. Action needs to be taken to avoid irregular parking and delayed remittance of collected revenue into the Government account. Irregular modification of pending challans need to be restricted and done only by the competent authority. Legal action against pending challans needs to be initiated. The Department needs to ensure levy of fine against drivers who drive motor vehicles without valid driving licence. The Department also needs to put a system in place to ensure proper issue of hand held devices and user identification to authorised officials and effective monitoring for their utilisation.