



**Report of the
Comptroller and Auditor General of India
on
Economic and Revenue Sectors
For the year ended 31 March 2017**



GOVERNMENT OF MANIPUR
Report No. 1 of 2018

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PREFACE

This Report of the Comptroller and Auditor General of India on Economic and Revenue Sectors for the year ended 31 March 2018 has been prepared for submission to the Governor of Manipur under Article 151 of the Constitution of India.

This Report contains significant results of Performance Audit and Compliance Audit of the Departments of the Government of Manipur under Economic Sector, Revenue Sectors and three Public Sector Undertakings viz., Manipur Police Housing Corporation Ltd., Manipur State Power Distribution Company Ltd. and Manipur Tribal Development Corporation Ltd.

The cases mentioned in the Report are those which came to notice in test audit during the year 2016-17, as well as those which came to notice in earlier years, but could not be dealt with in the previous Reports. Matters relating to the period subsequent to 2016-17 have also been included appropriately in the Report.

The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

EXECUTIVE SUMMARY

This Report has been prepared in three chapters. Chapters I to III deal with Economic Sector (Other Than State Public Sector Undertakings), Economic Sector (State Public Sector Undertakings) and Revenue Sector respectively. The Report contains two Performance Audits on 'Implementation of National Rural Drinking Water Programme' and 'System of Assessment under Value Added Tax' and 13 Compliance Audit paragraphs.

According to existing arrangements, copies of the Performance Audits and Compliance Audit paragraphs were sent to the Administrative Heads of the concerned Departments with a request to furnish replies within six weeks. All the Performance Audits were discussed with the concerned Administrative Heads of the Departments and other departmental officers. Replies of the Government/Department wherever received have been incorporated in the Report.

CHAPTER I

ECONOMIC SECTOR (OTHER THAN STATE PUBLIC SECTOR UNDERTAKINGS)

During 2016-17, against total budget provision of ₹ 3,697.69 crore, a total expenditure of ₹ 2,814.63 crore was incurred by 18 departments under Economic Sector.

During 2016-17, audits were conducted involving expenditure of ₹ 5,377.27 crore including expenditure of ₹ 5,142.88 crore of previous years of the State Government under Economic Sector.

This chapter contains one Performance Audit *viz.*; 'Implementation of National Rural Drinking Water Programme' and three Compliance Audit paragraphs as discussed in the succeeding paragraphs.

PERFORMANCE AUDIT

Implementation of National Rural Drinking Water Programme

The State did not prepare Strategic Plan for implementation of the programme. The Annual Action Plan did not give priority to low population coverage habitations. Component wise expenditure was not ensured as per the norms prescribed in the guidelines. In-admissible works were charged to Programme fund. Fully covered habitations was low *i.e.*, 63 habitations (based on per capita supply of 55 lpcd) during 2016-17 which constitute two *per cent* of the total 2,868 rural habitations in the State. Significant number of rural Schools and *Anganwadi* centres were yet to be covered in the State. Slipped back habitations increased due to drying of sources, aging pipelines etc. Testing Laboratories suffered from shortage of man power and inadequate infrastructure. Significant number of schemes were delayed for more than five years. The State and District officers have not conducted review of the scheme

through field inspection during the period of review. The Integrated Management Information System data were not cross checked or an independent verification was not carried out through reputed NGOs, academic institutions, *etc.*, to improve reliability of the database.

(Paragraph 1.2)

COMPLIANCE AUDIT

Public Health Engineering Department: Failure of the Department to enforce provisions of the Manipur Water Supply Act, 1992 had resulted in short realization of water charges to the tune of ₹ 13.88 crore.

(Paragraph 1.3)

Veterinary and Animal Husbandry Department: There was short realization of royalty of ₹ 20.23 lakh as no action was taken by the Department to renew the lease/MoU which had expired on 30 June 2015.

(Paragraph 1.4)

Irrigation and Flood Control Department¹: The Department failed to realise water charges amounting to ₹ 31.59 lakh against irrigation facility utilised under three irrigation projects.

(Paragraph 1.5)

CHAPTER II

ECONOMIC SECTOR (STATE PUBLIC SECTOR UNDERTAKINGS)

As on 31 March 2017, there were 13 State Public Sector Undertakings (SPSUs) in Manipur. The working PSUs of the State registered a turnover of ₹ 161.02 crore as per their latest finalised accounts as of September 2017. This turnover was equal to 0.69 *per cent* of Gross State Domestic Product (GSDP) of ₹ 23,325 crore for 2016-17. The working SPSUs incurred an aggregate loss of ₹ 47.89 crore as per their latest finalised accounts as of September 2017.

(Paragraph 2.1.1)

As on 31 March 2017, the investment (capital and long-term loans) in 13 SPSUs was ₹ 266.35 crore. Out of the total cumulative investment of ₹ 266.35 crore in SPSUs as on 31 March 2017, 98.92 *per cent* was in working SPSUs and the remaining 1.08 *per cent* in non-working SPSUs.

(Paragraph 2.1.6)

¹ Government of Manipur renamed Irrigation and Flood Control Department as *Water Resources Department* in September 2017.

The accounts of the SPSUs were in arrears for periods ranging from one year to 29 years. The delay in finalization of accounts were due to abnormal delay in compilation and approval of the accounts and delayed submission of the same to the Statutory Auditors by the Management and deficiency in monitoring of arrears of accounts of the Companies by the Government.

(Paragraph 2.1.10)

The overall losses of working SPSUs increased from ₹ 40.76 crore in 2012-13 to ₹ 121.24 crore in 2016-17. Six SPSUs incurred loss of ₹ 48.18 crore.

(Paragraphs 2.1.16 and 2.1.17)

COMPLIANCE AUDIT

Manipur State Power Distribution Company Limited: There is high risk of loss due to non-recovery of huge outstanding energy charges amounting to ₹ 540.08 crore.

(Paragraph 2.2)

CHAPTER III

REVENUE SECTOR

Trend of Revenue Receipts

During the year 2016-17, the revenue raised by the State Government (₹ 751.47 crore) was eight *per cent* of the total revenue receipts of ₹ 9,129.12 crore. The balance 92 *per cent* of receipts of ₹ 8,377.65 crore during 2016-17 was from the Government of India.

(Paragraph 3.1.1)

The Tax Revenue raised during 2016-17 (₹ 586.67 crore) increased by 6.58 *per cent* as compared to the previous year (₹ 550.44 crore). On the other hand, the Non-Tax Revenue raised during 2015-16 (₹ 164.80 crore) increased by 10.25 *per cent* as compared to the previous year (₹ 149.48 crore).

(Paragraphs 3.1.2 and 3.1.3)

Response of the Departments/ Government towards Audit

Inspection Reports issued up to March 2017 disclosed that 858 paragraphs involving ₹ 181.00 crore relating to 273 Inspection Reports remained outstanding at the end of June 2017.

(Paragraph 3.6)

PERFORMANCE AUDIT

System of Assessment under Value Added Tax

The State suffered revenue loss due to various lapses of the Taxation Department. There was no system in place in the state for scrutiny of returns of the dealers. The Department did not make efforts to collect taxes by use of various types of assessment other than self-assessment. System for audit assessment was not made functional in the spirit of the Value Added Tax system. Provisional assessments, assessment of unregistered dealers, assessment of non-filers were also not done in a systemic and periodic manner. Further, there was no system in place for detection of delinquent dealers who are either irregular in filing of returns or negligent. The Department failed to monitor the deposit of tax deducted at source to Government Account and filing of returns by Drawing and Disbursing Officers (DDOs). There were inadequacies in monitoring as evident from lack of proper administrative circulars, instructions and orders regarding assessment, absence of reporting system and review of assessment by higher authorities. The Department did not prepare tax manual for standardising assessment and other processes connected with tax administration. The enforcement system in the Department did not function in a well organised manner. There was shortage of staff in the Department as well.

(Paragraph 3.11)

COMPLIANCE AUDIT

Taxation Department

Two dealers concealed purchase of ₹ 1.21 crore and escaped tax of ₹ 9.34 lakh for which penalty of ₹ 18.68 lakh was payable by the dealers

(Paragraph 3.12)

Failure of the Assessing Authorities to detect concealment and suppression of sales resulted in evasion of tax and penalty to the tune of ₹ 25.98 lakh.

(Paragraph 3.13)

Due to non-furnishing of returns, two dealers concealed purchase of ₹ 4.39 crore for which the dealers were liable to pay tax of ₹ 21.95 lakh and penalty of ₹ 43.90 lakh.

(Paragraph 3.14)

Government revenue to the tune of ₹ 55.67 lakh and penalty of ₹ 1.11 crore was blocked due to failure to invoke provisions of the Manipur Value Added Tax Act, 2004.

(Paragraph 3.15)

The Department failed to collect outstanding tax and interest penalty amounting to ₹ 10.85 lakh from seven dealers.

(Paragraph 3.16)

The Department failed to collect penalty of ₹ 49.30 lakh from the dealers who failed to submit audited accounts.

(Paragraph 3.17)

The Department failed to levy and collect Professional Tax to the tune of ₹ 66.28 lakh from the defaulting assesseees.

(Paragraph 3.18)

Transport Department

The Government suffered a loss of ₹ 9.88 lakh due to non-realisation of Permit Fees and Fine.

(Paragraph 3.19)

The Department failed to realise tax amounting to ₹ 24.42 lakh from 97 goods vehicles.

(Paragraph 3.20)

Chapter I
Economic Sector
(Other than State PSUs)

CHAPTER I

ECONOMIC SECTOR (OTHER THAN STATE PUBLIC SECTOR UNDERTAKINGS)

1.1 Introduction

The findings based on audit of State Government units under the Economic Sector other than State Public Sector Undertakings are featured in this chapter.

During 2016-17, against a total budget provision of ₹ 3,697.69 crore, a total expenditure of ₹ 2,814.63 crore was incurred by 18 departments under Economic Sector. The Department-wise details of budget provision and expenditure incurred there against are shown in **Table No. 1.1.1**.

**Table No. 1.1.1 Budget Provision and Expenditure of
Departments in Economic Sector**

(₹ in crore)

Sl. No.	Department	Budget Provision	Expenditure
1	Command Area Development Authority	226.01	114.58
2	Agriculture		
3	Sericulture	23.15	18.46
4	Economic and Statistics	16.89	14.94
5	Commerce and Industries	113.42	71.12
6	Co-operation	21.28	15.59
7	Fisheries	31.09	23.06
8	Horticulture and Soil Conservation	88.62	68.07
9	Animal Husbandry and Veterinary	101.85	72.37
10	Science and Technology	5.97	2.70
11	Tourism	60.65	53.41
12	Environment and Forest	173.77	104.18
13	Irrigation and Flood Control	512.33	385.52
14	Minor Irrigation	165.17	86.86
15	Public Works	964.62	722.04
16	Power	800.41	765.87
17	Public Health Engineering	350.77	275.29
18	Information Technology	41.69	20.57
Total		3,697.69	2,814.63

Source: Appropriation Accounts

Besides, Central Government has been transferring a sizeable amount of funds directly to the implementing agencies of the State Government for implementation of various programmes of Central Government. During 2016-17, out of ₹ 330.54 crore directly released to different implementing agencies, ₹ 137.75 crore was under Economic Sector. The details are shown in **Appendix 1.1**.

1.1.1 Planning and conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls, etc.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the heads of the departments. The departments are requested to furnish replies to the audit findings within one month of receipt of the IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of those IRs are processed for inclusion in the Audit Report of the Comptroller and Auditor General (C&AG) of India.

Audits were conducted during 2016-17 involving expenditure of ₹ 5,377.27 crore including expenditure of ₹ 5,142.88 crore of previous years of the State Government under Economic Sector as shown in **Appendix 1.2**. This chapter contains one Performance Audit viz.; “*Implementation of National Rural Drinking Water Programme*” and three compliance audit paragraphs as discussed in the succeeding paragraphs.

PERFORMANCE AUDIT

PUBLIC HEALTH ENGINEERING DEPARTMENT

1.2 Implementation of National Rural Drinking Water Programme

Highlights

Some of the important audit findings of Performance Audit on implementation of National Rural Drinking Water Programme (NRDWP) during 2012-13 to 2016-17 in Manipur are highlighted below.

- *The Annual Action Plan did not give priority to low population coverage habitations. The Village Water Security Plan and District Water Security Plan were not prepared in four test checked districts.*

(Paragraph 1.2.9.2 & 1.2.9.3)

- *Component wise utilisation of funds as per prescribed norms was not ensured.*

(Paragraph 1.2.10.4)

- *The State could not achieve the target for providing rural households with piped water supply and with a household connection by 2017 as per the Strategic Plan of the Ministry.*

(Paragraph 1.2.11.2)

- *Water purity testing labs suffered from shortage of manpower and inadequate infrastructure.*

(Paragraph 1.2.13.1)

- *There were cases of inordinate delay in the execution of schemes. As on date of audit, 299 schemes remained incomplete for more than five years.*

(Paragraph 1.2.14.1)

- *Inadmissible expenditure of ₹65.87 lakh were incurred from Programme fund.*

(Paragraph 1.2.14.8)

- *The State and District officers did not conduct review of the schemes through field inspection during the period of review.*

(Paragraph 1.2.15.1)

- *The Integrated Management Information System data were not cross checked or an independent verification was not carried out through reputed NGOs, academic institutions, etc., to improve reliability of the database.*

(Paragraph 1.2.15.3)

1.2.1 Introduction

Government of India (GoI) had undertaken various programmes to provide safe drinking water to the rural masses since independence. The Government's first major intervention in the rural drinking water sector was through the Accelerated Rural Water Supply Programme (ARWSP) in 1972-73. The National Rural Drinking Water Programme (NRDWP) was launched in 2009 by modifying the earlier ARWSP and subsuming earlier sub-Missions, Miscellaneous Schemes and mainstreaming Swajaldhara principles. With the advent of the 12th Five Year Plan (2012-17), the NRDWP Guidelines were further updated in 2013 having focus on piped water supply, increasing household tap connections and raising drinking water supply norms. In 2015, commitment to the Sustainable Development Goal was made to achieve universal and equitable access to safe and affordable drinking water for all by 2030.

The Programme was framed with the vision of safe and adequate drinking water for all at all times in rural areas. The objectives of NRDWP are given in **Appendix 1.3**.

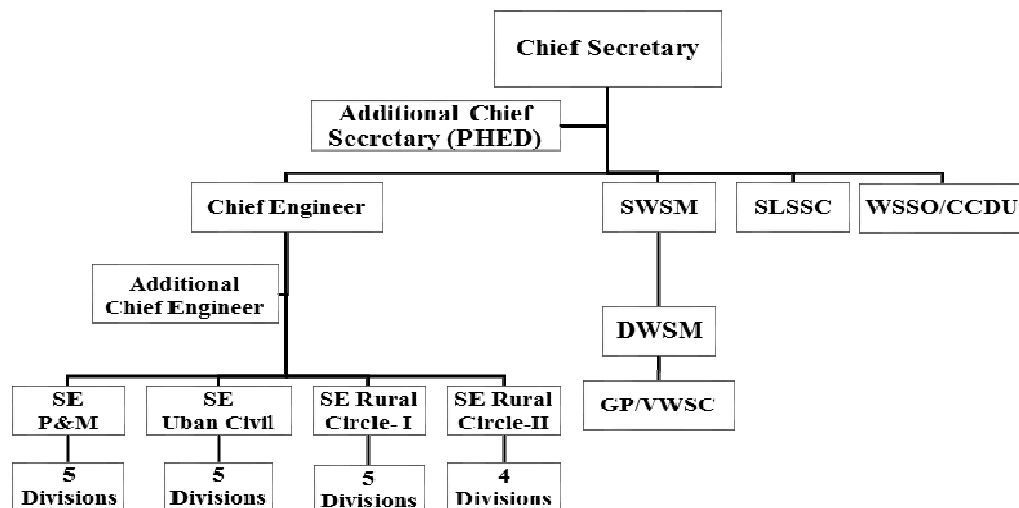
NRDWP has six components *viz.*, Coverage, Water Quality, Operation & Maintenance, Sustainability, Support & Water Quality Monitoring and Surveillance. Out of these, three components, *i.e.*, Coverage, Water Quality and Operation and Maintenance were implemented in the State on 90:10 cost sharing basis between the Centre and State and the remaining three components *i.e.*, Sustainability, Support Activity and Water Quality Monitoring and Surveillance (WQMS) were fully funded by Government of India.

In Manipur, Public Health Engineering Department (PHED) is the primary executing agency for rural water supply schemes. The Department is responsible for implementation of the Programme covering 2,557 villages (2,868 habitations) in the State.

1.2.2 Organization Setup

The organization setup for implementation of the Programme is as follows:

Organization setup for implementation of NRDWP



SE: Superintending Engineer; **P&M:** Planning & Monitoring; **SWSM:** State Water & Sanitation Mission; **SLSSC:** State Level Schemes Sanctioning Committee; **WSSO:** Water & Sanitation Support Organisation; **CCDU:** Communication and Capacity Development Unit; **DWSM:** District Water & Sanitation Mission; **GP/VWSC:** Gram Panchayat/ Village Water & Sanitation Committee

The Additional Chief Secretary, PHED is responsible for overall implementation of the Programme. The SEs are executing various works under the programme through various Divisions in the State. The State Water and Sanitation Mission (SWSM) is responsible for formulation of policy guidelines and implementation of the same. The State Level Scheme Sanctioning Committee (SLSSC) accords approval for all rural water supply schemes and also reviews the schemes. Water and Sanitation Support Organisation/ Communication and Capacity Development Unit (WSSO/CCDU) assists in HRD activities.

1.2.3 Scope of Audit

The Performance Audit covers all the components of NRDWP in operation during the period from 2012-13 to 2016-17. Relevant records of four² out of nine districts³ were selected based on Probability Proportional to Size Without Replacement (PPSWOR) method and scrutinized between April and August 2017. In addition, records of the office of the Chief Engineer, PHED were audited. Records pertaining to implementation of the scheme were test checked in the five selected Divisions and household surveys were conducted in 38 out of 44 habitations in the 19 selected Gram Panchayats. Details are given in *Appendix 1.4*.

² Bishnupur, Churachandpur, Senapati and Thoubal

³ Seven more districts were created in December 2016

1.2.4 Audit Objectives

The Performance Audit was taken up to ascertain whether:

- Necessary institutional mechanism existed for effective implementation of the programme;
- Fund management was economical and effective;
- Implementation of programme was effective and efficient; and
- Adequate and effective mechanism existed for monitoring and evaluation of the programme.

1.2.5 Audit Criteria

The audit criteria were drawn from:

- Guidelines of NRDWP issued in 2009 and 2013, strategic plans, Notifications, Orders and circulars issued by the Ministry of Drinking Water and Sanitation (MDW&S)/Ministry;
- Studies conducted by the Planning Commission (NITI Ayog) and other agencies;
- Guidelines and Reports of National and State Level Monitors;
- State Government Orders relating to implementation of the NRDWP;
- Physical and financial progress reported under Management Information System (MIS) available on website of the programme (*indiawater.gov.in*);
- Guidelines for convergence between MGNREGA⁴, NRHM⁵, *etc.*; and
- General Financial Rules, CPWD Works Manual *etc.*

1.2.6 Audit Methodology

The Performance Audit commenced with an entry conference with the officials of PHED, Manipur in April 2017 wherein the audit scope, objectives, criteria and methodology were explained. During the course of audit, scrutiny of the documents of the sampled districts was carried out and responses to audit observations were obtained. Joint physical verification of schemes was done wherever possible and photographic evidences were taken to substantiate the audit findings. The draft audit report was issued to PHED in October 2017. An exit conference was held (December 2017) with the officials of PHED to discuss the audit findings in the draft report. The responses of the Department have been incorporated, wherever appropriate, in this report.

⁴ Mahatma Gandhi National Rural Employment Guarantee Act

⁵ National Rural Health Mission

1.2.7 Acknowledgement

Indian Audit and Accounts Department (IA&AD) acknowledges the cooperation and assistance extended by the State Government in providing necessary information and records for test checks.

Audit Findings

The findings of the Performance Audit on the implementation of NRDWP are discussed in the succeeding paragraphs.

1.2.8 Delivery Mechanism

1.2.8.1 State Water and Sanitation Mission

The State Water and Sanitation Mission (SWSM) headed by the Chief Secretary is responsible for the formulation of Policy Guidelines and implementation of the same. Meetings of the Apex Committee of the SWSM should be held at least twice a year, wherein apart from sanctioning new schemes, progress, completion and commissioning of the schemes approved earlier by the Committee should be reviewed.

Audit noticed that the Apex Committee met once a year (no meeting was held in 2013-14). The SWSM did not review implementation of the scheme in the selected districts during 2012-17. Though the Department claimed (December 2017) that various review meetings were held at the level of Chief Minister and the Cabinet periodically including the NRDWP, the claim could not be substantiated and relevant documents were not submitted. Due to this, progress, completion and commissioning of the schemes were not regularly monitored.

1.2.8.2 State Level Scheme Sanctioning Committee

As per para 2 of the Scheme guidelines, the State Level Scheme Sanctioning Committee (SLSSC) headed by the Additional Chief Secretary (PHED) is delegated with powers for giving technical and administrative approval to avoid administrative bottlenecks in rural water supply schemes and related Support activities.

Meetings of the Committee should be held at least twice a year, wherein apart from sanctioning new schemes, progress, completion and commissioning of the schemes approved earlier by the Committee should be reviewed. Audit, however, noticed that the SLSSC met only once a year *i.e.*, at the time of approval of the Annual Action Plan (AAP). The Department stated (December 2017) that no specific issue arose for which sitting of special SLSSC was necessary. The reply is not acceptable as audit noticed gaps in implementation of the programme which are discussed in the succeeding paragraphs.

1.2.8.3 State Technical Agency

State Technical Agency (STA) is required to fill gaps in the technical needs of the PHED as and when required. Audit noticed that the State had not identified STA (August 2017). The Department stated (December 2017) that they have enough experienced technical person and as such the role of STA is being managed by the department itself. The reply is not acceptable as in the absence

of STA, the Department did not prepare Water Security Plan at the Village, District and State levels which is necessary for proper implementation of the Scheme and for ensuring water security in the State.

1.2.8.4 Water and Sanitation Support Organisation

Water and Sanitation Support Organisation (WSSO) under SWSM deals with Water Quality Monitoring & Surveillances, MIS/Computerisation, Monitoring and Evaluation, Information Education and Communication (IEC), Human Resource Development (HRD) (WSSO/CCDU), Research and Development *etc.*

The Department could not produce any record to audit on evaluation and impact assessment studies. The Department stated (December 2017) that overall monitoring was done in coordination with the Centre. The reply is not acceptable as no records pertaining to monitoring done in coordination with the Centre was produced to audit.

1.2.8.5 District Water and Sanitation Mission

The District Water and Sanitation Mission (DWSM)⁶ under the supervision, control and guidance of Zilla Parishad provides continuous support to gram panchayats/GPWSC/VWSCs⁷ on both water and sanitation issues.

Para 5 of Annexure VII of the Guidelines requires the DWSM to meet at least quarterly. The Department could not produce any record of meetings held in the four selected districts during the period covered under audit. The DWSM did not prepare District Water Security Plan and did not review the programme in the blocks under the district. Technical and professional persons⁸ as envisaged in the guidelines were not available. The Department stated (December 2017) that sometimes the DWSM meetings are combined with the District Level Officers' (DLOs) meetings convened by the respective Deputy Commissioners. However, relevant documents were not produced. The Department did not give any reply on non-availability of technical and professional persons.

1.2.8.6 Block Resource Centre

The State has not instituted a Block Resource Centre (BRC) at the block/Taluka/Mandal level to provide continuous support to GPs/ GPWSC/ VWSCs on both water and sanitation issues and to act as a link between them and the DWSM. The Department stated (September and December 2017) that Block Resource Centres (BRC) was not constituted with concurrence of the Ministry as it is redundant for small states. Responsibilities assigned to BRC were entrusted to DWSM. The Department, however, did not produce any documents regarding concurrence of the Ministry.

⁶ Chairperson of Zilla Parishad/Autonomous District Council as head and the Executive Engineer (PHED) of the District is the Member Secretary.

⁷ Gram Panchayat/Village Water and Sanitation Committee (GPWSC/VWSC)

⁸ Consultant Human Resource Development, Information Education and Communication (IEC), Monitoring & Evaluation and Hydrogeologist

1.2.8.7 Village Water and Sanitation Committee

A Gram Panchayat/Village Water and Sanitation Committee (GPWSC/VWSC) is set up in each Gram Panchayat/Village/Ward for implementation of water supply schemes to ensure the active participation of villagers. VWSC is responsible for Operation and Maintenance of scheme handed over to them.

Out of 19 GPs surveyed, only 10 GPs (53 per cent) had GP/VWSC and the water supply schemes were handed over to them. The remaining nine GPs did not have any water supply scheme and hence VWSC were not constituted. Details are given in **Appendix 1.5**. The Department stated (December 2017) that all completed water supply schemes have been handed over to the respective VWSCs.

As can be seen from the forgoing paragraphs, the institutional frameworks and systems like SWSM, SLSSC, STA, BRC, WSSO and DWSM envisage in the Guidelines for implementation of the NRDWP were either not setup or did not perform activities as envisaged. This has resulted in gaps in implementation of the scheme which could have been narrowed or eliminated had the envisaged delivery mechanisms and technical expertise been put in place.

1.2.9 Planning

1.2.9.1 Strategic Plan

As per Para 2.3 of Strategic Plan (2011-22) of the Ministry, target for coverage of rural households are given in **Table No. 1.2.1**.

Table No. 1.2.1 Strategic Plan of the Ministry

Target	By 2017	By 2022
Provide piped water supply	At least 55 per cent	At least 90 per cent
Have piped water supply with household connection	At least 35 per cent	At least 80 per cent
Use of public tap	Less than 20 per cent	Less than 10 per cent
Use of hand pumps and other safe and adequate private water sources	Less than 45 per cent	Less than 10 per cent
Access to and use adequate quantity of safe drinking water	All households, schools and <i>anganwadis</i>	-
Management of rural drinking water sources and systems by Panchayat Raj Institutions (PRIs) and local communities	At least 60 per cent	100 per cent

Each State can formulate its own Implementation Plan depending on its needs, capacity and resources, and establish a timeframe for achieving the Strategic Objectives.

The Department's Strategic Plan for implementation of the programme was not available at the time of audit.

On this being pointed out, the Department stated (December 2017) that State Government had announced individual water connection would be provided to each rural households by 2022. Accordingly, action plan/concept paper with an outlay of ₹ 1,994.48 crore was submitted to the Centre for funding. Receipt of Central funding, if any, has not been intimated (April 2018).

1.2.9.2 Comprehensive Plan and Annual Action Plan

As per Para 14 of the Guidelines, a five-year rolling Comprehensive Water Security Action plan is to be prepared and during each financial year the sub-goal and the priorities would be fixed based on mutual consultation by the Centre and the State.

The Department prepared only Annual Action Plans (AAPs) based on 40 lpcd⁹ during 2012-16 and 55 lpcd in 2016-17. The AAPs did not give priority to low population coverage habitations *i.e.*, habitations where 0-25 *per cent* and 25-50 *per cent* population covered. Details are discussed under Programme Implementation.

1.2.9.3 Village Water Security Plan and District Water Security Plan

As per Para 13 of the Guidelines, bottom-up approach was to be followed in planning process under which Village Water Security Plans (VWSP) were to be prepared by VWSC for ensuring drinking water security by the village community with the help of NGOs. The VWSPs were also to have details of management, operation and maintenance of the water supply schemes. Based on all VWSPs of the district, the District Water Security Plans (DWSPs) were to be prepared.

The VWSPs and DWSPs were not prepared in the four test checked districts. However, the Department stated (December 2017) that the villagers, their elected representative and NGOs/Clubs were involved at every stage right from identification of water source till construction and formation of VWSC.

1.2.9.4 Convergence with other departments

As envisaged in Para 12.5 of the Guidelines, convergence with the National Rural Employment Guarantee Scheme (NREGS), Watershed Projects and Irrigation Schemes were to be carried out during the planning process for construction of sustainable structures.

The Department stated (December 2017) that convergence was carried out wherever feasible and cited instances of raw water being provided to PHED from various irrigation projects. However, convergence with similar schemes was not considered in the AAPs.

1.2.10 Financial Management

1.2.10.1 Funding pattern

The Programme is funded by the Centre and State Governments on cost-sharing basis as shown in **Table No. 1.2.2**.

⁹ Litre per capita per day

Table No. 1.2.2 Centre-State sharing allocation for components

(All figures in per cent)

Components of NRDWP	Distribution of State NRDWP fund allocation		Centre –State Sharing pattern
	Pre-revised (2012-13)	Revised (2013-17)	
Coverage	45	47	90:10 (for NE States and J&K)
Water Quality	20	20	
Operation and Maintenance	10	15	
Sustainability	20	10	100:0
Support	5	5	100:0
Water Quality Monitoring and Surveillances	-	3	100:0

1.2.10.2 Flow of funds

Up to March 2014, the Ministry released programme funds and support fund directly in the Programme and Support Accounts of SWSM respectively. The State government released the matching share to the implementing agencies as per the funding pattern *i.e.*, 90:10 Centre-State sharing basis. From April 2014, GoI released fund to the State Government and State Government released to the SWSM for programme implementation.

1.2.10.3 Financial performance

The year wise details of funds released for the programme and support activities and expenditure incurred during the period 2012-17 are given in Table No. 1.2.3.

Table No. 1.2.3 Details of release of funds and expenditure

(*₹* in crore)

Financial Year	Opening Balance	Receipt		Misc. receipts (Interest & other receipts)	Total available fund	Expenditure during the year	Closing Balance
		Centre	State				
2012-13	16.53	64.32	12.59	0.28	93.72	66.73	26.99
2013-14	26.99	53.45	23.56	0.30	104.30	79.02	25.28
2014-15	25.28	85.69	26.53	0	137.51	117.23	20.27
2015-16	20.27	15.34	34.61 ¹⁰	0	70.23	67.08	3.14
2016-17	3.14	38.04	35.48	0	76.67	75.97	0.69
Total		256.84	132.77	0.58		406.03	

Source: As furnished by the Department

The State Government is required to release the entire amount of central allocation received along with the matching State share to the implementing agency (s) without any delay and in any case not later than 15 days after its receipt (*Para 17(s) of the Guidelines*).

Out of the total funds of ₹ 406.72 crore¹¹ available during 2012-17, ₹ 406.03 crore was utilised. As can be seen from the table, there were closing balance at the end of each financial year. During 2012-13 and 2013-14, Central share was

¹⁰ This figure is inclusive of release of State matching share under NRDWP Central fund and release under NRDWP State Plan fund

¹¹ ₹ 16.53 crore + ₹ 256.84 crore + ₹ 132.77 crore + ₹ 0.58 crore

directly released to the SWSM account; about 50 per cent being done during the month of February and March which explains the closing balances during these years. For the subsequent years, Central share was released through the State Government. Though the relevant release orders by the State Government for Central fund received and the State matching share was called for (April 2017 and August 2017), the same was not furnished. Hence, audit could not access whether Central and State matching share was released timely as envisaged during 2012-17. The Department attributed (December 2017) high closing balance on release of funds at the fag end of the financial year.

1.2.10.4 Component-wise release and expenditure

Component wise expenditure of funds of NRDWP during 2012-13 to 2016-17 is detailed in **Table No. 1.2.4**.

Table No. 1.2.4 Component wise expenditure during 2012-17

(₹ in crore)

Year	Expenditure incurred on										
	All Components	Coverage + Quality (67%)		Operation and Maintenance (15%)		Sustainability (10%)		Support (5%)		Water Quality Monitoring & Surveillances (3%)	
		Expenditure	Percentage	Expenditure	Percentage	Expenditure	Percentage	Expenditure	Percentage	Expenditure	Percentage
2012-13	66.73	43.23	65	16.82	25	5.27	8	0.90	1	0.51	0.8
2013-14	79.02	51.04	65	21.86	28	4.40	6	1.58	2	0.14	0.2
2014-15	117.23	69.76	60	33.92	29	9.56	8	3.68	3	0.31	0.3
2015-16	67.08	29.57	44	28.28	42	7.57	11	1.43	2	0.23	0.3
2016-17	75.97	27.13	36	41.21	54	5.12	7	1.07	1	1.44	2
Total	406.03	220.73	54	142.09	35	31.92	8	8.66	2	2.63	1

Source: PHED, Manipur

It can be seen from the table above that the prescribed norms of percentage of allocation were not followed during the period of audit. Though the focus in the 12th Five Years Plan was 'Coverage' and 'Sustainable Development', the State Government had incurred more expenditure on 'Operation & Maintenance' during 2012-17, spending 35 per cent of total expenditure on this component which was much higher than the prescribed 15 per cent. It was also noticed that expenditure on 'Coverage' was decreasing over the last five years though fully covered habitations in the State was only 63¹² based on 55 lpcd as of 31 March 2017. The Department stated (December 2017) that component wise expenditure is to be observed only to Central share while the State budget can be utilised as per the programme of the State Government. The reply of the Department is not acceptable as Central and State share were to be allocated as per the prescribed norms of the scheme guidelines.

1.2.11 Programme Implementation

As per Para 9.3 of the Guidelines, to meet the emerging challenges in the rural drinking water sector, the components under the programme on which all funds will be utilised are as follows:

¹² Out of 2,868 habitations

- Coverage for providing safe and adequate drinking water supply to un-served, partially served and slipped back habitations;
- Sustainability to encourage States to achieve drinking water security at the local level;
- Provide potable drinking water to water quality affected habitations;
- Operation & Maintenance (O&M) for expenditure on running, repair and replacement costs of drinking water supply projects;
- Water Quality Monitoring and Surveillance (WQMS); and
- Support activities.

1.2.11.1 Coverage

As per Para 9.3 (ii) of the Guidelines, 47 per cent of the annual NRDWP fund (45 per cent in the pre-revised Guidelines) are allocated under coverage component to provide safe and adequate drinking water supply to un-served, partially served and slipped back habitations. In the 12th Five Year Plan period, under NRDWP, special emphasis was given for coverage of rural habitations with piped water supply or through stand posts or household connections¹³. Position of funds under coverage component during 2012-17 is as shown in Table No. 1.2.5.

Table No. 1.2.5 Details of funds receipt and expenditure incurred under Coverage component during 2012-17

(₹in crore)

Year	Opening Balance	Receipt		Misc. receipts (Interest & other receipts)	Total available	Expenditure during the year	Closing Balance
		Centre	State				
1	2	3	4	5	6	7	8
2012-13	5.33	46.36	6.40	0.28	58.37	43.23	15.14
2013-14	15.14	38.24	11.05	0.30	64.73	51.04	13.69
2014-15	13.69	61.43	7.91	0.00	83.02	69.76	13.27
2015-16	13.27	6.97	10.33	0.00	30.57	29.57	1.00
2016-17	1.00	26.83	0.00	0.00	27.83	27.13	0.70
Total		179.83	35.69	0.58		220.73	

Source: PHED, Manipur

Out of total ₹ 221.43¹⁴ crore available for Coverage during 2012-17, ₹ 220.73 crore was utilised. Out of 2,868 habitations in the State, 2165 habitations (75 per cent) were fully covered (based on 40 lpcd) as on 31 March 2016. The population coverage by piped water supply based on 40 lpcd was 67 per cent and the number of households with piped water connections was 4 per cent as on 31 March 2017.

Based on 55 lpcd, as of 31 March 2017, only 63 habitations (2 per cent) were fully covered habitations¹⁵ and 2,805 habitations (98 per cent) were partially covered. Details are shown in Appendix 1.6. Though the percentage of population coverage by piped water supply was as high as 67 per cent based on

¹³ Para 9.1 of the guidelines

¹⁴ ₹ 5.33 crore + ₹ 179.83 crore + ₹ 35.69 crore + ₹ 0.58 crore

¹⁵ Habitations where each household receive water supply at 55 litre per capita per day (lpcd)

40 lpcd, the percentage of fully covered habitations was low at only 2 *per cent* based on 55 lpcd as on 31 March 2017.

Fourteen habitations (37 *per cent*) out of 38 habitations surveyed were fully covered and 24 habitations (73 *per cent*) were partially covered with primary water supply. Three habitations (8 *per cent*) were not provided with water supply scheme (*Appendix 1.7*).

Audit also noticed that only 333 households (52 *per cent*) out of the 640 households surveyed (May to August 2017) received piped water supply¹⁶ and only 40 of the households (6 *per cent*) received water supply through household individual connection (*Appendix 1.8*). The Department stated (December 2017) that low coverage was on account of changes in norms¹⁷ during 2015-16. The State Government is now aiming to provide household connections from 2017-18 onwards.

1.2.11.2 Target and Achievement during 2012-17

As per Para No. 9.1 of the Guidelines, priority is to be given to low population coverage category *i.e.*, where existing coverage is 0-25 *per cent* and 25-50 *per cent* of the population.

During 2012-17, out of 949 habitations targeted for coverage, only 35 *per cent* (329 habitations) was from the low population coverage category. Thus, priority was not given to habitation with low population coverage. The percentage of fully covered habitations based on 40 lpcd during 2012-13 to 2015-16 ranged from 55 to 75 *per cent*. However, in 2016-17 the coverage was based on 55 lpcd and hence the percentage of fully covered habitations was only 2 *per cent* (*Appendix 1.6*).

The State could not achieve the target of providing rural households with piped water supply and with a household connection by 2017 as per Strategic Plan of the Ministry referred to in *Paragraph 1.2.9.1*. The Department stated (December 2017) that low achievement was on account of change in coverage norms and reduction of the budget by half by GoI.

1.2.11.3 Priority in Coverage

As per Para 14 of the Guidelines, higher priority should be given in planning to coverage of zero *per cent* population covered habitations, 0-25 *per cent* population covered habitations, quality affected habitations, SC, ST and minority concentrated habitations. Further, Para 3.2(d) of the Guidelines stipulates that drinking water facility is to be provided, especially piped water supply, to Gram Panchayats that have achieved open defecation free status on priority basis. Coverage of schools, anganwadis and SC/ST population are discussed in the following paras.

¹⁶ Through common community connection

¹⁷ Per capita supply norm from 40 lpcd to 55 lpcd; reduction of horizontal/vertical distance between public stand post from 200 m to 100 m.

(i) Schools and Anganwadis

As per Para No. 9.8 of the Guidelines, all the States are required to compile data regarding the number of rural Government Schools and *Anganwadis* in existence and the number of them having drinking water facilities and to feed the data online in the Integrated Management Information System (IMIS). Those Governments rural Schools and *Anganwadis* (located in Government/public/community buildings) which do not have drinking water facilities are to be provided with drinking water facilities by end 2012-13.

It was observed in audit that the scheme was implemented without considering data regarding Schools and *Anganwadis* in violation of the guidelines as the same was not compiled/collected from the concerned departments. Coverage of Schools and *Anganwadis* is shown in **Table No. 1.2.6**.

Table No. 1.2.6 Coverage of Schools and Anganwadis in the State

Year	Number of Schools				Balance to be covered [2- (3+5)]	Number of Anganwadis				Balance to be covered [7- (8+10)]
	As on 1st April	Having access to safe drinking water	Targeted for coverage	Actually covered		As on 1st April	Having access to safe drinking water	Targeted for coverage	Actually covered	
1	2	3	4	5	6	7	8	9	10	11
2012-13	2,379	663	249	280	1,436	358	1	225	111	246
2013-14	2,379	943	2	323	1,113	358	112	0	91	155
2014-15	2,379	1,266	502	637	476	358	203	30	60	95
2015-16	2,379	1,903	387	69	407	358	263	43	12	83
2016-17	2,379	1,972	6	12	395	358	275	0	13	70
Total			1,146	1,321				298	287	

Source: PHED, Manipur

As on 1 April 2012, only 663 schools (28 per cent) in the State had access to safe drinking water. During the period of review, 1,321 schools were covered leaving a balance of 395 schools (16 per cent) to be covered. Further, during the period of review, 287 *Anganwadi* centres (80 per cent) were covered leaving a balance of 70 *Anganwadi* centres (20 per cent) to be covered. Thus, the State could not fully provide drinking water facilities to all Government rural Schools and *Anganwadis* as on 31 March 2017 as per guidelines.

In the 19 GPs surveyed (August 2017), only 29 schools (50 per cent) out of 58 schools were provided with drinking water. Out of 112 *Anganwadi* centres surveyed, only 10 centres (9 per cent) were provided with drinking water (*Appendix I.5*). Thus, the coverage in the selected districts was lower than coverage at the State level.

As per the table above, only 70 AWCs in the entire State were yet to be provided with drinking water. However, during survey, it was found that in the four selected districts, 102 AWCs (112 – 10) did not have access to drinking water. Hence, the data provided to audit by PHED, Manipur was not reliable. During Exit Conference (December 2017), the Department stated that the discrepancy will be reconciled with the Social Welfare Department. The reasons for not providing drinking water to Schools and *Anganwadi* as per guidelines was attributed to difficult terrain and shortage of fund.

(ii) Coverage of SC/ST population

As per Para 9.10 of the Guidelines, State Governments/UT Administration should separately monitor the status of assured availability of potable drinking water in SC/ST habitations.

Audit noticed that the number of uncovered SC/ST concentrated habitations was 561 with population of 6.22 lakh as on April 2012. The number of uncovered SC/ST concentrated habitations decreased from 561 in 2012-13 to 99 in 2015-16 and then increased to 167 during 2016-17 with a population of 2.49 lakh. The Department could not furnish the reasons for the huge increase in uncovered SC/ST habitation in 2016-17 and attributed fund constraint as reason for inability to fully cover the SC/ST habitations (December 2017).

(iii) Implementation of drinking water supply schemes under Open Defecation Free villages

As per Para 3.2 of the Guidelines, drinking water facility especially piped water supply is to be provided on priority basis to Gram Panchayats that have achieved Open Defecation Free (ODF) status.

As on August 2017, 119 habitations in 101 villages were ODF in the State. Number of ODF habitations fully covered by piped water supply was 84 (71 *per cent*) and by non-piped water supply was eight (6 *per cent*). The number of partially covered habitations were still high *i.e.*, 27 habitations (23 *per cent*).

In the four selected districts, 60 villages out of 67 ODF villages have piped water supply. In three ODF villages, the scheme was taken up and was under implementation. The scheme was yet to be taken up in four ODF villages (6 *per cent*).

The Department stated (December 2017) that every effort is being made to cover all ODF villages inspite of fund constraint.

1.2.11.4 Operation and Maintenance

To ensure sustainability of functioning of rural water supply programme, the State has to adopt improved Operation & Maintenance (O&M) methods for their better working and to control leakages. To meet expenditure on running, repair and replacement costs of drinking water supply projects, a maximum of 15 *per cent* of the annual NRDWP fund (10 *per cent* in the pre-revised guideline) are allocated. To enable the community to plan, implement and manage their own water supply systems, the State should transfer the Scheme to the Panchayati Rai Institutions (PRIs) particularly to the gram panchayats for management within the village. Further, State should devolve the required O&M fund to the PRIs for O&M of schemes managed by them.

During 2012-17, 1,920 schemes under NRDWP were completed. Out of these, 1,731 (90 *per cent*) were handed over to the PRIs and O&M fund of ₹ 1.95 crore was provided for only 673 (39 *per cent*) of them. In the 19 sampled GPs, only five GPs (26 *per cent*) were provided with O&M fund (**Appendix 1.5**). As can be seen from **Table No. 1.2.4**, total expenditure on O&M during 2012-17 was ₹ 142.09 crore (35 *per cent* of total expenditure). Hence the amount of O&M fund devolved (1.4 *per cent*) to the PRIs is

insignificant and not proportionate to the schemes handed over to the PRIs. In such a scenario, effective operation and maintenance of the schemes by the PRIs would be difficult.

The Department stated (December 2017) that even for the schemes handed over to VWSCs, chemicals (alum, lime, bleaching powder) are provided and the energy charges are also borne by the Department. As the quantum of expenditure on chemicals and energy charges was not provided, the Department cornering 98 *per cent* of the O&M fund could not be justified.

1.2.11.5 Sustainability

The main aim of providing sustainability of drinking water schemes is to ensure that such schemes do not slip back from universal access of safe drinking water to the community throughout the design period of the schemes. Suggestive list of works to be taken up under this component are check dams, percolation ponds/tanks, dug-wells/injection/skimming wells, ooranies/village ponds/ traditional water bodies, roof top (rain water harvesting), recharge shaft *etc.*

During 2012-17, 307 works under sustainability were taken up and an expenditure ₹ 31.92 crore was incurred. The main scheme taken up under Sustainability was rooftop rain water harvesting in schools and anganwadis by providing one storage tank of 300 litres, 500 litres or 1000 litre capacity each. The provision of such low capacity storage tanks without a regular water source except rainwater would not serve the purpose of sustainability and ensure the availability of drinking water to the schools and anganwadis throughout the year.

The Department accepted (December 2017) the sustainability issue raised and stated that arrangement was made within the fund constraints.

Slipped back habitations

Some fully covered habitations slipped back due to drying up of sources or inadequate operation and maintenance of the scheme. Slipped back habitations¹⁸ in the State decreased from 97 in April 2012 to six in April 2015. However, the slipped back habitations suddenly increased to 36 (1.3 *per cent*) in April 2016 as shown in **Table No. 1.2.7**.

Table No. 1.2.7 Status of slipped back habitations

Month and Year	Number of Habitation				Number of Habitation covered during the year				No. of slipped back habitation/ newly emerged habitations	
	Fully covered	Partially covered	Quality affected	Total	Fully covered	Partially covered	Quality affected	Total	Slipped back	Quality affected
April 2012	1,589	1,281	0	2,870	62	135	0	197	97	0
April 2013	1,627	1,243	0	2,870	122	138	0	260	0	0

¹⁸ Habitations which were previously fully covered and reverted to partially covered due to drying up of sources or other reasons

Month and Year	Number of Habitation				Number of Habitation covered during the year				No. of slipped back habitation/newly emerged habitations	
	Fully covered	Partially covered	Quality affected	Total	Fully covered	Partially covered	Quality affected	Total	Slipped back	Quality affected
April 2014	2,089	781	0	2,870	124	100	0	224	55	0
April 2015	2,134	736	0	2,870	43	37	0	80	6	0
April 2016	2,165	703	0	2,868	5	98	0	103	36	0
April 2017	2,227	1,561	0	3,788	NA	NA	NA	NA	NA	NA

Source: IMIS/PHED, Manipur; NA: Not available in IMIS

In the four selected districts, 605 fully covered habitations (39 per cent of 1,561 habitations) slipped back as on 1 April 2016.

The Department attributed (December 2017) the sudden increase of the slipped back habitations was due to aging of water supply structures, drying up of sources, uncontrolled eradication of forest cover and damage due to natural calamities. The Department also stated that upgradation of water supply level from 40 lpcd to 55 lpcd *w.e.f.* April 2016 was one of the reason for slipped back. However, the Department was silent on the strategy to fully cover the slipped back habitations in a time bound manner.

1.2.12 Support activity

Support activities include five per cent of NRDWP expenditure on WSSO, DWSM, Block Resource Centres (BRCs), Information, Education and Communication (IEC), Human Resource Development (HRD), Management Information System (MIS) and computerization, Research and Development (R&D), etc.

During 2012-17, expenditure of ₹ 8.66 crore was incurred under support activities which was 2 per cent of the total expenditure against the prescribed norms of 5 per cent. Details of different activities carried out under support component like IEC, HRD, MIS and R&D of the scheme during the period of audit are as shown in **Table No. 1.2.8**.

Table No. 1.2.8 Support activities during 2012-17

Year	No. of targeted IEC activities	No. of IEC activities undertaken	No. of training programme targeted under HRD	No. of trainees targeted to be covered	No. of Training programme conducted	No. of trainees covered	No. of R&D activity undertaken	No. of Computer training provided to person dealing with NRDWP
2012-13	51,311	14,110	28	440	9	340	NIL	NIL
2013-14	9,276	21,800	11	285	6	167	NIL	NIL
2014-15	11,449	15,315	73	2,301	26	1,157	NIL	NIL
2015-16	3,770	4,529	69	2,461	55	1,330	NIL	NIL
2016-17	532	147	37	1,632	12	366	NIL	NIL
Total	76,338	55,901	218	7,119	108	3,360	NIL	NIL

Source: CCDU/PHED, Manipur

During 2012-17, against the target of 76,338 activities; 55,901 IEC activities were undertaken and there was shortfall of 20,437 (27 per cent). There was sharp decrease in the number of IEC activities from 21,800 in 2013-14 to only 147 in 2016-17. Against a target of 218 training programmes under HRD, 108 trainings programme (50 per cent) were conducted. Only 3,360 trainees (47 per cent) were covered against the target of 7,119 trainees. Computer training and R&D activity were not taken up during the period of audit.

The Department stated (December 2017) that computer training was not required as the staff (Engineers and Data Entry Operators) have knowledge of computers. R&D activity was not taken up during the period of review due to shortage of manpower and fund. The decrease in number of IEC activities was attributed to exclusion of some activities such as IEC manuals/pamphlets/books published *etc.*

Shortfall in support activities under various components like training, IEC *etc.*, could adversely affect the implementation of the programme.

1.2.13 Water Quality Monitoring and Surveillance

From 2011-12, a separate component of Water Quality Monitoring & Surveillance (WQM&S) was created. Three per cent of NRDWP fund was allocated for Monitoring and Surveillance of water quality in habitations at field level and for setting up and upgrading Water Quality Testing Laboratories at State, District and Sub-District level.

1.2.13.1 Water Quality Testing Labs

As per Para No. 5.3.1 (xii) of Uniform Drinking Water Quality Monitoring Protocol, laboratories at all levels (i.e. State, District and Sub-District) shall strive for accreditation in a phased manner. State level laboratories shall be given top priority for obtaining accreditation by NABL¹⁹/ ISO-9001 at an early date.

The State has one State Laboratory, nine District laboratories and two Sub-District²⁰ (Divisional) laboratories. Only the State lab was NABL accredited (Chemical) and all District labs and two Divisional labs were not yet accredited.

Against the sanctioned strength of 14 posts in State laboratory the men-in-position as on date of audit (August 2017) was only seven. The State laboratory suffered from shortage of manpower. The Lab has no Senior Chemist/Senior Water Analyst, Chemist, Microbiologist/Bacteriologist and Data Entry Operator/Receptionist. The State Lab could monitor only 14 parameters out of 78 parameters specified in Uniform Drinking Water Quality Monitoring Protocol (UDWQMP).

Manpower in the sampled District labs is shown in **Table No. 1.2.9**.

¹⁹ National Accreditation Board for Laboratories

²⁰ Jiribam and Kangpokpi Division (the two labs become District lab after creation of new District in December 2016)

Table No. 1.2.9 Position of staff in the selected districts labs

Sl. No.	Category of posts	Selected District Labs								
		Sanctioned strength (as per guidelines)	Bishnupur		Churach andpur		Senapati		Thoubal	
			Men in position	Shortfall	Men in position	Shortfall	Men in position	Shortfall	Men in position	Shortfall
1	Chemist	1	1	0	1	0	1	0	1	0
2	Microbiologist/ Bacteriologist	1	0	1	0	1	0	1	0	1
3	Lab Assistant	2	1	1	2	0	1	1	1	1
4	Data Entry Operator/ Receptionist	1	1	0	1	0	1	0	1	0
5	Lab Attendant	1	0	1	0	1	0	1	0	1
6	Sampling Assistant/Peon	2	0	2	0	2	0	2	0	2
Total		8	3	5	4	4	3	5	3	5

Source: Furnished by the Department

In the four selected districts, the labs did not have adequate space for analysis, storage, office and library. Microbiologist/Bacteriologist was not posted and the labs were being run/operated by a Chemist/Water Analyst, a Lab Assistant and a Data Entry Operator. The Districts labs could monitor only 12 parameters out of 34 parameters specified in the UDWQMP.

Thus, testing laboratories suffered from shortage of manpower and inadequate infrastructure.

The Department stated (December 2017) that the 13 basic minimum parameters prescribed by the Ministry are being tested in the State lab. Testing for arsenic, mercury, lead and chromium are also tested as and when required. In addition to the 12 parameters being tested in the districts labs, testing for e-coli and total coliform will be started soon.

From the reply, it is seen that all the mandatory tests specified by UDWQMP at the State lab and district labs were not conducted. Without conducting mandatory tests the quality of drinking water could not be ensured.

1.2.13.2 Water Quality Testing

To establish baseline status, State level laboratories²¹ shall monitor all drinking water quality parameters²² once in a year. Thereafter, depending upon the occurrence of specific parameters in drinking water sources and their local relevance, number of the parameters or frequency of analysis for some of the parameters may be reduced as deemed appropriate by the respective State Government. Services of State level laboratories would be utilized particularly for analysis of specific parameters like metals, pesticides, radioactive substances like uranium, bacteriological investigation, etc., and not for general parameters (which could be analysed in District and Sub-District level drinking water quality laboratories). Annual analysis load for District and Sub-District level is about 3000 samples/year.

²¹ Para 5.2.6 of UDWQMP

²² 78 parameters as specified in Annexure-IV of UDWQMP

During 2012-17, the State Lab tested only 1,101 (60 *per cent*) out of 1,800 water samples planned for testing. Since September 2016 the State Lab had started testing for presence of heavy metals in drinking water and tested only 12 samples (60 *per cent*) against the target of 20 testing for presence of heavy metal. The State Lab did not conduct any test to ascertain presence of pesticides/toxic elements and radioactive elements in drinking water.

In the four selected districts, the target²³ was not set as per the guidelines.²⁴ Against the target of 8,015 testing of source/delivery point set by laboratories (against 72,924 tests recommended as per guidelines), only 5,859 (73 *per cent*) tests were actually carried out by the district labs during 2012-17.

Thus, the State could not conduct testing of all source/delivery point to ensure quality of the drinking water. This could lead to providing of unsafe drinking water to some habitations.

The Department stated (December 2017) that the State lab being referral in nature tests samples received from various sources which does not have the facilities for testing the required parameters and does not have targets. Chemical parameters and bacteriological parameters are being tested once each in pre and post monsoon season from this year onwards. The Department, however, had not furnished any records on the claim.

1.2.13.3 Field Testing Kits

Field Testing Kits (FTKs) are used for primary detection of chemical and biological contamination of all drinking water sources in villages.

During 2012-17, the Department incurred an expenditure of ₹ 40 lakhs for purchase of 1,600 FTKs. Out of 1600 FTKs only 1551 FTKs were distributed to each GPs and leaving a balance of 381 FTKs²⁵ as on 31 March 2017. The remaining 715 GPs²⁶ (32 *per cent*) were not provided with FTKs for testing of sources.

In the four selected districts, only 10 VWSCs were formed in the 19 GPs surveyed out of which only seven were provided with FTKs and their representatives received training for use of FTK provided. The three remaining VWSCs were not provided with FTK (30 *per cent*). Details are shown in *Appendix 1.5*. In the absence of the FTKs, the VWSCs of the sampled districts would not be able to test their water sources for contamination.

The Department stated (December 2017) that all of the 1661 VWSCs have been provided with FTKs and imparted training in the use of FTK. The claim of the Department could not be verified as relevant documents were not provided.

²³ 72,924 (24308x3)

²⁴ Para No. 5.2.7 of UDWQMP (Twice a year/source for bacteriological parameters and once a year for chemical parameters with positive detects triggering clear pre-defined interventions)

²⁵ Including opening balance of 332

²⁶ 2,266 (GPs in the state) -1,551=715

1.2.14 Work Execution and financial irregularities

1.2.14.1 Status of schemes

Para 14 of the Guidelines stipulates that the works taken up are completed as per schedule and that there should not be any delay in execution which would result in cost escalation, non-utilisation of assets created, etc.

The details of delay in completion of scheme are given in **Table No. 1.2.10**.

Table No. 1.2.10 Delay in completion of scheme

Schemes incomplete/ on-going as on March 2017	Less than one year old	>= 1 to < 3 years old	>= 3 to < 5 years old	>= 5 to < 10 years old	>10 years old	Number of schemes delayed for more than 5 years due to		
	No.	No.	No.	No.	No.	Funding	Non- availability/ drying of water source	Other reasons
Piped Water Schemes	1	119	140	188	107	223	72	-
Hand Pump/ Tube Wells	0	5	2	3	0	3	-	-
Others	0	14	1	1	0	1	-	-
Total	1	138	143	192	107	227	72	

Source: PHED, Manipur

As can be seen, 299 schemes were delayed for more than five years on account of lack of funding (227 schemes – 76 per cent) and non-availability/drying up of sources (72 schemes). Out of these, 295 were Piped Water Scheme, three were Hand Pump/Tube Wells and one from others category. This indicates that priority was not given to completion of ongoing schemes over new schemes as envisaged in the guidelines of the Programme.

The Department attributed (December 2017) the delays to reduction of quantum of Central funding by 50 per cent since 2015. The reply is not acceptable as most of the delays were in respect of works taken up at least three years prior to 2015.

1.2.14.2 GI pipes worth ₹ 41.61 lakh not delivered

As per terms and conditions of the supply order, advances shall be paid to the supplier only after the receipt of irrecoverable Bank Guarantee (BG) of equal amount of advance paid from a Schedule Bank valid for the period until the supply is completed from the supplier and the supply shall be completed within 90 days from the date of payment of advances.

During December 2013 to September 2016, Churachandpur²⁷ and Senapati²⁸ PHE Divisions had issued supply orders to different firms²⁹ for supply of GI pipes worth ₹ 3.92 crore. The two Divisions had paid an advance amount of ₹ 3.79 crore to the firms. Goods worth ₹ 3.38 crore was received leaving a

²⁷ Supply order No. CE/PHE/2-G(R)/2016/5409 dated 26.09.2016: ₹ 88.90 lakh and No. CE/PHE/2-120(1)/2012/2365 dated 16.12.2013: ₹ 57.95 lakh.

²⁸ CE/PHE/2-G/2015/2364 dated 19.12.2013: ₹ 57.08 lakh; CE/PHE/2-G/2015/2835 dated 12.02.2015: ₹ 95.05 lakh; CE/PHE/2-G/2015/1576 dated 28.08.2015: ₹ 93.40 lakh

²⁹ M/s Nezone Industries Ltd, Guwahati & M/s Baba Strips & Tube Ltd., Kolkata

balance of ₹ 41.61 lakh yet to be delivered (August 2017) as shown in **Table No. 1.2.11**.

Table No. 1.2.11 Delay in delivery of materials

(₹ in lakh)

Sl. No	Name of the Division	Value of Supply Order	Amount of advance paid	Value of goods received	Value of goods yet to be received	Delay period (in months)
1	2	3	4	5	6 (4-5)	7
1	Churachandpur	146.85	133.71	115.77	17.94	11 to 44
2	Senapati	245.53	245.53	221.86	23.67	16 to 44
Total		392.38	379.24	337.63	41.61	

It was observed that the Division had not obtained BG bond from the suppliers. From the table above it can be seen that there was an inordinate delay of 11 to 44 months in supplying the materials. The delay in delivery of materials could have a cascading effect on the implementation of the scheme. Moreover, there is high risk of loss on the undelivered GI pipe as the advance was not secured with a BG.

The Department attributed (December 2017) the delay in delivery was due to bandh, blockade, landslide, *etc.*, during the past 15 years. The reply is not acceptable as the reasons stated are intermittent in nature for short durations only.

1.2.14.3 Incomplete works - ₹ 42.68 lakh

Para 14 of the Guidelines states that while preparing the AAP, completion of the incomplete works shall be given priority over new works. It should be ensured that the works taken up are completed as per schedule and that there should not be any delay in execution which would result in cost escalation, non-utilisation of assets created, *etc.*

In June 2013, PHE Bishnupur Division started³⁰ the work “ARWS³¹ scheme (construction of settling tank, slow sand filter, service reservoir filter media and pump house)” at Toupokpi with the estimated cost of ₹ 40.03 lakh (excluding cost of GI pipe) to supply drinking water to Toupokpi village. Though ₹ 31.68 lakh had been incurred³² on the scheme, it has remained incomplete even after more than 24 months (August 2017) from the stipulated date of completion (June 2015). The Division had not included this ongoing work in the AAP for the year 2017-18 in contravention of the Guidelines (June 2015) which stipulates that incomplete work should be included in the AAP of the succeeding year. Further, GI pipes costing ₹ 15.79 lakh purchased for the schemes were yet to be issued to the work. On spot verification, it was found that the scheme seemed to have been abandoned as evident in **Picture No. 1.2.1**.

³⁰ Date of commencement: 6 June 2013; Stipulated date of completion: 5 June 2015

³¹ Accelerated Rural Water Supply

³² For construction component ₹ 15.89 lakh & procurement of pipe ₹ 15.79 lakh

Picture No. 1.2.1 Water Supply Scheme at Toupokpi, Bishnupur



Incomplete settling tank



Incomplete Reservoir

Further, 'RWS³³ Scheme at Nongmaikhong' in Bishnupur was taken up at an estimated cost of ₹ 20 lakh during 2012-13 under NRDWP (State). An expenditure of ₹ 11 lakh³⁴ was incurred for the scheme as on the date of audit. The pipes procured were not issued to the scheme. On spot verification, it was found that the scheme was not yet completed (July 2017) even after more than five years from the date of commencement.

The Division had not included this ongoing work in the AAP of the subsequent years.

Thus residents of Toupokpi and Nongmaikhong villages were deprived of water supply due to delay in completion of the works on which expenditure of ₹ 42.68 lakh (₹ 31.68 lakh + ₹ 11.00 lakh) was incurred.

The Department stated (December 2017) that the work could not be completed due to contractual problem and financial crunch. The works will be completed by including in the work programme 2018-19.

1.2.14.4 Unfruitful expenditure of ₹ 66.12 lakh

The PHE Thoubal Division awarded (November 2010) four sub-heads³⁵ of "ARWS scheme of Langmeidong", at a tendered value of ₹ 48.89 lakh which was completed in November 2013. As on March 2016, the contractor was paid ₹ 47.68 lakh for the value of work done. From the Cash Book, it was noticed that ₹ 18.44 lakh was paid (September 2012 to June 2015) to another contractor for providing and laying of pipeline, filter media, installation of power, *etc.*, on the same scheme.

On spot verification (August 2017), it was found that the scheme was not commissioned and the asset created was in a deplorable condition as shown in **Picture No. 1.2.2.**

³³ Rural Water Supply

³⁴ Construction of settling tank (₹ 8 lakh) and purchase of GI pipe (₹ 3 lakh).

³⁵ Construction of slow sand filter 2 units, c/o service reservoir, construction of pump house 2 nos. and Land development at treatment site.

Picture No. 1.2.2 Water Supply Scheme at Langmeidong, Thoubal



Deplorable condition of Slow sand filter for treatment of raw water



Reservoir and Pump House for storing treated water for further distribution

The items executed for ₹ 18.44 lakh *ibid* could not be found at the work site as the same were not executed. Thus, given the condition of the existing structures, an expenditure of ₹ 66.12 lakh³⁶ incurred on the scheme was unfruitful.

The Department stated (December 2017) that for commissioning the scheme, a separate sanction is required for construction of settling tank, pipeline and energisation and the same is being proposed for work programme of 2018-19. The expenditure of ₹ 18.44 lakh was utilised for clearing the liabilities of works taken up at Keirak for Langmeidong W/S scheme. The reply is not acceptable as the documents produced could not substantiate the claim of the Department.

1.2.14.5 Expenditure incurred on abandoned work - ₹ 5.17 lakh

The Department had constructed a Settling Tank and Filter Media for Water Supply Scheme at Kekmayai, Thoubal which were not in use since long time back due to want of pipelines, pump set, *etc.* The Department, however, spent ₹ 5.17 lakh on distribution pipeline, media filter and construction of Chowkidar quarter during April 2013 to October 2015.

On spot inspection (August 2017), it was noticed that Kakmayai water supply scheme was abandoned and there was no evidence of execution of the stated items as shown in **Picture No. 1.2.3**.

³⁶ ₹ 47.68 lakh + ₹ 18.44 lakh

Picture No. 1.2.3 Water Supply Scheme at Kakmayai, Thoubal



Filter Media (left) and Settling tank (right) overgrown with grasses

The Department stated (December 2017) that the scheme was not commissioned for want of pipeline, pump set and energization due to financial crunch and the same is being proposed for work programme 2018-19. Given the deteriorated state of the assets in place, it is doubtful if additional investment would be fruitful to revive the scheme.

1.2.14.6 Delay in completion of work

In September 2010, PHE Thoubal Division started the Water Supply Scheme³⁷ of Bitra at the estimated cost of ₹ 12.88 lakh and stipulated for completion by September 2013. As on August 2017, the contractor was paid ₹ 13.23 lakh against the value work of work done of ₹ 13.92 lakh.

On spot verification (August 2017) it was found that the item of work “L/F of raw water distribution pipelines” was not executed even after three year from the stipulated date of completion as shown in **Picture No. 1.2.4**. Thus, delay in completion of the scheme has deprived the beneficiaries the benefits of the scheme.

The Department stated (December 2017) that the scheme was included in the work programme for 2017-18 and will be completed within the financial year. The progress of the work had not been intimated by the Department (February 2018).

Picture No. 1.2.4 Water Supply Scheme at Bitra, Thoubal



Distribution pipelines not executed even after three years from the stipulated date of completion

³⁷ Construction of settling tank, slow sand filter, service reservoir, Providing and Laying (P/L) of filter media and laying and fixing (L/F) of raw water distribution pipelines

1.2.14.7 Doubtful execution of work - ₹ 62.71 lakh

During 2012-17, PHE Kangpokpi Division, Senapati District had incurred an expenditure of ₹ 43.02 lakh for purchase of construction materials and laying of pipe line for the work 'Supply of drinking water to 227 Government schools and 108 Anganwadi centres'. The works were executed through two NGOs and four contractors without calling of tenders in violation of CPWD Works Manual³⁸. Thus, there was no transparency in execution of the work. Moreover, documents to support actual execution and payments made were not available on record.

It was also noticed that PHE Thoubal Division took up (July 2013) the work 'Providing of drinking water to 100 Anganwadi centres at the tender amount of ₹ 19.69 lakh³⁹. The works were stated to have been completed in December 2013 and full value of the work done was paid to the contractor. It was noticed that the list of Anganwadi centres (name and location) where water supply has to be provided was not mentioned in the work order or in agreement. There was no record of measurements for the works executed. As the IMIS database has only 72 Anganwadi centres (July 2017) in Thoubal District, execution of the scheme in 100 Anganwadi centres was doubtful. During on spot verification (August 2017), it was also seen that all the Anganwadi centres located in the 13 habitations visited did not have drinking water facility.

In view of the above, actual execution of the works costing ₹ 62.71 lakh⁴⁰ was doubtful.

The Department admitted (December 2017) that relevant records were not traceable during the course of audit and enclosed some photographs in respect of PHE Kangpokpi Division and list of 100 Anganwadi centres in respect of PHE Thoubal Division. However, in the absence of other link documents, the claim could not be verified.

1.2.14.8 Inadmissible expenditure – ₹ 65.87 lakh

- The NRDWP Guidelines does not have provision for development of office infrastructure. In contravention to this, Churachandpur PHE Division spent ₹ 16.38 lakh (March 2013) for extension of its office building from NRDWP Central Plan fund⁴¹. The Department stated (December 2017) that the expenditure was incurred from State Plan. The reply is not acceptable as the scheme guidelines did not allow construction of office building under Central and State Share.
- As per Para 5.3 (iii) of Uniform Drinking Water Quality Monitoring Protocol (UDWQMP), NRDWP funds (Programme or support) shall not be used for construction of buildings for district/sub-divisional laboratories. It was noticed in audit that the Director, Community and Capacity Development Unit (CCDU) diverted ₹ 10 lakh from Support fund for construction of Divisional laboratories at Lamphelpat

³⁸ Section 14.1 of CPWD works manual requires that tenders should be called for all works costing more than ₹ 50,000.

³⁹ ₹ 19,68,732 which is 8 per cent above the estimated cost of ₹ 18,22,900

⁴⁰ ₹ 43.02 lakh + ₹ 19.69 lakh

⁴¹ No. 7/76/2011-PHE(A) dated 24th March 2012

(July 2012). In reply the Department stated (December 2017) that the expenditure was admissible. The reply is not acceptable since only renovation/refurbishment cost of existing building (if required) for laboratories is allowed from NRDWP (3 per cent WQMS) funds.

- Bishnupur PHE Division diverted Support activity fund amounting to ₹ 12.34 lakh for construction of conference hall (July 2014), digging of well (June 2015 and March 2016) and purchase of goods such as conference microphone and LED TV (February 2015), mobile phones (March 2015), almirah (March 2015) and table (October 2015), etc., which were not support activities of the scheme. The Department in their reply stated (December 2017) that the expenditure was admissible under support fund. The reply is not acceptable as the above items are not listed under support activities in the guidelines.
- Thoubal PHE Division diverted ₹ 27.15 lakh for purchase (September 2016) of two vehicles and charged to the work “Augmentation of Water Supply Scheme of Waithoupat village”. One vehicle was issued to the Minister of PHED and the other was issued to the Chief Engineer, PHED. The Department stated (December 2017) that the expenditure was incurred from State Plan. The reply is not acceptable since purchase of vehicle is not allowed in the scheme guidelines of the programme.

Thus the Department incurred inadmissible expenditure of ₹ 65.87 lakh (₹ 16.38 lakh + ₹ 10 lakh + ₹ 12.34 lakh + ₹ 27.15 lakh) on four occasions as stated above.

1.2.14.9 Other irregularities

- During 2012-17 the Ministry of Drinking Water & Sanitation had imposed cut in Central allocation amounting to ₹ 1.83 crore due to various reasons as shown in **Table No. 1.2.12**.

Table No. 1.2.12 Details of cut imposed by the Government of India

(₹ in crore)

Year	Component	Cut imposed	Reasons
2014-15	Support	0.12	Late submission of proposal
2014-15	Water Quality Monitoring & Surveillance	0.96	Excess balance or underutilization of fund
2015-16	Operation and maintenance	0.75	Excess expenditure on O&M
Total		1.83	

Source: Departmental records

- Due to late submission of proposal, underutilization of fund and excess expenditure on Operation and Maintenance, the State was deprived of ₹ 1.83 crore which would have an adverse impact on the implementation of the scheme. The Department attributed (December 2017) this to non-release of fund by the State Finance Department. The reply is not acceptable as the reason for deduction was not due to delay in release of fund by the State Finance Department.
- In September 2016, the Government of India released Natural Calamity Fund amounting to ₹ 1.23 crore for mitigation of earthquake situation

(January 2016) and restoration of damaged rural drinking water supply system in the affected areas of the State. It was noticed that the Fund was not released to the implementing agencies by the State Government (August 2017). The Department stated (December 2017) that the works were delayed due to election and heavy monsoon during 2017 and being targeted to complete by March 2018. The reply is not acceptable as the process of State election was completed in March 2017 and the fund was still not released as of February 2018.

- With effect from April 2014, GoI stopped the practice of directly releasing its share of NRDWP fund to the bank account of SWSM and instead, released fund to the State Government, who in turn was required to release the same to the implementing Divisions through Cheque Drawal Authority (CDA). It was noticed that as on date of audit (August 2017), the bank account of SWSM had a balance of ₹ 1.01 crore, thereby impacting the implementation of the scheme to that extent. The Department stated (December 2017) that the amount will be utilised within the current financial year. As work plan/programme for utilization of the amount was not furnished, Audit could not ascertain the Department's claim.

1.2.15 Monitoring and Evaluation

1.2.15.1 Monitoring and Evaluation

Monitoring and evaluation of the scheme is important as it can be an effective way to monitor the efficiency with which the different components of the project are being implemented and suggest improvements and evaluate the extent to which the scheme/project is able to achieve its stated objectives.

As per programme guidelines, DWSM should constitute a team of experts in the district who should review the implementation in different blocks at least once in a quarter.

The State and District officers did not review the scheme through field inspection during the period of review. The following shortfalls were also noticed:

- No social audit was conducted during the period of review;
- Complaint Grievance Redressal Mechanism does not exist at the State and District level;
- No evaluation study has been taken by any agency or organisation; and,
- There was no Special Monitoring Cell and Investigation Unit at the State Headquarters.

The Department stated (December 2017) that though there is no specific Grievance Cell, efforts is made to redress all complaints received. As the Department had enough qualified engineers, evaluation by any other agency was not required. Overall monitoring was being done by the Planning and Monitoring Circle headed by a Superintendent Engineer. In the absence of documented evidence of the monitoring and evaluation of schemes, reply of the Department could not be vouched.

1.2.15.2 Integrated Management Information System

The Integrated Management Information System (IMIS) of the Ministry acts as repository of all data with respect to monitoring and implementation of Rural Drinking Water Supply Programme. The data is entered by the States online at the Division, District and State Levels. Guideline provides that all reporting *viz.* the Annual Action Plan, Water Quality Testing Reports and the Physical and Financial Progress Reports must be online and the data along with action taken by the appropriate agencies is to be monitored online through the website. IMIS enable States to fully utilize the computing power for planning, monitoring and implementation of various activities in the sector and making the relevant data available at the Centre server through the IMIS application. Certain lapses in IMIS were noticed as discussed in the following paragraph.

1.2.15.3 Discrepancies between IMIS and actuals

Para 11.11(3) of the Strategic Plan 2011-22 of the Ministry states that cross checking and independent verification of IMIS data including through reputed NGOs, academic institutions *etc.*, would be done to improve reliability of the database. The State did not take up this exercise and hence there were discrepancies between the IMIS figures and the actuals.

Some of the discrepancies noticed in the in the 19 sampled GPs/villages are discussed below:

- As per IMIS, 53 schools were provided with drinking water. However, on spot verification, only 25 schools were actually provided with drinking water. Details are shown in **Appendix 1.9**.
- As per IMIS, there were only 15 *Anganwadi* centres. However, during survey of the GPs/Villages, there were 113 *Anganwadi* centres. There was wide variation between the IMIS figure and the actuals. As per IMIS, 14 *Anganwadi* centres were provided with drinking water. On spot verification it was noticed that only 10 centres were provided with drinking water facility. Details are shown in **Appendix 1.10**.

The following issues were also noticed in respect of the database for the State:

- **Format E29** (Contaminated habitations as per lab testing) showed two arsenic affected habitations in Imphal East during 2016-17. On cross verification with the records it was found that there was no arsenic contamination. Besides, the District Lab was not equipped for such type of testing.

The Department stated (December 2017) that arsenic content was entered through oversight and the same has since been rectified. Audit, however, noticed that the discrepancy was not rectified though claimed by the Department (February 2018).

- **Format C-34** (SC/ST/DDP-Category-wise Project Shelf) gives the details of schemes in SC/ST concentrated districts. The following irregularities were noticed:
 - SC concentrated habitations of Meichakpi & Mutum Yangbi in Imphal West district showed SC population as 'nil' (2012-13).

- In 2013-14, Thoubal Khunou habitation in Thoubal district was shown as both SC and ST concentrated habitation though ST population was 'nil'.
- In 2014-15, Kanto habitation in Imphal West district was shown as SC concentrated habitation though the population of General (371) was higher than that of SC (140). Also three habitations – Harinagar, Binselu and Latingkhal in Imphal East district which were SC concentrated habitations were shown as ST concentrated habitations.

Such irregularities unless rectified would entail wrong targeting of beneficiaries in the AAP thereby resulting in denial of benefits of the scheme to the genuine and deserving stakeholders.

- As per **Format C-36** (No. of individual households with PWS Connections), opening and closing balances in respect of household connections with PWS pertaining to the years 2013-14, 2014-15, 2015-16 and 2016-17 do not match with each other. This indicates that even the basic level of data consistency was not adhered.

The Department stated (December 2017) that discrepancies were on account of non updation of data and the same will be rectified during the next yearly data updation exercise.

1.2.16 Conclusion

The State did not prepare Strategic Plan for implementation of the programme. The Annual Action Plan did not give priority to low coverage habitations. Component wise expenditure was not ensured as per the norms prescribed in the guidelines. In-admissible works were charged to Programme fund. Fully covered habitations was low *i.e.*, 63 habitations (based on per capita supply of 55 lpcd) during 2016-17 which constitute two *per cent* of the total 2,868 rural habitations in the State. Significant number of rural Schools and *Anganwadi* centres were yet to be covered in the State. Slipped back habitations increased due to drying of sources, aging pipelines *etc.* Testing Laboratories suffered from shortage of man power and inadequate infrastructure. Significant number of schemes were delayed for more than five years. The State and District officers have not conducted review of the scheme through field inspection during the period of review. The Integrated Management Information System data were not cross checked or an independent verification was not carried out through reputed NGOs, academic institutions, *etc.*, to improve reliability of the database.

1.2.17 Recommendations

The State Government may consider to:

- Prepare Strategic Plan for implementation of the scheme and should prepare different water security plans at different levels as envisaged in the Guidelines;
- Ensure component wise utilisation of funds as per prescribed norms in the Guidelines;
- Accord priority to completion of on-going schemes and cover all rural Schools and *Anganwadi* centres;
- Strengthen laboratories in respect of infrastructure as well as manpower so that water samples are tested in adequate quantity and water quality is ensured for all habitations; and
- Strengthen the monitoring activities and to ensure the reliability of the database of Integrated Management Information System.

COMPLIANCE AUDIT

PUBLIC HEALTH ENGINEERING DEPARTMENT

1.3 Short realization of water charges

Failure of the Department to enforce provisions of the Manipur Water Supply Act, 1992 had resulted in short realization of water charges to the tune of ₹ 13.88 crore

As per Section 23 of the Manipur Water Supply Act, 1992, the consumers are required to pay water charges at the rates fixed by the government from time to time within 15 days from the date of receipt of the bill, failing which the department is empowered to disconnect the water connection. Under Section 27, a person who contravenes any of the provisions of this Act and rules framed there under shall be punished with simple imprisonment of one month which may extend to six months or with fine of Rupees Five Hundred which may be extended to Rupees Three thousand or both.

Scrutiny of records of the Executive Engineer, Water Supply Maintenance Division-I (WSMD-I) and the Executive Engineer, Water Supply Maintenance Division-II (WSMD-II) of Public Health Engineering Department (PHED) in February 2016 and July 2016 respectively revealed that the water charges amounting to ₹ 9.90 crore was due from 27,967 numbers of consumers under both the Divisions. Details for both the Divisions are given in *Appendices 1.11 and 1.12*.

Audit noticed that water meters were not installed under both the Divisions. The consumers were billed on flat rate approved by the Government in March 2011. There was no predefined schedule for serving on bills by the Bill Distributors. Both the Divisions stated that they do not have sufficient manpower to collect water charges and left it to the consumers to download the bills from the Department's website and make payment. In the absence of any institutional mechanism for regular serving of bills, raising of demand and collection of dues; only ₹ 5.39 crore (₹ 2.46 crore + ₹ 2.93 crore) was recovered leaving an outstanding amount of ₹ 13.88 crore as shown in **Table No. 1.3.1**.

Table No. 1.3.1 Details of water charges due, collected and outstanding

(₹ in crore)

Division	No of Consumers	Period	Amount Due	Amount Collected	Amount Outstanding (4-5)	Post audit			Net outstanding (6+8-9)
						Period	Amount due	Amount Collected	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
WSMD-I	21,382	As on Jan 2016	6.39	2.46	3.93	Feb 2016 to Jul 2017	7.19	2.46	8.66
WSMD-II	6,585	April 2015 to March 2016	3.51	-	3.51	Apr 2016 to Jul 2017	2.17	0.47	5.22
Total	27,967		9.90	2.46	7.44		9.36	2.93	13.88

Till date of audit, there was no record of action taken on the defaulters as per provisions of the Act *ibid*. The Divisions served disconnection notices in April 2017 (by WSMD-II) and July 2017 (by WSMD-I) only after the issue was raised by Audit.

The matter was reported to the Government (August 2017). In response, the Government stated (September 2017) that all efforts are being made to collect the outstanding water charges from the consumers by initiating wide publicity through newspaper, TV channels, All India Radio *etc.*, and also organizing Rent Collection Camps in Co-ordination with local clubs. As of July 2017, WSMD-I was able to collect an additional amount of ₹ 2.46 crore after audit against dues of ₹ 11.12 crore while WSMD-II had collected ₹ 0.47 crore against dues of ₹ 5.68 crore as shown in **Table No. 1.3.1**.

Based on the reply and the records submitted, it is seen that the outstanding water charges in respect of WSMD-I as of July 2017 has increased to ₹ 8.66 crore as shown in the table. In respect of WSMD-II supporting document for the amount stated to have been collected was not submitted nor was any information of collection of revenue for subsequent periods submitted. However, taking the reply at face value, the outstanding against consumers of WSMD-II as of July 2017 works out to ₹ 5.22 crore.

Thus, there was short realization outstanding water charges to the tune of ₹ 13.88 crore as of July 2017 from the consumers under WSMD-I and WSMD-II.

VETERINARY AND ANIMAL HUSBANDRY DEPARTMENT

1.4 Short realization of royalty

There was short realization of royalty of ₹ 20.23 lakh as no action was taken by the Department to renew the lease/MoU which had expired on 30 June 2015

A Memorandum of Understanding (MoU) was signed in April 2010 between Government of Manipur and Manipur Milk Producer's Co-operative Union Ltd. Clause 4 and 5 of the MoU states that Central Dairy Plant, Porompat shall be handed over to the Co-operative Union on lease basis initially for a period of five years and the Co-operative Union will pay a royalty of ₹ 1/- per litre of milk for utilizing the equipment and machineries of the Government. The royalty amount may be revised as agreed between the parties from time to time. Further, in the event of breaching the terms of contract the Government shall take up action as per Clause 11 of the MoU⁴².

⁴² In the event of any unsatisfactory performance or non-performance or violation of the clauses of this MoU by the Manipur Producer Cooperative Union to operate the dairy thereby causing a failure of the regular functioning, this MoU at the option of the State Government may stand determined and the Government shall be entitled to re-enter the dairy plant, recover the existing infrastructure comprising the building, land, equipment, machineries, assets, properties, its management and business rights facilities of the Dairy Plant, all that has been transferred under this MoU without prejudice to recover arrears and any damage against the Union.

Scrutiny of the records (October 2016) of the Deputy Director, Central Dairy Plant and further records submitted by the Department (October 2017) revealed that the Co-operative Union had processed 39.46 lakh litres of milk during April 2014 to March 2017. As per the MoU, the Co-operative Union was to remit ₹ 39.46 lakh to the Government as royalty for the milk collected during the period as shown in **Table No. 1.6.1**.

Table No. 1.6.1 Details of milk processed and outstanding royalty from April 2014 to March 2017

Year	Milk processed (in litres)	Royalty realizable (₹ in lakh)	Royalty paid (₹ in lakh)	Royalty outstanding (₹ in lakh)
2014-15	16,39,722	16.40	14.88	1.51
2015-16	15,60,472	15.60	-	15.60
2016-17	7,46,159	7.46	4.35	3.11
Total	39,46,353	39.46	19.24	20.23

From the above table, it is observed that the Co-operative Union paid only ₹ 19.24 lakh as royalty to the Department. Thus, there was short realization of royalty amounting to ₹ 20.23 lakh. Further, the MoU had expired on 30 June 2015 and has not been updated (October 2017).

Thus, there was short realization of royalty to the tune of ₹ 20.23 lakh as no action was taken by the Department to renew the lease/MOU which had expired on 30 June 2015.

The matter was reported to the Department (August 2017). The Department stated (October 2017) that the Co-operative Union had been requested to clear the outstanding royalty amounts (May 2016, May 2017, August 2017 and September 2017). However, the Department did not initiate action taken up to recover the Dairy Plant and its infrastructure as provided in Clause 11 of MoU *ibid*. Further, status of recovery of outstanding royalty was awaited (February 2018).

IRRIGATION AND FLOOD CONTROL DEPARTMENT⁴³

1.5 Short realization of water charges

The Department failed to realise water charges amounting to ₹ 31.59 lakh against irrigation facility utilised under three irrigation projects

As per the decision of the State Cabinet in its meeting held on 24 August 2013, the water rates for irrigation purposes were revised as shown in **Table No. 1.7.1**.

⁴³ Government of Manipur renamed Irrigation and Flood Control Department as *Water Resources Department* in September 2017.

Table No. 1.7.1 Details of water rates for irrigation purposes

Season	Crops	Water rates per hectare (in ₹)	
		Previous Rates	Revised Rates
Rabi ⁴⁴	Paddy-I	150	602
	Wheat	75	305
	Moong, Peas, Mustard	45	184
Kharif ⁴⁵	Paddy-II	75	305
	Others	45	184

The water rates were to be increased for subsequent years by 8.5 per cent (automatically applicable from 1st April every year).

Scrutiny of records (February 2016) of the Executive Engineer, Irrigation Maintenance Division-II, Irrigation and Flood Control Department (IFCD) revealed that between 156.20 to 3,950 hectares was irrigated during *Kharif* season of 2007-08 to 2015-16 under three irrigation projects viz., Sekmai Barrage Project, Imphal Barrage Project and Singda Dam Irrigation Project. However, for the year 2016-17, the three projects have been idle as they did not irrigate any area. As per the water rates *ibid*, ₹ 34.82 lakh was collectible as water charges from farmers in respect of the three projects are as shown in **Table No. 1.7.2**.

Table No. 1.7.2 Water charges collectible from irrigated projects

Year	Irrigated areas (in hectares)				Water charge amount (₹ in lakh)			
	Sekmai barrage	Imphal barrage	Singda dam	Total area	Rate (₹ per hectare)	Due	Collected and remitted	Outstanding
2007-08	1,600	1,050	850	3,500	75	2.63	-	2.63
2008-09	1,850	1,200	900	3,950	75	2.96	0.11	2.85
2009-10	1,700	1,200	870	3,770	75	2.83	0.94	1.89
2010-11	1,650	1,200	850	3,700	75	2.78	0.01	2.77
2011-12	1,650	NIL ⁴⁶	800	2,450	75	1.84	0.38	1.46
2012-13	1,650		800	2,450	75	1.84	0.57	1.26
2013-14 ⁴⁷	1,650	600	800	3,050	305	9.30	0.28	9.02
2014-15	1,650	600	800	3,050	331	10.09	0.39	9.71
2015-16	156.20	Nil	Nil	156.20	359	0.56	0.56	-
2016-17	Nil	Nil	Nil	Nil	390	Nil	Nil	Nil
Average	1,355.62	585.00	667.00	2,607.62	Total	34.82	3.24	31.59

The Division collected and remitted only ₹ 3.24 lakh (9.3 per cent of the amount due) from farmers benefited under these projects thereby leaving an outstanding water charges of ₹ 31.59 lakh.

The matter was reported to the Department (August 2017). On this being pointed out, the Department stated (June 2017, October 2017 and November 2017) that water charges could not be collected from the beneficiaries during 2007-10 and 2016 due to inundation of flood. The Government further stated (February 2018) that the average irrigation potential of irrigated areas under the

⁴⁴ *Rabi* crops means crops cultivated in winter season.

⁴⁵ *Kharif* crops means crops cultivated in monsoon season.

⁴⁶ As stated by the Department, "Due to damage of crest gate No. 2."

⁴⁷ Figures were not furnished. However, figures for the immediate previous/next year were taken.

three dams/barrages as pointed out by Audit may not be based on ground realities. The reply is not acceptable as the facts and figures were based on the Department's records. The Department also stated that due to financial constraints, defects and damages to the dams and barrages and their gates have hindered the Department to provide proper irrigation to the command areas. The Department stated that the matter of repairing of the dams and barrages are being taken up, however, further action has not been intimated to Audit.

Audit also examined the responses to queries (on the three projects) raised by North Eastern Regional Institute of Water and Land Management, Assam with regard to a study on '*Water use efficiency*' on these three irrigation projects. The Department had stated (May 2014) that the command areas of these projects are well drained and free from water logging to which the Government denied (February 2018) that there is no such record. However, the statement is based on the Department's records⁴⁸.

The Department also stated that water logging has occurred in major areas during February to March 2007, February to April 2010 and November 2015 to January 2016. However, the Department did not comment on the remaining periods where there was no water logging, and hence, the reply of the Department cannot be fully accepted for the period.

Thus, the Department failed to realise revenue from water charges amounting to ₹ 31.59 lakh against irrigation potential utilised under the three irrigation projects.

⁴⁸ Letter No. EE/IMD-II/Tech-8/2013-14/32 dated 09 May 2014 from Executive Engineer, IMD-II to Chief Engineer, Irrigation and Flood Control Department.

Chapter II
Economic Sector
(State PSUs)

CHAPTER II

ECONOMIC SECTOR (STATE PUBLIC SECTOR UNDERTAKINGS)

2.1 Introduction

2.1.1 The State Public Sector Undertakings (SPSUs) consist of State Government Companies and Statutory Corporations. The SPSUs are established to carry out activities of commercial nature keeping in view the welfare of people and also occupy an important place of the economy in the State. As on 31 March 2017, there were 13 SPSUs in Manipur. None of these SPSUs was listed on the Stock exchange. During the year 2016-17, one SPSU⁴⁹ was incorporated and none was closed down. The details of the State PSUs in Manipur as on 31 March 2017 are shown in **Table No. 2.1.1**.

Table No. 2.1.1 Total number of SPSUs as on 31 March 2017

Type of SPSUs	Working SPSUs	Non-working SPSUs ⁵⁰	Total
Government Companies	10	3	13
Total	10	3	13

The working State PSUs registered a turnover of ₹ 161.02 crore as per their latest finalised accounts as of September 2017. This turnover was equal to 0.69 *per cent* of Gross State Domestic Product (GSDP) of ₹ 23,325 crore for 2016-17. The working SPSUs incurred an aggregate loss of ₹ 47.89 crore as per their latest finalised accounts as of September 2017. The overall losses of working SPSUs were mainly on account of heavy losses incurred by two power sector SPSUs *viz.*, (i) Manipur State Power Company Ltd. and (ii) Manipur State Power Distribution Company Ltd. as discussed in **Paragraph 2.1.16**. The SPSUs employed 3,990 employees as at the end of March 2017.

As on 31 March 2017, there were three non-working SPSUs, against which the State Government had invested ₹ 2.87 crore⁵¹. The investments in the non-working SPSUs do not contribute to the economic growth of the State.

Accountability framework

2.1.2 The audit of the financial statements of a company in respect of financial years commencing on or after 1 April 2014 is governed by the provisions of the Companies Act, 2013. However, the audit of a company in respect of financial years that commenced earlier than 1 April 2014 continued to be governed by the Companies Act, 1956.

According to Section 2(45) of the Companies Act, 2013 (Act), a Government Company is one in which not less than 51 *per cent* of the paid up capital is held

⁴⁹ Tourism Corporation of Manipur Limited was incorporated on 13 July 2016.

⁵⁰ Non-working SPSUs are those which have ceased to carry on their operations.

⁵¹ Share capital (₹ 1.73 crore) + Loans (₹ 1.14 crore) = ₹ 2.87 crore.

by the Central and/or State Government(s) and includes a subsidiary of a Government Company. The process of audit of Government companies under the Act is governed by respective provisions of Section 139 and 143 of the Companies Act, 2013.

Statutory Audit

2.1.3 The financial statements of a Government Company {as defined in Section 2(45) of the Companies Act, 2013} are audited by the Statutory Auditors, who are appointed by the Comptroller and Auditor General of India (C&AG) as per the provisions of Section 139(5) or (7) of the Companies Act. These financial statements are subject to supplementary audit to be conducted by the C&AG under the provisions of Section 143(6) of the Act.

As per the provisions of Section 143(7) of the Act, the C&AG, in case of any company (Government Company or Other Company) covered under sub-section (5) or sub-section (7) of Section 139 of the Act, if considers necessary, cause test audit to be conducted of the accounts of such Company (Government Company or Other Company) and the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such test Audit.

Role of Government and Legislature

2.1.4 The State Government exercises control over the affairs of these SPSUs through its administrative departments. The Chief Executive and Directors on the Board are appointed by the Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the SPSUs. For this, the Annual Reports together with the Statutory Auditors' Reports and comments of the C&AG, in respect of State Government companies are to be placed before the Legislature under Section 394 of the Act. The Audit Reports of C&AG are submitted to the Government under Section 19A of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

Stake of Government of Manipur

2.1.5 The State Government has financial stake of ₹ 829.94 crore in these SPSUs. This stake is of mainly three types:

- 1. Share Capital and Loans-** In addition to the Share Capital Contribution, State Government also provides financial assistance by way of loans to the SPSUs from time to time.
- 2. Special Financial Support-** State Government provides budgetary support by way of grants and subsidies to the SPSUs as and when required.
- 3. Guarantees-** State Government also guarantees the repayment of loans (with interest) availed by the SPSUs from Financial Institutions.

Investment in State PSUs

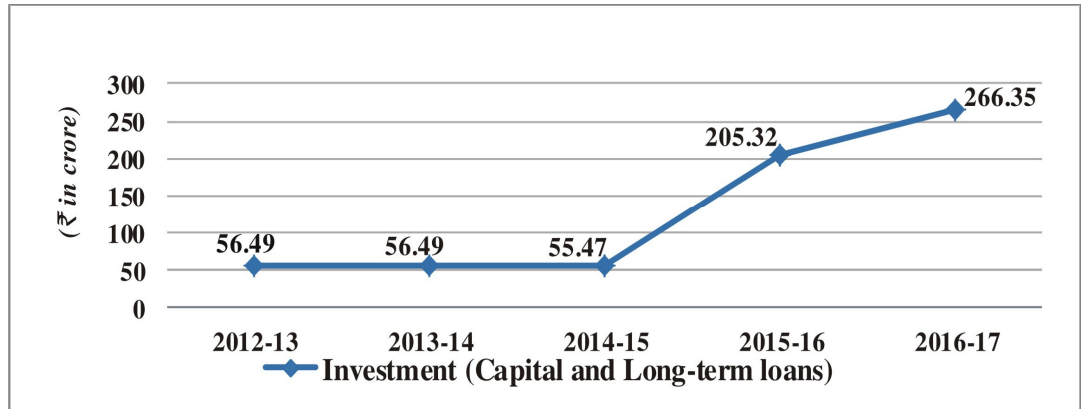
2.1.6 As on 31 March 2017, the investment (capital and long-term loans) in 13 SPSUs was ₹ 266.35 crore as shown in **Table No. 2.1.2**.

Table No. 2.1.2 Total investment in PSUs

Type of SPSUs	Government Companies (₹ in crore)		
	Capital	Long Term Loans	Total
Working SPSUs	53.06	210.42	263.48
Non-working SPSUs	1.73	1.14	2.87
Total	54.79	211.56	266.35

Out of the total cumulative investment of ₹ 266.35 crore in SPSUs as on 31 March 2017, 98.92 per cent was in working SPSUs and the remaining 1.08 per cent in non-working SPSUs. This total investment consisted of 20.57 per cent towards capital and 79.43 per cent in long-term loans. The investment has increased from ₹ 56.49 crore (2012-13) to ₹ 266.35 crore (2016-17) during last five years as shown in **Chart No. 2.1.1**.

Chart No. 2.1.1 Total investment in SPSUs



2.1.7 The sector-wise summary of investments in the SPSUs as on 31 March 2017 is shown in **Table No. 2.1.3**.

Table No. 2.1.3 Sector-wise investment in SPSUs

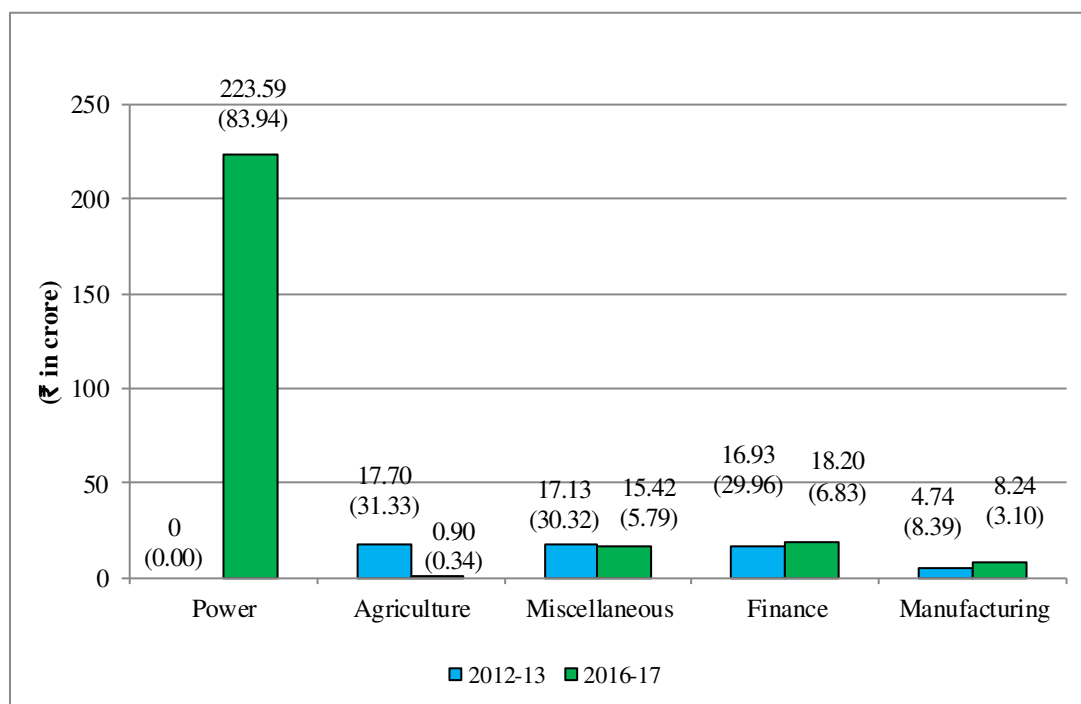
Name of Sector	Government / Other ⁵² Companies		Total	Investment (₹ in crore)
	Working	Non-Working		
Power	2	Not applicable	2	223.59
Manufacturing	2	Not applicable	2	8.25
Finance	2	Not applicable	2	18.20
Miscellaneous ⁵³	4	1	5	15.42
Agriculture & Allied	Not applicable	2	2	0.90
Total	10	3	13	266.36

⁵² 'Other Companies' as referred to under Section 139 (5) and 139 (7) of the Companies Act, 2013.

⁵³ Includes investment of ₹ 0.02 crore in one working company under infrastructure sector.

The investment in all the five sectors and percentage thereof at the end of 31 March 2013 and 31 March 2017 are indicated in **Chart No. 2.1.2**.

Chart No. 2.1.2 Sector wise investment in SPSUs



Figures in brackets show the percentage of total investment

The thrust of SPSU investment was in power sector which constituted the highest percentage (83.94 per cent) of total investment in SPSUs during 2016-17. This investment was due to formation of two power sector companies, viz., (i) Manipur State Power Company Ltd. and (ii) Manipur State Power Distribution Company Ltd. during 2013-14. The increase of total investment in SPSUs from ₹ 205.32 crore during the previous year (2015-16) to ₹ 266.35 crore during the current year (2016-17) was mainly due to net increase of ₹60.98 crore⁵⁴ in loans received by SPSUs during the year 2016-17.

The investments have increased in all sectors (except in agriculture sector and miscellaneous sector) during 2016-17, as compared with the investment position of SPSUs during 2012-13.

The total investment in finance sector increased from ₹ 16.93 crore in 2012-13 to ₹ 18.20 crore in 2016-17. This was mainly due to increase in loan component of investment by ₹ 1.43 crore⁵⁵ during the period from 2012-13 to 2016-17. Investment in manufacturing sector had also increased

⁵⁴ Increase in loans: ₹ 144.97 crore (Manipur State Power Company Ltd.- ₹ 144.87 crore and Manipur Tribal Development Corporation Ltd.- ₹ 0.10 crore) minus decrease in loan: ₹ 83.99 crore (Manipur State Power Distribution Company Ltd.- ₹ 82.84 crore and Manipur Pulp and Allied Products Ltd.- ₹ 1.15 crore).

⁵⁵ Difference between loan outstanding as on March 2017 (₹ 5.28 crore) and the loan outstanding as on March 2013 (₹ 3.85 crore) in respect of Manipur Industrial Development Corporation Ltd. and Manipur Tribal Development Corporation Ltd.

from ₹ 4.74 crore in 2012-13 to ₹ 8.24 crore in 2016-17. This was mainly due to increase in capital contribution of ₹ 3.50 crore by the State Government.

Special support and returns during the year

2.1.8 The State Government provides financial support to SPSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and interest waived in respect of State PSUs for the year ended 31 March 2017 are shown in **Table No. 2.1.4**.

Table No. 2.1.4 Details regarding budgetary support to SPSUs⁵⁶

Sl. No.	Particulars	2016-17	
		No. of SPSUs	Amount (₹ in crore)
1	Equity Capital outgo from budget	-	-
2	Loans given from budget	-	-
3	Grants/subsidy from budget	6	633.81 ⁵⁷
4	Total outgo (1+2+3)	6	633.81
5	Waiver of loans and interest	-	-
6	Guarantee issued	1	390.55 ⁵⁸
7	Guarantee commitment	1	318.94

During the last four years prior to 2016-17, there was no budgetary outgo towards loans, guarantees issued, loans and interest waived in respect of SPSUs.

Reconciliation with Finance Accounts

2.1.9 The figures in respect of equity and loans as per records of SPSUs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the SPSUs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard as on 31 March 2017 is shown in **Table No. 2.1.5**.

Table No. 2.1.5 Equity, loans, guarantees outstanding as per the Finance Accounts vis-a-vis records of SPSUs

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	(₹ in crore)
			Difference
Equity	53.79	40.53	13.26
Loans	-	1.65	(-) 1.65
Guarantee	318.94	144.87	174.07

⁵⁶ Figures are as furnished by the SPSUs.

⁵⁷ Manipur Tribal Development Corporation Ltd. (₹ 0.50 crore), Manipur Food Industries Corporation Ltd. (₹ 1.55 crore), Manipur State Power Company Ltd. (₹ 237.20 crore), Manipur State Power Distribution Company Ltd. (₹ 387.33 crore), Manipur Handloom & Handicrafts Development Corporation Ltd ((₹ 1.16 crore) and Tourism Corporation of Manipur Ltd. (₹ 6.07 crore).

⁵⁸ This figures relates to maximum guarantees issued to Manipur State Power Distribution Company Limited and guarantee commitment of ₹ 318.94 crore (Sl. No. 7) relates to the same company.

Audit observed that the differences occurred in respect of 12 SPSUs⁵⁹ and some of the differences were pending reconciliation over a period of more than 20 years. The Government and the SPSUs should take concrete steps to reconcile the differences in a time-bound manner.

Arrears in finalisation of accounts

2.1.10 The financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year *i.e.*, by the end of September in accordance with the provisions of Section 96 (1) of the Companies Act, 2013. Failure to do so may attract penal provisions under Section 99 of the Act.

Table No. 2.1.6 provides the details of progress made by working SPSUs in finalisation of accounts as of 30 September 2017.

Table No. 2.1.6 Position of finalization of accounts of working SPSUs

Sl. No.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1.	Number of working SPSUs	7	7	9 ⁶⁰	9	10 ⁶¹
2.	Number of accounts finalised during the year	21	23	16	4	2
3.	Number of accounts in arrears	96	80	73	78	86
4.	Number of Working SPSUs with arrears in accounts	7	7	8	9	10
5.	Extent of arrears (numbers in years)	5 to 26 years	2 to 26 years	2 to 27 years	1 to 28 years	1 to 29 years

From the above table, it is observed that the number of accounts in arrears has decreased from 96 (2012-13) to 86 (2016-17). The accounts were in arrears for periods ranging from one year (Tourism Corporation of Manipur Ltd.) to 29 years (Manipur Tribal Development Corporation Ltd.).

The reasons for delay in finalisation of accounts are attributable to:

- Abnormal delay in compilation and approval of the accounts and delayed submission of the same to the Statutory Auditors by the Management; and
- Deficiency in monitoring of arrears of accounts of the Companies by the Government.

The Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these SPSUs within stipulated period. During the period 2016-17 (up to September 2017), the Departments concerned were informed of the arrears in finalisation of accounts by these SPSUs. Despite all these efforts, however, the arrears of accounts of working SPSUs as of November 2017 stood at 86 accounts in respect of 10 working SPSUs.

⁵⁹ In respect of one SPSU, *viz.*, Manipur Police Housing Corporation Ltd., the figures were matching.

⁶⁰ Including Manipur IT SEZ Project Development Company Ltd.

⁶¹ One new Company *viz.* Tourism Corporation of Manipur Ltd. was incorporated on 13 July 2016 under the Companies Act, 2013.

2.1.11 The State Government had invested ₹ 2.10 crore in equity and disbursed grants of ₹ 1,128.65 crore to ten SPSUs during the years for which accounts had not been finalized as detailed in *Appendix 2.1*. In the absence of finalisation of accounts and their subsequent audit, it could not be assessed whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not.

2.1.12 In addition to above, as on 30 September 2017 there were arrears in finalisation of accounts by non-working SPSUs. Three non-working SPSUs had arrears of accounts for periods ranging from 19 to 33 years as shown in **Table No. 2.1.7**.

Table No. 2.1.7 Position relating to arrears of accounts in respect of non-working SPSUs

No. of non-working companies	Period for which accounts were in arrears	No. of years for which accounts were in arrears
3	1984-85 to 2016-17	19 to 33 years

Impact of non-finalisation of accounts

2.1.13 As pointed out above (*Paragraphs 2.1.10 to 2.1.12*), the delay in finalisation of accounts may result in risk of fraud and leakage of public money apart from violation of the provisions of the relevant Statutes. Thus, due to pendency of accounts, the actual contribution of SPSUs to the GSDP for the year 2016-17 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

Recommendations

2.1.14 The Government may consider setting time-bound targets for finalisation of arrears of accounts for individual companies and closely monitor the clearance of these arrears.

Performance of SPSUs as per their latest finalised accounts

2.1.15 The financial position and working results of working Government companies are detailed in *Appendix 2.2*. A ratio of SPSU - turnover to State GDP shows the extent of SPSU - activities in the State economy. Details of working SPSU turnover and GSDP during 2012-13 to 2016-17 are shown in **Table No. 2.1.8**.

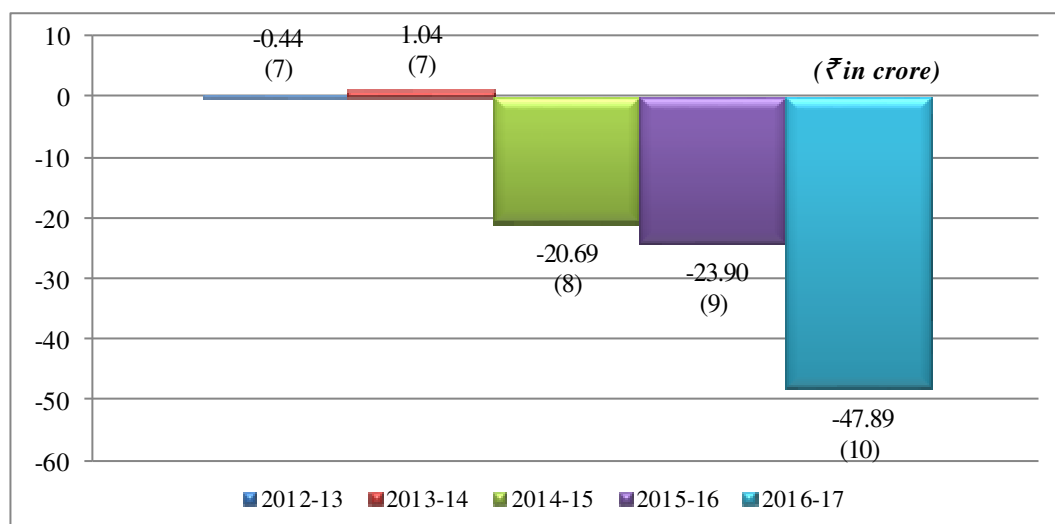
Table No. 2.1.8 Details of working SPSUs turnover vis-à-vis State GDP

Particulars	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Turnover ⁶²	5.35	7.03	35.22	34.70	161.02
GSDP ⁶³	13,748	16,198	18,043 (Q)	19,890 (A)	23,325 (P)
Percentage of Turnover to GSDP	0.04	0.04	0.10	0.17	0.69

As compared to the GSDP which showed an increasing trend throughout the period from 2012-13 to 2016-17, the turnover of the working SPSUs showed an increasing trend from 2012-13 to 2016-17 except a slight decrease in 2015-16. The major increase in turnover during 2016-17 was contributed mainly by the Power Distribution Company. Although there was an overall increase in the percentage of SPSU turnover to the GSDP from 0.04 *per cent* in 2012-13 to 0.69 *per cent* in 2016-17, the contribution of SPSU turnover to the GSDP still remained meager.

2.1.16 Overall profits earned and losses incurred by State working SPSUs during 2012-13 to 2016-17 are as shown in **Chart No. 2.1.3**.

Chart No. 2.1.3 Profit/Loss of working SPSUs



Figures in bracket show the number of working SPSUs in the respective years

During the year 2016-17, out of ten working SPSUs, only two SPSUs⁶⁴ earned profit of ₹ 0.29 crore. Six SPSUs incurred loss of ₹ 48.18 crore of which Manipur State Power Distribution Company Ltd. (₹ 30.49 crore) and Manipur State Power Company Ltd. (₹ 13.55 crore) were the major contributors. Two SPSUs⁶⁵ had not finalised their first annual accounts.

⁶² Turnover as per the latest finalised accounts of working SPSUs as on September 2017.

⁶³ GSDP figures as per information furnished by the Department of Economics and Statistics (at current price with base year 2011-12); (Q)=Quick Estimate, (A)=Advance, (P) = Preliminary.

⁶⁴ Manipur Police Housing Corporation Ltd. and Manipur Food Industries Corporation Ltd.

⁶⁵ Manipur IT SEZ Project Development Company Ltd and Tourism Corporation of Manipur Ltd.

2.1.17 Some other key parameters of State PSUs are shown in the following table.

Table No. 2.1.9 Key parameters of State PSUs

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Return on total Capital Employed (<i>per cent</i>)	0.71	1.84	(-) 20.95	(-) 955.51	(-) 463.20
Debt	10.43	10.43	3.05	150.58	211.56
Turnover ⁶⁶	5.35	7.03	36.34	35.02	161.34
Debt/Turnover Ratio	1.95	1.42	0.08	4.30	1.31
Accumulated losses	40.76	45.19	74.74	77.20	121.24

The accumulated losses of SPSUs registered significant increase of ₹ 80.48 crore from ₹ 40.76 crore in 2012-13 to ₹ 121.24 crore in 2016-17. The debt-turnover ratio of SPSUs decreased from 1.95 in 2012-13 to 1.31 in 2016-17 except in the year 2015-16, where the debt-turnover ratio reached a peak of 4.30.

2.1.18 The State Government had not formulated (September 2017) any dividend policy.

Winding up of non-working SPSUs

2.1.19 There were three non-working SPSUs⁶⁷ as on 31 March 2017. So far, no steps have been taken by the Government to wind up these Companies under the provisions of the Companies Act, 2013. The number of non-working SPSUs at the end of each year during the past five years is shown in **Table No. 2.1.10**.

Table No. 2.1.10 Non-working SPSUs

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
No. of non-working companies	3	3	3	3	3

Accounts Comments

2.1.20 Out of ten working companies, only two working companies forwarded their audited accounts to the Accountant General (Audit), Manipur during the year 2016-17⁶⁸. The Companies were Manipur State Power Company Ltd. (2014-15) and Manipur State Power Distribution Company Ltd. (2014-15). The audit reports of statutory auditors appointed by C&AG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors for the last three years are shown in **Table No. 2.1.11**.

⁶⁶ Turnover of SPSUs as per their latest finalised accounts as of 30 September of the respective year.

⁶⁷ (i) Manipur Agro Industries Corporation Ltd., (ii) Manipur Plantation Crops Corporation Ltd. and (iii) Manipur Pulp and Allied Products Ltd.

⁶⁸ Up to September 2017.

Table No. 2.1.11 Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2014-15		2015-16		2016-17	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	0.25	-	-	-	-
2.	Increase in loss	-	-	-	-	-	-
3.	Non-disclosure of material facts	1	1.37	-	-	-	-
4.	Errors of classification	1	0.23	-	-	-	-

The audit comments were based mainly on non-compliance with the accounting concept of conservatism and the revenue recognition principle of accrual accounting.

Response of the Government to Audit

Performance Audits and Paragraphs

2.1.21 For the Economic Sector (PSUs) Chapter of the Report of C&AG for the year ended 31 March 2017, three audit paragraphs involving Home Department, Power Department and Tribal Affairs & Hills Department were issued to the Chief Secretary/Principal Secretaries of the Department with request to furnish replies within six weeks. The State Government has not furnished their reply (January 2018).

Follow up action on Audit Reports

Replies outstanding

2.1.22 The Reports of the C&AG represent the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. All Administrative Departments are to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the C&AG within a period of three months⁶⁹ of their presentation to the Legislature, in the prescribed format without waiting for any questionnaires from the Committee on Public Undertakings (CoPU). The position of replies/explanatory notes to paragraphs/performance audits pending to be received from the State Government/Administrative Departments concerned are shown in **Table No. 2.1.12**.

⁶⁹ *Suo moto* replies to be furnished within three months in case Audit Paragraphs are not selected by the PAC/COPU during this period.

Table No. 2.1.12 Explanatory notes not received (as on 31 December 2017)

Year of the Audit Report (Commercial / SPSU)	Date of placement of Audit Report in the State Legislature	Total Performance audits (PAs) and Paragraphs in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2013-14	29 June 2015	-	3	-	3
2014-15	2 September 2016	2	1	1	-
2015-16	21 July 2017	-	2	-	-
Total		2	6	1	3

From the above, it could be seen that explanatory notes to one performance audit included in Audit Report 2014-15 in respect of one department and three paragraphs included in the Audit Report 2013-14 in respect of two departments, which were commented upon, were awaited (January 2018).

Discussion of Audit Reports by CoPU

2.1.23 The status of performance audits and paragraphs relating to SPSUs that appeared in the State Audit Reports of the last six years (2010-11 to 2015-16) and discussed by the Committee on Public Undertakings (CoPU) is shown in **Table No. 2.1.13**.

Table No. 2.1.13 Performance Audits/Paras appeared in State Audit Reports vis-a-vis discussed by CoPU (as on 31 December 2017)

Period of Audit Report ⁷⁰	Number of reviews/ paragraphs			
	Appeared in Audit Report		Paras discussed	
	PAs	Paragraphs	PAs	Paragraphs
2010-11	1	Nil	1	Nil
2011-12	1	Nil	1	Nil
2012-13	Nil	2	Nil	Nil
2013-14	Nil	3	Nil	Nil
2014-15	2	1	Nil	Nil
2015-16	Nil	2	Nil	Nil
Total	4	8	2	0

Compliance to Reports of the CoPU

2.1.24 Action Taken Notes (ATNs) to 110 recommendations pertaining to four Reports of the CoPU presented to the State Legislature between March 1987 and March 2011 had not been received from the Government (January 2018) as indicated in **Table No. 2.1.14**.

⁷⁰ 32 performance audit/paragraphs (7 performance audit and 25 paragraphs) pertaining to Audit Reports from 1995-96 to 2006-07 are yet to be discussed by CoPU. Audit Report for 2007-08 was discussed by CoPU but recommendation is yet to be published.

Table No. 2.1.14 Compliance to CoPU Reports

Year of the CoPU Report	Total number of CoPU Reports	Total no. of recommendations in CoPU Report	No. of recommendations for which ATNs were not received
10 th Report (1986-87)	1	8	8
11 th Report (1995-96)	1	53	53
12 th Report (1998-99)	1	9	9
13 th Report (2010-11)	1	40	40
Total	4	110	110

The above reports of the CoPU contained recommendations in respect of paragraphs pertaining to five departments of the State Government, which appeared in the Reports of the C&AG of India for the years 1983-84 to 2008-09.

Recommendation

The Government may ensure furnishing of replies to inspection reports/draft paragraphs/ performance audits and ATNs on the recommendations of CoPU.

Disinvestment, Restructuring and Privatisation of SPSUs

2.1.25 No disinvestment, privatisation or restructuring of SPSUs occurred during 2016-17.

COMPLIANCE AUDIT

MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED

2.2 Outstanding energy charges

There is high risk of loss due to non-recovery of huge outstanding energy charges amounting to ₹ 540.08 crore

As per Para 6.32 of the Joint Electricity Regulatory Commission for Manipur and Mizoram (Electricity Supply Code) Regulations, 2013 (the Code), the licensee may issue a disconnection notice in writing, to any consumer who defaults on his payment of dues, after giving him a notice period of 15 clear days to pay the dues. If the consumers fail to pay the dues after the notice period, Section 56 of the Electricity Act 2003 empowers the licensee, without prejudice to his rights to recover such charge or other sum by suit, cut off the supply of electricity and discontinue the supply until such charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply, are paid. However, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity.

Scrutiny of the records (November 2016) of the Managing Director, Manipur State Power Distribution Company Ltd (MSPDCL) and further documents furnished by the Company (November 2017) revealed that the outstanding energy charges during last three years ranged between ₹ 425.73 crore (2013-14) and ₹ 540.08 crore (2016-17). During this period only ₹ 389.44 crore had been collected. The outstanding balance⁷¹ of energy charges amounting to ₹ 540.08 crore as on 31 March 2017 pertained to the defaulting consumers in 14 divisions⁷² of the State as shown in **Appendix 2.3** out of which an amount of ₹ 68.22 crore were outstanding dues of State Government departments (at the division level only). However, the Company could not furnish individual department wise details of the amount receivable. Audit observed that energy charges have steadily been piling up over the outstanding balances of 2013-14 (₹ 425.73 crore). The annual collections were not commensurate with the annual billing as the collections were less than the annual billing during the three years 2014-15 to 2016-17. This too indicated that there was a steady accumulation of outstanding energy charges during each financial year. The non-collection of the outstanding balances of energy charges was detrimental to the financial health of the Company. The Company should take vigorous measures to recover the amount due, from the defaulters, particularly from the government departments and institutional consumers by identifying them, as

⁷¹ For three years 2014-15, 2015-16 and 2016-17

⁷² Increasing trend in energy charge collectable was observed in 11 divisions, viz. Bishnupur, Churchandpur, Chandel, IED-II, IED-III, IED-IV, Jiribam, Kakching, Kangpokpi, Thoubal, Ukhrol.

there was a high risk of loss to the Company in case of failure to recover the outstanding energy charges.

The matter was reported to the Government (August 2017). The Company while accepting the huge outstanding energy charges stated (November 2017) that they are continuously working on the recovery of arrears inspite of various issues faced in corporatization of Power Department and migration of the erstwhile manual accounting system to a fully automatic accounting system in SAP.

Chapter III

Revenue Sector

CHAPTER III

REVENUE SECTOR

3.1 Trend of revenue receipts

3.1.1 The tax and non-tax revenue raised by the Government of Manipur during the year 2016-17, the State's share of net proceeds of divisible Union taxes and duties assigned to States and Grants-in-aid received from Government of India during the year and the corresponding figures for the preceding four years are given in **Table No. 3.1.1**.

Table No. 3.1.1 Trends of revenue receipts

(₹ in crore)						
Sl. No.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1	Revenue raised by the State Government					
	• Tax revenue	332.83	472.73	516.83	550.44	586.67
	• Non-tax revenue	231.78	260.67	183.73	149.48	164.80
	Total	564.61	733.40	700.56	699.92	751.47
2	Receipts from the Government of India					
	• State's share of net proceeds of divisible Union taxes and duties ⁷³	1,317.83	1,438.79	1,526.89	3,142.42	3,757.13
	• Grants-in-aid	4,937.32	5,110.60	5,770.82	4,437.76	4,620.52
	Total	6,255.15	6,549.39	7,297.71	7,580.18	8,377.65
3	Total receipts of State Government (1 & 2)	6,819.76	7,282.79	7,998.27	8,280.10	9,129.12
Percentage of 1 to 3		8	10	9	8	8

Source: Finance Accounts

The above table indicates that during the year 2016-17, the revenue raised by the State Government (₹ 751.47 crore) was eight *per cent* of its total revenue receipts of ₹ 9,129.12 crore. The balance 92 *per cent* of receipts of ₹ 8,377.65 crore during 2016-17 was from the Government of India.

3.1.2 The details of Budget Estimates (BE) and actuals realisation of tax revenue raised during the period 2012-13 to 2016-17 are given in **Table No. 3.1.2**.

⁷³ Includes only the amount booked under the Minor Head 901 - share of net proceeds assigned to the State, booked under the Major Heads 0020 - Corporation tax, 0021-Taxes on income other than corporation tax, 0032 - Taxes on wealth, 0037 - Customs, 0038- Union excise duty, 0044 - Service tax.

Table No. 3.1.2 Details of Tax Revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2012-13		2013-14		2014-15		2015-16		2016-17		Percentage of increase (+) or decrease (-) in 2016-17 over 2015-16
		BE#	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
1	Taxes on sales, trade etc.	250.80	258.52	385.88	395.74	500.00	433.33	570.00	466.51	570.00	499.65	(+) 7.10
2	Motor Vehicles Tax	17.17	15.83	19.57	18.73	22.31	20.77	25.43	23.29	27.00	25.04	(+) 7.51
3	Stamps and Registration Fees	6.64	5.99	6.26	7.90	7.14	7.76	10.27	10.45	11.00	10.03	(-) 4.02
4	State Excise	8.59	9.93	12.74	9.20	14.52	9.32	11.96	8.78	12.00	9.32	(+) 6.15
5	Land Revenue	1.68	1.24	1.09	1.12	1.24	1.42	1.45	2.59	2.50	1.90	(-) 26.64
6	Taxes on duties on electricity	-	0.04	0.44	0.05	0.50	-	0.06	0.00 [@]	0.06	0.01*	-
7	Others	47.95	41.28	65.89	39.99	75.12	44.25	51.98	38.82	44.64	40.72	(+) 4.89
	Total	325.51	332.83	491.87	472.73	620.83	516.85	671.15	550.44	667.20	586.67	(+) 6.58

Source: Annual Financial Statement and Finance Accounts

BE : Budget Estimate

@ ₹35,000 only

* ₹57,000 only

In spite of being requested (May and August 2017), the departments did not furnish reasons for variation in receipts from that of the previous year (February 2018).

3.1.3 The details of Budget estimates and actual realisation of Non-tax revenue raised during the period 2012-13 to 2016-17 are indicated in **Table No. 3.1.3**.

Table No. 3.1.3 Details of Non-tax Revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2012-13		2013-14		2014-15		2015-16		2016-17		Percentage of increase(+) / decrease (-) in 2016-17 over 2015-16
		BE#	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
1	Miscellaneous General Services	93.01	75.29	167.38	110.83	184.12	132.48	129.27	106.09	129.27	118.61	(+) 11.80
2	Interest receipts	54.03	20.66	30.47	33.10	33.52	30.60	38.61	27.43	38.61	19.73	(-) 28.07
3	Forestry and Wild Life	2.54	2.94	4.18	3.71	4.18	4.62	4.33	3.65	4.33	6.46	(+) 76.99
4	Major and Medium Irrigation	12.69	3.75	10.42	2.42	11.46	2.04	12.38	0.64	2.00	1.58	(+) 146.88
5	Public Works	20.43	6.01	18.31	1.81	20.14	2.90	2.11	1.26	2.11	0.90	(-) 28.57
6	Other Administrative Services	1.30	1.39	3.49	1.18	3.84	1.01	1.38	0.99	1.38	6.43	(+) 549.49
7	Police	1.07	0.99	1.08	1.03	1.19	0.79	1.20	0.72	1.2	1.38	(+) 91.67

(₹ in crore)

Sl. No.	Head of revenue	2012-13		2013-14		2014-15		2015-16		2016-17		Percentage of increase(+)/ decrease (-) in 2016-17 over 2015-16
		BE#	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
8	Medical and Public Health	0.15	0.15	0.12	0.29	0.13	0.34	0.33	0.25	0.33	0.50	(+) 100
9	Co-operation	0.22	0.33	0.31	0.22	0.34	0.49	0.26	0.37	0.26	0.14	(-) 62.16
10	Other non-tax receipts	200.40	120.27	194.01	106.08	25.14	8.46	29.55	8.06	11.73	9.07	(+)12.53
Total		385.84	231.78	429.77	260.67	284.06	183.73	219.42	149.48	191.21	164.80	(+) 10.25

Source: Annual Financial Statement and Finance Accounts

BE: Budget Estimate

Forest Department stated that the increase in revenue was due to revision of Schedule Rate of Royalty during 2016-17.

Public Works Department attributed the decrease in revenue to less realization of rent.

Tourism Department (included in Other non-tax receipts) attributed increase in revenue of ₹ 0.55 crore during 2016-17 was due to increase in monthly receipt from Hotel Imphal and Sendra Tourist Home as well as receipt of fortified amount of ₹ 50.00 lakh for Technical Bid for passenger Ropeway at Loktak Lake during 2016-17.

Fisheries Department (included in Other non-tax receipts) stated that the decrease of revenue of ₹ 0.13 crore during 2016-17 was due to cancellation of 10 numbers of leased fisheries covering a total area of 498.66 ha in February 2013.

The other departments despite being requested (May and August 2017) did not furnish the reasons for variation in receipts from that of the previous year (February 2018).

3.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2017 on one principal head of revenue was ₹ 6.64 lakh. The whole amount of ₹ 6.64 lakh was outstanding for more than five years, as detailed in **Table No. 3.2.1**. The arrears of revenue in respect of other heads of revenue (*viz.* Taxes on Land Revenue, State Excise, Stamp and Registration Fees, *etc.*) were not furnished.

Table No. 3.2.1 Arrears of revenue

(₹ in lakh)

Sl. No.	Head of revenue	Total amount outstanding as on 31 March 2017	Amount outstanding for more than 5 years as on 31 March 2017	Replies of Department
1	Other Taxes on Income and Expenditure	6.64	6.64	Not furnished.
Total		6.64	6.64	

Source: Departmental records

It can be seen from the table that recovery of ₹ 6.64 lakh was pending for more than five years and no efforts were being made to recover the amount.

3.3 Arrears in assessments

Information in respect of Sales Tax/VAT, Taxes on Works Contract assessment cases pending at the beginning of the year 2016-17, cases which became due for assessment during the year, cases disposed during the year and number of cases pending at the end of the year 2016-17 was not furnished by the Commissioner of Taxes though called for (May 2017) and subsequent reminder (August 2017).

3.4 Evasion of tax detected by Department

Details in respect of cases of evasion of tax during the year 2016-17 detected by the Taxation Department, cases finalized and the demands for additional tax raised was not furnished by the Department though information was called for (May 2017) and subsequent reminder (August 2017).

3.5 Pendency of Refund Cases

Information in respect of pendency of refund cases was not furnished by Taxation Department though called for (May 2017) and subsequent reminder (August 2017).

3.6 Response of the Departments/Government towards Audit

The Accountant General (Audit), Manipur {AG (Audit)} conducts periodical audit of the government departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the Rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/ Governments are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG (Audit) within one month from the date of issue of IRs. Serious financial irregularities are reported to the heads of the Department and the Government.

Inspection Reports issued up to March 2017 disclosed that 858 paragraphs involving ₹ 181.00 crore relating to 273 IRs remained outstanding at the end of June 2017 as mentioned in **Table No. 3.6.1** along with the corresponding figures for the preceding two years.

Table No. 3.6.1 Details of pending Inspection Reports

	June 2015	June 2016	June 2017
Number of pending IRs	256	255	273
Number of outstanding audit observations	755	770	858
Amount involved (₹ in crore)	97.39	143.90	181.00

Source: Records of the Accountant General (Audit), Manipur

3.6.1 The Department-wise details of the IRs and audit observations outstanding as on 30 June 2017 and the amounts involved are given in **Table No. 3.6.2**.

Table No. 3.6.2 Department wise details of Inspection Reports

(₹ in crore)

Sl. No.	Name of Department	Nature of receipts	No. of outstanding IRs	No. of outstanding audit observations	Money value involved
1	Finance	Other Taxes & Duties on commodities and services (OTD)	Nil	Nil	Nil
		Taxes on sales, trade <i>etc.</i>	56	212	100.01
		Passenger & Goods Tax (PGT)	Nil	Nil	Nil
		Entertainment & luxury tax <i>etc.</i>	Nil	Nil	Nil
2	Excise	State Excise	11	36	5.78
3	Revenue	Land revenue	119	337	30.81
4	Transport	Taxes on Motor Vehicles	73	220	41.40
5	Stamp and Registration	Stamp & Registration Fees	14	53	3.00
Total			273	858	181.00

Source: Records of the Accountant General (Audit), Manipur

In respect of 13 IRs issued during 2016-17, Audit did not receive first replies from the head of the offices within one month from the date of issue of the IRs. This large pendency of 273 IRs due to non-receipt of the replies is indicative of the fact that the head of offices / departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the AG (Audit) in the IRs.

The Government may consider having an effective system for providing prompt and appropriate response to audit observations.

3.6.2 Departmental Audit Committee Meetings

The Government set up Audit Committees to monitor and expedite the progress of the settlement of the IRs and paragraphs in the IRs. No Departmental Audit Committee meeting was held during 2016-17.

In view of the large pendency of IRs as shown in **Paragraph 3.6.1**, the Government may ensure holding of regular Audit Committees meetings to expedite clearance and settlement of outstanding audit observations.

3.6.3 Records not produced for audit scrutiny

The programme of local audit of Tax revenue/Non-tax revenue offices is drawn up sufficiently in advance and intimations are issued, usually one month before the commencement of audit, to the departments to enable them to keep the relevant records ready for audit scrutiny.

During the year 2016-17, as many as eighteen cases were noticed where records such as receipt books, order sheets, registers, challans *etc.* were not made available to audit. Tax amount involved on the records not produced could not be ascertained. Break up of these cases are given in **Table No. 3.6.3**.

Table No. 3.6.3 Details of non-production of records

Name of the office/Department	Year in which it was to be audited	Number of cases not audited	Tax amount
Transport	2016-17	4	Not Available
Revenue	2016-17	14	Not Available

Source: Records of the Accountant General (Audit), Manipur

3.6.4 Response of the Departments to the draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the AG (Audit) to the Principal Secretary/Secretaries of the concerned Department, drawing their attention to audit findings and requesting them to send their response within six weeks. The fact of non-receipt of the replies from the Departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report.

13 Draft paragraphs including one Performance Audit were sent to the Principal Secretaries of the respective departments by name between June 2017 to October 2017. The Principal Secretaries/Secretaries of the departments did not send replies to two draft paragraphs despite issue of reminders (September to December 2017) and the same have been included in this Report without the response of the departments.

3.6.5 Follow up on Audit Reports

The internal working system of the Public Accounts Committee (PAC), notified in December 2002 laid down that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the departments shall *suo moto* initiate action on the audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within three months of tabling the Report, for consideration of the Committee. In spite of these provisions, the explanatory notes on Audit Paragraphs of the Reports were being delayed inordinately. 57 paragraphs (including four Performance Audits) included in the Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of Manipur for the years ended 31 March 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016 were placed before the State Legislature Assembly between 19 March 2009 and 21 July 2017. Action taken explanatory notes in respect of 35 paragraphs/reviews from four Departments under the Revenue Sector (Revenue, Taxation, Transport and Home) had not been received for the Audit Reports for the years ended 31 March 2011, 2012, 2013, 2014, 2015 and 2016 till date (February 2018).

The PAC discussed 24 selected paragraphs/reviews pertaining to the Audit Reports on the Revenue Sector for the years 2011, 2012, 2013 and 2014 and its recommendations on 19 paragraphs were incorporated in their 38th, 40th, 45th and 47th Reports. However, Action taken Notes (ATNs) have not been received in respect of 19 recommendations of the PAC from the Departments concerned as mentioned in **Table No. 3.6.4**.

Table No. 3.6.4 Position of Outstanding ATNs

Year	Name of Department	No. of Recommendations
2011	Transport	3
2012	Transport	1
	Taxation	4
2013	Taxation	3
	Tourism	1
	Transport	1
2014	Revenue	1
	Taxation	4
	Transport	1
Total		19

Source: Records of the Accountant General (Audit), Manipur

3.7 Analysis of the mechanism for dealing with the issues raised by Audit

To analyse the system of addressing the issues highlighted in the Inspection Reports/ Audit Reports by the departments/ government, the action taken on the paragraphs and Performance Audits included in the Audit Reports of the last 10 years for one Department was evaluated and included in this Audit Report.

The succeeding *Paragraphs 3.7.1* and *3.7.2* discuss the performance of Land Revenue Department under revenue Major Head 0029. Cases detected in the course of local audit during the last ten years and also the cases included in the Audit Reports for the years 2006-07 to 2015-16 are discussed.

3.7.1 Position of Inspection Reports

The summarised position of the Inspection Reports (IRs) issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2017 are shown in **Table No. 3.7.1**.

Table No. 3.7.1 Position of Inspection Reports

Sl. No.	Year	Opening Balance			Addition during the year			Clearance during the year			Closing Balance during the year		
		IRs	Paras	Money Value (₹ in crore)	IRs	Paras	Money Value (₹ in crore)	IRs	Paras	Money Value (₹ in crore)	IRs	Paras	Money Value (₹ in crore)
1	2007-08	33	86	5.14	17	40	3.62	4	11	0.60	46	115	8.16
2	2008-09	46	115	8.16	7	24	1.81	0	9	0.12	53	130	9.85
3	2009-10	53	130	9.85	14	50	5.91	1	6	0.03	66	174	15.73
4	2010-11	66	174	15.73	10	24	2.90	1	8	0.01	75	190	18.62
5	2011-12	75	190	18.62	12	21	2.04	7	14	1.14	80	197	19.52
6	2012-13	80	197	19.52	8	23	3.04	1	4	0.05	87	216	22.51
7	2013-14	87	216	22.51	6	28	3.07	1	6	0.02	92	238	25.56
8	2014-15	92	238	25.56	16	99	11.04	0	7	0.14	108	330	36.46
9	2015-16	108	330	36.46	9	69	55.06	1	14	2.14	116	385	89.38
10	2016-17	116	385	89.38	20	111	50.93	0	2	0.01	136	494	140.30

Source: Records of the Accountant General (Audit), Manipur

The Government arranges *ad hoc* Committee meetings between the department and AG (Audit) to settle the old paragraphs. As would be evident from the above table, against 33 outstanding IRs with 86 paragraphs at the start of 2007-

08, the number of outstanding IRs increased to 136 with 494 paragraphs at the end of 2016-17. This indicated that adequate steps were not taken by the department in this regard to reduce the number of outstanding IRs and paragraphs resulting in accumulation of the outstanding IRs and paragraphs.

3.7.2 Recovery of accepted cases

The position of paragraphs of Land Revenue Department included in the Audit Reports of the last 10 years, those accepted by the Department and the amount recovered are mentioned in **Table No. 3.7.2**.

Table No. 3.7.2 Position of Paragraphs Accepted by the Departments

(₹ in crore)

Year of Audit Report	No. of paragraphs included	Money value of the paragraphs	No. of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year	Cumulative position of recovery of accepted cases
2006-07	1	0.04	1	0.04	Nil	Nil
2007-08	Nil	Nil	Nil	Nil	Nil	Nil
2008-09	Nil	Nil	Nil	Nil	Nil	Nil
2009-10	1	0.06	1	0.06	Nil	Nil
2010-11	Nil	Nil	Nil	Nil	Nil	Nil
2011-12	1	0.03	1	0.03	Nil	Nil
2012-13	Nil	Nil	Nil	Nil	Nil	Nil
2013-14	1	0.32	Nil	Nil	Nil	Nil
2014-15	Nil	Nil	Nil	Nil	Nil	Nil
2015-16	Nil	Nil	Nil	Nil	Nil	Nil
Total	4	0.45	3	0.13	Nil	Nil

Source: Records of the Accountant General (Audit), Manipur

From the above table, it is observed that the progress of recovery even in accepted cases was very slow during the last ten years. The recovery of accepted cases was to be pursued as arrears recoverable from the concerned parties. No mechanism for pursuance of the accepted cases had been put in place by the Department/Government. Further, the arrear cases including accepted audit observations were not available with the office of the Sub-Registrar, Land Revenue Department. In the absence of a suitable mechanism, the Department could not monitor the recovery of accepted cases.

The Department may take immediate action to pursue and monitor prompt recovery of the dues involved in accepted cases.

3.7.3 Action taken on the recommendations accepted by the Departments/Government

The draft of Performance Audits conducted by the office of the AG (Audit), Manipur are forwarded to the concerned departments/government with a request to furnish their replies. These Performance Audits are also discussed in an exit conference and the department's/government's views are included while finalizing the Audit Reports.

The following Performance Audits on the Taxation and Transport Departments were featured in the Audit Reports of the last five years. The details of recommendations and their status are given in **Table No. 3.7.3**.

Table No. 3.7.3 Status of Recommendations of Performance Audits

Year of Audit Report	Name of the Performance Audit	No. of recommendations	Details of the recommendations	Status
2014-2015	Performance Audit on "Admissibility of Input Tax Credit"	4	<p>For effective implementation of Input Tax Credit,</p> <ul style="list-style-type: none"> • The Department should bring automation in assessment and encourage online filing of returns, grievance redressal <i>etc.</i>; • The deficiencies of the Input Tax Credit system pointed out with respect to record maintenance, filing and scrutiny of returns, enforcement, <i>etc.</i>, be addressed through appropriate Notifications; • The Department should place a system of cross verification of tax invoices in support of Input Tax Credit claims with details available with selling dealers and • System for selection of dealers and planning for Tax Audit and Audit Assessment should be evolved and implemented at an early date. 	Compliance to audit observations and recommendations have not been intimated to audit. (February 2018)
2014-2015	Implementation of Smart Card Project for Driving License and Registration Certificate	4	<p>The Government may consider the following to ensure effective implementation of the Smart Card project:</p> <ul style="list-style-type: none"> • Prepare a plan indicating target dates of completion of the project in all districts of the State for timely issue of Registration Certificates and Driving Licenses, and vigorously monitor implementation; • Instructions may be issued to ensure that no Registration Certificates or Driving Licenses are issued in manual form; • Prepare an action plan to convert all backlog Registration Certificates and Driving Licenses into smart card within a specific time frame and declare them invalid after a prescribed time limit and • Involve dealers and driving schools in the process of issuing of certificates and make it incumbent upon them to obtain only Smart Cards as is the practice in some States. 	Compliance to audit observations and recommendations have not been intimated to audit. (February 2018)

Source: Records of the Accountant General (Audit), Manipur

3.8 Audit Planning

The offices under various Departments are, for the purpose of audit categorized into high, medium and low risk units according to their revenue position, past trends of audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter alia* include critical issues in government revenues and tax administration *i.e.* budget speech, White Paper on State Finances, reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings during the past five years, features of the tax administration, audit coverage and its impact during past five years *etc.*

During 2016-17, there were 60 auditable units, of which 20 units were planned for audit and 21 units were audited, which was 35 *per cent* of the total auditable units.

3.9 Results of Audit

Position of local audit conducted during the year

Test check of the records of Taxation Department, Transport Department and Revenue Department conducted during the year 2016-17 showed under assessment/short levy/loss of revenue aggregating to ₹ 48.57 crore in 38 cases. During the course of the year, no reply was furnished by the Departments regarding under assessment and other deficiencies which were pointed out in audit during 2016-17. The Departments had not recovered any money during 2016-17 pertaining to the audit findings of the previous year.

3.10 Coverage of this Report

This Report contains nine Compliance Audit paragraphs and a Performance Audit on 'System of Assessment under Value Added Tax' involving financial effect of ₹ 53.46 crore.

The Departments/ Government have accepted audit observations involving ₹ 39.36 crore and recovered ₹ 4.30 crore. In respect of other cases, the Government did not furnish any specific replies (February 2018). These are discussed in succeeding paragraphs.

PERFORMANCE AUDIT
TAXATION DEPARTMENT
3.11 Performance Audit on System of Assessment under Value Added Tax
Highlights

Performance Audit on the system of assessment under Manipur Value Added Tax (MVAT) Act, 2004 by State Taxation Department revealed the following irregularities:

- *Scrutiny of returns was not done in a systematic manner. This resulted in non-detection of outstanding tax of ₹91.34 lakh and suspected evasion of tax of ₹45.41 lakh by suppression of purchase turnover.*
(Paragraph 3.11.9.1)
- *Absence of system of Tax Audit and Audit Assessment resulted in suspected evasion of tax to the tune of ₹1.14 crore by nine dealers.*
(Paragraph 3.11.9.2)
- *30 dealers did not file returns even though they made purchase of ₹50.62 crore while another 44 dealers also did not file returns inspite of accumulating stock of goods worth ₹292.08 crore. However, provisional assessment of dealers was not made as provided in the MVAT Act 2004.*
(Paragraph 3.11.9.4)
- *System for deposit of Tax Deducted at Source (TDS) and filing of return by persons authorised to deduct tax at source was neither defined nor monitored. As a result, TDS of ₹13.76 crore claimed by 25 dealers in their returns was not verifiable. Moreover, three Drawing and Disbursing Officers did not remit TDS of ₹16.56 lakh into Government account.*
(Paragraph 3.11.9.8)
- *There was no system for periodic submission of assessment and reports for review by higher authorities. The functions of the Enforcement Wing in the Department was not properly monitored.*
(Paragraph 3.11.10)
- *There was overall shortage of staff of 48 per cent vis-à-vis sanctioned strength in the Department.*
(Paragraph 3.11.11)

3.11.1 Introduction

The Value Added Tax (VAT) is a multi-stage tax levied at each stage of the value addition chain, with a provision to allow Input Tax Credit (ITC) on tax paid at an earlier stage, which can be appropriated against the VAT liability on subsequent sales.

Assessment of tax has a direct bearing on determination of tax liability, tax collection and quality of tax administration. Assessments of returns are done by the Assessing Authorities (AAs) of Taxation Department under the provisions of applicable Acts and Rules and Orders issued thereunder. The Performance Audit was taken up to study efficiency and effectiveness of system of assessment by State Taxation Department under the VAT system.

The Taxation Department started using a software for VAT implementation *viz.* VATsoft in May 2011. VATsoft had nine software modules⁷⁴ out of which six modules relating to registration, filing of returns, generation of e-way bills, and generation of 'C' forms (e-CST), payments and refunds were operational. The remaining three modules related with tax deduction at source, filing of invoices and audit were non-operational up to the time of audit (August 2017).

3.11.2 Organisation setup

The Department of Taxation is headed by the Commissioner for Taxes and is under the administrative control of Finance Department. For administrative convenience, the whole State is divided into 13 Assessment Zones. Each zone was headed by an Assistant Commissioner of Tax or Superintendent of Taxes. The dealers were required to file their tax returns with the jurisdictional Zonal AAs, who were responsible for monitoring filing of returns and tax payments; make assessment of tax, issue demand notices and realisation of tax, penalties and arrears. Further, an Enforcement Wing headed by one Assistant Commissioner of Taxes was constituted in January 2016.

3.11.3 Scope of Audit

The Performance Audit covers assessments made during 2014-15 to 2016-17. In Manipur, there were 5,971 registered dealers during the period of audit (April 2017) spread across all the 13 Assessment Zones. Out of 5,971 number of registered dealers in the state audit scrutinized the assessment records of 1,089 dealers (18 *per cent*). These 1,089 dealers were selected through stratified random sampling, with due weightage on high value cases.

3.11.4 Audit Objectives

The Performance Audit was conducted to ascertain whether:

- (i) The Assessments were done according to provisions of the MVAT Act and the Rules and Orders issued thereunder; and

⁷⁴ The nine software modules of VATsoft are e-registration, e-return filing, e-CST, e-payment, e-refund, e-waybill, e-TDS, e-filing of invoices and e-audit.

- (ii) There exists an adequate system of control and monitoring in the Department.

3.11.5 Audit Criteria

The audit criteria for the Performance Audit were drawn from the following sources:

- MVAT Act, 2004 and Rules, 2005 and Notifications;
- Notification/Circulars issued by the State Governments under MVAT Act and Rules;
- Orders issued by the Department/Government regarding criteria for selection of cases;
- White Paper on State-Level Value Added Tax (January 2005) by the Empowered Committee of State Finance Ministers constituted by the Ministry of Finance; and,
- Judgements of Courts.

3.11.6 Audit Methodology

The scope, objective and criteria of the Performance Audit were explained to the Commissioner of Taxes and officers of the Department in an Entry Conference held in April 2017. Thereafter, the Audit Team issued audit requisitions and questionnaires to elicit data and information on assessments and related issues. Assessment records, documents in support of purchase, other records relating to assessment and VATsoft database were test checked in the office of the Commissioner of Taxes and the Zonal Offices where assessment was made. Information available in the Tax Information Exchange System (TINXSYS)⁷⁵ was used for verification of details of inter-state purchases made by dealers.

The draft Performance Audit report was sent to the Department in October 2017. The audit observations were discussed with the Commissioner of Taxes and officers of the Department in an Exit Conference held in October 2017. The Department's reply furnished in November 2017 have been incorporated in the report at appropriate places.

3.11.7 Acknowledgement

Indian Audit and Accounts Department (IA&AD) acknowledges the cooperation extended by the State Government in providing necessary information and records during the course of the Performance Audit.

⁷⁵ TINXSYS is a centralized exchange of all dealers spread across the various States and Union Territories of India. It can be used for verification of Central Statutory forms such as C-Forms, F-Forms, H-Forms *etc.* issued by State Commercial Tax Department.

Audit findings

The deficiencies in the system of assessment under MVAT Act and Rules are discussed in the following paragraphs.

3.11.8 Revenue Target and Achievement

The revenue target and achievement for the last four years are shown in **Table No. 3.11.1**.

Table No. 3.11.1 Revenue target and achievement

(₹ in crore)

Year	Target	Achievement	Shortfall (-) / Excess (+) <i>(per cent)</i>
2013-14	385.88	395.74	(+) 2.56
2014-15	500.00	433.33	(-) 13.33
2015-16	570.00	466.51	(-) 18.16
2016-17	570.00	499.65	(-) 12.34

Source: Finance Accounts and Budget documents of the State

From the above table, it is evident that the targets for three years 2014-15 to 2016-17 were not achieved. The shortfall against the target were in the range of 12.34 *per cent* to 18.16 *per cent*. There were inadequacies in efforts for collection of tax, such as not utilising provisions of audit assessment or tax audit and other types of assessment other than self-assessment. These are discussed in the succeeding paragraphs.

The Department did not offer any comments on shortfall in target (November 2017).

Provisions for furnishing of returns levy of interest, penalty and tax audit under Manipur Value Added Tax, 2004

Section 28(1) of the Manipur Value Added Tax (MVAT) Act, 2004 provides that every registered dealer shall furnish return in such form for such period by such dates and to such authority, as may be prescribed.

Section 29(1) of the MVAT Act provides that a dealer who fails without sufficient cause to pay the amount of tax due as per the return or fails to furnish return for any tax period shall be liable to pay interest in respect of the tax payable at the rate of two *per cent* per month from the date the tax payable had become due to the date of its payment or to the date of order of assessment whichever is earlier.

Section 29(3) of the MVAT Act provides that if a register dealer without sufficient cause, fails to pay the amount of tax due and interest along with the return or revised return in accordance with the provision of the **sub-section 29(1)**, the Commissioner may, after giving the dealer reasonable opportunity of being heard, direct him to pay in addition to the tax and the interest payable by him a penalty, at the rate of 2 *per cent* per month on the tax and interest so payable from the date it had become due to the date of its payment or to the date of order of assessment, whichever is earlier.

Section 32 of MVAT Act provides that each and every return in relation to any tax period furnished by a registered dealer shall be subject to scrutiny by the AA to verify the correctness of calculation, application of correct rate of tax and interest and input tax credit claimed therein, and full payment of tax and interest payable by the dealer during such period. If any mistake is detected as a result of such scrutiny, the AA shall serve a notice on the dealer to make payment of the extra amount of tax along with the interest under provision of **Section 29(3)**.

Section 33 of MVAT provides that the Commissioner or any other tax officer as directed by him shall undertake tax audit of the records, stock in trade and the related documents of the dealer, who are selected by the Commissioner in the manner as may be prescribed for the purpose, in the office, business premises or warehouse of the dealer. For this purpose, the Commissioner or any other Tax Officer directed by him shall examine the correctness of return or returns filed and admissibility of various claims including input tax credit.

Section 34(3) of the MVAT Act also provides that if a registered dealer has filed the return in respect of any tax period within the prescribed time and the return so filed is found to be in order, it shall be accepted as self-assessment subject to adjustment of any arithmetical error apparent on the face of the said return.

As per **Section 35(1)** of the MVAT Act where a registered dealer fails to furnish the return in respect of any tax period within the prescribed time, the Commissioner shall, notwithstanding anything contained in section 36, proceed to assess the dealer provisionally for the period for such default.

As per **Section 36(i)** and **36(5)** of MVAT Act, where (a) a registered dealer has failed to furnish any return; or (b) a registered dealer is selected by the Commissioner on the basis of any criteria or on random basis; or (c) the Commissioner is not satisfied with the correctness of any return filed, or bona fides of any claim of exemption, deduction, concession, input tax credit or genuineness of any declaration; or (d) the Commissioner has reasons to believe that detailed scrutiny of the case is necessary; the Commissioner may require a dealer to produce or cause to be produced the books of account and all evidence on which the dealer relies in support of his returns after giving opportunity of being heard. The Commissioner, after considering all the evidence produced in course of the proceedings or collected by him shall (a) confirm the order of assessment passed under **Section 34**; or (b) re-assess the amount of tax due from the dealer; or (c) assess the amount of tax due from the dealer, if no assessment has been made under **Section 35**.

Section 36(7) of the MVAT Act states that if a dealer, in order to evade or avoid payment of tax has failed, without any reasonable cause, to furnish returns in respect of any period by the prescribed date or has furnished incomplete or incorrect returns for any period, he shall be liable to pay by way of penalty as sum equal to twice the amount of additional tax assessed.

Section 37(1) of MVAT Act provides that if the Commissioner, upon information which has come into his possession, is satisfied that any dealer who has been liable to pay tax under this Act, in respect of any period, has failed to get himself registered, the Commissioner shall proceed in such manner

as may be prescribed to assess to the best of his judgement the amount of tax due from the dealer in respect of such period and all subsequent periods and in making such assessment he shall give the dealer reasonable opportunity of being heard.

Failure to put in place the systems envisaged in the provisions *ibid* are discussed in the following paragraphs

3.11.9 Lapses noticed in various types of assessments under MVAT Act

3.11.9.1 Lack of operating procedure/ instructions for scrutiny of returns and self-assessments

Para 2.11 of the White Paper on State-Level Value Added Tax (January 2005) envisaged that every return furnished by dealers would be scrutinised expeditiously within prescribed time limit from the date of filing the return. Such scrutiny would help raising of additional demands, if any.

Audit noticed that under VAT system of Manipur, there was neither checklist for scrutiny of returns nor general guidelines for scrutiny of tax returns. There was no sorting out or classification of dealers for further detailed scrutiny and informing higher authorities of any deviations or suspected evasion. There was no prescribed time limit for scrutiny of returns also. Audit did not find any instances of call of any documents from dealers for further detailed scrutiny during 2014-17 as a result of such routine scrutiny. The returns⁷⁶ do not have any column for stock positions of goods in trade and item-wise purchases, though there were different rates of taxes for different classes of goods in trade. There were no instances of the Zonal Authorities calling for sales details and stock position of dealers while making assessment.

Audit noticed the following irregularities which shows that scrutiny of returns was not done in a systematic manner:

- (i) Four dealers submitted returns for the quarters ended March 2014 to December 2016 to the AAs of Assessment Zones - I and IX without payment of full amount of taxes as per the returns thereby leaving an outstanding tax of ₹ 91.34 lakh. The AAs failed to detect this as they did not scrutinise the returns.

On this being pointed out (October 2017), the Department submitted documents (November 2017) for recovery of ₹ 62.77 lakh from three dealers leaving a balance of ₹ 28.58 lakh. Under Section 29(1), the dealers were liable to pay interest of ₹ 20.12 lakh and a further interest of ₹ 19.39 lakh under section 29 (3) on the balance tax as on 31 January 2018. Details are shown in **Appendix 3.1**. The balance tax of ₹ 28.58 lakh and interest of ₹ 39.52 lakh had not been recovered from the dealers (February 2018).

- (ii) Six dealers submitted returns to the AAs of Assessment Zones - III and IX for the quarter ended June 2015 to March 2017 with total tax effect of ₹ 10.72 crore. The tax due were paid after delay ranging from 16 to 275

⁷⁶ Form 10 under MVAT Rules.

days. Under Section 29(1), interest of ₹ 37.10 lakh was leviable on these dealers for the delay payment. Details are shown in **Appendix 3.2**. However, the AAs failed to detect the delay as no scrutiny was made of the dealers. As a result, neither notices were served on these dealers nor were interests recovered.

On this being pointed out (October 2017), the Department stated (November 2017) that interest of ₹ 25.55 lakh was recovered from three dealers leaving a balance of ₹ 11.56 lakh while notices were served to the other two dealers.

- (iii) Three dealers filed returns to the AAs of Assessment Zones - VII and VIII for the quarter ending March 2016 to March 2017 in which the turnover of purchases from outside the State was shown as ₹ 1.72 crore. However, as per 'C' forms and e-way bills, the actual purchase turnover of these dealers during the period was ₹ 8.16 crore taxable at 5 *per cent* and 13.5 *per cent*. Thus, the dealers concealed inter-state purchases of goods worth ₹ 6.44 crore and evaded tax of ₹ 45.41 lakh. A penalty of ₹ 90.82 lakh was also leviable under Section 36(7) for such concealment. The evasion of tax remained undetected by the AAs as returns were not cross checked with the 'C' forms and e-way bills.

On this being pointed out (October 2017), the Department stated (November 2017) that ₹ 1.31 lakh was recovered from one dealer while notices have been served on the other two dealers leaving a balance of ₹ 44.10 lakh as tax and ₹ 90.82 lakh as penalty. Details are shown in **Appendix 3.3**.

The status of recovery of the balance amount had not been intimated (February 2018).

3.11.9.2 Lapses in system of Tax Audit and Audit Assessment

VAT system placed much reliance on self-assessment by dealers. Para 2.13 of the White Paper on State-Level Value Added Tax (January 2005) envisaged that correctness of self-assessment will be checked through a system of Departmental Audit on a certain percentage of the dealers to be taken up every year on a scientific basis.

MVAT Act provides tax audit (Section 33) and audit assessment (Section 36) for checking self-assessments of selected dealers.

a) *Non-existence of system of tax audit*

There was no established system where the Commissioner may select certain number of registered dealers on random basis or on the basis of risk analysis or on the basis of any other objective criteria at such intervals as may be prescribed for tax audit. There were no prescribed parameters for selection of dealers for tax audit during the period of audit. Thus, there was no system of tax audit in the Department, the following irregularities remained undetected in the sampled cases selected for audit scrutiny at the cost of revenue interest of the State:

- (i) The AAs of Assessment Zones - I, III, V, IX, X and XII assessed nine dealers with a sales turnover of ₹ 16.70 crore at 5 per cent for the quarter ending December 2011 to March 2017. Audit analysis of purchase as reflected in the 'C' form revealed that these dealers had, during the period covered in their returns, purchased from outside the State items taxable at 13.5 per cent amounting to ₹ 47.07 crore and items taxable at 5 per cent amounting to ₹ 3.27 crore. This shows that the sales turnover declared as taxable at 5 per cent in the returns exceeds the purchase of items taxable at 5 per cent by ₹ 13.43 crore. The dealers did not disclose stock positions at the end of each period and suppressed tax by application of lower rate of 5 per cent on a sale of ₹ 13.43 crore leviable at 13.5 per cent. The total suppressed tax work out to ₹ 1.14 crore. In addition, penalty of ₹ 2.28 crore was leviable under Section 36(7) for filing of incorrect returns. Details are shown in **Appendix 3.4**.

On this being pointed out (October 2017), the Department stated (November 2017) that ₹ 20.18 lakh was recovered from three dealers and notices have been issued to two other dealers.

In the case of two dealers⁷⁷, the Department stated that the product was chargeable with VAT at the rate of five per cent. The Department's reply is not acceptable as the product⁷⁸ is included under the schedule for products attracting VAT at the rate of 13.5 per cent.

In the case of one dealer⁷⁹, the Department submitted statement amounting to ₹ 50.03 lakh showing goods purchased by the dealer at the rate of five per cent. However, in the absence of supporting C-Form invoices, the Department's reply is not acceptable.

The Department was silent on the remaining one dealer⁸⁰. Thus, a balance of ₹ 93.95 lakh was not recovered from the dealers (February 2018).

- (ii) One dealer⁸¹ made a purchase of ₹ 8.40 lakh attracting 13.5 per cent tax during the period September 2016 to March 2017. However, the dealer was assessed at 5 per cent tax only during the period. Thus, the dealer evaded tax amounting to ₹ 0.71 lakh⁸².

The Department did not furnish any comments (February 2018).

⁷⁷ M/S Jainco Hardware Store (TIN-14410017175) under Zone - I and M/S Amit Hardware (TIN-14110012141) under Zone - III

⁷⁸ Putty

⁷⁹ M/S Gunit Ply Centre (TIN-14110085192) under Zone - III

⁸⁰ M/S Khumi Dunlop Shop (TIN-14910021156) under Zone - X

⁸¹ M/S ASM Enterprises (TIN-14923303183) under Zone - V

⁸² (13.5-5) per cent of ₹ 8.40 lakh

b) Non-existence of system of audit assessment

The Department stated (August 2017) that there was an audit wing entrusted with the task of audit assessment. Audit noticed that no cases were selected for audit assessment during audit coverage period. There were no prescribed criteria for selection of any dealers for such audit. As there were no written instructions to the AAs, none of Zones had conducted such audit. Thus, system of audit assessment was non-existent because of which the following irregularity were not detected in the sampled cases selected by audit at the cost of revenue interest of the State.

Scrutiny of assessment records of dealers revealed that 63 dealers showed sales turnover of ₹ 1,234.47 crore against the total purchases of ₹ 1,956.58 crore during 2014-15 to 2016-17. Thus, there was difference of ₹ 722.11 crore between total purchases and sales figure. Details are shown in **Appendix 3.5**. Such cases warrant thorough and detailed audit scrutiny of purchases and sales, details of statutory forms such as waybills, 'C' forms, details of closing stock and physical verification by the tax authorities. However, detailed scrutiny of these dealers was not done due to absence of proper system of audit assessment.

On this being pointed out (October 2017), the Department stated (November 2017) that purchases/ stock and sales are continuous process. The reply was not acceptable as audit observation was about huge differences in sales and purchases which needs detailed checking by invoking Section 36 of MVAT Act.

The VAT system is based on self-assessment and credit availment of tax inputs by registered persons. Therefore, without a system of random detailed checks through audit, the system is fraught with the risk of evasion by suppression of sales and irregular claims of input tax credits. Proper scrutiny should be done of stock of the registered dealers in the light of huge differences between sales values and purchase values as stated above.

3.11.9.3 Lapses in assessment of Escaped Turnover

Para 2.13 of the White Paper on State-Level Value Added Tax (January 2005) envisaged that computerised system should be worked out on the basis of coordination between the tax authorities of the State Governments and the authorities of Central Excise and Income Tax to cross check and compare constantly the tax returns and set-off documents of VAT system of the States and those of Central Excise and Income Tax. This comprehensive cross-checking system will help reduce tax evasion and also lead to significant growth of tax revenue.

As per Section 39 of the MVAT Act regarding turnover escaping assessment, if after assessment of the dealer, the AA, on the basis of any information in his possession, is of the opinion that the whole or any part of the turnover of the dealer in respect of any tax period has escaped assessment or been under assessed or been assessed at a rate lower than that leviable, he may, after giving the dealer a reasonable opportunity of being heard, proceed to assess the escaped turnover. Further, if the AA is satisfied that the escapement is without

any reasonable cause, as per Section 36(7), he may direct the dealer to pay, by way of penalty, a sum equal to twice the amount of tax additionally assessed.

Audit noticed that there was no system for cross-checking to compare on a regular basis the tax returns and set-off documents of VAT system of the State and those of Central Excise and Income Tax. There was also no system for calling of information from other departments and financial institutions. There was no data analysis wing or section for collection of information from VATsoft, Tax Information Exchange System (TINXSYS), other departments and other sources for providing reports or any input or information that can be utilized by the AAs during assessment.

The Department had not implemented the module for e-filing of invoices which would have enabled sellers and purchasers to upload details of invoices generated by them. This would help in tracking transactions in the VAT chain and detect turnover escapement of any dealer. Due to non-implementation of the module, the details of sales of the dealers could not be made available to AAs. Moreover, there was no system of submission of sales details along with the returns or periodical call of such information from the dealers.

Thus, the tax authority did not have any mechanism to detect turnover of dealers that has escape assessment. On cross checking with information collected from other departments and sources, audit noticed that there were cases which revealed turnover escaping assessment as explained in the following paragraphs:

a) Evasion of tax by suppression of purchase turnover

The AAs of Assessment Zones – VII and VIII finalized self-assessments of four dealers under Section 34(3) of the MVAT Act for the quarter ending September 2014 to March, 2017 taking into account the purchases of ₹ 74.07 crore from outside the State as declared by the dealers in their returns. However, scrutiny of ‘C’ forms and e-way bills revealed that the actual purchase turnover was ₹ 80.30 crore. The dealers had not declared closing stock in their returns. This led to suppression of ₹ 6.23 crore purchase turnover with a tax effect of ₹ 44.66 lakh⁸³ which was not detected by the AAs at the time of finalizing the assessment. Penalty of ₹ 89.31 lakh is also leviable on the dealers under Section 36(7) for the suppressed purchase turnover.

On this being pointed out (October 2017), the Department stated (November 2017) that ₹ 22.62 lakh was recovered from two dealers leaving a balance of ₹ 1.11 crore and notices to two other dealers were served. Details are shown in ***Appendix 3.6.***

The status of recovery of tax along with the penalty had not been intimated (February 2018).

3.11.9.4 Lapses in assessment of dealers who failed to file returns

As per Section 35 of the MVAT Act, where a registered dealer fails to furnish the return in respect of any tax period within the prescribed time, the Commissioner shall proceed to assess the dealer provisionally for the period for

⁸³ Tax of ₹ 23.19 lakh @5% on ₹ 4.64 crore and ₹ 21.47 lakh @13.5% on ₹ 1.59 crore

such default. Such provisional assessment shall be made on the basis of past return, or past records where no such returns are available, or on the basis of information received by the Commissioner and the Commissioner shall direct the dealer to pay the amount of tax assessed in such manner and by such date as may be prescribed.

Rule 27(3) of MVAT Rules 2005 provides that the appropriate AA shall serve a notice of demand upon the dealer in Form 8 fixing a date not less than 30 days from the date of service of such notice, to make the payment of the amount of tax assessed on provisional assessment and penalty imposed, if any, under Section 36(7).

Audit noticed that none of the AAs maintained a register to watch filing of returns by dealers. Varying instances of failure to monitor the filing of returns and also failure to initiate action against defaulter dealers are discussed in the following paragraphs.

- Scrutiny of assessment records revealed that 30 dealers under Assessment Zones – I to X had not filed returns for one to six quarters upto quarter ending March 2017. Analysis of data generated⁸⁴ from the VATsoft revealed that these dealers made purchases of ₹ 50.62 crore during the period, with a minimum tax effect of ₹ 2.53 crore (calculated at minimum tax rate of 5 per cent). Details are shown in **Appendix 3.7**. Provisional assessment of these dealers under Section 35 was not done.

On this being pointed out (October 2017), the Department stated (November 2017) that 27 dealers have filed return while notices were served to the remaining three dealers. However, the Department was silent about the quantum of tax recovered from the 27 dealers and the penalty imposed/contemplated under Section 36(7) for defaulting on filing of returns.

- 44 dealers under Assessment Zones – I to II and V to XI had stopped filing returns for period ranging from one to 15 quarters upto quarter ending March 2017. These dealers had huge stock balances of ₹ 180.69 crore as per the last returns submitted to the AAs. Of these, 30 dealers made purchase of ₹ 111.39 crore after the last filing of returns. Thus, these dealers had accumulated stock of goods worth ₹ 292.08 crore⁸⁵ with a minimum tax effect of ₹ 14.60 crore calculated at a minimum tax rate of 5 per cent. Details are shown in **Appendix 3.8**. The AAs had not assessed the dealers provisionally under Section 35 and no notices were served to dealers as per the Act (August 2017).

On this being pointed out (October 2017), the Department stated (November 2017) that 23 dealers have filed return, notices were served to 12 dealers, Provisional assessments for four dealers were under process, recovery certificate for two dealers have been issued and cancellation of registration of one dealer was under process. Action taken up against three dealers were not intimated to Audit (February 2018).

⁸⁴ 'C' forms and e-way bills (Road Permit)

⁸⁵ Previous stock of ₹ 180.69 crore + purchase made after last return of ₹ 111.39 crore

3.11.9.5 Lapses in assessment of unregistered dealers

Section 37(1) of MVAT Act provides that if the Commissioner, upon information which has come into his possession, is satisfied that any dealer who has been liable to pay tax under this Act, in respect of any period, has failed to get himself registered, the Commissioner shall proceed in such manner as may be prescribed to assess to the best of his judgement the amount of tax due from the dealer in respect of such period and all subsequent periods and in making such assessment he shall give the dealer reasonable opportunity of being heard.

Further as per Section 37(2) of MVAT Act, the Commissioner may, if he is satisfied that the default was without reasonable cause, direct that the dealer shall pay, by way of penalty, in addition to the amount of tax so assessed, a sum equal to the amount of tax assessed or a sum of ₹ 10,000, whichever is more. Section 65 stipulates periodic survey to identify unregistered dealers from time to time.

Rule 30(3) of MVAT Rules provides that the appropriate AA shall serve a notice of demand upon the dealer in Form 8 fixing a date not less than thirty days from the date of service of such notice to make the payment of the amount of tax assessed and penalty imposed, if any, under Section 37(2) of the MVAT Act.

Audit noticed that during the period under audit, none of the AAs conducted survey to identify unregistered dealers. There was no system in place for collection of information and periodic sale data of dealers from other departments or sources.

Scrutiny of records of other departments revealed that 16 dealers had sold items worth ₹ 2.66 crore to different departments during 2012-13 to 2016-17 with tax effect of ₹ 22.27 lakh. These dealers were not registered under MVAT Act. However, in the absence of a systematic plan of survey and assessment thereof, these dealers remained unregistered and un-assessed though they were liable to pay tax⁸⁶. Thus, these dealers evaded tax of ₹ 22.27 lakh on which a penalty of ₹ 22.27 lakh was also leviable. Details are shown in **Appendix 3.9**.

On this being pointed out (October 2017), the Department stated (November 2017) that it had set up three survey teams to identify unregistered dealers and necessary follow up action was taken up. Status of action taken up had not been intimated (February 2018).

3.11.9.6 Lapses in follow-up of Assessments

As per the provisions of Section 42(5) of the MVAT Act, where a registered dealer fails to make payment of the tax assessed, interest levied or penalty imposed or any other amount due from him under the Act within 30 days of the date of service of the notice of demand, the AA shall, after giving the dealer a reasonable opportunity of being heard, direct that such dealer shall pay, in addition to the amount due for payment, by way of penalty, a sum equal to two

⁸⁶ Under Section 8 of MVAT Act, a dealer is liable to pay tax if the turnover during period of twelve consecutive month crosses ₹6 lakh

per cent of such amount of tax, interest, penalty or any other amount due, for every month for which payment has been delayed by him after the date on which such amount was due to be paid.

During scrutiny of assessment files of sampled dealers for the years 2014-15 to 2016-17, Audit noticed that till the date of audit (August 2017), 76 dealers had not paid ₹ 2.89 crore tax assessed after demand notices were served under the above provisions of the Act. However, no follow up action was taken up to recover the outstanding amount.

On this being pointed out (October 2017), the Department stated (November 2017) that it had recovered ₹ 1.28 crore leaving a balance of ₹ 1.61 crore. Details are shown in **Appendix 3.10**. The status of recovery of the balance amount had not been intimated (February 2018)

3.11.9.7 Erroneous assessments

a) The AAs made assessment of two dealers⁸⁷ by allowing deduction of price drops and breakages of ₹ 28.59 crore from the gross turnover of sales. Details are shown in **Appendix 3.11**. The MVAT Act and Rules does not have provisions for deduction of price drop and breakages from the sales. Thus, the above stated deduction from the gross turnover of sales with a minimum tax effect of ₹ 1.43 crore⁸⁸ was not permissible and amounts to giving undue benefit to the dealers.

On this being pointed out (October 2017), the Department stated (November 2017) that two dealers were under tax audit. Result thereof has not been intimated (February 2018).

b) As per Finance Department Notification⁸⁹ (June 2016), Industrial Units certified by the Green Channel Committee constituted under Industrial and Investment Policy of Manipur, 2013 will be entitled to exemption of 99 *per cent* of tax payable under the Manipur Value Added Tax, 2004 *w.e.f.* 1 April 2013. The AA finalised the assessment on sales turnover of ₹ 2.63 crore in respect of one dealer⁹⁰ for the quarters ending June-2015 to June-2017. The total tax effect on the sales turnover was ₹ 13.16 lakh at the rate of 5 *per cent*. However, the AA assessed tax of ₹ 0.13 lakh after allowing the dealer to claim 99 *per cent* tax exemption on the total tax payable despite the dealer not being cleared for exemption by Green Channel Committee. This led to under-assessment of payable tax of ₹ 13.03 lakh. Details are shown in **Appendix 3.12**.

On this being pointed out (October 2017), the Department stated (November 2017) that re-assessment notice had been served to the dealer. Result thereof had not been intimated (February 2018).

⁸⁷ M/S Mozaic Media & Communication Pvt. Ltd. (TIN-14410267153) and M/S R. K. Telecommunication (TIN-14510347107)

⁸⁸ 5 *per cent* of ₹ 28.59 crore

⁸⁹ Finance Department Notification No. 5/6/2002-FD(TAX)Pt. I dated 8 June 2016

⁹⁰ M/S SHIL Industries (TIN-14922240126) under Zone-XII

3.11.9.8 Absence of system of filing of returns of Tax Deducted at Source

As per Rule 31C of MVAT Rules, every person responsible for deduction of tax while making payment should apply for Tax Deduction Account Number (TAN). Such persons are required to deposit tax deducted and file return within prescribed time. Rule also provides that every person/official who is required to deduct tax under this Rule shall, within 10 days from the expiry of the month, deposit tax deducted in Government Account by an appropriate challan or e-challan. The person shall forward two copies of the challan or e-challan to the dealer, who shall submit one copy to the appropriate Tax Authority along with return filed by the dealer under Section 28 of the MVAT Act.

The Department had not implemented e-TDS, an important VATsoft module. This would provide Tax Deduction Account Number (TAN) to tax deducting departments and allow generation of Tax Deducted at Source (TDS) certificates and e-payment of deducted tax⁹¹. During audit, it was observed that there was no mechanism in the Department to issue TAN either manually or through online methods. There was no record of any direction from the Department to the Drawing and Disbursing Officers (DDOs) to submit TDS returns. Thus, there was no system to watch tax deduction at source. This led to the following irregularities:

a) No proof for deposit of Tax Deducted at Source - ₹13.76 crore

- i) Nineteen dealers submitted returns pertaining to period 2013-14 to 2016-17 with TDS certificates of ₹ 8.34 crore, issued by various Departments and Authorities. Details are shown in ***Appendix 3.13***. However, as there was no copy of challan for deposit made available to audit, the actual deposit could not be verified in audit.
- ii) Six dealers filed returns for periods pertaining to 2013-14 to 2015-16 with TDS certificates of ₹ 5.42 crore issued by one Central office⁹² wherein it was mentioned that the TDS was adjusted through Accountant General (A&E) Manipur. However, no TAN was furnished. In the absence of TAN, the genuineness of the TDS could not be ascertained. Details are shown in ***Appendix 3.14***.

As such, there was no system to watch tax deduction at source, and the Taxation Department was not in a position to ensure that the corresponding tax amount shown as deducted at source were actually deposited in the Government accounts.

b) Tax Deducted at Source not remitted

Information collected from other departments and offices revealed cases where the tax deducted at source was not remitted. In respect of three offices, tax of ₹ 16.56 lakh was deducted during the period from 2012-13 to 2016-17. However, the amount was not remitted into Government account. Details are

⁹¹ TDS is to be paid when the transaction amount/supply is more than 2.5 lakh @ 2 per cent.

⁹² HQ, Director General Assam Rifle (DGAR), Shillong

shown in **Appendix 3.15**. This remained undetected by the Department as there was no system of filing of TDS returns by tax deductors.

On this being pointed out (October 2017), the Department stated (November 2017) that the audit findings will be taken care of in the GST regime which has provisions for registration of tax deduction [Section 24] and their filing of returns [Section 39(3)]. However, status of recovery from DDOs had not been intimated to Audit (February 2018).

3.11.10 System of Control and Monitoring in the Department

Internal controls are intended to provide reasonable assurance of proper implementation of laws, rules and departmental instructions and safeguarding resources against loss, fraud and irregularities. Control, communication and monitoring are key components of internal control system. Existence of continuous and effective monitoring system is essential to secure the effectiveness of internal control system.

A tax manual maps the processes and provides a reference point to navigate the tax regime as well as for organising trainings. It also lays down a framework of internal controls for effective monitoring. For instance, Department of Commercial Taxes in the states of Meghalaya and Mizoram have VAT Audit Manual which outlines policy, general rules and procedures of VAT Audit for guidance of tax officials.

Section 3(2) of MVAT Act provides that the Commissioner may make and issue general rules for regulating the practice and proceedings of tax officials. However, the Department had not prepared any tax manual for standardising assessment and other processes connected with tax administration.

Other deficiencies in internal control are discussed in the following paragraphs.

3.11.10.1 Non-maintenance of records

As per Rule 56 of MVAT Rules, the Commissioner may issue general instructions and prescribe forms for matters connected with the administration of the Act consistent with the provision of the Act.

There were no forms prescribed by Commissioner or any competent Authority under the provisions *ibid* for matters connected with the tax administration. As pointed out in the preceding paragraphs, none of the AAs maintained registers to watch filing of returns by registered dealers. Management Information System (MIS) reports to watch submission of returns online also was not generated periodically. Thus, filing of returns was not properly monitored. Consequently, 15 registered dealers who did not file returns even though they made sales of ₹ 2.76 crore during 2012-17 to various departments with tax effect of ₹ 18.77 lakh as shown in **Appendix 3.16**. The dealers remained out of tax net. Further, 393 dealers out of the sampled dealers also did not file returns since registration.

On this being pointed out (October 2017), the Department stated (November 2017) that notices were served to 15 dealers. Further action taken had not been intimated to Audit (February 2018).

VATsoft had no modules for service of demand notices and uploading of assessment orders. As a result all the assessment orders as well as the demand notices were made/ served manually to the dealers. Register of Demands of tax/interest/penalty as a result of scrutiny or assessment was not maintained by the AAs. None of the Zones maintained any register to give a consolidated and holistic picture of status of returns, assessments, demands raised, payments of taxes or dues. None of the AAs maintained a ledger of dealers for watching dealer-wise status filing of returns, tax assessed, amount dues, payment of taxes etc. Without such registers, it would be difficult for the AAs to have a holistic picture and watchful eye on the dealers under his control. Moreover, control and monitoring by the higher authority could not be effected properly in the absence of such registers.

On this being pointed out (October 2017), the Department stated (November 2017) that necessary instructions have been issued to Superintendent of Taxes to maintain records for effective monitoring. Further action taken in this regard had not been intimated (February 2018).

3.11.10.2 Inadequacy of instructions and guidance to Assessing Authorities

Section 38 of MVAT Act provides that no assessment under Section 35 or 36 shall be made after the expiry of five years from the end of the tax period to which the assessment relates. However, there was no administrative order regarding time limit within which any assessment of dealers was to be completed. Moreover, there were no instructions to the AAs to conduct periodic verification or to check correctness of accounts and records maintained by the dealers as per the MVAT Rules. Without such limitation and detailed guidelines in this regard, there were delayed assessments and accumulation of tax arrears, which were at risk of being time barred as per provisions *ibid*.

The AAs had not taken action in time for periodic assessment of dealers. Assessment of dealers for the period ranging from March 2011 to March 2016 were done after elapse of two to 53 months from the corresponding tax period. This resulted in accumulation of tax arrears of ₹ 11.47 crore and penalty of ₹ 7.73 crore as furnished by the department in respect of five dealers. Details are shown in **Appendix 3.17**. For realisation of the arrears of tax, the Department issued recovery certificates⁹³ valued at ₹ 19.20 crore under provision of the Section 42(5).

On this being pointed out (October 2017), the Department stated that an amount of ₹ 55.50 lakh (November 2017) was realised thereby leaving a balance of ₹ 18.64 crore. The Department did not specify reason for delay in assessment of these dealers. The status of recovery of the balance amount had not been furnished (February 2018).

⁹³ Section 42(6) of MVAT *inter alia* provides that all amounts that remain unpaid after the due date of payment in pursuance of the notice issued under Section 42(5) of the Act shall be recoverable as arrears of land revenue.

3.11.10.3 Inadequate Monitoring

There was no system of reporting to higher authorities of assessments done by Zonal AAs. Except for system of the monthly collection statement which is submitted regularly, there was also no system of submission of any other periodic reports to the higher authority by the AAs. The Department stated (August 2017) that there was a system of preparation and submission of defaulters' list to higher authority by the AAs. However, none of the 13 Zones prepared and submitted such a list to higher authority. The AAs did not prepare any periodical report on assessment made and forwarded the same to the higher authority.

On this being pointed out (October 2017), the Department stated (November 2017) that recommendation of audit would be taken care of in the new GST regime.

Audit scrutiny of the sampled dealers revealed that 128 dealers purchased taxable goods worth ₹ 307.82 crore from outside the State and 66 works contract dealers made a purchase of ₹ 1,133.29 crore during the period from 2014-15 to 2016-17. However, the assessment files of the above dealers were not produced during audit. Hence, the status of returns payment of tax and assessment of dealers under question could not be vouched.

On this being pointed out (October 2017), the Department stated (November 2017) that the assessment files would be made available in the next audit.

The Department stated (August 2017) that there was a system where Commissioner or any official authorised by him reviewed the assessments made by Assessing officer. However, such list of cases reviewed by any higher authority could not be furnished. Thus, the various aspects of the review of cases by higher authority and suggested remedial actions and instructions as a result of the review could not be ascertained in audit.

The Department formed (March 2014) a Flying Squad. However, details of searches or raids conducted and fines or penalty imposed by the Flying Squad could not be furnished. The Enforcement wing was established only in February 2016. The Enforcement Wing collected ₹ 48.22 lakh as penalties during the period February 2016 to October 2016 from 202 cases. No records of the activity of the Enforcement Wing after October 2016 were made available to audit.

There were no prescribed procedures or forms for reporting. Proper records and documentation of searches and raids conducted, the penalties and types of offences were not available for audit scrutiny. Field visit report and tour diary was not submitted. Without such record, the number of cases which need further detailed scrutiny such as audit assessment or tax audit or any type of assessment could not be ascertained. Thus, the functioning of the Enforcement Wing was not monitored properly.

The Department did not comment on the above stated issues (February 2018).

3.11.11 Man Power Position

There was shortage of staff in the Department. The Department had not done time and motion study⁹⁴ to assess the requirement of staffs in the light of the GST implementation. The vacancies *vis-a-vis* sanctioned strength for implementation of VAT system and men-in-position of various posts in the Department of Taxes as of August 2017 were as shown in **Table No. 3.11.2**.

Table No. 3.11.2 Men-in-position and vacancies *vis-a-vis* sanctioned strength under VAT system in the Department of Taxes

Sl. No.	Name of post	Sanctioned strength	Men- in- position	Vacancies	Percentage of vacancies
1	System analyst	1	Nil	1	100
2	Inspector of Taxes	36	10	26	72
3	Lower Division Clerk	42	25	17	40
4	Data Operator- cum- Office Assistants	3	Nil	3	100
5	Drivers	3	2	1	33
6	Peon	42	29	13	31
	Total	127	66	61	48

Source: Departmental Records

From the above table it is evident that the staff shortage was in the range of 31 per cent to 100 per cent under various categories. Overall shortage of staff was 48 per cent.

The Department stated (November 2017) that proposal have been submitted to the Government for recruitment of staff.

3.11.12 Conclusion

The State suffered revenue loss due to various lapses of the Taxation Department. There was no system in place in the state for scrutiny of returns of the dealers. The Department did not make efforts to collect taxes by use of various types of assessment other than self-assessment. System for audit assessment was not made functional in the spirit of the Value Added Tax system. Provisional assessments, assessment of unregistered dealers, assessment of non-filers were also not done in a systemic and periodic manner. Further, there was no system in place for detection of delinquent dealers who are either irregular in filing of returns or negligent. The Department failed to monitor the deposit of tax deducted at source to Government Account and filing of returns by Drawing and Disbursing Officers (DDOs). There were inadequacies in monitoring as evident from lack of proper administrative circulars, instructions and orders regarding assessment, absence of reporting system and review of assessment by higher authorities. The Department did not prepare tax manual for standardising assessment and other processes connected with tax administration. The enforcement system in the Department did not function in a well organised manner. There was shortage of staff in the Department as well.

⁹⁴ Time and motion study: systematic observation, analysis and measurement of the separate steps in the performance of specific job for establishing a standard time.

3.11.13 Recommendations and lessons for transition to GST

The Department may consider the following:

- Establish a system of scrutiny with proper guidelines, checklist with in-built method of screening for further scrutiny;
- In view of lapses noticed in the Value Added Tax regime, reorganise the tax collection structure to use all types of assessments and audits as provided in the Manipur Goods and Service Tax Act for safeguarding the interest of government revenue;
- Establish monitoring system through system of control registers or Management Information System, periodic reporting, prescribed checks and review *etc*; and
- Ensure that tax manuals are prepared for standardising the entire processes with the Goods and Service Tax regime.

COMPLIANCE AUDIT

TAXATION DEPARTMENT

MANIPUR VALUE ADDED TAX ACT, 2004

Section 29(1) of the Manipur Value Added Tax (MVAT) Act, 2004 provides that a dealer who fails without sufficient cause to pay the amount of tax due as per the return or fails to furnish return for any tax period shall be liable to pay interest in respect of the tax payable at the rate of two *per cent* per month from the date the tax payable had become due to the date of its payment or to the date of order of assessment whichever is earlier.

Section 34(3) provides that if a registered dealer has filed the return in respect of any tax period within the prescribed time and the return so filed is found to be in order, it shall be accepted as self-assessment subject to adjustment of any arithmetical error apparent on the face of the said return.

Section 35 read with **Rule 27** of MVAT Rules 2005 stipulates that the Commissioner shall serve a notice in Form 15 on such registered dealer(s) who fail to furnish return in respect of any tax period within the prescribed time⁹⁵, giving the dealer an opportunity of being heard on a date specified in the notice. Thereafter the appropriate assessing authority shall assess to the best of his judgement, the amount of tax payable by the dealer in respect of that period and serve a notice of demand upon the dealer in Form 8, fixing a date not less than thirty days from the date of serving of such notice, to make the payment of the amount of tax assessed and penalty imposed⁹⁶ under Section 36(7).

Section 36(6) provides that if any dealer has either not furnished or furnished incomplete and incorrect returns in respect of any period, the Commissioner of Taxes shall assess to the best of his judgement the amount of tax due from such dealer.

Section 36(7) states that if a dealer, in order to evade or avoid payment of tax has failed, without any reasonable cause, to furnish returns in respect of any period by the prescribed date or has furnished incomplete or incorrect returns for any period, he shall be liable to pay by way of penalty as sum equal to twice the amount of additional tax assessed.

Section 39 stipulates that where after a dealer is assessed under Section 34 for any year or part thereof, the Commissioner has reasons to believe that the whole or any part of the turnover in respect of any period has escaped assessment or been under-assessed, he may proceed to assess to the best of his judgment, the tax due in respect of such turnover.

⁹⁵ Within twenty days from the end of a month of the year for all registered dealers and dealers liable to pay tax with total turnover exceeding ₹ 40 lakh [Section 28 of MVAT Act 2004 read with Rule 24 of MVAT Rules 2005 and the MVAT (First Amendment) Rules 2012]

⁹⁶ Reasons to be recorded in writing

Section 42(5) of the MVAT Act, 2004 provides that where a dealer fails to make payment of the tax assessed or interest levied or penalty imposed on him or any other amount due from him under the Act within 30 days of the date of service of the notice of demand, the Commissioner shall, after giving the dealer reasonable opportunity of being heard, direct that such dealer shall, in addition to the amount due, pay, by way of penalty, a sum equal to two *per cent* of such amount of tax, penalty, interest or any other amount due, for every month, for the period for which payment has been delayed by him after the date on which such amount was due to be paid.

Section 42(6) of the MVAT Act, 2004 read with **Rule 32** of the MVAT Rules 2005 stipulates that the amount that remains unpaid after the due date of payment in pursuance of the notice issued shall be recovered as arrears of land revenue.

Rule 24 of the MVAT (First Amendment) Rules, 2012 read with **Section 36(6)** and **Section 36(7)** of MVAT Act, 2004, if any dealer with total monthly turnover exceeding ₹ 40 lakh has not furnished returns within twenty days from the end of a month of the year, the Commissioner of Taxes shall assess to the best of his judgement the amount of tax due from such dealer and levy a penalty of twice the amount of tax assessed.

3.12 Concealment of purchase

Two dealers concealed purchase of ₹ 1.21 crore and escaped tax of ₹ 9.34 lakh for which penalty of ₹ 18.68 lakh was payable by the dealers

Scrutiny of records (November 2016) of Assessment Zones - VIII and IX revealed that the Assessing Authorities (AA) finalized the assessments of two dealers, *viz.* M/S Home Decora (TIN-14921946193) and M/S Economic Development Centre (TIN-14011204103) under Sections 34(3) of MVAT Act for the quarters ranging from September 2014 to March 2016 in which the dealers had reported taxable purchase of ₹ 2.11 crore. However, examination of the e-way bills available in the VATSoft database, it was noticed that the two dealers had purchased taxable goods worth ₹ 3.32 crore during the period covered by the returns *ibid* as shown in **Appendix 3.18**. As the purchase through e-way bills was more than the purchase declared in the returns, there was suppression of purchase to the tune of ₹ 1.21 crore as shown in **Table No. 3.12.1**.

Table No. 3.12.1 Abstract of suppressed purchase turnover

(₹ in lakh)

Name of dealer & TIN	Quarter ending	Purchase turnover			Applicable VAT	
		As per return	As per e-ways bill database	Suppressed	Rate (%)	Amount
M/S Home Decora (TIN- 14921946193)	Sep-14	76.78	90.54	13.76	13.5	1.86
	Dec-14	76.25	101.27	25.02	13.5	3.38
	Sub-total	153.03	191.81	38.78		5.24
M/S Economic Development Centre (TIN- 14011204103)	Jun-15	0.55	1.18	0.63	5.0	0.03
	Sep-15	15.12	57.97	42.85	5.0	2.14
	Dec-15	40.13	63.92	23.79	5.0	1.19
	Mar-16	2.47	17.31	14.83	5.0	0.74
	Sub-total	58.27	140.38	82.10		4.10
Grand Total		211.30	332.19	120.89		9.34

As on date of audit, the suppressed purchase⁹⁷ remained undetected resulting in escaped tax of ₹ 9.34 lakh for which penalty of ₹ 18.68 lakh was leviable on the dealers under Section 36(7).

The matter was reported to the Government (August 2017); the Government submitted (November 2017) that an amount of ₹ 1.60 lakh⁹⁸ had been recovered at the instance of Audit, which leaves an outstanding balance of ₹ 26.42 lakh⁹⁹. Further, it claimed that the proprietor of M/S Home Decora has intimated (October 2017) that he will pay the full amount by March 2018. In the case of M/S Economic Development Centre, the Department has intimated (October 2017) the Deputy Commissioner, Imphal West District to recover the outstanding amount as arrear of land revenue from the proprietor of the firm under Section 42(C) of the MVAT Act.

Further status of recovery had not been intimated to Audit (February 2018).

3.13 Evasion of tax

Failure of the Assessing Authorities to detect concealment and suppression of sales resulted in evasion of tax and penalty to the tune of ₹ 25.98 lakh

Scrutiny of records (November 2016) of the Commissioner of Taxes revealed that six dealers¹⁰⁰ registered under Assessment Zones - VIII and IX disclosed sales of ₹ 9.31 lakh in their returns for the quarters ending September 2014 to March 2016 (*Appendix 3.19*). However, while cross checking with records

⁹⁷ The Opening and Closing stock was not shown/disclosed in the returns and hence the suppressed purchased is worked out as difference of purchase shown in e-way bills and the purchase shown in the returns.

⁹⁸ Amount recovered at the instance of Audit = ₹ 1.05 lakh (from M/S Home Decora) + ₹ 0.55 lakh (from M/S Economic Development Centre) = ₹ 1.60 lakh

⁹⁹ Outstanding amount = ₹ 9.34 lakh + ₹ 18.68 lakh - ₹ 1.60 lakh = ₹ 26.42 lakh.

¹⁰⁰ M/S Capital Steel (TIN-14920286180), M/S Mahen Hardware (TIN-14921733100), M/S Thokchom Ibomcha Singh Enterprises (TIN-14921931140), M/S L. Sanjit Enterprises (TIN-14920789166), M/S A.U.Brothers (TIN-14810412159), M/S E.K. Enterprises (TIN-14920230105)

collected from three departments¹⁰¹ of the Government of Manipur, these six dealers had sold steel and cement worth ₹ 1.22 crore indicating sales of ₹ 1.13 crore (₹ 1.22 crore - ₹ 9.31 lakh) was suppressed/not declared in the returns furnished by the dealers and the same was not detected by the Assessing Authority. This has resulted in evasion of tax to the tune of ₹ 12.09 lakh assessable under Section 36(6) of MVAT Act on which penalty of ₹ 24.18 lakh was also leviable on the dealers under Section 36(7).

The matter was reported to the Department (September 2017). On this being pointed out, the Commissioner of Taxes stated (November 2017) that a sum of ₹ 10.29 lakh¹⁰² had been recovered from three dealers. The Department further stated that notices have been served (February, August, October and November 2017) to the defaulting dealers and also to the Deputy Commissioners concerned for causing recovery of the outstanding dues as arrears of land revenue as per provisions of Section 42(6) of the MVAT Act, 2004 and Rule 32 of MVAT Rules 2005

The status of recovery of the balance amount of ₹ 25.98 lakh (₹ 12.09 lakh + ₹ 24.18 lakh - ₹ 10.29 lakh) has not been intimated (February 2018).

3.14 Return not furnished

Due to non-furnishing of returns, two dealers concealed purchase of ₹ 4.39 crore for which the dealers were liable to pay tax of ₹ 21.95 lakh and penalty of ₹ 43.90 lakh

Scrutiny of e-way bill revealed that two dealers¹⁰³ purchased goods valued at ₹ 4.39 crore during May 2015 to March 2016, which were taxable at the rate of 5 per cent. The total tax payable by the dealers on these purchases was ₹ 21.95 lakh (*Appendix 3.20*). However, scrutiny of records of the Commissioner of Taxes (November 2016) revealed that the two dealers did not furnish any returns for the quarter ending June 2015 up to the quarter ending September 2016. The Commissioner of taxes also did not issue any notice under Section 35 of the MVAT Act, 2004 read with Rule 27 of MVAT Rules 2005 as the dealers failed to furnish returns of the above stated period.

Due to non-furnishing of returns, the dealers concealed purchase of ₹ 4.39 crore for which tax of ₹ 21.95 lakh was payable by the dealers under Section 36(6) of MVAT Act 2004, In addition, the dealers were also liable to pay penalty of ₹ 43.90 lakh under Section 36(7).

The matter was reported to the Department (September 2017). The Department stated (November 2017) that notices for provisional assessment were issued (August 2017) to the two firms under Section 35 of the Act *ibid*. The Department then issued (October 2017) notices of demand in Form 8 under

¹⁰¹ Public Health Engineering Department, Minor Irrigation Department and Water Resources Department.

¹⁰² ₹ 51,145 (M/S L. Sanjit Enterprises) + ₹ 1,87,185 (M/S A.U. Brothers) + ₹7,90,709 (M/S E.K. Enterprises)

¹⁰³ M/S L. I. Steel (TIN-14810428226) and M/S Marjing Commerce Private Limited (TIN-14923219119)

Rule 27 to the two dealers after giving them an opportunity of being heard. As the two dealers did not pay the outstanding taxes and penalties inspite of reminders, due process under Section 42(6) *ibid* read with Rule 32 *ibid* for recovery of tax and penalty as arrear of land revenue was initiated by issuing recovery certificates to the Deputy Commissioner, Imphal East District in respect of both the dealers.

Progress, if any, on recovery of tax and penalty has not been intimated to Audit (February 2018).

3.15 Blockage of Government revenue

Government revenue to the tune of ₹ 55.67 lakh and penalty of ₹ 1.11 crore was blocked due to failure to invoke provisions of the MVAT Act

Scrutiny of records (November 2016) of the Commissioner of Taxes revealed that M/S Nilo Motors, a dealer of motor vehicles and parts had filed returns in Form 10 for self assessed tax of ₹ 25.58 lakh for the tax periods of quarters ending September 2013, December 2013 and March 2014. The dealer claimed that tax amounting to ₹ 18.88 lakh was paid leaving a balance of ₹ 6.70 lakh as shown in **Table No. 3.15.1**.

Table No. 3.15.1 Outstanding Tax payable by the Dealer

(₹ in lakh)							
Quarter ending	Opening Stock	Purchase	Sales	Closing Stock	VAT assessed	VAT paid	Tax outstanding
Sep-13	19.89	177.14	73.87	123.16	9.97	7.95	2.02
Dec-13	123.16	145.01	60.45	207.72	8.16	6.07	2.09
Mar-14	207.72	89.37	55.22	241.87	7.45	4.86	2.59
Sub-Total		411.52	189.54		25.58	18.88	6.70
Jun-14 to Mar-16	241.87	120.87	NA ¹⁰⁴	362.75	48.97		48.97
Grand Total		532.39	189.54		74.55	18.88	55.67

Till date of audit (November 2016), the Assessing Authority had not reviewed the self assessment returns of the dealer under Section 34(3) of MVAT Act, 2004.

Though the dealer had taken e-way bills worth ₹ 1.21 crore from the Department during the quarter ended June 2014 to the quarter ended March 2016, the dealer had not submitted any return after March 2014. The total stock available with the dealer during June 2014 to March 2016 was not less than ₹ 3.63 crore for which applicable tax was ₹ 48.97 lakh as shown in **Table No. 3.15.1**.

However, the taxation authority failed to invoke the provisions under Rule 24 of the MVAT (First Amendment) Rules, 2012 read with Section 36(6) and 36(7) of MVAT Act, 2004 to assess the dealer on best judgement due to which tax to the tune of ₹ 55.67 lakh (₹ 6.70 lakh + ₹ 48.97 lakh) and penalty thereon to the tune of ₹ 1.11 crore (calculated upto November 2016) under Section 42(5) of MVAT Act, 2004 remained unrealised.

¹⁰⁴ Information was not available as there was no record of returns submitted by the dealer.

The matter was reported to the Department (June 2017). In response, the Department stated (December 2017) that notice in Form-11¹⁰⁵ was issued to the dealer (27 November 2017) to submit return for the tax period ending June 2014 to June 2017 on or before 8 December 2017.

Compliance of the dealer, if any, had not been intimated to Audit (February 2018).

3.16 Outstanding Tax and Penalty

The Department failed to collect outstanding tax and interest penalty amounting to ₹ 10.85 lakh from seven dealers

Scrutiny of records (November 2016) of Commissioner of Taxes, Government of Manipur revealed that seven dealers were served (April 2015 – October 2016) notices of demand under Section 42(5) of MVAT Act 2004 for tax and interest/penalty in Form-8¹⁰⁶ of MVAT Rules 2005 with direction to pay a sum of ₹ 2.57 crore within thirty days from the date of serving of the notices. Against the demand notice, the dealers paid ₹ 2.23 crore (upto the date of Audit *i.e.*, November 2016). The balance amount of ₹ 34.20 lakh remained outstanding, thereby attracting penalty of ₹ 8.35 lakh (calculated upto October 2016) under provisions of Section 42(5) read with Sections 29(1). Details are given in *Appendix 3.21*.

The Department not only had failed to collect government revenue to the tune of ₹ 42.55 lakh (₹ 34.20 lakh + ₹ 8.35 lakh) but also did not take action as envisaged in Sections 42(6) *ibid* read with Rule 32 of the MVAT Rules, 2005 for recovery of the outstanding revenue as arrears of land revenue.

The matter was reported to the Department (June 2017). In response the Department submitted (August 2017) challans showing recovery of ₹ 31.70 lakh leaving an outstanding amount of ₹ 10.85 lakh.

The Department had not intimated status of recovery of the balance amount (February 2018).

3.17 Penalty not collected

The Department failed to collect penalty of ₹ 49.30 lakh from the dealers who failed to submit audited accounts

Section 58 of the MVAT Act, 2004 read with Departmental Notification dated 13 September 2010 provides that a dealer whose gross turnover in any particular year exceeds ₹ 60 lakh is required to get his accounts of that year audited by a Chartered Accountant within six months from the end of that year and furnish such audited accounts to the Tax Authorities by the end of the

¹⁰⁵ A notice issued under Rule 24 of MVAT Rules 2005 calling for submission of return from registered/unregistered dealers who had failed to submit returns due under Section 28(1) within the due date or the Tax Authority has reason to believe that turnover of sales/purchases is likely to exceed or has exceeded the taxable limit as specified in Section 8(5).

¹⁰⁶ As per Rule 27, 28, 29 and 30 of MVAT Rules 2005, Notice of demand in Form 8 is served only after the dealer had been given reasonable opportunity of being heard.

month after expiry of the period of six months. In the event of failure, the Tax Authority shall impose a penalty on the defaulter at the rate of 0.1 *per cent* of the turnover as may be determined by the Tax Authority.

Scrutiny of records (November 2016) of the Commissioner of Taxes revealed that 97 dealers whose turnover exceeded ₹ 60 lakh each during 2011-12, 2014-15 and 2015-16 were assessed for total taxable turnover of ₹ 1,157.87 crore during the said years. As per Section 58 of the MVAT Act, 2004 read with Departmental Notification dated 13 September 2010, the dealers were bound to submit their audited accounts within October 2012, October 2015 and October 2016 for the respective years.

However, as on date of audit, the dealers did not submit audited accounts nor was demand noticed served by the Department. The dealers were liable to pay penalty of ₹ 1.16 crore¹⁰⁷ as per provisions *ibid*.

The matter was reported (July 2017) to the Department. The Department stated (August 2017) that demand notices were issued (November 2016 and August 2017) and penalty of ₹ 66.49 lakh had been collected at the instance of Audit. However, there is still an outstanding penalty of ₹ 49.30 lakh as shown in *Appendix 3.22*.

3.18 Professional Tax not levied

The Department failed to levy and collect Professional Tax to the tune of ₹ 66.28 lakh from the defaulting assesseees

As per Section 7, 9 and 11 of the Manipur Professions, Trades, Callings and Employments Taxation Act, 1981 read with Rule 4 framed under this Act, every Principal Officer¹⁰⁸ or employer registered or person enrolled under this Act shall submit within each assessment year to the assessing authority a return. In the event of failure to furnish return, the Assessing Authority shall at any time within three years of the end of that year, serve on the person liable to pay tax, a notice in the prescribed form. As per the Schedule 2(E)(b) and 2(J)(iv) & (v) appended to the Eighth Amendment of the Act which came into effect from November 2012, lessees of petrol/diesel filling stations and service stations, agents and distributors including retail dealers of liquefied petroleum gas and owners of private Hospitals/Nursing Homes/Medical Clinics/Diagnostic Centres /Laboratories/ Private Institutions/ Schools/Colleges *etc.* are liable to pay Professional Tax at the rate of ₹ 2,500 per annum.

Scrutiny of records (October 2016) of the Commissioner of Taxes, Government of Manipur and further records furnished to Audit (August 2017) revealed that during the period from 2012-13 to 2015-16, the owners of recognised private schools/institutes and private hospitals/clinics/labs were liable to pay ₹ 54.54

¹⁰⁷ Calculated at 0.1 *per cent* of their turnover

¹⁰⁸ Principal Officer with reference to (i) a Department of the State Government or the Central Government is the Head of Office or the officer who is responsible for disbursement of such salary or wages; and (ii) a local authority, firm, company, corporation or other corporate body, society, club or association of persons is the Chairman, Secretary, Treasurer, Manager or Agent.

lakh as Professional Tax under provisions of the Act *ibid* as shown in **Table No. 3.18.1**.

Table No. 3.18.1 Outstanding Professional Tax from owners of private schools, clinics, hospitals and laboratories¹⁰⁹

Year	No. of assesseees being owners of			Rate (₹)	Professional Tax realisable (₹ in lakh)
	Private schools	Clinics, hospital, laboratory	Total		
2012-13	536	56	592	1,458.33 ¹¹⁰	8.63
2013-14	550	56	606	2,500	15.15
2014-15	559	56	615	2,500	15.38
2015-16	559	56	615	2,500	15.38
		Total	2,428		54.54

Further, the owners of oil agencies, gas agencies and brick fields were also liable to pay Professional Tax (PT) to the tune of ₹ 15.65 lakh during 2011-12 to 2015-16 as shown in **Table No. 3.18.2**.

Table No. 3.18.2 Outstanding Professional Tax from dealers of oil agencies, gas agencies and brickfields

(₹ in lakh)

Year	PT realisable	PT recovered at the instance of Audit	Oil Agencies		Gas Agencies		Brick Manufacturing Farms		Total	
			Nos.	PT due	Nos.	PT due	Nos.	PT due	Nos.	PT due
2011-12	3.13	0.57	48	1.20	24	0.60	31	0.76	103	2.56
2012-13	3.13	0.78	46	1.15	21	0.53	27	0.68	94	2.36
2013-14	3.13	0.84	42	1.05	22	0.55	28	0.69	92	2.29
2014-15	3.13	0.84	42	1.05	22	0.55	28	0.69	92	2.29
2015-16	3.13	0.89	38	0.95	23	0.58	29	0.71	90	2.24
Total	15.65	3.92	216	5.4	112	2.81	143	3.53	471	11.74

However, none of the above stated Professional Tax assesseees had furnished return and paid the tax due. On this being pointed out in audit, the Department served notices (April 2017) to the tax defaulting dealers of oil agencies, gas agencies and brick fields owners only and an amount of ₹ 3.92 lakh was recovered at the instance of Audit (as of August 2017), leaving an outstanding balance of ₹ 11.74 lakh as shown in **Table No. 3.18.2**. Details of the recoveries at the instance of Audit are given in **Appendix 3.23**.

Thus, the Department failed to levy and collect Professional Tax to the tune of ₹ 66.28 lakh (₹ 54.54 lakh + ₹ 11.74 lakh).

The matter was referred to the Government (July 2017). In response, the Department stated (August 2017) that the Administrative Heads of the Government under whose jurisdiction the defaulting agencies function have

¹⁰⁹ Prior to September 2012 *i.e.* prior to the coming into effect of the 8th Amendment of the Act, Professional Tax was not applicable for these category of assesseees.

¹¹⁰ Professional Tax on private schools, clinics, hospitals and laboratories became leviable only after coming into force of the 8th Amendment of the Act *w.e.f.* 01 September 2012. Therefore, Professional Tax during 2012-13 is calculated for 7 months *i.e.* from September 2012 to March 2013.

been requested to ensure payment of Professional Tax by the defaulter within the financial year and that Audit would be informed after due collection. However, collection of additional Professional Tax has not been intimated till date (February 2018).

TRANSPORT DEPARTMENT

3.19 Loss of Revenue

The Government suffered a loss of ₹ 9.88 lakh due to non-realisation of Permit Fees and Fine

Section 3(1) read with Section 5 of the Manipur Motor Vehicles Taxation (MMVT) Act, 1998 provides for levy and collection on all motor vehicles used or kept for use in Manipur, a tax (Permit Fee) at the appropriate rate payable annually or in four quarterly instalments in advance on or before the 31st day of March for the commencing financial year by owner of a motor vehicle notwithstanding that the vehicle may from time to time cease to be used. As per Section 15, whoever contravenes any provision of the Act shall be punishable with a fine of ₹ 200 in respect of light vehicles, ₹ 400 in respect of medium vehicles and ₹ 1,000 in respect of heavy vehicles. Also, as per Section 18 of the Act *ibid*, when any person without any reasonable cause fails to pay the tax, the registering authority shall proceed to recover such tax as it were an arrear of land revenue.

Scrutiny of records (June 2016) of the District Transport Officer (DTO), Thoubal revealed that road permit in respect of 110 Auto Rickshaws, 18 Tata Magics and 238 Trucks had expired during the period from 26 February 2009 to 31 December 2015. However, in contravention of the provisions of the Act *ibid*, neither the department had realised the permit fee (tax) to the tune of ₹ 8.08 lakh and fine of ₹ 1.80 lakh respectively from the defaulting owners of the vehicles nor the vehicles were ceased to be used. Thus, there was loss to government revenue to the tune of ₹ 9.88 lakh¹¹¹.

The matter was reported to the Department (November 2016). The Department replied (December 2016) that the office caught fire on 26 August 2016 and permit fees and penalty thereof would be collected after reconstruction of the office. The reply is not acceptable as the permit fee was due from March 2009 to March 2016. Had the Department taken up concrete steps to recover outstanding permit fees on time, loss of records due to the office fire would not have affected revenue inflow. Thus, failure of the Department to comply with the provisions of the Act and its failure to take up concrete steps to recover outstanding permit fees led to loss of the government revenue to the tune of ₹ 9.88 lakh.

The matter was reported to the Government (September 2017); reply was awaited (February 2018).

¹¹¹ (₹ 8.08 lakh + ₹ 1.80 lakh)

3.20 Taxes on vehicles not realised

The Department failed to realise tax amounting to ₹ 24.42 lakh from 97 goods vehicles

As per the Section 3, 5, 9 and 15 of the Manipur Motor Vehicles Taxation Act, 1998 (MMVTA) read with the Amendments dated 31 March 2011, token tax at the rates specified in the First Schedule of the Act shall be levied and collected on all motor vehicles used or kept for use in Manipur. The tax shall be payable in advance. Non-payment of taxes would attract penalty as specified in the Act. Further, as per Section 3 of the Manipur Passengers and Goods Taxation Act (MPGTA), 1977 read with Government Notification dated 9 March 2010; goods tax shall be levied, charged and paid to the State Government on all fares and freights in respect of all passengers and goods carried in taxable vehicles at the rates fixed by the Government.

Scrutiny of records (June 2016) of the District Transport Officer (DTO), Thoubal revealed that the owners of 97 goods vehicles had already paid their tax dues upto various quarters ended March 2012 to December 2015. Token tax and goods tax were due from these owners for period ranging from one quarter to 16 quarters as of March 2016 with a total tax effect of ₹ 26.33 lakh which was inclusive of penalty of ₹ 0.27 lakh

The matter was reported to the Government (August 2017); reply was yet to be received (February 2018). However, the DTO Thoubal produced records (July 2017 and November 2017) of ₹ 1.91 lakh being collected from 33 defaulting goods vehicles and demand notices were served to 24 vehicles while records for 29 trucks were missing¹¹².

However, Audit noticed that the amount paid against the 33 vehicles were only part payment of the tax dues while action taken against 11 defaulting vehicles¹¹³ was not intimated (February 2018).

¹¹² Records were burnt in the fire on 26 August 2016.

¹¹³ 97 – (33 + 24 + 29)

Thus, the Department failed to realise tax amounting to ₹ 24.42 lakh (₹ 26.33 lakh - ₹ 1.91 lakh) from 97 goods vehicles as shown in *Appendix 3.24*.



(D. JAISANKAR)

Accountant General (Audit), Manipur

Imphal

Dated: 28 May 2018

Countersigned



(RAJIV MEHRISHI)

Comptroller and Auditor General of India

New Delhi

Dated: 30 May 2018

APPENDICES

Appendix 1.1

(Reference: Paragraph 1.1)

Funds transferred directly to Implementing Agencies under Economic Sector (Other Than State Public Sector Undertakings)

(₹ in lakh)

Sl No.	Name of the Department	Name of Implementing Agency	Fund Released
1	Commerce and Industries	Executive Committee Manipur, Manipur Secretariat Imphal	50.00
		19 NGOs for Baba Sahab Ambedkar Hastshilpa Yojana	26.46
		The Ideal Handloom and Handicrafts Development Co-operative Society Ltd.	1.25
		6 NGOs for Handicrafts Infrastructure and Technical Development Scheme	31.75
		9 NGOs for Human Resource Development Handicrafts	45.36
		6 NGOs for Marketing Support and Services	25.94
		Rural Industries Development Association	15.91
		3 NGOs for Infrastructure Development Programme	1,228.74
		8 NGOs for Atal Innovation Mission	39.70
		3 NGOs for NER-Textile Promotion Scheme	1,407.98
		2 NGOs for National Handloom Development Programme CS	364.64
		Kb Philanthropy-5	3.42
2	Science and Technology	6 NGOs for Biotechnology Research and Development	69.49
		3 NGOs for Technology Development Programmes	19.56
		6 NGOs for Science and Technology Programme for Socio Economic Development	406.14
		2 NGOs for State Science and Technology Programme	158.74
		9 NGOs for Design & Technical Upgradation Scheme	78.84
3	Forest and Environment	Directorate of Environment, Department of Environment and Forests, Govt. of Manipur	27.09
		Foundation for Environment & Economic Development Services (FEEDS)	34.12
		2 NGOs for Environmental Protection and Monitoring	54.23
		Directorate of Environment, Department of Environment and Forests, Govt. of Manipur	6.00
4	Public Works	Directorate of Transport	119.40
		HVS Construction Materials Pvt. Ltd.	507.43
		4 NGOs for Technical Textiles – Scheme for Usage of GEO Textiles In North Eastern Region	821.20

(₹ in lakh)

Sl No.	Name of the Department	Name of Implementing Agency	Fund Released
5	Veterinary and Animal Husbandry	Manipur Livestock Development Board Ltd.	100.00
		Manipur Livestock Development Board Ltd.	220.82
		Sub Total	320.82
6	Power	Manipur Renewable Energy Development Agency (MANIREDA)	1,253.41
7	Economics and Statistics	Department of Economics and Statistics Manipur	43.32
8	Water Resources	Water Resources Department, Government. Of Manipur	32.50
9	Tourism	Domestic Promotion and Publicity including Hospitality	50.00
		Tourism Corporation of Manipur Limited	3,765.80
		Sub Total	3,815.80
10	Agriculture	Office of the Agriculture Officer (Market Intelligence), Manipur	0.20
		Manipur Organic Mission Agency (MOMA)	736.79
		Programme Coordinator, KVK Churachandpur	4.23
		Sub Total	741.22
11	Planning	2 NGOs for MPs Local Area Development Scheme (MPLADS)	2,000.00
12	Horticulture and Soil Conservation Department, Manipur	Manipur Remote Sensing Application Centre	25.00
		Grand Total	13,775.46

Appendix 1.2

(Reference: Paragraph 1.1.1)

Year-wise details of expenditure audited in respect of Economic Sector during 2016-17

(₹ in crore)

Year	Expenditure incurred
2002-03	0.77
2003-04	1.52
2004-05	3.29
2005-06	7.34
2006-07	11.84
2007-08	12.74
2008-09	16.97
2009-10	49.96
2010-11	156.37
2011-12	351.01
2012-13	2,137.14
2013-14	876.20

(₹ in crore)

Year	Expenditure incurred
2014-15	305.51
2015-16	1,212.22
2016-17	234.39
Total	5,377.27

Source: Records of the Accountant General (Audit), Manipur

Appendix 1.3

(Reference: Paragraph 1.2.1)

Objectives of NRDWP

The objectives¹¹⁴ of NRDWP are to:

- 1) Enable all households have access to and use safe and adequate drinking water and within reasonable distance;
- 2) Ensure potability, reliability, sustainability, convenience, equity and consumers preference to be the guiding principles while planning for a community based water supply system;
- 3) Provide drinking water facility, especially piped water supply to gram panchayats that have achieved open defecation free status on priority basis;
- 4) Ensure all government schools and *anganwadis* have access to safe drinking water;
- 5) Enable communities to monitor and keep surveillance on their drinking water sources;
- 6) Provide enabling support and environment for panchayat raj institutions and local communities to manage their own drinking water sources and systems in their villages;
- 7) Provide access to information through online reporting mechanism with information placed in public domain to bring the transparency and informed decision making; and
- 8) Follow conjoint approach of sanitation and water quality supply which would progressively lead to Swachh Bharat and ensure running water availability to all government school toilets.

¹¹⁴ As per revised guidelines of NRDWP (2013).

Appendix 1.4

(Reference: Paragraph 1.2.3)

Districts, blocks, GPs and habitations sampled/selected for Performance Audit on NRDWP

State	Name of selected			Total no. of Habitations in the GP	No. of Habitations Selected/ test checked	Name of habitations test checked		
	District	Block	Gram Panchayat					
1	2	3	4	5	6	7		
Manipur	Bishnupur	Bishnupur	Ngaikhong Khullen	3	3	Ngaikhong Khullen		
			Thinungei	3	3	Ngaikhong Sipai Ngakchoupokpi (Tengkha Khunou) Ningthoukhong Kha Khunou Thinungei Toupokpi (Ningthoukhong)		
		Moirang	Kha Thinungei	5	4	Kangsoibi Khongban Keirenphabi Nongmaikhong Khordak		
			Thanga Part-I	5	4	Champi Khangpok Karang Chingkha Salam		
		Churachandpur	Samulamlan	Khonomphai	1	1	Khonomphai	
				T Molkot	1	1	T Molkot	
				P Gelmol Khunou	1	1	P Gelmol Khunou	
			Singhat	New Laijang	1	1	New Laijang	
		Zahong		1	1	Zahong		
		S Munhoih		1	1	S Munhoih		
	Behiang	1		1	Behiang			
	Senapati	Mao Maram	Malingli Nepali	1	1	Malingli Nepali		
			Maryram	1	1	Maryram		
		Purul	Ngari Raidulomei	1	1	Ngari Raidulomei		
			Phaibung Khullen	1	1	Phaibung Khullen		
	Thoubal	Kakching	Irengband	Irengband	4	4	Irengband Sora Mairembam Hawairou	
				Langmeidong	3	3	Langmeidong Thounaojam Yangdong	
			Thoubal	Leirongtheng Nigel	8	4	Chandrakhong Ingourok Kakmayai Bitra	
				Oinam Sawombung	2	2	Laiphrakpam Oinam	
		Total	4 Districts	8 Blocks	19 Gram Panchayats	44	38	

Appendix 1.5

(Reference: Paragraph 1.2.8.7, 1.2.11.3(i), 1.2.11.4 & 1.2.13.3)

Details of survey of 19 GP/VWSC during Performance Audit of NRDWP

Sl. No.	Query	Reply	No. of GP/VWSC	Percentage
1	GPWSC/VWSC	Existing	10	52.63
		Not Existing	9	47.37
2	Whether Gram Panchayat/VWSC was involved in water quality testing	Yes	10	52.63
		No	9	47.37
3	Field Test Kits for water quality testing were provided	Yes	7	36.84
		No	12	63.16
4	Results of water quality testing and specified parameters displayed in the office of GS/GP/VWSC	Yes	4	21.05
		No	15	78.95
5	Alerts/Results of contamination of water after quality testing by the lab was communicated to GP	Yes	5	26.32
		No	14	73.68
6	Training for use of FTK provided	Yes	7	36.84
		No	12	63.16
7	Schools/Anganwadis functional in the GP area	School	58	
		Anganwadi	112	
8	Schools/Anganwadis with drinking water facility	School	29	50
		Anganwadi	10	8.93
9	Number of school/anganwadis which required/provided/have functional of water purifier system	Required	0	0
		Provided	0	0
		Functional	0	0
10	In case of Single village scheme (SVS) whether the scheme was handed over to VWSC/GP	Yes	8	42.11
		No	11	57.89
11	Scheme operated and maintained by	GP/VWSC	13	68.42
		PHED/RWB	6	31.58
12	In case SVS was handed over to VWSC/GP, whether annual O&M funds were provided	Yes	5	26.32
		No	14	73.68
13	IEC, HRD or other awareness activities was carried out at the GP/Village level	Yes	6	31.58
		No	13	68.42

Source: Survey

Appendix 1.6

(Reference: Paragraph 1.2.11.1 & 1.2.11.2)

Target and achievement of habitations during 2012-2017

Year	Total no. of Habitations	No. of Habitations With Population Coverage > 0 and < 25%			No. of Habitations With Population Coverage >= 25 and < 50%			No. of Habitations With Population Coverage >= 50 and < 75%			No. of Habitations With Population Coverage >= 75 and < 100%			No. of Habitation With 100% Population Coverage		
		As on 1st April	As on 1st April	Target	Achievement	As on 1st April	Target	Achievement	As on 1st April	Target	Achievement	As on 1st April	Target	Achievement	As on 1st April	Target
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>15</i>	<i>16</i>	<i>17</i>
2012-13	2870	428	80	38	376	67	41	384	63	44	93	12	12	1589	28	62
2013-14	2870	561	43	37	122	20	13	258	26	32	302	88	56	1627	72	122
2014-15	2870	121	3	3	178	36	27	178	21	25	304	49	45	2089	91	124
2015-16	2870	118	13	4	134	18	7	187	16	10	297	30	16	2134	123	43
2016-17	2868	172	37	7	248	12	9	2142	1	76	243	0	1	63	0	0
Total			176	89		153	97		127	187		179	130		314	351

Source: PHED, Manipur

Appendix 1.7

(Reference: Paragraph 1.2.11.1)

Details of survey of 38 habitations during Performance Audit of NRDWP

Sl. No.	Query	Reply	No.	%
1	Coverage status of habitation	Fully covered	14	36.84
		Partially covered	24	63.15
2	Whether any water supply scheme is being provided in the habitation	Yes	35	92.10
		No	3	7.8
3	If yes, nature of scheme	PWS	33	86.84
		Handpump/Borewell	0	0
		Others	2	5.2
4	If no, define the source of water	Local Pond	2	
		River	1	
5	Source of supply of water supply scheme	Ground water	0	0
		surface water	35	92.10
		others	3	7.8
6	In case of piped water supply, whether supplied water was treated	Yes	23	60.52
		No	12	31.57
7	In case of piped water supply scheme, nature of Scheme	MVS	8	21.05
		SVS	27	71.05
8	Availability of water supply (in lpcd)	<40lpcd	23	60.52
		>40 lpcd & <55 lpcd	15	39.47
		>55lpcd	0	0
9	whether the scheme remained non-operational during some part/period of the year	Yes	7	18.42
		No	28	73.68
10	Reasons for non-operation.	Drying up of sources/lowering of ground water	3	
		Contamination of drinking water sources		
		Operation & maintenance		
		Non-availability of electricity		
		Non-availability of funds for running/maintenance	1	
		Any other reason	3	
		No response	21	

Source: Survey

Appendix 1.8

(Reference: Paragraph 1.2.11.1)

Details of survey of 640 households during Performance Audit of NRDWP

Sl. No.	Query	Response	No. of households	Percentage
1	Source Type	Piped water supply	333	52.03
		Handpumps/ Tubewell	1	0.15
		Others	306	47.81
2	Whether the source of supply of water was functional	Functional	360	56.25
		Non-functional	280	43.75
3	Whether the water supply was through household individual connection or common community connection	Household	40	6.25
		Community	600	93.75
4	Whether the Beneficiary was aware that supplied drinking water was safe/potable	Yes	369	57.66
		No	271	42.34
5	Whether the Supply was sufficient for drinking, cooking and other domestic needs	Yes	361	56.40
		No	269	42.03
6	Whether the drinking water supply was available round the year	Yes	255	39.84
		No	385	60.15
7	Whether the drinking water supply through PWS was at regular hours	Yes	219	34.21
		No	421	65.78
8	Distance from water supply position/point	Less than 100 mtrs	376	58.75
		Between 100-200 mtr	114	17.81
		Between 200-500 mtr	71	11.09
		More than 500 mtr	79	12.34
9	Average daily time taken in fetching water	Less than 10 min	376	58.75
		Between 10-30 min	170	26.56
		Between 30-60 min	52	8.13
		More than 1hr	42	6.56
10	Whether the household representative faces any discrimination in access to water from the community drinking water facility	Yes	0	0
		No	640	100
11	Whether access to drinking water from multiple/alternative sources available to the beneficiary	Yes	93	14.53
		No	547	85.47
12	Whether the beneficiary was satisfied with the water quality	Yes	337	52.66
		No	303	47.34
13	In case answer is No, Water quality problem faced	Colored supply	136	
		Smelly water	0	
		Dirty supply	78	
		No response	89	
14	Status of response given by the agencies on water quality complaints reported by the beneficiary	Satisfactory	234	36.56
		Not satisfactory	227	35.46
		Can't say	179	27.96
15	Whether samples were being collected from water source/supply point for testing	Yes	207	32.34
		No	433	67.65
16	Whether training and awareness generating IEC activities on drinking water were ever provided to the beneficiary	Yes	138	21.56
		No	502	78.43
17	Whether the water supply scheme remained non-operation due to O&M	Yes	314	49.06
		No	326	50.93
18	Whether user charges were being collected and used for operation and maintenance	Yes	59	9.21
		No	581	90.78

Source: Survey

Appendix 1.9

(Reference: Paragraph 1.2.15.3)

Status of Drinking Water Facility at School

Sl. No.	Name of Selected GP	No. of School		No. of School with drinking water facility		Water Quality Affected status (Yes/No)	
		As per IMIS	As per site visit	As per IMIS	As per site visit	As per IMIS	As per site visit
1	2	3	4	5	6	7	8
1	Ngaikhong Khullen	9	8	9	8	No	No
2	Thinungei	6	2	6	2	No	No
3	Kha Thinungei	7	5	7	0	No	No
4	Thanga Part-I	6	4	6	4	No	No
5	Khonomphai	1	1	1	0	No	No
6	T Molkot	0	0	0	0	No	No
7	P Gelmol Khunou	2	1	2	1	No	No
8	New Lajang	0	0	0	0	No	No
9	Zahong	0	0	0	0	No	No
10	S Munhoih	0	0	0	0	No	No
11	Behiang	1	3	1	0	No	No
12	Malingli Nepali	1	1	1	0	No	No
13	Maryram	1	1	1	0	No	No
14	Ngari Raidulomei	1	3	1	1	No	No
15	Phaibung Khullen	2	6	2	0	No	No
16	Irengband	6	3	1	2	No	No
17	Langmeidong	3	5	3	0	No	No
18	Leirongthel Ningel	9	13	9	7	No	No
19	Oinam Sawombung	3	2	3	0	No	No
	Total	58	58	53	25		

Source: IMIS & Site visit

Appendix 1.10

(Reference: Paragraph 1.2.15.3)

Status of Drinking Water Facility at Anganwadis

Sl. No.	Name of Selected GP	No. of Anganwadi		No. of Anganwadis with drinking water facility		Water Quality Affected status (Yes/No)	
		As per IMIS	As per site visit	As per IMIS	As per site visit	As per IMIS	As per site visit
1	2	3	4	5	6	7	8
1	Ngaikhong Khullen	5	8	5	0	No	No
2	Thinungei	1	7	0	2	No	No
3	Kha Thinungei	0	16	0	0	No	No
4	Thanga Part-I	0	15	0	0	No	No
5	Khonomphai	0	1	0	0	No	No
6	T Molkot	0	1	0	0	No	No
7	P Gelmol Khunou	0	1	0	0	No	No
8	New Lajang	0	1	0	0	No	No

Sl. No.	Name of Selected GP	No. of Anganwadi		No. of Aganwadis with drinking water facility		Water Quality Affected status (Yes/No)	
		As per IMIS	As per site visit	As per IMIS	As per site visit	As per IMIS	As per site visit
1	2	3	4	5	6	7	8
9	Zahong	0	1	0	0	No	No
10	S Munhoih	0	1	0	0	No	No
11	Behiang	0	2	0	0	No	No
12	Malingli Nepali	0	1	0	0	No	No
13	Maryram	0	2	0	0	No	No
14	Ngari Raidulomei	0	7	0	0	No	No
15	Phaibung Khullen	0	3	0	0	No	No
16	Irengband	0	8	0	2	No	No
17	Langmeidong	0	20	0	0	No	No
18	Leirongthel Ningel	6	12	6	6	No	No
19	Oinam Sawombung	3	6	3	0	No	No
	Total	15	113	14	10		

Source: IMIS & Site visit

Appendix 1.11

(Reference: Paragraph 1.3)

Details of water charges due, collected and outstanding as of January 2016 in respect of Water Supply Maintenance Division - I, PHED

(Amounts in ₹)

Sl. No.	Category	Number of connections*	Water Rate (per month)	Due at end of Dec 2015	Due for Jan 2016	Total due	Collected as on Jan 2016	Amount outstanding	
1	Domestic	20,596	150	463,41,000	30,89,400	494,30,400	155,96,329	338,34,071	
2	Public Hydrant	370	300	16,65,000	1,11,000	17,76,000	2,41,350	15,34,650	
3	Bulk Supply	10	2,19,349.80 KL @ ₹ 10 per KL	-	21,93,498	21,93,498	21,93,498	-	
4	Deptt. Tanker			34,33,686	-	34,33,686	34,33,686	-	
5	Office	211	1,000	31,65,000	2,11,000	33,76,000	29,76,960	3,99,040	
6	School/College	106	600	9,54,000	63,600	10,17,600	66,000	9,51,600	
7	Factory/Industry	25	200	75,000	5,000	80,000	-	80,000	
8	Hotel	38	3,000	17,10,000	1,14,000	18,24,000	70,860	17,53,140	
9	Hostel	15	1,860	4,18,500	27,900	4,46,400	7,440	4,38,960	
10	Hospital	11	1,730	2,85,450	19,030	3,04,480	-	3,04,480	
	Total	21,382		580,47,636	58,34,428	638,82,064	2,45,86,123	3,92,95,941	
Post audit information based on the Department's reply							Add amount due for February 2016 - April 2016	1,75,03,284	
							Add amount due for May 2016 - July 2017	5,43,63,668	
							Total outstanding		11,11,62,893
							Deduct recoveries during February 2016 - April 2016	56,76,455	
							Deduct recoveries during May 2016 - July 2017	1,89,42,279	
Net outstanding as on July 2017		8,65,44,159							

*The number of connection is progressive at the end of January 2016

Appendix 1.12

(Reference: Paragraph 1.3)

Outstanding water charges as of March 2016 in respect of Water Supply Maintenance Division-II, PHED

(Amounts in ₹)

Sl. No.	Category of connection	No of connections	Water Rate (per month)	Water charges due per month	Water charges due for April 2015 to March 2016
1	Domestic	6,344	150	9,51,600	114,19,200
2	Public Hydrant	110	300	33,000	3,96,000
3	Bulk supply	7	#	2,67,197	32,06,364
4	Office	73	1,000	73,000	8,76,000
5	School/College	51	600	30,600	3,67,200
	Total	6,585		13,55,397	162,64,764
				Add amount outstanding as on March 2015	188,81,000
				Total outstanding as on March 2016	351,45,764
	Post audit information based on the Department's reply			Add amount due for April 2016 to July 2017	216,86,352*
				Deduct recoveries during April 2016 to July 2017	46,57,673^
				Net outstanding as on July 2017	521,74,443

At different rates

* calculated at the rate of ₹13,55,397 per month for 16 months

^ this recovery is against amounts due during April 2015 to March 2016

Appendix 2.1

(Reference: Paragraph 2.1.11)

Investments and grants made by State Government in SPSUs whose accounts are in arrears

(₹ in lakh)

Sl. No.	Name of the Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Period of accounts pending finalisation	Investments and grants made by State Government during the year of which accounts are in arrears [@]		
					Equity	Loans	Grants
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A	Working Government Companies						
1	Manipur Industrial Development Corporation Limited	2009-10	1214.34	2010-11 to 2016-17	-	-	-
2	Manipur Tribal Development Corporation Limited	1987-88	51.50	1988-89 to 2016-17	-	-	100.00
3	Manipur Police Housing Corporation Limited	1997-98	2.00	1998-99 to 2016-17	-	-	-
4	Manipur Food Industries Corporation Limited	2007-08	350.39	2008-09 to 2016-17	200.00	-	328.31
5	Manipur Electronics Development Corporation Limited	2014-15	274.28	2015-16 & 2016-17			-
6	Manipur State Power Company Limited	2014-15	1,005.00	2014-15 to 2016-17	-	-	36,276.53
7	Manipur State Power Distribution Company Limited	2014-15	1,005.00	2014-15 to 2016-17	-	-	75,436.38
8	Manipur Handloom & Handicrafts Development Corporation Limited	2004-05	1,167.95	2005-06 to 2016-17	-	-	116.00
9	Manipur IT SEZ Project Development Company Limited	-	5.00	2014-15 to 2016-17	5.00	-	-
10	Tourism Corporation of Manipur Limited	-	5.00	2016-17	5.00	-	607.44
	Total		5,080.46		210.00	-	1,12,864.66

[@] Financial figures are as provided by the Companies

Appendix 2.2

(Reference: Paragraph 2.1.15)

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised financial statements as on 30 September 2017

(₹ in lakh)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital*	Loans outstanding at the end of year**	Accumulated Profit (+) / Loss (-)	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital Employed ¹¹⁵	Return on capital employed [§]	Percentage return on capital employed	Man-power
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Working Government Companies													
FINANCE													
1	Manipur Industrial Development Corporation Limited	2009-10	2014-15	1,214.34	2,194.92	(-) 3,178.20	6.57	(-) 144.67	-	231.06	(-) 144.67	(Negative)	49
2	Manipur Tribal Development Corporation Limited	1987-88	2013-14	51.50	-	(-) 22.37	1.75	(-) 11.71	Non-disclosure: 67.95	29.13	(-) 11.71	(Negative)	144
Sector wise total				1,265.84	2,194.92	(-) 3,200.57	8.32	(-) 156.38	-	260.19	(-) 156.38	-	193
INFRASTRUCTURE													
3	Manipur Police Housing Corporation Limited	1997-98	2012-13	2.00	-	58.97	11.01	29.07	-	60.97	29.07	47.68	158
Sector wise total				2.00	-	58.97	11.01	29.07	-	60.97	29.07	47.68	158
MANUFACTURING													
4	Manipur Food Industries Corporation Limited	2007-08	2014-15	350.39	137.00#	(-) 71.02	0.41	0.41	Non-disclosure: 137.00 & Error in classification: 23.00	416.37	0.41	0.10	3
5	Manipur Electronics Development Corporation Limited	2014-15	2015-16	274.28	0.26	(-) 630.85	116.34	(-) 19.86	-	(-) 356.31	(-) 19.86	(Negative)	43
Sector wise total				624.67	137.26	(-) 701.87	116.75	(-) 19.45	-	60.06	(-) 19.45	-	46

¹¹⁵ Capital employed has been calculated as shareholders' funds plus long-term borrowings

Loan from NABARD

* Paid up capital includes Share Application Money

** Loans outstanding represent long-term loans

§ Return on Capital Employed has been calculated by adding profit and interest charged to Profit and Loss Account

(₹ in lakh)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital*	Loans outstanding at the end of year**	Accumulated Profit (+) / Loss (-)	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital Employed ¹¹⁵	Return on capital employed ⁸	Percentage return on capital employed	Man-power
1	2	3	4	5	6	7	8	9	10	11	12	13	14
POWER													
6	Manipur State Power Company Limited	2014-15	2017-18	1,005.00	-	(-) 2,154.74	-	(-) 1,354.99	-	(-) 1,149.74	(-) 1,354.99	(Negative)	1,685
7	Manipur State Power Distribution Company Limited	2014-15	2017-18	1,005.00	5,192.04	(-) 4,253.78	15,957.95	(-) 3,048.81	-	1,943.26	(-) 3,048.81	(Negative)	1,883
Sector wise total				2,010.00	5,192.04	(-) 6,408.52	15,957.95	(-) 4,403.80	-	793.52	(-) 4,403.80	-	3,568
MISCELLANEOUS													
8	Manipur Handloom & Handicrafts Development Corporation Limited	2004-05	2014-15	1,167.95	168.89 ¹¹⁶	(-) 1,475.12	8.19	(-) 238.04	-	(-) 138.28	(-) 238.04	(Negative)	12
9	Manipur IT SEZ Project Development Company Limited	- [@]	-	-	-	-	-	-	-	-	-	-	2
10	Tourism Corporation of Manipur Limited	- [@]	-	-	-	-	-	-	-	-	-	-	8
Sector wise total				1,167.95	168.89	(-) 1,475.12	8.19	(-) 238.04	-	(-) 138.28	(-) 238.04	-	22
Total A (All sector wise working Government companies)				5,070.46	7,693.11	(-) 11,727.11	16,102.22	(-) 4,788.60	-	1,036.46	(-) 4,788.60	-	3,987
B. Non working Government companies													
AGRICULTURE & ALLIED													
1	Manipur Agro Industries Corporation Limited	1988-89	2005-06	32.25	-	(-) 45.45	19.02	(-) 3.61	-	(-) 13.20	(-) 3.61	(Negative)	-
2	Manipur Plantation Crops Corporation Limited	1983-84	2000-01	51.15	6.50	-	-	-	-	57.65	-	-	2
Sector wise total				83.40	6.50	(-) 45.45	19.02	(-) 3.61	-	44.45	(-) 3.61	-	2
MISCELLANEOUS													
3	Manipur Pulp & Allied Products Limited	1997-98	2015-16	89.31	222.97	(-) 351.31	12.92	(-) 65.44	-	(-) 39.02	(-) 33.50	(Negative)	1
Sector wise total				89.31	222.97	(-) 351.31	12.92	(-) 65.44	-	(-) 39.02	(-) 33.50	-	1
Total B (All sector wise non working Government company)				172.71	229.47	(-) 396.76	31.94	(-) 69.05	-	5.43	(-) 37.11	-	3
Grand Total (A+B)				5,243.17	7,922.58	(-) 12,123.87	16,134.16	(-) 4,857.65	-	1,041.89	(-) 4,825.71	-	3,990

¹¹⁶ Loan from Central Govt. (₹107.29 lakh) + State Govt. (₹57.60 lakh) + Loan against FD (₹4.00 lakh) = ₹168.98.00 lakh

[@] Manipur IT SEZ Project Development Company Ltd. and Tourism Corporation of Manipur Ltd. had not finalised their first Annual Accounts

Appendix 2.3

(Reference: Paragraph 2.2)

Details of energy charges billed and collected during 2014-15 to 2016-17

(Amounts in ₹ crore)

Sl. No.	Division	2013-14	2014-15			2015-16			2016-17			Outstanding against State Government Departments	Total Collectable at end of 2016-17 (3+4+7+10)	Total Collected at end of 2016-17 (5+8+11)
		Outstanding	Billed	Collected	Outstanding (3+4-5)	Billed	Collected	Outstanding (6+7-8)	Billed	Collected	Outstanding (9+10-11)			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Bishnupur	58.86	11.33	7.56	62.63	12.58	8.74	66.47	14.94	10.45	70.96	4.21	97.71	26.76
2	Churchandpur	16.86	12.33	6.95	22.24	13.65	8.02	27.87	11.36	9.99	29.24	3.48	54.20	24.95
3	Chandel	5.18	3.60	1.92	6.87	6.21	1.69	11.38	6.14	1.38	16.14	2.49	21.12	4.98
4	IED*-1	21.47	24.99	30.79	15.67	25.05	25.47	15.25	30.03	31.05	14.23	9.28	101.54	87.30
5	IED-II	61.47	24.89	21.60	64.76	27.85	22.17	70.44	41.41	19.92	91.92	7.70	155.61	63.69
6	IED-III	64.41	16.60	17.30	63.71	16.70	13.84	66.57	24.57	18.58	72.56	12.22	122.28	49.71
7	IED-IV	87.44	25.98	15.41	98.01	22.15	15.65	104.51	36.35	23.27	117.59	9.08	171.92	54.33
8	Jiribam	8.28	4.58	2.17	10.69	3.16	2.53	11.32	1.65	1.68	11.28	1.87	17.67	6.38
9	Kakching	14.92	7.00	5.94	15.99	4.24	4.54	15.68	5.71	3.43	17.96	4.87	31.87	13.91
10	Kangpokpi	12.32	3.60	3.31	12.61	8.47	5.29	15.79	9.26	6.47	18.58	3.34	33.65	15.07
11	Senapati	27.63	-5.25 [#]	3.68	18.71	6.08	4.00	20.78	7.32	4.01	24.10	2.43	35.79	11.69
12	Tamenglong	8.20	1.33	1.19	8.35	1.71	2.30	7.76	1.77	1.62	7.91	2.73	13.02	5.11
13	Thoubal	21.70	6.25	7.80	20.16	8.36	6.44	22.08	11.37	5.01	28.43	3.66	47.68	19.25
14	Ukhrul	16.98	2.30	2.22	17.07	2.85	2.04	17.87	3.35	2.04	19.17	0.85	25.47	6.30
	Total	425.73	139.53	127.82	437.44	159.05	122.73	473.76	205.22	138.90	540.08	68.22	929.52	389.44

Source: Company Records

* IED – Imphal Electrical Division

[#] An amount of ₹11.18 crore was written off for Senapati Division during 2014-15.

Appendix 3.1

(Reference: Paragraph 3.11.9.1)

Part-payment of taxes due as per self-assessed returns

(Amounts in ₹)

Sl. No.	Name of dealer, TIN & Zone	Q/E	VAT due as per returns	Due date	Amount paid	Outstanding	Recovery	Date of recovery	No. of days delayed in payment	Interest leviable on the recovery	Balance	No of days delayed for payment of balance (as on 31.01.2018)	Interest on the balance as on 31.01.18	Total Interest recoverable
1	M/s Souvio Enterprises-(14010691114) (IX)	Sep-16	17,53,644	20-10-2016	13,00,000	4,53,644	2,00,000	24-10-2017	369	49,200	2,53,644	468	79,137	1,28,337
		Dec-16	19,80,350	20-01-2017	11,00,000	8,80,350	3,00,000	24-10-2017	277	55,400	5,80,350	376	1,45,474	2,00,874
		Total	37,33,994		24,00,000	13,33,994	5,00,000			1,04,600	8,33,994		2,24,611	3,29,211
2	M/s Dinesh TV Electronics-(14410118118) (I)	Jun-16	16,93,299	20-07-2016	16,10,942	82,357	82357	20-10-2017	457	25,091	-		-	25,091
		Sep-16	14,83,485	20-10-2016	13,80,572	1,02,913	90,476	20-10-2017	365	22,016	12,437	468	3,880	25,896
		Dec-16	14,43,252	20-01-2017	14,05,840	37,412	-				37,412	376	9,378	9,378
		Total	46,20,036		43,97,354	2,22,682	1,72,833			47,107	49,849		13,258	60,366
3	M/s Uripok Energy Station-(14921885165) (IX)	Jun-16	139,04,032	20-07-2016	83,00,000	56,04,032	56,04,033	30-11-2017	498	18,60,539			-	18,60,539
		Total	139,04,032		83,00,000	56,04,032	56,04,033			18,60,539	-		-	18,60,539
4	M/s NRL Energy Station, Thoubal-(14710155181) (IX)	Mar-14	100,65,512	20-05-2014	100,00,000	65,512					65,512	1,352	59,048	59,048
		Jun-14	108,08,248	20-07-2014	89,00,000	19,08,248					19,08,248	1,291	16,42,365	16,42,365
		Total	208,73,760		189,00,000	19,73,760	-				19,73,760		17,01,413	17,01,413
Grand Total			431,31,822		339,97,354	91,34,468	62,76,866			20,12,246	28,57,603		19,39,283	39,51,529

Appendix 3.2

(Reference: Paragraph 3.11.9.1)

Interest leviable for delay in payment of taxes as per self-assessed returns

(Amounts in ₹)

Sl. No.	Name of dealer TIN	Zone	Quarter Ending	Tax Payable	Due date of payment	Tax paid	Date of payment	No of days delayed	Interest leviable	Recovery after audit	Balance Amount	
1	M/S Manipur Trading Corporation- 14920634168	III	Jun-15	1,64,15,001	20-07-15	1,49,64,841	26-06-15	0	0			
						14,50,160	08-09-15	50	48,339			
			Total	1,64,15,001		1,64,15,001			48,339		48,339	
			Sep-15	1,75,24,841	20-10-15	30,00,000	10-11-15	21	42,000			
					20-10-15	20,00,000	18-11-15	29	38,667			
					20-10-15	30,00,000	30-11-15	41	82,000			
					20-10-15	20,00,000	05-11-15	16	21,333			
					20-10-15	24,45,938	20-01-16	92	1,84,000			
					20-10-15	20,00,000	29-12-15	70	93,333			
					20-10-15	30,78,903	20-10-15	0	-			
			Total	1,75,24,841		1,75,24,841			4,61,333			
			Mar-16	1,87,39,177	20-04-16	37,39,177	20-04-16	0	-			
					20-04-16	25,00,000	28-06-16	69	1,15,000			
					20-04-16	25,00,000	21-06-16	62	1,03,333			
					20-04-16	20,00,000	01-07-16	72	96,000			
					20-04-16	40,00,000	30-03-16	0	-			
					20-04-16	40,00,000	24-03-16	0	-			
			Total	1,87,39,177		1,87,39,177			3,14,333			
			Jun-16	1,58,35,892	20-07-16	17,85,566	20-07-16	0	-			
					20-07-16	20,00,000	09-08-16	20	26,667			
					20-07-16	30,00,000	03-09-16	45	90,000			
					20-07-16	20,00,000	14-09-16	56	74,667			
					20-07-16	30,00,000	03-10-16	75	1,50,000			
					20-07-16	40,50,326	18-11-16	121	3,26,726			
			Total	1,58,35,892		1,58,35,892			6,68,060			
			Sep-16	1,01,04,017	20-10-16	15,23,207	20-10-16	0	-			
					20-10-16	50,00,000	15-11-16	26	86,667			
					20-10-16	2,00,000	21-02-17	124	16,533			

(Amounts in ₹)

Sl. No.	Name of dealer TIN	Zone	Quarter Ending	Tax Payable	Due date of payment	Tax paid	Date of payment	No of days delayed	Interest leviable	Recovery after audit	Balance Amount
					20-10-16	18,00,000	21-02-17	124	1,48,800		
					20-10-16	9,49,674	18-11-16	29	18,360		
					20-10-16	6,31,136	23-03-17	154	64,797		
			Total	1,01,04,017		1,01,04,017			3,35,157		
			Dec-16	73,80,423	20-01-17	21,74,571	20-01-17	0	-		
					20-01-17	23,68,864	23-03-17	62	97,913		
					20-01-17	8,36,988	28-06-17	159	88,721		
					20-01-17	20,00,000	31-03-17	70	93,333		
			Total	73,80,423		73,80,423			2,79,967		
			Mar-17	94,07,246	20-04-17	21,63,012	28-06-17	69	99,499		
					20-04-17	5,55,636	15-07-17	86	31,856		
					20-04-17	25,00,000	06-07-17	77	1,28,333		
					20-04-17	25,00,000	07-07-17	78	1,30,000		
					20-04-17	16,88,598	20-04-17	0	-		
			Total	94,07,246		94,07,246			3,89,688		
Sub-Total	9,54,06,597		9,54,06,597			24,62,895	24,48,538	14,357			
2	M/s Sanamahhi Motors- 14921419161	IX	Jun-15	7,03,648	20-07-15	7,03,648	08-03-16	232	1,08,831		
			Sep-15	6,51,318	20-10-15	6,51,318	08-03-16	140	60,790		
			Dec-15	13,95,528	20-01-16	6,45,034	08-03-16	48	20,641		
					20-01-16	7,50,494	21-10-16	275	1,37,591		
			Total	13,95,528		13,95,528			3,27,853		
			Mar-16	16,54,495	20-04-16	16,54,495	21-10-16	184	2,02,951		
			Jun-16	21,94,271	20-07-16	54,834	31-03-16	0	-		
					20-07-16	21,39,437	21-10-16	93	1,32,645		
			Total	21,94,271		21,94,271			3,35,596		
			Sep-16	26,53,711	20-10-16	4,55,574	21-10-16	0	-		
					20-10-16	21,98,137	20-04-17	182	2,66,707		
			Total	26,53,711		26,53,711			2,66,707		
			Dec-16	15,94,458	20-01-17	47,734	20-04-17	90	2,864		
	20-01-17	15,46,724		20-04-17	90	92,803					
Total	15,94,458		15,94,458			95,667					

(Amounts in ₹)

Sl. No.	Name of dealer TIN	Zone	Quarter Ending	Tax Payable	Due date of payment	Tax paid	Date of payment	No of days delayed	Interest leviable	Recovery after audit	Balance Amount
			Sub- Total	78,37,968		78,37,968			10,25,823	-	10,25,823
3	M/s O. Imocha & Bros-14110026184	III	Dec-16	4,70,383	20-01-17	2,68,302	02-08-16	0	-		
					20-01-17	2,02,081	19-07-17	180	24,250		
			Total	4,70,383		4,70,383			24,250		
			Mar-17	10,21,349	20-04-17	1,68,406	26-03-17	0	-		
					20-04-17	7,55,024	31-07-17	102	51,342		
					20-04-17	97,919	19-07-17	90	5,875		
Total	10,21,349		10,21,349			57,217					
Sub- Total	14,91,732		14,91,732			81,467	81,467	-			
4	M/s Somi Enterprises- 14920711162	IX	Mar-17	4,00,000	20-04-17	4,00,000	21-07-17	92	24,533		
			Total	4,00,000		4,00,000			24,533	24,533	-
5	M/s Shimnit Utsch India Pvt Ltd- 14920394193	IX	Sep-15	2,77,036	20-10-15	2,77,036	23-11-2015	34	6,279		
			Oct-15	2,25,105	20-11-15	2,25,105	28-12-2015	38	5,703		
			Total	5,02,141		5,02,141			11,982	-	11,982
6	M/s Ashok Hardware & Steel Mart-14922286101	III	Dec-16	15,68,120	20-01-17	9,50,000	30-03-17	69	43,700		
					20-01-17	6,18,120	14-06-17	145	59,752		
			Total	15,68,120		15,68,120			1,03,452		1,03,452
Grand Total				10,72,06,558		10,72,06,558			37,10,152	25,54,538	11,55,614

Appendix 3.3

(Reference: Paragraph 3.11.9.1)

Suppression of purchase turnover in the self-assessed returns

(Amounts in ₹)

Sl. No.	Trade Name & TIN	Zone	Quarter Ending	Purchase as shown in the return	Purchase as per e-ways bill/'C' form database	Suppression	Tax rate	Tax	Recovered amount	Balance Amount
1	M/s Metro Cycle Store & 14922341166	VII	Mar-16	-	53,97,287	53,97,287	5%	2,69,864		
			Jun-16	34,56,655	43,66,252	9,09,597	5%	45,480		
			Sep-16	-	43,87,663	43,87,663	5%	2,19,383		
			Dec-16	-	27,59,714	27,59,714	5%	1,37,986		
			Mar-17	-	1,29,64,001	1,29,64,001	5%	6,48,200		
			Total	34,56,655	2,98,74,917	2,64,18,262		13,20,913	1,30,540	11,90,373
2	M/s Raj Electronics & 14921741180	VIII	Mar-17	-	1,55,35,688	1,55,35,688	13.50%	20,97,318		
			Total	-	1,55,35,688	1,55,35,688		20,97,318	-	20,97,318
3	M/S Mayasheel Retail LLP 14923744131	VIII	Dec-16	1,37,84,455	3,62,30,623	2,24,46,168	5%	11,22,308		
			Total	1,37,84,455	3,62,30,623	2,24,46,168		11,22,308	-	11,22,308
Grand total				1,72,41,110	8,16,41,228	6,44,00,118		45,40,539	1,30,540	44,09,999

Appendix 3.4

(Reference: Paragraph 3.11.9.2)

Suspected suppression of tax by application of lower rate of 5% on sales leviable at 13.5%

(Amounts in ₹)

Sl. No.	Trade Name & TIN	Qtr	Sale taxable at 13.5% as per return	Sales taxable at 5% as per returns		Outside purchase as per 'C' form		Taxable at 5%	Audit's calculation of tax short leveid on the Sales turnover shown sales @ 5% as per dealers' returns						Recovered amount	Balance Amount (15-16)
				Turnover	Applicable VAT @ 5% (6 X 5%)	Taxable @ 13.50%	Taxable @ 5%		Excess of sale over purchase (5 - 8)	Sales turnover taxable @ 5% (restricted to purchase @ 5% (= 8))	Sales turnover taxable @ 13.5% but shown as taxable @ 5% (5 - 10)	VAT @ 5% (5% of 10)	VAT @ 13.5% (13.5 % of 11)	Total VAT payable (12 + 13)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	M/s Jainco Hardware Store (14410017175) Zone-I	Dec-11 to Sep-16	7,45,13,878	3,03,65,347	15,18,267	1,13,70,55,82	37,61,199	2,66,04,148	37,61,199	2,66,04,148	1,88,060	35,91,560	37,79,620	22,61,353		22,61,353
2	M/s Sanitary House (14710162154) Zone-III	Jun-12 to Sep-16	3,07,52,723	1,60,10,436	8,00,522	7,94,41,115	4,98,144	1,55,12,292	4,98,144	1,55,12,292	24,907	20,94,159	21,19,067	13,18,545	5,00,000	8,18,545
3	M/s Yogesh Hardware (14710010186) Zone-III	Dec-13 to Mar-17	1,84,97,261	66,81,400	3,34,070	3,77,80,886	-	66,81,400	-	66,81,400	-	9,01,989	9,01,989	5,67,919	5,67,919	-
4	M/s Sadguru Stores (14510222118) Zone-V	Dec-12 to Sep-16	2,17,76,267	4,33,32,808	21,66,640	6,86,31,882	-	4,33,32,808	-	4,33,32,808	-	58,49,929	58,49,929	36,83,289		36,83,289
5	M/s Khumi Dunlop Shop (14910021156) Zone-X	Mar-15 to Mar-17	4,79,726	12,67,102	63,355	80,66,496	-	12,67,102	-	12,67,102	-	1,71,059	1,71,059	1,07,704		1,07,704

(Amounts in ₹)

Sl. No.	Trade Name & TIN	Qtr	Sale taxable at 13.5% as per return	Sales taxable at 5 % as per returns		Outside purchase as per 'C' form		Taxable at 5%	Audit's calculation of tax short levied on the Sales turnover shown sales @ 5% as per dealers' returns						Recovered amount	Balance Amount (15-16)
				Turnover	Applicable VAT @ 5% (6 X 5%)	Taxable @ 13.50%	Taxable @ 5%	Excess of sale over purchase (5 - 8)	Sales turnover taxable @ 5% (restricted to purchase @ 5% (= 8))	Sales turnover taxable @ 13.5% but shown as taxable @ 5% (5 - 10)	VAT @ 5% (5% of 10)	VAT @ 13.5% (13.5 % of 11)	Total VAT payable (12 + 13)	VAT short levied (14 - 6)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
6	M/s Y. Krishna Singh & Sons Enterprises (14922627116) Zone-IX	Mar-15 to Dec-16	65,07,012	3,13,95,774	15,69,789	2,52,98,774	1,79,93,796	1,34,01,978	1,79,93,796	1,34,01,978	8,99,690	18,09,267	27,08,957	11,39,168	-	11,39,168
7	M/s Amit Hardware (14110012141) Zone-III	Sep-13 to Sep-16	3,52,21,315	1,54,82,565	7,74,128	6,08,28,350	53,85,482	1,00,97,083	53,85,482	1,00,97,083	2,69,274	13,63,106	16,32,380	8,58,252	-	8,58,252
8	M/s Gunit Ply Centre (14110085192) Zone-III	Dec-12 to Mar-16	74,51,726	70,46,192	3,52,310	2,93,93,610	8,45,121	62,01,071	8,45,121	62,01,071	42,256	8,37,145	8,79,401	5,27,091	-	5,27,091
9	M/s Mohanlal Prakashchand Sharma (14011631105) Zone-XII	Dec-12 to Jun-16	4,56,46,648	1,54,43,822	7,72,191	4,75,07,357	42,65,335	1,11,78,487	42,65,335	1,11,78,487	2,13,267	15,09,096	17,22,362	9,50,171	9,50,171	-
	Total		24,08,46,556	16,70,25,446	83,51,272	47,06,54,052	3,27,49,077	13,42,76,369	3,27,49,077	13,42,76,369	16,37,454	1,81,27,310	1,97,64,764	1,14,13,491	20,18,090	93,95,401

Appendix 3.5

(Reference: Paragraph 3.11.9.2)

Huge differences between sales and purchase

(`in crore)

Sl. No.	Trade Name & TIN	Zone	2014-15			2015-16			2016-17			Total Diff	Remark
			Sale	Purchase	Diff	Sale	Purchase	Diff	Sale	Purchase	Diff		
1	M/s Sudheer Iron Store (14921913154)	I	1.12	4.20	3.08	1.32	2.51	1.19	1.15	2.83	1.68	5.94	Filed upto 9/16
2	M/s J K Auto Service (14110226147)	I	3.39	6.46	3.07	2.92	7.16	4.24	2.55	5.13	2.59	9.89	
3	M/s Thoibi Agency (14922559115)	I	0.07	0.39	0.32	0.93	2.17	1.24	2.00	3.42	1.42	2.98	
4	M/s Sachdeva Medical Hall (14410021118)	I	0.87	3.32	2.45	1.61	3.29	1.67	2.10	3.76	1.66	5.79	
5	M/s Debopriyo Agencies (14410058100)	I	5.33	7.60	2.27	4.70	6.35	1.65	3.67	5.80	2.13	6.05	
6	M/s Dinesh TV Electronics (14410118118)	I	5.46	6.60	1.14	5.83	7.49	1.67	7.14	7.96	0.82	3.63	
7	M/s Santosh Sanitary (14310234184)	II	1.90	3.47	1.57	1.35	2.34	0.99	1.47	2.47	1.00	3.56	
8	M/s Imphal Tyres (14310038164)	II	0.97	2.08	1.11	1.19	2.04	0.85	0.74	1.07	0.32	2.28	
9	M/s Shyam Tyre Sales & service (14810596156)	II	3.75	5.88	2.14	1.91	2.72	0.81	1.26	1.80	0.54	3.48	Filed upto 12/16
10	M/s Shree Automobiles (14310108185)	II	2.19	3.32	1.13	1.76	2.86	1.10	1.55	2.81	1.26	3.48	
11	M/s N D trading Agency (14921753106)	II	11.34	18.37	7.03	12.36	16.58	4.22	23.58	20.57	-3.01	8.24	
12	M/s Pakhangba Motors (14310180129)	II	22.52	32.55	10.02	36.00	47.40	11.40	39.63	26.08	-13.55	7.87	
13	M/s M.P. Agency (14310003105)	II	4.45	5.82	1.37	4.02	5.31	1.29	7.29	8.18	0.90	3.56	
14	M/s Padmawati Marketings (14510113192)	II	4.03	4.92	0.89	4.05	5.35	1.30	3.43	4.28	0.85	3.04	Filed upto 12/16
15	M/s Ajitkumar Jain (14510003159)	II	5.63	7.10	1.47	25.13	29.97	4.84	9.50	12.24	2.74	9.05	

Sl. No.	Trade Name & TIN	Zone	2014-15			2015-16			2016-17			Total Diff	Remark
			Sale	Purchase	Diff	Sale	Purchase	Diff	Sale	Purchase	Diff		
16	M/s Bochiwal Brothers (14922092101)	II	3.12	5.26	2.14	5.03	7.55	2.52	5.52	9.09	3.58	8.24	
17	M/s K.B.S. Earth Movers (14310048167)	II	1.85	2.81	0.96	5.45	11.89	6.43	10.96	10.03	-0.92	6.47	
18	M/s P.A. Traders (14922293171)	II	0.84	3.87	3.02	4.57	6.01	1.44	6.47	8.84	2.37	6.83	
19	M/s Dhana Lakshmi (14510112182)	II	13.69	16.99	3.30	28.28	39.76	11.49	36.26	39.36	3.10	17.88	Filed upto 12/16
20	M/s Ashok Steel & Sanitary Mart (14110031137)	III	17.53	35.84	18.31	14.99	28.27	13.29	13.15	19.26	6.11	37.70	Filed upto 12/16
21	M/s Aadinath Traders (14110005168)	III	5.39	8.86	3.47	5.59	8.05	2.45	5.82	4.53	-1.29	4.63	Filed upto 12/16
22	M/s J.K. Enterprises (14922242146)	III	0.24	0.35	0.10	6.08	10.02	3.94	6.05	11.60	5.55	9.59	
23	M/s Arihant Agencies (14110099138)	III	3.69	4.58	0.89	4.40	5.89	1.49	3.35	4.69	1.34	3.72	Filed upto 12/16
24	M/s Jayshree Hardware (14921363183)	III	1.75	3.37	1.63	2.37	3.52	1.14	1.62	2.39	0.77	3.54	Filed upto 12/16
25	M/s Jaipur Medical Hall (14110008101)	III	4.18	7.75	3.57	9.34	13.34	4.00	7.25	8.11	0.86	8.43	Filed upto 9/16
26	M/s L. Kulabidhu Singh and Sons (14710021102)	III	3.61	9.16	5.56	7.29	20.70	13.41	22.84	13.61	-9.23	9.74	
27	M/s Bani Super Store (14110020124)	III	3.41	6.28	2.87	4.22	8.17	3.95	7.44	11.53	4.10	10.92	
28	M/s Jain Medicos (14110038110)	III	5.28	8.44	3.17	4.94	8.65	3.70	4.33	7.19	2.86	9.73	Filed upto 12/16
29	M/s Khalsa Medicos (14110087115)	III	6.21	12.34	6.13	12.63	28.42	15.79	10.87	16.78	5.90	27.83	Filed upto 9/16
30	M/s Manipur Trading Corporation (14920634168)	III	34.52	51.11	16.60	70.36	147.29	76.93	60.03	58.30	-1.73	91.79	
31	M/s Eastern India Agency (14510008112)	IV	7.91	9.26	1.35	7.71	9.66	1.94	7.25	8.67	1.42	4.72	
32	M/s Singh Medical Hall (14610008139)	IV	2.43	5.44	3.01	2.66	5.83	3.17	2.19	4.89	2.70	8.88	Filed upto 12/16
33	M/s International Departmental Sotre (14610007129)	IV	13.21	31.87	18.67	14.94	29.47	14.53	10.23	22.28	12.05	45.26	Filed upto 12/16

Sl. No.	Trade Name & TIN	Zone	2014-15			2015-16			2016-17			Total Diff	Remark
			Sale	Purchase	Diff	Sale	Purchase	Diff	Sale	Purchase	Diff		
34	M/s Jgtam Pharmacy (14610044111)	IV	1.12	2.98	1.86	1.87	4.20	2.33	1.82	2.84	1.02	5.21	Filed upto 9/16
35	M/s Rana Medicos (14610011169)	IV	8.43	18.92	10.49	10.49	22.07	11.58	8.31	18.66	10.35	32.42	Filed upto 12/16
36	M/s Guru Steel (14510150174)	IV	2.49	5.61	3.12	4.64	4.30	-0.34	4.54	5.51	0.97	3.75	
37	M/s Dhanesh-wori Steel (14610055124)	IV	2.61	6.66	4.05	3.07	6.13	3.06	3.85	3.13	-0.71	6.40	
38	M/s Rekha Steel (14921084109)	IV	1.43	2.95	1.52	2.98	6.31	3.32	1.15	2.57	1.42	6.27	
39	M/s Vaibhav Steel (14921083196)	IV	1.84	4.05	2.21	3.36	5.88	2.51	1.23	2.61	1.39	6.11	
40	M/s Steel Trading Corporation (14510015182)	IV	9.23	20.28	11.05	7.75	15.24	7.49	5.03	10.70	5.68	24.21	
41	M/s Houseworth (14920442188)	V	2.53	4.84	2.31	3.99	6.02	2.03	3.50	4.84	1.34	5.68	
42	M/s Navjivan pharmacy (14510128148)	V	5.54	9.64	4.10	7.91	10.97	3.06	4.08	7.34	3.26	10.41	Filed upto 9/16
43	M/s Navjivan Ausudhalaya (14510106122)	V	6.58	20.13	13.55	7.85	15.19	7.35	11.79	23.09	11.30	32.20	
44	M/s Mahabir Pharmacy (14210024191)	VI	14.79	21.18	6.40	19.48	27.39	7.91	14.39	20.03	5.64	19.95	Filed upto 12/16
45	M/s Muskaan (14610047141)	VI	0.19	3.09	2.89	0.32	2.97	2.65	1.13	5.69	4.56	10.10	Filed upto 12/16
46	M/s R. K. Telecommunication (14510347107)	VI	9.03	10.67	1.64	10.45	14.37	3.92	11.64	17.00	5.36	10.92	Filed upto 12/16
47	M/s Sarajeevan Enterprises (14210049150)	VI	3.67	16.90	13.23	4.30	14.52	10.22	4.24	10.96	6.72	30.17	Filed upto 12/16
48	M/s United Enterprises (14921884155)	VI	3.67	9.47	5.80	6.43	13.77	7.34	12.10	9.18	-2.92	10.22	Filed upto 12/16
49	M/s Mobile Planet (14920403186)	VII	1.04	1.43	0.39	0.49	0.92	0.43	0.81	1.20	0.40	1.21	
50	M/s Cell Point (14210161106)	VII	1.43	5.01	3.57	4.47	15.53	11.06	7.42	15.86	8.44	23.07	Filed upto 12/16
51	M/s Toni petrochem (14922001161)	VIII	0.38	3.70	3.32	0.91	1.41	0.50	1.24	1.38	0.14	3.96	Filed upto 12/16
52	M/s Rajpri Enterprises (14810386190)	VIII	3.84	6.08	2.24	3.45	5.58	2.13	1.63	2.67	1.04	5.41	Filed upto 12/16
53	M/s K.G. & sons (14710328165)	VIII	0.97	1.63	0.67	1.28	2.02	0.74	1.43	2.16	0.74	2.14	

Sl. No.	Trade Name & TIN	Zone	2014-15			2015-16			2016-17			Total Diff	Remark
			Sale	Purchase	Diff	Sale	Purchase	Diff	Sale	Purchase	Diff		
54	M/s Ramung Enterprises (14921045107)	VIII	0.80	0.80	-	3.88	5.50	1.62	1.41	4.07	2.66	4.28	
55	M/s Nishi Enterprises (14010594114)	IX	1.33	2.58	1.25	1.37	2.74	1.37	0.79	1.30	0.51	3.13	Filed upto 9/16
56	M/s Liklai Agency (14922009144)	IX	1.40	2.42	1.02	1.26	2.11	0.84	0.94	1.57	0.63	2.49	
57	M/s Sanamahhi Motors (14921419161)	IX	3.45	3.62	0.17	3.26	5.48	2.22	5.90	7.12	1.21	3.60	
58	M/s Iland Motors Ltd (14921746133)	IX	0.28	1.91	1.63	9.97	9.94	-0.04	3.62	10.67	7.04	8.64	Filed upto 12/16
59	M/s Oriental Vision Enterprises Private Ltd (14922166162)	IX	1.78	6.02	4.24	11.68	17.63	5.94	16.29	13.49	-2.80	7.38	Filed upto 12/16
60	M/s Tulshi Motors (14920365194)	IX	1.76	4.72	2.96	2.76	4.28	1.52	2.65	5.01	2.36	6.85	Filed upto 12/16
61	M/s S.D. LTD. (14923132122)	X	-	-	-	0.98	2.44	1.46	4.94	7.21	2.28	3.74	
62	M/s K.K. Store (14922103114)	X	1.04	4.16	3.12	6.38	18.28	11.90	4.58	7.96	3.39	18.40	Filed upto 12/16
63	M/s North and Western Agency (14920970133)	XI	1.56	3.91	2.35	1.17	6.50	5.33	3.12	14.49	11.37	19.05	
Total			296.08	541.01	244.93	464.15	805.69	341.53	474.23	609.88	135.65	722.11	

Appendix 3.6

(Reference: Paragraph 3.11.9.3)

Suppression of purchase turnover in the returns not detected by the Assessing Authorities

Sl. No.	Trade Name & TIN	Zone	Quarter	Purchase declared in the return	Purchase as per e-ways bill/ 'C' form database	Suppression of purchase	Tax rate (%)	Tax leviable	Penalty leviable	Recovered amount	Outstanding Amount
1	M/s L.B.S. Industries & 14922055119	VIII	Mar-16	26,37,069	83,96,085	57,59,016	5%	2,87,951			
			Sep-16	43,82,431	1,34,20,610	90,38,179	5%	4,51,909			
			Dec-16	7,03,718	1,43,49,256	1,36,45,538	5%	6,82,277			
			Mar-17	36,37,238	58,43,233	22,05,995	5%	1,10,300			
			Total	1,13,60,456	4,20,09,184	3,06,48,728		15,32,436	30,64,873	15,32,436	30,64,873
2	M/s AMP-E-Services Pvt. Ltd. & 14921852126	VII	Jun-15	11,31,76,202	11,48,55,737	16,79,535	5%	83,977			
			Sep-15	9,84,50,587	10,00,45,672	15,95,085	5%	79,754			
			Dec-15	12,89,70,157	13,16,93,046	27,22,889	5%	1,36,144			
			Mar-16	12,42,77,469	12,68,20,804	25,43,335	5%	1,27,167			
			Jun-16	11,96,89,625	12,18,39,925	21,50,300	5%	1,07,515			
			Sep-16	13,88,24,940	14,27,32,330	39,07,390	5%	1,95,369			
			Total	72,33,88,980	73,79,87,514	1,45,98,534		7,29,926	14,59,852	7,29,926	14,59,852
3	M/s Metro Cycle Store & 14922341166	VII	Sep-14	9,75,736	20,98,603	11,22,867	5%	56,143			
			Total	9,75,736	20,98,603	11,22,867		56,143	1,12,286	-	1,68,429
4	M/s Raj Electronics & 14921741180	VIII	Mar-15	40,00,000	46,79,456	6,79,456	13.50%	91,727			
			Jun-15	4,66,960	28,29,260	23,62,300	13.50%	3,18,911			
			Sep-15	3,35,070	49,06,928	45,71,858	13.50%	6,17,201			
			Dec-15	1,69,163	84,59,226	82,90,063	13.50%	11,19,159			
			Total	49,71,193	2,08,74,870	1,59,03,677		21,46,998	42,93,996	-	64,40,994
Grand total				74,06,96,365	80,29,70,170	6,22,73,805		44,65,503	89,31,007	22,62,362	1,11,34,148

Appendix 3.7

(Reference: Paragraph 3.11.9.4)

Purchase turnover of dealers who failed to file their tax returns

Sl. No	Trade Name	TIN	Zone	Period upto which return was filed	No. of quarters for which returns not submitted	'C' form/e-way bill purchase after filing last return
1	M/s Sudheer Iron Store	14921913154	I	Sep-16	2	2,57,67,171
2	M/s ND Trading Agency	14921753106	II	Sep-16	2	9,73,89,211
3	M/s Sanitary House	14710162154	III	Sep-16	2	1,35,29,598
4	M/s Evershine	14110081152	III	Sep-16	2	69,63,996
5	M/s Naman Store	14110069129	III	Sep-16	2	1,51,35,238
6	M/s Furnish well	14110040130	III	Jun-16	3	9,75,343
7	M/s V.R. Enterprises	14310226104	III	Sep-15	6	8,82,201
8	M/s N.E. Hardware & Sanitary Store	14110021134	III	Sep-16	2	72,87,521
9	M/s Jugtam Pharmacy	14610044111	IV	Sep-16	2	1,78,35,040
10	M/s Navjivan pharmacy	14510128148	V	Sep-16	2	2,54,26,892
11	M/s Branded Shoes	14510109152	V	Dec-16	1	50,68,934
12	M/s United Enterprises	14921884155	VI	Dec-16	1	2,69,05,690
13	M/s Amplified Communication	14922243156	VII	Dec-16	1	1,12,94,681
14	M/s I. M. Enterprises	14923498193	VIII	Jun-16	3	9,63,99,193
15	M/s B. S. Enterprises	14921961149	VIII	Sep-16	2	39,63,258
16	M/s Automobile Engineering Works	14810115196	VIII	Mar-16	4	3,62,17,609
17	M/s B & I Enterprises	14921678132	VIII	Dec-16	1	7,95,428
18	M/s Noren Cycle N Outdoor Sports	14920274157	VIII	Dec-16	1	43,26,969
19	M/s Mai Industries	14922826166	VIII	Dec-16	1	20,71,349
20	M/s Azad Pharmacy	14710039185	VIII	Sep-16	2	10,76,538
21	M/s L.I. & Sons Enterprises	14922944182	VIII	Sep-16	2	91,784
22	M/s Mayasheel Retail LLP	14923744131	VIII	Dec-16	1	2,52,17,056
23	M/s J & Supply Agency	14010175192	IX	Sep-16	2	3,37,90,380
24	M/s Medicine Studio	14920981146	IX	Mar-16	4	21,57,073
25	M/s East India Machines & Company	14010041113	IX	Dec-16	1	2,13,91,213
26	M/s RNFS Enterprises	14923682190	IX	Dec-16	1	1,76,76,923
27	M/s Economic Development Centre	14011204103	IX	Jun-16	3	23,12,887
28	M/s Dalson's Enterprise	14910186157	X	Jun-16	3	24,67,420
29	M/s N.V. Store	14910155138	X	Dec-16	1	16,63,511
30	M/s T.C. Network	14923772120	X	Dec-16	1	88,000
					Total	50,61,68,107
					Tax @ 5%	2,53,08,405

Appendix 3.8

(Reference: Paragraph 3.11.9.4)

Dealers having huge previous stocks and huge purchases but did not file returns

(Amount in ₹)

Sl. No	Trade Name & TIN	Zone	Period upto which return was filed	No. of quarters due	Previous stock	'C' form/E-way purchase after filing last return	Total stock after filing last return	Action taken by the Department
1	M/s N.R.Traders-14922394114	I	No returns since registered in Aug 2014	10	-	2,18,03,701	2,18,03,701	Provisional assessment
2	M/s Anil Trading Co.-14923443128	I	No returns since registered in May 2016	4	-	1,15,41,685	1,15,41,685	Provisional assessment
3	M/s Muskan Marble-14410103162	I	Jun-16	3	3,94,08,512	1,53,26,986	5,47,35,498	Return Filed
4	M/s D. S. Electronics-14210158173	I	Mar-16	4	4,85,07,114	79,05,406	5,64,12,520	Return Filed
5	M/s S. R Traders-14410290189	I	Mar-16	4	2,31,55,162	1,10,45,999	3,42,01,161	Return Filed
6	M/s Nidhi Electronics-14922354102	I	Jun-16	3	37,21,688	12,98,555	50,20,243	Return Filed
7	M/s R.G. Traders-14921727137	I	Dec-16	1	74,55,246	-	74,55,246	Return Filed
8	M/s Niranjan Electronics-14410027178	I	Mar-14	12	9,23,73,999	-	9,23,73,999	Cancellation under process
9	M/s S.K.Tyre-14410310195	I	Mar-15	8	64,33,569	-	64,33,569	Provisional assessment
10	M/s Robina Pharmacy-14410215118	I	Jun-16	3	6,33,02,150	21,56,893	6,54,59,043	Provisional assessment
11	M/s AKP Traders-14921130181	I	Jun-15	7	-	2,43,93,699	2,43,93,699	Return Filed

(Amount in ₹)

Sl. No	Trade Name & TIN	Zone	Period upto which return was filed	No. of quarters due	Previous stock	'C' form/E-way purchase after filing last return	Total stock after filing last return	Action taken by the Department
12	M/s W. Ibohal Singh and Sons-14310089189	II	Dec-15	5	3,80,55,883	2,32,81,814	6,13,37,697	Return Filed
13	M/s Sangai Traders-14110286165	III	Mar-14	12	2,37,29,676	-	2,37,29,676	Recovery certificate issued
14	M/s Calcutta Trading Co-14110004158	III	Sep-15	6	75,98,756	-	75,98,756	Return Filed
15	M/s J K Agency-14110033157	III	Mar-16	4	62,74,51,018	41,56,98,920	1,04,31,49,938	Return Filed
16	M/s Precious Footwear-14510127138	V	Sep-15	5	-	1,49,51,158	1,49,51,158	Notice served
17	M/s Star Mobiles-14210328127	VI	Jun-16	3	8,61,65,579	8,27,57,362	16,89,22,941	Return Filed
18	M/s Jagadamba Glass and Hardware-14921441187	VI	Sep-16	2	54,52,563	36,72,226	91,24,789	Return Filed
19	M/s Glamour-14921871122	VII	No returns since registered in Dec 2013	12	-	1,23,82,930	1,23,82,930	No action
20	M/s D. S. Agency-14920486143	VIII	Jun-16	3	3,88,96,118	-	3,88,96,118	Notice served
21	M/s KNK Associates-14810467127	VIII	Sep-15	6	2,65,06,124	-	2,65,06,124	Return Filed
22	M/s Rebecca's World-14920939114	VIII	Mar-16	4	3,41,62,009	22,71,401	3,64,33,410	Notice served
23	M/s Eastern Ceramics-14810105193	VIII	Jun-14	12	1,28,48,442	27,29,270	1,55,77,712	Recovery certificate issued
24	M/s Waiagrim-14920683173	VIII	Mar-15	8	2,48,09,764	3,50,73,652	5,98,83,416	Notice served
25	M/s Ganesh Mobile-14923053108	VIII	Sep-16	2	63,51,693	1,54,59,676	2,18,11,369	Return Filed

(Amount in ₹)

Sl. No	Trade Name & TIN	Zone	Period upto which return was filed	No. of quarters due	Previous stock	'C' form/E-way purchase after filing last return	Total stock after filing last return	Action taken by the Department
26	M/s ST Stone Medical Device Pvt. Ltd-14921064103	VIII	Mar-16	3	21,51,606	3,38,954	24,90,560	Notice served
27	M/s Ria & Brothers-14921158170	VIII	Sep-16	2	1,09,79,749	36,70,066	1,46,49,815	Notice served
28	M/s Maxima Enterprises-14810278177	VIII	Jun-15	7	1,46,88,122	-	1,46,88,122	Notice served
29	M/s Ch. Ashok Meetei-14922716133	VIII	Mar-15	8	-	78,28,389	78,28,389	Notice served
30	M/s S.B.Enterprises-14921270126	VIII	Mar-16	1	22,73,14,393	7,70,38,733	30,43,53,126	Return Filed
31	M/s J B Agency-14921431184	IX	Dec-15	5	80,79,208	51,79,701	1,32,58,909	Notice served
32	M/s Shitova Tyre Retreader Service-14010908150	IX	Jun-15	7	73,65,768	2,96,96,195	3,70,61,963	Return Filed
33	M/s Classic Enterprises-14011041122	IX	Mar-16	4	1,70,98,644	57,27,576	2,28,26,220	Return Filed
34	M/s Ranjana Paints & Hardware-14010234103	IX	Mar-16	4	1,19,15,529	-	1,19,15,529	Return Filed
35	M/s Mangall Infotech's Endeavor-14010149126	IX	Mar-16	4	1,80,42,205	1,77,43,008	3,57,85,213	Return Filed
36	M/s Union Enterprises-14010843179	IX	Sep-16	2	1,44,58,454	1,10,59,713	2,55,18,167	Return Filed
37	M/s Vedaant Automobiles-14921530107	IX	Sep-16	2	100,22,117	32,91,039	1,33,13,156	Return Filed
38	M/s Shivz Autotech Private Limited-14921634177	IX	Sep-16	2	1,23,86,082	-	1,23,86,082	Return Filed
39	M/s M B Traders-14920705102	IX	Sep-16	2	2,86,20,688	20,83,091	3,07,03,779	Notice served

(Amount in ₹)

Sl. No	Trade Name & TIN	Zone	Period upto which return was filed	No. of quarters due	Previous stock	'C' form/E-way purchase after filing last return	Total stock after filing last return	Action taken by the Department
40	M/s Khuding Furnisher Pvt Ltd-14922982174	IX	Mar-16	4	14,60,536	96,34,485	1,10,95,021	Return Filed
41	M/s Naorem Enterprises-14710331195	IX	Mar-15	8	1,37,22,299	-	1,37,22,299	Notice served
42	M/s Sharma Electricals & Hardware Store-14910049145	X	Dec-13	13	7,74,21,052	11,05,73,728	18,79,94,780	No action
43	M/s J.K. Store-14910135132	X	Sep-13	14	4,40,67,429	9,60,28,636	14,00,96,065	No action
44	M/s 25th Enterprises-14921171106	XI	Mar-16	4	7,07,60,929	3,02,33,204	10,09,94,133	Notice served
Total					1,80,69,39,875	1,11,38,77,851	2,92,08,17,726	

Appendix 3.9

(Reference: Paragraph 3.11.9.5)

Dealers liable to pay tax who remained unregistered and unassessed

(Amounts in ₹)

Sl. No	Trade Name & Address	Year	Sale value @ 5%	Tax payable @5%	Sale value @13.5%	Tax payable @13.5%	Total sales value	Total Tax payable
1	M/s Ibudhou Stone Crushing Centre, Khamaran Makha Leikai, Imphal West	2015-16	2,98,118	14,906	8,000	1,080	3,06,118	15,986
		2016-17	18,43,636	92,182	10,22,463	1,38,033	28,66,099	2,30,214
		Total	21,41,754	1,07,088	10,30,463	1,39,113	31,72,217	2,46,200
2	Ajay Steels, Kakching Bazar	2016-17	10,00,000	50,000	-	-	10,00,000	50,000
		Total	10,00,000	50,000	-	-	10,00,000	50,000
3	Nitai Supplier, Pallel Thongkhong	2016-17	7,00,000	35,000	-	-	7,00,000	35,000
		Total	7,00,000	35,000	-	-	7,00,000	35,000
4	I.J. Cement & Steel Store, Nambol	2012-13	9,58,263	47,913	-	-	9,58,263	47,913
		Total	9,58,263	47,913	-	-	9,58,263	47,913

(Amounts in ₹)

Sl. No	Trade Name & Address	Year	Sale value @ 5%	Tax payable @5%	Sale value @13.5%	Tax payable @13.5%	Total sales value	Total Tax payable
5	M/s N.K.Enterprises, Govt supplier	2014-15	-	-	9,25,453	1,24,936	9,25,453	1,24,936
		Total	-	-	9,25,453	1,24,936	9,25,453	1,24,936
6	Joy Furniture House, Singjamei Chingamakha	2016-17	-	-	7,50,000	1,01,250	7,50,000	1,01,250
		Total	-	-	7,50,000	1,01,250	7,50,000	1,01,250
7	Thongam Sales & Supply Agency, Khongman Zone-V, Imphal East	2016-17	4,82,000	24,100	1,22,500	16,538	6,04,500	40,638
		Total	4,82,000	24,100	1,22,500	16,538	6,04,500	40,638
8	M/s Hmar Enterprise Latingkhal Pradhan Bazar,Jiribam	2015-16	2,03,115	10,156	67,320	9,088	2,70,435	19,244
		2016-17	3,10,318	15,516	37,730	5,094	3,48,048	20,609
		Total	5,13,433	25,672	1,05,050	14,182	6,18,483	39,853
9	Manipur Local Truck Owners' Assosciation (Regd No 416/1995)	2015-16	33,38,500	166925	0	0	33,38,500	1,66,925
		Total	33,38,500	166925	0	0	33,38,500	1,66,925
10	Shiroi Woods Furniture Awungtang, Ukhrul	2015-16	14,38,900	71,945	-	-	14,38,900	71,945
		Total	14,38,900	71,945	-	-	14,38,900	71,945
11	L. Shang Enterprises Wino Bazar, Ukhrul	2015-16	-	-	10,89,900	1,47,137	10,89,900	1,47,137
		2016-17	-	-	3,60,000	48,600	3,60,000	48,600
		Total	-	-	14,49,900	1,95,737	14,49,900	1,95,737
12	K.R.Cement House Uripok Kangchup Road, Imphal	2015-16	-	-	19,85,740	2,68,075	19,85,740	2,68,075
		2016-17	-	-	4,10,220	55,380	4,10,220	55,380
		Total	-	-	23,95,960	3,23,455	23,95,960	3,23,455
13	M/s Sharma Hardware Store Naoremthong Khullem Leikai, Imphal	2015-16	11,64,900	58,245	50,000	6,750	12,14,900	64,995
		2016-17	2,33,690	11,685	-	-	2,33,690	11,685
		Total	13,98,590	69,930	50,000	6,750	14,48,590	76,680
14	MSK Wood Centre Hapta Minuthong, Telepati Road, Imphal	2015-16	3,19,800	15,990	-	-	3,19,800	15,990
		Total	3,19,800	15,990	-	-	3,19,800	15,990
15	Ratan Hardwares, Lamlong Bazar	2015-16	8,800	440	25,24,100	3,40,754	25,32,900	3,41,194
		2016-17	-	-	11,89,570	1,60,592	11,89,570	1,60,592
		Total	8,800	440	37,13,670	5,01,345	37,22,470	5,01,785
16	N.B.Iron & Steel Industries, Soibam Leikai, Porompat Chuthek	2015-16	37,81,248	1,89,062	-	-	37,81,248	1,89,062
		Total	37,81,248	1,89,062	-	-	37,81,248	1,89,062
Grand Total			1,60,81,288	8,04,064	1,05,42,996	14,23,304	2,66,24,284	22,27,369

Appendix 3.10

(Reference: Paragraph 3.11.9.6)

Tax not paid even after assessment and serving of demand notices

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
1	M/s Branded Shoes- 14510109152	V	Jun-16	1,80,910	24-02-17	-	1,80,910		
			Sep-16	2,40,900	24-02-17	-	2,40,900		
			Dec-16	2,16,740	24-02-17	-	2,16,740		
			Total	6,38,550		-	6,38,550	6,38,550	-
2	M/s Mangall Infotech's Endeavor- 14010149126	IX	Aug-15 to Mar-16	1,30,733	26-08-16	-	1,30,733		
			Total	1,30,733		-	1,30,733	1,30,733	-
3	M/s Union Enterprises- 14010843179	IX	Sep-12 to Jun-16	1,51,184	18-10-16	-	1,51,184		
			Sep-16	6,69,840	09-02-17	6,50,000	19,840		
			Total	8,21,024		6,50,000	1,71,024	1,71,024	-
4	M/s East India Machines & Company- 14010041113	IX	Dec-16	16,32,458	18-03-17	15,00,000	1,32,458		
			Total	16,32,458		15,00,000	1,32,458	1,32,458	-
5	M/s Tulshi Motors- 14920365194	IX	Jun-13 to Dec-13	3,64,540	24-04-14	-	3,64,540		
			Mar-14 to Mar-15	2,63,110	05-06-15	-	2,63,110		
			Jun-15 to Mar-16	2,69,320	21-12-16	-	2,69,320		
			Jun-16 to Dec-16	2,91,214	24-01-17	-	2,91,214		
			Total	11,88,184		-	11,88,184	-	11,88,184
6	M/s Navajivan Pharmacy- 14510238282	V	Jun-16 to Sep-16	1,74,157	03-12-16	-	1,74,157		
			Total	1,74,157		-	1,74,157	1,74,157	-
7	M/s Santosh Sanitary- 14310234184	II	Dec-14	42,392	19-06-15	-	42,392		
			Mar-15	83,790	07-09-15	-	83,790		
			Jun-15	32,204	23-11-15	-	32,204		

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
			Sep-15	20,295	29-02-16	-	20,295		
			Dec-15 to Mar-16	3,50,072	22-04-16	2,50,000	1,00,072		
			Jun-16 to Sep-16	5,88,949	17-01-17	-	5,88,949		
			Total	11,17,702		2,50,000	8,67,702	2,78,753	5,88,949
8	M/s RNFS Enterrises-14923682190	IX	Sep-16 to Dec-16	53,071	20-03-17	-	53,071		
			Total	53,071		-	53,071	-	53,071
9	M/s B. S. Enterprises-14921961149	VIII	Jun-16 to Sep-16	1,98,703	30-12-16	-	1,98,703		
			Total	1,98,703		-	1,98,703	1,98,703	-
10	M/s Automobile Engineering Works-14810115196	VIII	Jun-15 to Mar-16	1,92,897	04-11-16	-	1,92,897		
			Total	1,92,897		-	1,92,897	1,92,897	-
11	M/s S.B. Sons & Company-14210073196	VII	Jun-16 to Dec-16	1,06,437	28-03-17	-	1,06,437		
			Total	1,06,437		-	1,06,437	-	1,06,437
12	M/s Shivz Autotech Pvt. Ltd.-14921634177	IX	Jul-15 to Mar-16	1,68,671	18-08-16	-	1,68,671		
			Total	1,68,671		-	1,68,671	-	1,68,671
13	M/s Mamta Electricals-14510006189	IV	Sep-16 to Dec-16	99,814	04-04-17	-	99,814		
			Total	99,814		-	99,814	99,814	-
14	M/s Ria & Brothers-14921158170	VIII	Dec-15 to Sep-16	66,616	16-12-16	-	66,616		
			Total	66,616		-	66,616	66,616	-
15	M/s Sachin Traders-14920701159	V	Jun-16 to Sep-16	1,45,197	07-12-16	-	1,45,197		
			Dec-16	1,58,881	21-02-17	-	1,58,881		
			Total	3,04,078		-	3,04,078	3,04,078	-
16	M/s Manipur Motors-14010040103	IX	Dec-16	1,26,445	18-03-17	-	1,26,445		
			Total	1,26,445		-	1,26,445	1,26,445	-

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
17	M/s GM Traders-14810510169	VIII	Jun-15 to Dec-15	16,536	31-03-16	-	16,536		
			Mar-16 to Sep-16	30,123	06-12-16	-	30,123		
			Total	46,659		-	46,659	46,659	-
18	M/s Jainco Hardware Store-14410017175	I	Jun-16 to Sep-16	1,53,129	25-03-17	-	1,53,129		
			Total	1,53,129		-	1,53,129	1,53,129	-
19	M/s Sanitary House-14710162154	III	Jun-14 to Jun-15	33,200	27-08-15	-	33,200		
			Sep-15 to Jun-16	53,290	07-09-16	-	53,290		
			Sep-16	21,080	27-12-16	-	21,080		
			Total	1,07,570		-	1,07,570	1,07,570	-
20	M/s Evershine-14110081152	III	Jun-16 to Sep-16	81,304	23-12-16	-	81,304		
			Total	81,304		-	81,304	81,304	-
21	M/s Swaraj steel & Hardware-14920904152	I	Mar-16 to Sep-16	18,327	21-12-16	-	18,327		
			Total	18,327		-	18,327	18,327	-
22	M/s SR Traders-14410290189	I	Jun-15 to Mar-16	1,19,838	05-01-17	-	1,19,838		
			Total	1,19,838		-	1,19,838	1,19,838	-
23	M/s Raja Automobile-14310030181	II	Mar-17	2,13,260	17-05-17	-	2,13,260		
			Total	2,13,260		-	2,13,260	2,13,260	-
24	M/s Ashok Steel & Sanitary Mart-14110031137	III	Jun-16 to Dec-16	2,10,875	18-02-17	-	2,10,875		
			Total	2,10,875		-	2,10,875	2,10,875	-
25	M/s U.S. Agency-14922071182	VIII	Dec-16 to Mar-17	47,068	25-05-17	-	47,068		
			Total	47,068		-	47,068	47,068	-
26	M/s K.K. Store-14922103114	X	Dec-16	11,84,709	24-04-17	-	11,84,709		
			Total	11,84,709		-	11,84,709	11,84,709	-
27	M/S Dalson's Enterprises-	X	Mar-13 to Jun-13	50,981	11-09-13	-	50,981		

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
	14910186157		Sep-13 to Dec-13	52,597	04-03-14	-	52,597		
			Mar-14 to Jun-14	81,618	06-08-14	-	81,618		
			Sep-14 to Dec-14	23,303	07-03-15	-	23,303		
			Mar-15 to Jun-15	13,366	05-12-15	-	13,366		
			Mar-16 to Jun-16	9,392	22-03-17	-	9,392		
			Total	2,31,257		-	2,31,257	2,21,865	9,392
28	M/s S.D. LTD-14923132122	X	Dec-16	9,36,793	24-04-17	-	9,36,793		
			Total	9,36,793		-	9,36,793	9,36,793	-
29	M/s Manipur Diesels Spare-14010748102	IX	Mar-14	1,12,377	30-06-14	-	1,12,377		
			Jun-14	15,993	16-09-14	-	15,993		
			Sep-14	55,097	30-12-14	-	55,097		
			Dec-14	25,228	26-02-15	-	25,228		
			Mar-15	4,538	02-05-15	-	4,538		
			Jun-15	12,911	19-08-15	-	12,911		
			Sep-15	9,881	30-10-15	-	9,881		
			Dec-15	7,22,527	16-02-16	-	7,22,527		
			Mar-16	4,59,129	28-05-16	-	4,59,129		
			Jun-16	22,785	27-09-16	-	22,785		
			Sep-16	2,63,838	28-12-16	-	2,63,838		
			Dec-16	2,14,560	06-03-17	-	2,14,560		
			Mar-17	3,92,152	20-04-17	-	3,92,152		
Total	23,11,016		-	23,11,016	22,95,887	15,129			
30	M/s W.R.S Enterprises-14922986117	IX	Dec-15 to Mar-16	11,117	17-06-16	-	11,117		
			Jun-16 to Mar-17	27,039	24-05-17	-	27,039		
			Total	38,156		-	38,156	-	38,156
31	M/s ASM Enterprises-14923303183	VI	Jun-16	9,583	26-08-16	-	9,583		
			Sep-16	27,791	24-12-16	-	27,791		
			Total	37,374		-	37,374	37,374	-

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
32	M/s MI Footwears-14210294175	VI	Jun-14 to Mar-16	5,90,787	25-01-17	-	5,90,787		
			Total	5,90,787		-	5,90,787	5,90,787	-
33	M/s A.K. Kitchen World-14921677122	VI	Dec-15 to Sep-16	1,02,082	02-12-16	-	1,02,082		
			Dec-16	84,046	21-04-17	-	84,046		
			Total	1,86,128		-	1,86,128	1,86,128	-
34	M/s D.K. Enterprise-14923769187	VII	Dec-16	51,422	03-04-17	-	51,422		
			Total	51,422		-	51,422	-	51,422
35	M/s Shyam Tyre Sales & service-14810596156	II	Jun-14	26,353	18-10-14	-	26,353		
			Sep-14	39,333	31-12-14	-	39,333		
			Mar-16 to Sep-16	3,96,724	24-06-17	-	3,96,724		
			Total	4,62,410		-	4,62,410	2,34,307	2,28,103
36	M/s Amit Hardware-14110012141	III	Jun-15	13,860	09-10-15	-	13,860		
			Dec-15 to Mar-16	36,387	27-05-16	-	36,387		
			Jun-16 to Sep-16	90,276	25-03-17	-	90,276		
			Total	1,40,523		-	1,40,523	1,40,523	-
37	M/s Balaji Enterprises-14922202134	IX	Dec-14 to Jun-16	1,47,438	10-08-16	-	1,47,438		
			Total	1,47,438		-	1,47,438	-	1,47,438
38	M/s K.B. Agencies-14510174123	II	Mar-17	3,88,212	27-05-17	-	3,88,212		
			Total	3,88,212		-	3,88,212	3,88,212	-
39	M/s Thingnamcha Steel House-14921546170	VIII	Sep-16 to Mar-17	20,000	27-05-17	-	20,000		
			Total	20,000		-	20,000	20,000	-
40	M/s Adhunik Cement Limited-14922310147	VIII	Mar-17	1,40,517	20-04-17	-	1,40,517		
			Total	1,40,517		-	1,40,517	1,40,000	517
41	M/s Zoya Enterprise-14922094121	VIII	Jun-14 to Mar-15	77,082	09-10-15	-	77,082		
			Total	77,082		-	77,082	-	77,082

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
42	M/s L.B.Paints-14011966157	IX	Jun-14 to Sep-14	13,41,019	12-03-15	12,52,886	88,133		
			Dec-14 to Mar-15	1,50,433	09-06-16	1,43,347	7,086		
			Jun-15	1,85,309	17-10-16	1,66,821	18,488		
			Mar-16	9,76,657	30-03-17	8,00,000	1,76,657		
			Total	26,53,417		23,63,054	2,90,363	-	2,90,363
43	M/s Alpha Enterprises-14920333165	IX	Mar-16 to Jun-16	1,63,453	02-08-16	1,60,000	3,453		
			Sep-16 to Dec-16	1,82,307	18-02-17	1,81,124	1,183		
			Total	3,45,760		3,41,124	4,636	4,636	-
44	M/s Langol Chemist & Druggist Agency-14010144173	IX	Jun-15 to Dec-15	22,19,598	10-03-16	21,88,860	30,738		
			Total	22,19,598		21,88,860	30,738	-	30,738
45	M/s Oriental Vision Enterprises Private Ltd-14922166162	IX	Jun-16	53,47,686	02-03-17	53,25,437	22,249		
			Total	53,47,686		53,25,437	22,249	-	22,249
46	M/s Iland Motors Ltd-14921746133	IX	Mar-15	4,27,943	05-12-15	3,32,684	95,259		
			Jun-15	42,10,123	05-12-15	39,38,368	2,71,755		
			Sep-15	22,13,781	19-01-16	21,20,480	93,301		
			Mar-16	33,82,236	19-05-16	33,47,056	35,180		
			Jun-16	22,93,754	04-08-16	22,87,654	6,100		
			Sep-16	22,71,760	07-11-16	22,50,753	21,007		
			Dec-16	3,59,546	07-03-17	3,51,347	8,199		
			Total	1,51,59,143		1,46,28,342	5,30,801	-	5,30,801
47	M/s Naorem Enterprises-14710331195	IX	Dec-12 to Mar-14	8,24,340	13-01-15	7,62,398	61,942		
			Jun-14 to Mar-15	9,11,618	22-04-16	8,09,751	1,01,867		
			Total	17,35,958		15,72,149	1,63,809	1,37,453	61,942
48	M/s R.P.Hardware & Paints-14921957109	IX	Mar-14 to Mar-15	1,74,409	29-10-15	1,33,185	41,224		
			Jun-15 to Mar-16	3,49,002	17-01-17	2,04,044	1,44,958		
			Total	5,23,411		3,37,229	1,86,182	1,44,958	41,224

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
49	M/s K.B.S. Earth Movers-14310048167	I	Sep-16	25,32,670	22-11-16	25,00,000	32,670		
			Total	25,32,670		25,00,000	32,670	-	32,670
50	M/s Cell Point-14210161106	VII	Sep-16	14,24,108	30-11-16	14,20,000	4,108		
			Total	14,24,108		14,20,000	4,108	-	4,108
51	M/s Star Info System-14410322121	I	Jun-14 to Sep-14	5,15,294	12-11-14	2,53,606	2,61,688		
			Jun-16 to Sep-16	6,17,516	14-12-16	5,02,881	1,14,635		
			Total	11,32,809		7,56,487	3,76,323	1,14,635	2,61,688
52	M/s Trio Medical Store-14510141181	II	Dec-13 to Sep-15	28,54,051	26-10-15	25,50,000	3,04,051		
			Jun-16 to Mar-17	26,04,263	10-07-17	24,40,552	1,63,711		
			Total	54,58,314		49,90,552	4,67,762	4,67,762	-
53	M/s Maha Laskhmi Enterprises-14922424123	II	Sep-14 to Jun-15	2,81,835	23-10-15	2,50,000	27,448		
			Sep-15 to Sep-16	6,09,196	29-12-16	2,50,000	3,59,196		
			Dec-16 to Mar-17	3,24,266	19-05-17	1,50,000	1,74,266		
			Total	12,15,297		6,54,387	5,60,910	5,60,910	-
54	M/s Eastern Motors-14010036160	IX	Apr-16 to Mar-17	6,62,72,724	20-06-17	6,62,68,795	3,929		
			Total	6,62,72,724		6,62,68,795	3,929	-	3,929
55	M/s Ashok Hardware & Steel Mart-14922286101	III	Jun-16 to Sep-16	41,35,292	17-02-17	38,41,010	2,94,282		
			Total	41,35,292		38,41,010	2,94,282	2,94,282	-
56	M/s Nebco Agency-14810015166	IX	Mar-15 to Jun-15	2,94,914	15-12-15	2,83,909	11,005		
			Sep-15 to Jun-16	5,72,541	18-08-16	5,36,751	35,790		
			Sep-16	1,39,827	14-11-16	56,475	83,352		
			Total	10,07,282		8,77,135	1,30,147	1,30,147	-

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
57	M/s Vestige Marketing Pvt Ltd-14920096123	IX	Jun-12 to Mar-13	45,61,150	24-11-14	45,36,536	24,614		
			Apr-13 to Mar-14	47,54,556	01-10-15	46,97,174	57,382		
			Apr-14 to Mar-15	53,05,889	02-03-16	52,87,777	18,112		
			Total	1,46,21,595		1,45,21,487	1,00,108	-	1,00,108
58	M/s Lamphel Pharmacy-14010334133	IX	July-14 to Dec-14	30,52,838	16-06-15	29,91,395	61,443		
			Jan-16 to Mar-16	18,32,174	25-05-16	18,11,168	21,006		
			Apr-16 to Jun-16	17,97,748	29-08-16	17,73,226	24,522		
			Total	66,82,760		65,75,789	1,06,971	-	1,06,971
59	M/s Padma Printers-14921513131	IX	Sep-13 to Sep-14	6,93,512	22-11-14	6,59,279	34,233		
			Mar-15 to Mar-16	3,27,593	28-05-16	3,00,926	26,667		
			Jun-16 to Mar-17	2,73,399	06-06-17	2,54,138	19,261		
			Total	12,94,504		12,14,343	80,161	-	80,161
60	M/s Shimnit Utsch India Pvt Ltd-14920394193	IX	Mar-13 to Mar-15	80,47,936	14-06-16	80,09,073	38,863		
			Total	80,47,936		80,09,073	38,863	-	38,863
61	M/s Mangcha Medico-14910024186	X	Jun-12 to Dec-12	3,02,663	16-01-13	1,22,210	1,80,453		
			Sep-14	5,05,854	19-01-15	5,00,000	5,854		
			Total	8,08,517		6,22,210	1,86,307	-	1,86,307
62	M/s Robina Pharmacy-14410215118	I	Mar-16	7,99,928	02-07-16	1,00,000	6,99,928		
			Jun-16	4,16,620	28-07-16	1,00,000	3,16,620		
			Total	12,16,548		2,00,000	10,16,548	3,16,548	7,00,000
63	M/s Mohanlal Prakash Chand Sharma-14011631105	XII	Sep-16 to Mar-17	3,33,674	18-04-17	-	3,33,674		
			Total	3,33,674		-	3,33,674	3,33,674	-

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
64	M/s K. G. & Sons-14710328165	VIII	Jun-15 to Sep-15	31,371	14-12-15	-	31,371		
			Total	31,371		-	31,371	31,371	-
65	M/s Auto Lubri Agency-14310031191	II	Mar-15	65,438	13-05-15	-	65,438		
			Jun-16	24,629	08-08-16	-	24,629		
			Total	90,067		-	90,067	90,067	-
66	M/s B.P. Enterprises-14922067142	IX	Jun-16 to Sep-16	21,850	28-04-17	-	21,850		
			Total	21,850		-	21,850	21,850	-
67	M/s Raj Motor Store-14310050187	II	Mar-17	62,191	24-06-17	-	62,191		
			Total	62,191		-	62,191	62,191	-
68	M/s Abhi Enterprises-14921665196	XII	Mar-15 to Sep-15	55,244	28-06-16	-	55,244		
			Total	55,244		-	55,244	55,244	-
69	M/s Koraks Traders-14010611187	III	Jun-15 to Jun-16	1,95,374	02-02-17	-	1,95,374		
			Total	1,95,374		-	1,95,374	1,95,374	-
70	M/s S.B. & Sons-14210028134	VII	Mar-16 to Jun-16	2,28,107	26-08-16	2,16,107	12,000		
			Sep-16 to Mar-17	1,59,058	30-06-17	-	1,59,058		
			Total	3,87,165		2,16,107	1,71,058	-	1,71,058
71	M/s Manipur Trading Corporation-14920634168	III	Jun-14	54,27,998	20-01-15	52,38,818	1,89,180		
			Sep-14	50,10,756	20-01-15	47,61,424	2,49,332		
			Dec-14	47,05,982	15-07-15	45,54,402	1,51,580		
			Mar-15	75,00,705	15-07-15	74,31,002	69,703		
			Total	2,26,45,441		2,19,85,646	6,59,795	-	6,59,795
72	M/s J.B. Agency-14921431184	IX	Jun-15 to Dec-15	20,481	11-04-16	-	20,481		
			Total	20,481		-	20,481	-	20,481
73	M/s Nodiya Battery Industry-14810191180	VIII	Dec-16 to Mar-17	76,753	05-05-17	-	76,753		
			Jun-12 to Mar-14	1,70,442	07-07-14	1,20,442	50,000		
			Total	2,47,195		1,20,442	1,26,753	1,26,753	-

(Amounts in ₹)

Sl. No	Trade Name & TIN	Zone	Q/E	Tax & Interest	Date of notice / assessment	Tax paid	Outstanding Tax	Recovery after audit	Balance Outstanding
74	M/s Bidhya Agencies-14920938104	X	Sep-15 to Mar-17	93,49,840	21-07-17	-	93,49,840		
			Total	93,49,840			93,49,840	-	93,49,840
75	M/s Souvio Enterprises-14010691114	XI	Mar-12 to Jun-16	17,69,366	23-08-16	5,00,000			
						2,00,000			
						3,00,000			
			Total	17,69,366		10,00,000	7,69,366	-	7,69,366
76	M/s Somi Enterprises-14920711162	IX	Sep-15 to Dec-16	1,01,936	04-05-17	-	1,01,936		
			Total	1,01,936		-	1,01,936	1,01,936	-
Grand Total				18,99,72,628		16,10,88,648	2,88,83,980	1,27,84,352	1,61,35,214

Appendix 3.11

(Reference: Paragraph 3.11.9.7)

Erroneous deductions allowed on sales turnover

(Amounts in ₹)

Name of dealer & TIN	Quarter Ending	Gross Turnover of sales (GTO)	Deductions from GTO	Net Turnover	Sales value @ 5%	Sales value @ 13.50%
M/s Mozaic Media & Communication Pvt. Ltd. - 14410267153	Mar-14	5,37,90,165	4,37,90,165	1,00,00,000	1,00,00,000	-
	Jun-14	6,37,84,063	4,77,84,063	1,60,00,000	1,60,00,000	-
	Sep-14	5,51,39,476	3,71,39,476	1,80,00,000	1,80,00,000	-
	Dec-14	7,65,30,047	3,65,30,047	4,00,00,000	4,00,00,000	-
	Mar-15	3,96,58,653	1,96,58,653	2,00,00,000	2,00,00,000	-
	Jun-15	1,46,43,898	97,68,898	48,75,000	48,75,000	-
	Total	30,35,46,302	19,46,71,302	10,88,75,000	10,88,75,000	10,88,75,000
M/s R. K. Telecommunication-14510347107	Dec-15	2,24,21,515	87,85,770	1,36,35,745	1,00,00,000	36,35,745
	Mar-16	1,85,98,941	1,05,62,581	80,36,360	50,00,000	30,36,360
	Jun-16	3,51,20,456	1,69,65,855	1,81,54,601	1,50,00,000	31,54,601
	Sep-16	5,72,89,526	4,37,49,466	1,35,40,060	1,00,00,000	35,40,060
	Dec-16	2,40,36,100	1,12,10,890	1,28,25,210	1,00,00,000	28,25,210
	Total	15,74,66,538	9,12,74,562	6,61,91,976	5,00,00,000	1,61,91,976
Grand total		46,10,12,840	28,59,45,864	17,50,66,976	15,88,75,000	12,50,66,976

Appendix 3.12

(Reference: Paragraph 3.11.9.7)

Inadmissible deduction allowed

(Amounts in ₹)

Trade Name, TIN & Zone	Quarter ending	Date of assessment	Sales turnover as per return/assessment	Tax exempted sales claimed (99%)	Taxable sales claimed (1%)	Tax @5%	Interest levied	Assessed total tax amount	Total tax paid	Actual taxable sales turnover	Actual tax leviable @5%	Under-assessed tax amount (11-7)
1	2	3	4	5	6	7	8	9	10	11	12	13
M/s Shil Industries (14922240126) (XII)	Jun-15	20-11-16	36,97,610	36,60,634	36,976	1,849	602	2,451	2,451	36,97,610	1,84,881	1,83,032
	Sep-15	20-11-16	20,90,225	20,69,323	20,902	1,045	276	1,321	1,321	20,90,225	1,04,511	1,03,466
	Dec-15	20-11-16	43,96,370	43,52,406	43,964	2,198	445	2,643	2,643	43,96,370	2,19,819	2,17,620
	Mar-16	20-11-16	52,01,666	51,49,649	52,017	2,601	371	2,972	2,972	52,01,666	2,60,083	2,57,482
	Jun-16	17-07-17	29,86,007	29,56,147	29,860	1,493	343	1,836	-	29,86,007	1,49,300	1,47,807
	Sep-16	17-07-17	18,36,170	18,17,808	18,362	918	155	1,073	-	18,36,170	91,809	90,890
	Dec-16	17-07-17	29,08,800	28,79,712	29,088	1,454	156	1,610	-	29,08,800	1,45,440	1,43,986
	Mar-17	17-07-17	13,85,850	13,71,992	13,859	693	42	735	-	13,85,850	69,293	68,600
	Jun-17	17-07-17	18,22,200	18,03,978	18,222	911	-	911	-	18,22,200	91,110	90,199
Total			2,63,24,898	2,60,61,649	2,63,249	13,162	2,390	15,552	9,387	2,63,24,898	13,16,245	13,03,082

Appendix 3.13

(Reference: Paragraph 3.11.9.8)

Tax deducted at source certificates issued by Departments and Authorities without proof of deposition of tax deducted at source

(Amounts in ₹)

Sl. No	Trade Name, TIN & Zone	Zone	TDS amount deducted during year				Total TDS
			2013-14	2014-15	2015-16	2016-17	
1	M/s Medis (14010446186)	IX		6,29,730	5,38,985	99,746	12,68,461
2	M/s Langol Chemist & Druggist Agency (14010144173)	IX		4,27,173	26,30,639	10,34,969	40,92,781
3	M/s Surgichem Agencies (14010128110)	IX	3,79,708	8,62,657	5,98,141	38,952	18,79,458
4	M/s Diagnomed Instruments (14011158128)	IX		7,19,138	7,21,969	6,39,083	20,80,190
5	M/s Capital Agency (14010686161)	IX		3,70,441	12,19,245	5,37,562	21,27,248
6	M/s Medtech (14810116109)	VIII		1,94,562	3,54,254	15,85,508	21,34,324
7	M/s Sharma Bros Scientific Instruments Co (14210034194)	VII		47,81,855	47,84,178	17,75,269	1,13,41,302
8	M/s Padma Medicare (14010398191)	IX		1,25,172	1,63,093	13,230	3,01,495
9	M/s Lourembam Enterprises (14920520192)	VIII	2,67,751	39,29,237	13,86,403	30,61,797	86,45,188
10	M/s Eastern Equipments Enterprises (14010133160)	IX	2,85,348	4,20,473	5,80,015	6,76,639	19,62,475
11	M/s H. Somarendro Singh (14012215125)	WC			75,77,626		75,77,626
12	M/s RKEC Projects Pvt Ltd (14921401175)	WC	18,47,524	31,08,650	5,53,442		55,09,616
13	M/s Vijay Nirman Co. Pvt Ltd (14922881134)	WC			98,23,407	28,75,566	1,26,98,973
14	M/s P&C Construction A.A.S Construction-JV, (14922932159)	WC				73,03,700	73,03,700
15	M/s Mechfab Engineering Industries Pvt Ltd, 14923099180	WC			9,18,742		9,18,742

(Amounts in ₹)

Sl. No	Trade Name, TIN & Zone	Zone	TDS amount deducted during year				Total TDS
			2013-14	2014-15	2015-16	2016-17	
16	M/s Navsheen Associates (14011443165)	WC	5,35,767				5,35,767
17	M/s East India Construction & Supply Co. (14010491151)	WC	19,29,589		43,61,414		62,91,003
18	M/s Meghalaya Construction & Supply Co. (14010579158)	WC		4,42,996			4,42,996
19	M/s Shree Meghalaya Construction & Supply Co. (14010489131)	WC	13,88,191		48,54,396		62,42,587
	Total		66,33,878	1,60,12,084	4,10,65,949	1,96,42,021	8,33,53,932

Appendix 3.14

(Reference: Paragraph 3.11.9.8)

Tax deducted at source claimed to have been adjusted through Accountant General (A&E), Manipur but not supported with documents or references of adjustments

(Amounts in ₹)

Sl. No.	Trade Name & TIN No. of firm/dealer from whom TDS deducted	Year	TDS amount	TDS Certificate No	TDS Certificate date	
1	M/s Crystal works (14012012132)	2013-14	3,38,660	0057/01422	16-09-14	
			2,32,876	0057/01421	16-09-14	
			12,34,664	0057/01420	16-09-14	
			1,77,569	0057/01419	16-09-14	
			Total	19,83,769		
		2014-15	2,48,483	0268/06677	22-06-15	
			6,64,512	0268/06678	22-06-15	
			7,14,076	0268/06690	22-06-15	
			Total	16,27,071		
		2015-16	5,23,599	0269-06721	23-06-16	
			12,89,882	0269-06722	23-06-16	
			4,71,679	0269-06723	23-06-16	
			5,52,186	0269-06719	21-06-16	
7,45,387	0269-06718		21-06-16			
	Total	35,82,733				
2	M/s Navsheen Associates (14011443165)	2013-14	1,72,652	0084-02086	05-06-14	
			5,56,660	0084-02084	05-06-14	
			69,090	0084-02083	05-06-14	
			5,20,576	0084-02082	05-06-14	
			4,22,321	0084-02081	05-06-14	
			6,70,829	0084-02080	05-06-14	
			5,68,740	0084-02079	05-06-14	
			1,66,406	0057-01425	16-09-14	
			6,11,828	0057-01424	16-09-14	

(Amounts in ₹)

Sl. No.	Trade Name & TIN No. of firm/dealer from whom TDS deducted	Year	TDS amount	TDS Certificate No	TDS Certificate date
			4,65,333	0057-01423	16-09-14
		Total	42,24,435		
		2014-15	5,05,557	0268-06679	22-06-15
			4,90,260	0268-06680	22-06-15
			2,67,066	0268-06681	22-06-15
			3,93,961	0268-06682	22-06-15
			50,970	0268-06683	22-06-15
			5,61,211	0268-06684	22-06-15
			1,03,367	0268-06685	22-06-15
			4,897	0268-06686	22-06-15
			13,60,846	0268-06688	22-06-15
			5,21,526	0268-06689	22-06-15
		Total	42,59,661		
		2015-16	18,72,638	0269-06724	23-06-16
			26,49,172	0269-06725	23-06-16
			22,58,779	0269-06733	23-06-16
			24,77,702	0269-06732	23-06-16
			7,45,984	0269-06716	21-06-16
			11,83,811	0269-06714	21-06-16
			9,82,579	0269-06715	21-06-16
		Total	1,21,70,665		
3	M/s Meghalaya Construction & Supply Co., (14010579158)	2013-14	1,07,982	0099-02453	31-10-14
			11,29,595	0099-02454	31-10-14
			2,41,463	0099-02455	31-10-14
			2,26,163	0099-02456	31-10-14
			85,677	0099-02457	31-10-14
			1,22,340	0099-02458	31-10-14
			4,31,447	0099-02459	31-10-14
			1,29,260	0099-02460	31-10-14
			1,02,085	0099-02461	31-10-14
		Total	25,76,012		
		2014-15	3,35,323	0099-02470	21-09-15
			10,23,370	0099-02471	21-09-15
			2,60,803	0099-02472	21-09-15
			7,77,049	0099-02475	21-09-15
			8,25,811	0268-06697	21-09-15
			2,22,777	0268-06698	21-09-15
			8,34,500	0268-06699	21-09-15
			4,27,138	0269-06704	21-09-15
		3,43,463	0269-06705	21-09-15	
		Total	50,50,234		
		2015-16	18,87,219	0100-02480	08-08-16
26,26,369	0100-02481		08-08-16		
14,20,985	0100-02482		08-08-16		
20,95,627	0100-02483		08-08-16		
Total	80,30,200				
4	M/s Caron Enterprises, (14410136104)	2013-14	8,57,406	0084-02088	05-06-14
		Total	8,57,406		
		2014-15	4,60,085	0268-06687	22-06-15

(Amounts in ₹)

Sl. No.	Trade Name & TIN No. of firm/dealer from whom TDS deducted	Year	TDS amount	TDS Certificate No	TDS Certificate date
		Total	4,60,085		
		2015-16	3,24,742	0269-06720	23-06-16
			4,51,327	0269-06717	21-06-16
		Total	7,76,069		
5	M/s East India Construction & Supply Co, (14010491151)	2014-15	50,18,895	nil	nil
		Total	50,18,895		
6	M/s Shree Meghalaya Construction & Supply Co., (14010489131)	2014-15	35,95,256	nil	nil
		Total	35,95,256		
	Grand Total		5,42,12,491		

Appendix 3.15

(Reference: Paragraph 3.11.9.8)

Tax deducted at source not remitted into Government accounts

(Amounts in ₹)

Sl. No	Deducting organisation	Supplier/ Dealer	Particulars	VAT amount	Cheque No. & date of passing bill/cheque	Remark
1	Manipur Food Industries Corporation Ltd	MANIDCO	Execution of various electrical and civil works at Food Park, Nilakuthi	9,52,879	716564 dt 11.01.2016 for ₹ 12931675	
2	Manipur Tribal Development Corporation Ltd	K. Lamchou Pao	Construction of prefabricated structure at CAU	1,86,142	151966 dt 29.07.2016	
				2,47,557	152122 dt 12.10.2016	
3	Kakching Municipal Council	M. Sanatomba and Y.Brojen	Construction of office building complex for north and south block	2,69,710	(i) 363833 dt 11.11.12 (ii) 363821 dt 16.7.12 (iii) 895005 dt 11-10-13 (iv) 363829 dt 31-8-12 (v) 363835 dt 02-2-13	
			Total	16,56,288		

Appendix 3.16

(Reference: Paragraph 3.11.10.1)

Registered dealers with sales but did not file their returns

(Amounts in ₹)

Sl. No	Trade Name & TIN	Year	Sale taxable @5%	VAT @5%	Sale Taxable @13.5%	VAT @13.5%	Total sale	Total Tax
1	M/s Amit Kumar Hardware (14921596185)	2014-15	-		2,36,350		2,36,350	
		2015-16	13,31,401		2,20,000		15,51,401	
		2016-17	19,34,561		9,58,000		28,92,561	
		Total	32,65,962	1,63,298	14,14,350	1,90,937	46,80,312	3,54,235
2	M/s Kanglei Vet enterprises (14810243118)	2015-16	5,83,240		-		5,83,240	
		2016-17	7,66,800		-		7,66,800	
		Total	13,50,040	67,502	-	-	13,50,040	67,502
3	M/s Eastern Infotech (14920861110)	2015-16	38,02,050		-		38,02,050	
		Total	38,02,050	1,90,103	-	-	38,02,050	1,90,103
4	M/s BCS Peripherals (14010940179)	2015-16	17,85,000		-		17,85,000	
		Total	17,85,000	89,250	-	-	17,85,000	89,250
5	M/s DKK3SONS (14922139183)	2016-17	18,90,000		-			
		Total	18,90,000	94,500	-	-	18,90,000	94,500
6	M/s Digital Equipment Centre (14210360156)	2016-17	4,50,000		-			
		Total	4,50,000	22,500	-	-	4,50,000	22,500
7	M/s Gupta Sports' Stationary Store (14922169192)	2016-17	7,10,288		3,79,025			
		Total	7,10,288	35,514	3,79,025	51,168	10,89,313	86,683
8	M/s H.B.Enterprises (14810077107)	2014-15	-		14,61,355			
		Total	-	-	14,61,355	1,97,283	14,61,355	1,97,283
9	M/s Info Trade Services (14011214106)	2011-12	9,67,400		-			
		Total	9,67,400	48,370	-	-	9,67,400	48,370
10	M/s Machelva Agro Machineries and Services (14920489173)	2012-13	3,80,000		-			
		2013-14	7,15,050		-			
		Total	10,95,050	54,753	-	-	10,95,050	54,753
11	M/s Nanda's Enterprises (14921635187)	2016-17	-		5,18,900			
		Total	-	-	5,18,900	70,052	5,18,900	70,052
12	M/s Lai Enterprises (14130064126)	2016-17	6,71,180		2,30,225			
		Total	6,71,180	33,559	2,30,225	31,080	9,01,405	64,639
13	M/s Thokchom Ibomcha Singh Enterprises (14921931140)	2014-15	37,51,937		10,94,560			
		2015-16	9,84,676		2,44,150			
		2016-17	4,43,622		91,760			
		Total	51,80,235	2,59,012	14,30,470	1,93,113	66,10,705	4,52,125

(Amounts in ₹)

Sl. No	Trade Name & TIN	Year	Sale taxable @5%	VAT @5%	Sale Taxable @13.5%	VAT @13.5%	Total sale	Total Tax
14	M/s H.P. Hardware (14921919117)	2013-14	1,47,260		87,840			
		2014-15	1,98,407		1,60,370			
		Total	3,45,667	17,283	2,48,210	33,508	5,93,877	50,792
15	M/s S.M. Suppliers (14921867179)	2015-16	2,12,855		1,75,100			
		Total	2,12,855	10,643	1,75,100	23,639	3,87,955	34,281
Grand Total			2,17,25,727	10,86,286	58,57,635	7,90,781	2,75,83,362	18,77,067

Appendix 3.17

(Reference: Paragraph 3.11.10.2)

Recovery certificate issued pending realization of recovery

(Amounts in ₹)

Sl. No.	Trade Name & TIN	Quarter	Date of Assessment	Total sales	Total tax assessed	Tax paid	Balance tax as per the assessment order	Penalty	Total Amount for which recovery certificate was issued	Amount realised	Unrealised amount	Gap between tax period and assessment [#]
1	M/s Nilo Automotive Pvt. Ltd.- 14922423113	Sept 2014 to March 2016	27-07-16	3,76,43,748	50,81,906	5,63,797	45,18,109	90,36,218	1,35,54,327	-	1,35,54,327	4 to 20 months
2	M/s K & T Service Station- 14810378110	Sept 2011 to Dec 2011, March 2014 to Dec 2014	30-08-15	15,80,84,821	2,66,50,539	93,30,777	1,73,19,762	57,70,004	2,30,89,766	-	2,30,89,766	8 to 47 months
		June 2011, March 2012 to March 2013 and March 2015	18-08-15	27,29,71,400	4,63,72,262	1,81,41,014	2,82,31,248	2,48,63,634	5,30,94,882	-	5,30,94,882	4 to 49 months
3	M/s NRL Energy Station ,Imphal City 3- 14010891174	March 2011 to June 2013	04-09-15	11,17,80,348	2,01,94,102	5,00,000	1,96,94,102	1,39,52,495	3,36,46,597	29,50,000	3,06,96,597	50 to 53 months
4	M/s NRLEnergy Station, Thoubal- 14710155181	June 2012 to Sept 13 and Sept 2014	12-11-15	22,51,66,602	3,91,05,599	-	3,91,05,599	2,10,93,467	6,01,99,066	16,00,000	5,85,99,066	13 to 40 months
5	M/s UripokEnergy Station- 14921885165	June 2013 to June 2015	30-08-15	10,71,62,858	4,34,54,287	3,76,15,029	58,39,258	25,55,344	83,94,602	10,00,000	73,94,602	2 to 26 months
Total				1,28,09,777	18,08,58,695	6,61,50,617	11,47,08,078	7,72,71,162	19,19,79,240	55,50,000	18,64,29,240	

[#] Due date of filing of returns for each tax period is twenty days after the end the period.

Appendix 3.18

(Reference: Paragraph 3.12)

Details of items purchased through e-way bills

A. Purchased by M/s Home Decora (TIN- 14921946193)

e-way bill No.	Date	Shipped from	Amount (₹)	Type of goods	Tax rate (%)
10630006192	10-07-2014	GUWAHATI	2,19,309	Tiles	13.5
10930006191	10-07-2014	GUWAHATI	6,64,208	Sanitary wares	13.5
10270006135	16-07-2014	AHMEDABAD	20,72,451	Sanitary wares	13.5
10260006190	17-07-2014	SIKANDRABAD	10,57,831	Tiles	13.5
10720008898	07-08-2014	AHMEDABAD	2,95,154	Sanitary wares	13.5
10720008898	07-08-2014	AHMEDABAD	2,95,154	Sanitary wares	13.5
10630011915	01-09-2014	GUWAHATI	5,99,894	Sanitary wares	13.5
10890012231	03-09-2014	GUWAHATI	6,84,187	Tiles	13.5
10490013752	16-09-2014	GUWAHATI	6,70,933	Paints	13.5
10880014032	18-09-2014	GUWAHATI	5,27,945	Marble sheet	13.5
10190014626	22-09-2014	GUWAHATI	7,91,425	Sanitary wares	13.5
10510015485	27-09-2014	GUWAHATI	11,75,958	Tiles	13.5
		Sub-Total	90,54,449		
10570016804	08-10-2014	GUWAHATI	77,177	Paints	13.5
10490017050	09-10-2014	GUWAHATI	7,98,082	Tiles	13.5
10300018580	19-10-2014	GUWAHATI	6,67,531	Sanitary wares	13.5
10590018634	19-10-2014	DELHI	50,460	Sanitary wares	13.5
10660018637	19-10-2014	GUWAHATI	13,12,714	Sanitary wares	13.5
10040018749	20-10-2014	GUWAHATI	3,797	Doors	13.5
10290018732	20-10-2014	GUWAHATI	13,12,714	Sanitary wares	13.5
10530018770	20-10-2014	GUWAHATI	1,66,050	Sanitary wares	13.5
10780018753	20-10-2014	GUWAHATI	61,312	Doors	13.5
10370019553	28-10-2014	GUWAHATI	43,600	Sanitary wares	13.5
10330021034	06-11-2014	GUWAHATI	8,58,135	Tiles	13.5
10710020981	06-11-2014	SIKANDRABAD	8,68,487	Tiles	13.5
10180022635	18-11-2014	KOLKATA	5,74,244	Pipes	13.5
10290023679	25-11-2014	GUWAHATI	21,580	Tiles	13.5
10290023776	25-11-2014	GUWAHATI	14,247	Sanitary wares	13.5
10590023678	25-11-2014	GUWAHATI	1,84,158	Tiles	13.5
10890023677	25-11-2014	GUWAHATI	7,54,547	Tiles	13.5
10640023985	26-11-2014	GUWAHATI	1,25,522	Tiles	13.5
10800023978	26-11-2014	GUWAHATI	6,55,077	Tiles	13.5
10240024536	30-11-2014	SIKANDRABAD U. P.	1,36,576	Tiles	13.5
10320026521	12-12-2014	GUWAHATI	10,57,342	Tiles	13.5
10530026530	12-12-2014	GUWAHATI	1,27,581	CP fittings	13.5
10760026526	12-12-2014	GUWAHATI	2,13,830	CP fittings	13.5
10470028897	28-12-2014	DELHI	42,024	CP fittings	13.5
		Sub-Total	101,26,788		
		Total	191,81,236		

B. Purchased by M/s Economic Development Centre (TIN-14011204103)

e-way bill No.	Date	Amount (₹)	Type of goods	Tax rate (%)
10910048302	27-04-2015	62,800.53	Auto Spare Parts	5.0
10320052032	21-05-2015	37,667.66	Spares Part	5.0
10790052648	25-05-2015	17,402.66	Motor Spar Parts	5.0
	Sub-Total	1,17,870.85		
10780061045	20-07-2015	8,80,000.00	Paddy Thresher	5.0
10160062224	29-07-2015	15,12,187.40	TVS King Gs 4s Petrol ES Black	5.0
10630065071	21-08-2015	7,94,500.00	Paddy Thresher	5.0
10650065931	31-08-2015	7,94,500.00	Paddy Thresher	5.0
10610066345	04-09-2015	9,08,000.00	Paddy Thresher	5.0
10910066344	04-09-2015	9,08,000.00	Paddy Thresher	5.0
	Sub-Total	57,97,187.40		
10430069954	01-10-2015	4,54,000.00	Paddy Thresher	5.0
10730069953	01-10-2015	4,54,000.00	Paddy Thresher	5.0
10970070864	06-10-2015	4,54,000.00	Paddy Thresher	5.0
10090071727	10-10-2015	4,54,000.00	Paddy Thresher	5.0
10160071730	10-10-2015	29,191.00	Spares Part	5.0
10390071726	10-10-2015	4,54,000.00	Paddy Thresher	5.0
10970071737	10-10-2015	1,674.94	Spares Part	5.0
10100073224	19-10-2015	19,59,026.50	TVS King Gs 4s Petrol ES Black	5.0
10370076201	06-11-2015	76,233.31	Spares Part	5.0
10080078281	19-11-2015	11,192.12	Spares Part	5.0
10220080518	01-12-2015	85,815.00	Spares Part	5.0
10570085286	28-12-2015	19,59,026.50	TVS King Gs 4s Petrol ES Black	5.0
	Sub-Total	63,92,159.37		
10950086494	04-01-2016	2,96,435.00	Agri Machineries And Implement	5.0
10160088802	18-01-2016	69,542.00	Spares Part	5.0
10860089802	23-01-2016	7,441.47	Spares Part	5.0
10250092575	06-02-2016	12,52,250.00	Rotary Tiller	5.0
10870093142	09-02-2016	81,535.02	Spares Part	5.0
10440097156	01-03-2016	16,305.29	Spares Part	5.0
10890101859	26-03-2016	7,084.63	Spares Part	5.0
	Sub-Total	17,30,593.41		
	Total	140,37,811.03		

Appendix 3.19

(Reference: Paragraph 3.13)

Details of outstanding tax and penalty

(Amounts in ₹)

Name of dealer	Item	Quarter	Sales as per Return	Sale as per records	Suppressed Sale (incl. of VAT)	Rate (%)	VAT	Penalty (8) x 2	Amount recovered	Outstanding Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
M/s Capital Steel (TIN-14920286180)	Steel	Mar-16	0	24,98,948	26,23,895	5	1,24,947	2,49,894	0	3,74,841
	Sub-total			24,98,948	26,23,895		1,24,947	2,49,894	0	3,74,841
M/s Mahen Hardware (TIN-14921733100)	Cement	Sep-15	0	9,93,833	11,28,000	13.5	1,34,167	2,68,334	0	4,02,501
		Mar-16	0	5,49,639	6,23,840	13.5	74,201	1,48,402		2,22,603
	Sub-total				15,43,472	17,51,840		2,08,368	4,16,736	0
M/s Thokchom Ibomcha Singh Enterprises (TIN-14921931140)	Cement	Sep-15	0	2,39,753	2,72,120	13.5	32,367	64,734	0	97,101
	Sub-total				2,39,753	2,72,120		32,367	64,734	0
M/s L. Sanjit Enterprises (TIN-14920789166)	Cement	Dec-14	0	1,52,423	1,73,000	13.5	20,577	41,154	51,145	1,02,290
		Mar-15	0	1,51,542	1,72,000	13.5	20,458	40,916		
		Mar-16	0	74,890	85,000	13.5	10,110	20,220		
	Sub-total				3,78,855	4,30,000		51,145	1,02,290	51,145
M/s A.U. Brothers (TIN-14810412159)	Steel	Sep-14	1,66,320	5,31,693	3,83,642	5	18,269	36,538	1,87,185	3,68,478
	Cement		3,65,48	2,07,753	1,94,318	13.5	23,113	46,226		
	Steel	Dec-14	16,24,60	4,27,192	2,77,969	5	13,237	26,474		
	Cement		43,163	1,44,493	1,15,010	13.5	13,680	27,360		
	Steel	Jun-15	1,78,860	3,36,102	1,65,104	5	7,862	15,724		
	Steel	Sep-15	1,22,400	1,70,369	50,367	5	2,398	4,796		
	Cement		19,630	1,62,819	1,62,520	13.5	19,331	38,662		
	Cement	Dec-15	70,533	89,076	21,046	13.5	2,503	5,006		
	Steel	Mar-16	1,00,860	2,55,888	1,62,779	5	7,751	15,502		
	Cement		30,030	6,00,970	6,48,017	13.5	77,077	1,54,154		
Sub-total			9,30,804	29,26,355	21,80,772		1,85,221	3,70,442	1,87,185	3,68,478
M/s E.K. Enterprises (14920230105)	Cement	Dec-14	0	19,77,498	22,44,460	13.5	2,66,962	5,33,924	*7,90,709	10,29,511
	Cement	Mar-15	0	8,41,561	9,55,172	13.5	1,13,611	2,27,222		
	Cement	Sep-15	0	4,44,405	5,04,400	13.5	59,995	1,19,990		
	Cement	Dec-15	0	12,25,074	13,70,788	13.5	1,45,714	2,91,428		
	Cement	Mar-16	0	1,72,000	1,92,458	13.5	20,458	40,916		
	Sub-total				46,60,538	52,67,278		6,06,740		
Grand Total			9,30,804	1,22,47,921	1,25,25,905		12,08,788	24,17,576	10,29,039	25,97,325

*Input Tax Credit (₹6,24,537) + Tax paid ₹(1,66,172)

Appendix 3.20

(Reference: Paragraph 3.14)

Details of items procured through e-way bills

Name of dealer	Type of Goods	Sl No	E-way bill No.	Date	Amount (₹)	Tax leviable @ 5% (₹)
M/s L.I. Steel (TIN-14810428226)	TMT bar	1	10890052001	21-05-2015	17,02,134	
		2	10180052026	21-05-2015	16,74,540	
		3	10190058567	30-06-2015	16,03,535	
		4	10260058570	30-06-2015	15,80,459	
		5	10810068931	25-09-2015	31,78,656	
		6	10440089396	20-01-2016	30,83,510	
		Sub-Total				
M/s Marjing Commerce Private Limited (TIN-14923219119)	Iron and steel	1	10470091559	01-02-2016	12,06,987	
		2	10030091748	02-02-2016	12,04,564	
		3	10720091736	02-02-2016	12,11,991	
		4	10860091742	02-02-2016	12,36,311	
		5	10750091862	03-02-2016	2,44,800	
		6	10360092261	05-02-2016	12,98,577	
		7	10340093632	12-02-2016	14,20,031	
		8	10940093630	12-02-2016	12,59,750	
		9	10350094353	16-02-2016	12,93,678	
		10	10420094356	16-02-2016	12,94,539	
		11	10120094551	17-02-2016	12,55,470	
		12	10340095378	22-02-2016	12,57,131	
		13	10360095753	24-02-2016	13,20,052	
		14	10600096179	26-02-2016	12,62,880	
		15	10780097129	01-03-2016	12,74,674	
		16	10940097122	01-03-2016	12,87,946	
		17	10480097518	03-03-2016	13,31,577	
		18	10250098492	08-03-2016	13,04,426	
		19	10320098495	08-03-2016	13,03,550	
		20	10680099037	10-03-2016	13,17,984	
		21	10310099714	14-03-2016	13,03,952	
		22	10100100093	16-03-2016	12,90,422	
		23	10240100099	16-03-2016	12,90,853	
		24	10460101217	21-03-2016	13,06,521	
		25	10900101707	24-03-2016	13,06,225	
Sub-Total					3,10,84,891	15,54,245
Grand total		31			4,39,07,725	21,95,386

Appendix 3.21
(Reference: Paragraph 3.16)

Details of demand noticed served and outstanding tax and interest along with amount paid and outstanding amount

(Amounts in ₹)

Sl. No.	Name of Dealer & TIN No.	Quarter(s) Ending	Tax Assessed	Interest Levied	Total due	Demand notice served on	Due date for payment	Tax Paid	Date of payment	Outstanding Tax	Date up to which interest was calculated	No. of days due	Penalty Leviable	Total amount payable	Tax paid	Outstanding Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	M/S W. Ibohal Singh & Sons (TIN-14310089189)	Mar-15 to Jun-15	11,01,052	2,23,031	13,24,083	20-08-16	19-09-16	11,00,657	Paid on time	2,23,426	31-10-16	42	6,256	2,29,682	2,23,426	6,256
2	M/S Ashok Steel & Sanitary Mart (TIN-14110031137)	Jun-14 to Sep-14	38,95,485	1,72,592	40,68,077	27-06-15	27-07-15	38,95,485	Paid on time	1,72,592	31-10-16	462	53,158	2,25,750	3,74,784	90,468
		Dec-14 to Mar-15	51,95,852	1,14,103	53,09,955	22-08-15	21-09-15	51,95,852	Paid on time	1,14,103	31-10-16	406	30,884	1,44,987		
		Jun-15	18,17,295	79,158	18,96,453	15-12-15	14-01-16	18,17,295	Paid on time	79,158	31-10-16	291	15,357	94,515		
		Sub- Total														
3	M/S Koraks Traders (TIN-14010611187)	Mar-15	2,00,014	24,268	2,24,282	26-10-15	25-11-15	2,00,000	Paid on time	24,282	31-10-16	341	5,520	29,802	-	29,802
		Sep-12 to Dec-14	8,86,697	1,85,883	10,72,580	06-04-15	06-05-15	8,86,697	Paid on time	1,85,883	31-10-16	544	67,414	2,53,297	-	2,53,297
		Sub- Total													2,83,099	
4	M/S S.B. Sons & Co. (TIN-14210073196)	Mar-16	2,47,402	26,554	2,73,956	06-10-16	05-11-16	2,47,402	Paid on time	26,554	31-10-16	-5	0	26,554	1,61,575	22,965
		Dec-15	2,85,031	-	2,85,031	20-01-16	19-02-16	1,50,000	Paid on time	1,35,031	31-10-16	255	22,955	1,57,986		
		Sub- Total														
5	M/S Dinesh T.V. Electronics (TIN-14410118118)	Sep-15 to Mar-16	45,14,119	33,258	45,47,377	27-07-16	26-08-16	44,56,824	Paid on time	90,553	31-10-16	66	3,984	94,537	90,553	3,984
6	M/S Banni Super Store (TIN-14110020124)	Jun-15 to Sep-15	16,63,964	59,330	17,23,294	09-02-16	10-03-16	16,63,963	Paid on time	59,331	31-10-16	235	9,295	68,626	9,925	58,701
7	M/S Thokchom Iboyaima & Sons (TIN-14410252100)	Dec-14 to Sep-15	47,20,456	2,88,844	50,09,300	31-10-15	30-11-15	15,00,000	Paid on time	35,09,300	03-02-16	65	1,52,070	29,29,116	23,10,000	6,19,116

(Amounts in ₹)

Sl. No.	Name of Dealer & TIN No.	Quarter(s) Ending	Tax Assessed	Interest Levied	Total due	Demand notice served on	Due date for payment	Tax Paid	Date of payment	Outstanding Tax	Date up to which interest was calculated	No. of days due	Penalty Leviable	Total amount payable	Tax paid	Outstanding Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
								2,00,000	03-02-16	33,09,300	20-02-16	17	37,505			
								3,00,000	20-02-16	30,09,300	07-03-16	16	32,099			
								3,00,000	07-03-16	27,09,300	04-07-16	119	2,14,938			
								4,00,000	04-07-16	23,09,300	31-10-16	119	1,83,204			
		Sub Total								23,09,300			6,19,816			
		Total	2,45,27,367	12,07,021	2,57,34,388			2,23,14,175		34,20,213			8,34,639	42,54,852	31,70,263	10,84,589

Appendix 3.22

(Reference: Paragraph 3.17)

Details of penalty recovered at the instance of Audit and outstanding penalty for default in audit of accounts

(Amounts in ₹)

Sl No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
1	M/s Manipur Steel Mart (14310037154)	4,99,44,427	49,944	49,945	Yes	49,945	-			
2	M/s Eastern India Agency (14510008112)	15,62,10,126	1,56,210	1,56,210	Yes	1,56,210	-			
3	M/s Manipur Gun House (14110110151)	4,06,59,824	40,660	47,026	Yes	40,660	6,366		Excess recovery	-
4	M/s Vinod Hardware Store (14110013151)	2,72,21,076	27,221	27,221	Yes	27,221	-			

(Amounts in ₹)

Sl No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
5	M/s Manjushree Sales Agency (14410355160)	6,50,59,521	65,060	65,092	Yes	65,060	32		Excess recovery	-
6	M/s Singh Medical Hall (14410355160)	5,09,12,935	50,913	50,913	Yes	50,913	-			
7	M/s Tiddim Motors (14011712139)	30,19,74,663	3,01,975	-		-	-		Notice issued (Nov 2016)	3,01,975
8	M/s Ranjit Enterprises (14310105155)	15,27,47,618	1,52,748	1,52,748	Yes	1,52,748	-			
9	M/s S.K. Stores (14510021145)	1,74,15,502	17,416	17,415	Yes	17,415	-			1
10	M/s Pritam Sales Agency (14510067120)	3,14,03,029	31,403	-		-	-	Audited statement submitted, however date of submission was not provided		31,403
11	M/s Panthoibi Seeds House (14011156108)	8,40,65,945	84,066	1,11,400	Yes	84,066	27,334		Excess recovery	-
12	M/s Raj Electronics (14921741180)	2,04,56,652	20,457	-		-	-		Notice issued (Aug 2017)	20,457
13	M/s Marble & Sanitary House (14510101169)	14,82,83,986	1,48,284	-		-	-		Notice issued (Aug 2017)	1,48,284

(Amounts in ₹)

SI No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
14	M/s D.S. Electronics (14210158173)	6,01,63,832	60,164	52,564	Yes	52,564	-			7,600
15	M/s B & I Enterprises (14921678132)	1,68,70,394	16,870	-		-	-		Notice issued (Aug 2017)	16,870
16	M/s Vikash Plywood Centre (14410025158)	3,59,23,490	35,923	35,923	Yes	35,923	-			
17	M/s H.V.S. Construction Material Pvt. Ltd. (14810057101)	76,64,16,651	7,66,417	-		-	-	Audited statement submitted, however date of submission was not provided		7,66,417
18	M/s Blue Bells (14210020151)	2,91,80,301	29,180	29,340	Yes	29,180	160		Excess recovery	
19	M/s Rana Medicos (14610011169)	18,92,54,927	1,89,255	1,89,255	Yes	1,89,255	-			-
20	M/s Rekha Steel (14921084109)	4,40,83,260	44,083	44,083	Yes	44,083	-			
21	M/s Jamunalal Mangilal (14210142110)	1,67,00,373	16,700	16,700	Yes	16,700	-			-
22	M/s Sarawgi Hardware & Electrical Store (14110028107)	3,66,35,400	36,635	36,235	Yes	36,235	-			400

(Amounts in ₹)

Sl No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
23	M/s Steel Trading Corporation (14510015182)	9,23,14,240	92,314	1,27,948	Yes	92,314	35,634		Excess recovery	-
24	M/s Meghraj Sohanlal (14110019114)	3,43,92,490	34,392	36,723	Yes	34,392	2,331		Excess recovery	
25	M/s Paras Agency (14110003148)	15,29,55,482	1,52,955	1,37,800	Yes	1,37,800	-			15,155
26	M/s Sanjay Traders (14110111161)	1,97,64,920	19,765	19,765	Yes	19,765	-			
27	M/s Vaibhav Steel (14921083196)	5,20,18,012	52,018	52,018	Yes	52,018	-			-
28	M/s Sachin Traders (14920701159)	2,75,63,739	27,564	-	Yes	-	-		Notice issued (Aug 2017)	27,564
29	M/s Manoj Store (14410059110)	1,03,45,654	10,346	10,346	Yes	10,346	-			-
30	M/s Kaiser Enterprises (14310100105)	77,93,884	7,794	-	Yes	-	-		Notice issued (Aug 2017)	7,794
31	M/s Premeekh Gyanchand Patni (14610041178)	1,79,86,820	17,987	17,987	Yes	17,987	-			-
32	M/s N.E. Hardware & Sanitary (14110021134)	1,53,15,726	15,316	15,316	Yes	15,316	-			
33	M/s Shree Automobiles (14310108185)	3,94,71,492	39,471	-		-	-		Notice issued (Aug 2017)	39,471
34	M/s Shyam Tyre Sales & Service (14810596156)	5,66,06,914	56,607	37,467	Yes	37,467	-			19,140

(Amounts in ₹)

SI No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
35	M/s Pakhangba Motor (14310180129)	58,52,33,013	5,85,233	5,85,226	Yes	5,85,233	-			7
36	M/s Branded Shoes (14510109152)	1,27,66,210	12,766	12,766	Yes	12,766	-			
37	M/s S.B. Agency (14921080166)	1,79,32,086	17,932	17,932	Yes	17,932	-			-
38	M/s Jain Medicos (14110038110)	10,21,83,211	1,02,183	1,02,184	Yes	1,02,184	-			-1
39	M/s Diagnomed Instruments (14011158128)	1,80,71,297	18,071	19,281	Yes	18,071	1,210		Excess recovery	-
40	M/s Kamla Builder (14110043160)	1,97,16,413	19,716	19,716	Yes	19,716	-			-
41	M/s O.I. & Bros colour Lab (14110149153)	2,15,09,004	21,509	21,509	Yes	21,509	-			-
42	M/s Furnish Well(14110040130)	86,79,149	8,679	13,510	Yes	8,679	4,831		Excess recovery	-
43	M/s N.D. Trading Agency (14921753106)	23,70,24,723	2,37,025	-		-	-		Notice issued (Aug 2017)	2,37,025
44	M/s Khalsa Medicos (14110087115)	19,80,68,378	1,98,068	1,88,312	Yes	1,88,312	-			9,756
45	M/s Manipur paper Emporium (14210050160)	71,99,665	7,200	12,456	Yes	7,200	5,256		Excess recovery	-

(Amounts in ₹)

SI No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
46	M/s Star Mobile (14210328127)	2,13,15,920	21,316	50,163	Yes	21,316	28,847	Purpose and period were not mentioned in the challan		
47	M/s Ria Electricals Trading (14920252131)	1,94,24,962	19,425	19,425	Yes	19,425	-			-
48	M/s Manipur Agency House (14410006162)	30,15,36,949	3,01,537	3,52,759	Yes	1,27,163	2,25,596	Not penalty but VAT		1,74,374
49	M/s Star Info System (14410322121)	2,22,71,330	22,271	22,271	Yes	22,271	-			-
50	M/s Bharat Provision Store (14510051154)	3,15,74,230	31,574	63,975	Yes	31,574	32,401		Excess recovery	
51	M/s A.N. Steel (14110089135)	1,73,78,003	17,378	17,378	Yes	17,378	-			-
52	M/s Medivat Pharma (14610052191)	67,01,083	6,701	6,701	Yes	6,701	-			
53	M/s KNK Associates (14810467127)	3,01,14,247	30,114	-		-	-		Notice issued (Aug 2017)	30,114
54	M/s Vision Infotech (14922738159)	83,54,651	8,355	8,355	Yes	8,355	-			
55	M/s Sai Enterprises (14922609130)	91,62,387	9,162	9,162	No	-		Not penalty but VAT		9,162
56	M/s Waiagrim (14920683173)	1,35,31,463	13,531	-		-	-		Notice issued (Aug 2017)	13,531

(Amounts in ₹)

SI No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
57	M/s Manipur Trading Co. (14920634168)	34,51,58,179	3,45,158	10,18,742	Yes	3,45,158	6,73,584		Excess recovery	-
58	M/s Sudheer Iron Store (1492913154)	2,43,60,364	24,360	24,360	Yes	24,360	-			
59	M/s S.B. Enterprises (14921270126)	4,37,38,091	43,738	-	-	-	-		Notice issued (Aug 2017)	43,738
60	M/s Krishna Traders (14010765175)	11,19,00,510	1,11,901	1,11,801	Yes	1,11,801	-			100
61	M/s Samayak Retail Service Pvt. Ltd. (14922211127)	11,21,20,997	1,12,121	-	-	-	-			1,12,121
62	M/s N. Noyon Singh & Sons (14210001155)	1,85,85,767	18,586	-	-	-	-	Audited statement submitted, however date of submission was not provided		18,586
63	M/s Guru Steel (14510150174)	7,13,11,345	71,311	71,311	Yes	71,311	-			-
64	M/s Eastern Motors (14010036160)	1,16,85,73,974	11,68,574	11,68,574	No			Not penalty but VAT and period not mentioned		11,68,574
65	M/s M.G.T. Motors Private Limited (14010083129)	1,08,54,46,756	10,85,447	10,85,447	Yes	10,85,447	-			-

(Amounts in ₹)

Sl No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
66	M/s Muskan Marble (14410103162)	2,49,61,871	24,962	24,962	Yes	24,962	-			
67	M/s Oriental Vision Enterprises (14922166162)	13,46,28,639	1,34,629	1,34,628	No			Period not mentioned		1,34,629
68	M/s Prachi Enterprises (14922352179)	1,04,98,083	10,498	10,498	Yes	10,498	-			
69	M/s J. K. Enterprises (14922242146)	6,08,49,428	60,849	63,288	Yes	60,849	2,439		Excess recovery	-
70	M/s Raju Enterprises (14310102125)	6,47,27,080	64,727	64,727	Yes	64,727	-			
71	M/s Navjivan Pharmacy (14510128148)	13,44,95,657	1,34,496	1,34,496	Yes	1,34,496	-			-
72	M/s Dinesh TV Electricals (14410118118)	11,28,47,391	1,12,847	1,12,847	No	-		Not penalty but VAT and period not mentioned		1,12,847
73	M/s L. Kulabidhu Singh & Co. (14710021102)	7,29,35,281	72,935	72,935	Yes	72,935	-			-
74	M/s Arihant Agencies (14110099138)	8,09,54,000	80,954	80,954	Yes	80,954	-			
75	M/s Golden Globe Enterprises (14921468166)	15,94,01,123	1,59,401	1,59,401	No	-		Not penalty but VAT and period not mentioned		1,59,401

(Amounts in ₹)

SI No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
76	M/s Ashok Hardware & Steel Mart (14922236101)	6,43,82,374	64,382	64,382	Yes	64,382	-			
77	M/s Ashok Steel & Sanitary Mart (14110031137)	32,51,10,795	3,25,111	3,25,111	Yes	3,25,111	-			-
78	M/s Koraks Traders (14010611187)	1,17,40,879	11,741	11,741	Yes	11,741	-			
79	M/s MAX Enterprises (14110058116)	2,48,48,149	24,848	24,848	Yes	24,848	-			-
80	M/s D. K. Steel (14110098128)	3,40,29,188	34,029	45,720	Yes	34,029	11,691		Excess recovery	
81	M/s M. S. Enterprises (14920348121)	6,73,63,075	67,363	67,363	Yes	67,363	-			-
82	M/s S. B. Sons & Co. (14210073196)	1,94,55,716	19,456	19,456	Yes	19,456	-			
83	M/s M. I. Footwears (14210294175)	1,99,52,970	19,953	19,953	Yes	19,953	-			-
84	M/s Mahabir Pharmacy (14210024191)	19,47,76,986	1,94,777	3,42,629	Yes	1,94,777	1,47,852		Excess recovery	
85	M/s Kamdhenu Traders (14410031121)	14,25,67,126	1,42,567	1,42,567	Yes	1,42,567	-			-
86	M/s Nong'M Automobiles (14920776133)	7,30,55,011	73,055	73,055	No			Period not mentioned		73,055

(Amounts in ₹)

Sl No	Name of Dealer & TIN No.	Gross Turnover for 2011-12, 2014-15 and 2015-16	Penalty leviable	Recovered amount	Accepted by audit	Amount accepted by audit	Excess recovery	Reasons for non-acceptance, If any	Remarks	Outstanding penalty
87	M/s Kaiser Auto Engg. Works (14310087169)	1,35,18,847	13,519	13,519	Yes	13,519	-			-
88	M/s Prakash Medical Hall (14010106181)	1,67,03,477	16,703	16,703	No	-		Period not mentioned		16,703
89	M/s Langol Chemist & Druggist Agency (14010144173)	2,01,80,863	20,181	20,181	Yes	20,181	-			-
90	M/s Hiralal Sant Kumar (14110155116)	2,42,78,708	24,279	24,279	Yes	24,279	-			-
91	M/s Viridi Radio Service (14110063166)	3,30,77,222	33,077	33,077	Yes	33,077	-			-
92	M/s Lamphel Pharmacy (14010334133)	25,79,23,762	2,57,924	2,57,924	Yes	2,57,924	-			
93	M/s Emoinu Oils (14011340105)	20,44,70,477	2,04,470	-		-	-		Notice issued (Nov 2016)	2,04,470
94	M/s J. K. Agency (14110033157)	53,04,88,800	5,30,489	5,30,489	Yes	5,30,489	-			
95	M/s East India Machines (14010041113)	40,12,19,259	4,01,219	-		-	-		Notice issued (Nov 2016)	4,01,219
96	M/s Banni Super Store (14110020124)	7,63,17,920	76,318	76,318	Yes	76,318	-			
97	M/s Sarajeevan Enterprises (14210049150)	60,78,78,524	6,07,879	-		-	-			6,07,879
Total		11,57,86,96,343	1,15,78,693	95,28,807		66,48,880	12,05,564			49,29,821

Appendix 3.23
(Reference: Paragraph 3.18)

Details of outstanding Professional Taxes

A. Details of Professional Taxes not realized from oil distributors/dealers/agents

(Amounts in ₹)

Sl. No.	Name of Dealer	Professional Tax to be paid for the period 2011-16	Recovery of Professional Tax at the instance of Audit						Outstanding Professional Tax					
			2011-12	2012-13	2013-14	2014-15	2015-16	Total	2011-12	2012-13	2013-14	2014-15	2015-16	Total
1	Bitej Gasoline Centre	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
2	Imphal Oil Agency	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
3	Jas Gas Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
4	Motor Service Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
5	Phulchand Trilokchand Imphal	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
6	PG Petroleum Agency	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
7	S Mani Filling Centre	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
8	Tuibuong Service Station	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
9	Tuks & Bons Filling Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
10	Khurai Service Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
11	Konsam Oil Service	12,500	-	2,500	2,500	2,500	2,500	10,000	2,500	-	-	-	-	2,500
12	J&D Oil Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
13	L.N.C. & Sons Filling Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
14	Th. Sorojini Devi Filling Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
15	Indo Myanmar Oil Centre	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
16	Tiddim Service Station	12,500	-	-	-	-	2,500	2,500	2,500	2,500	2,500	2,500	-	10,000
17	Cr. Nicholas Filling Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
18	Highway Petroleum Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500

(Amounts in ₹)

Sl. No.	Name of Dealer	Professional Tax to be paid for the period 2011-16	Recovery of Professional Tax at the instance of Audit						Outstanding Professional Tax					
			2011-12	2012-13	2013-14	2014-15	2015-16	Total	2011-12	2012-13	2013-14	2014-15	2015-16	Total
19	D. Gaidingam Service Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
20	Nambol Service Centre	12,500	-	-	-	-	2,500	2,500	2,500	2,500	2,500	2,500	-	10,000
21	Lamsang Oil Service	12,500	-	-	-	-	2,500	2,500	2,500	2,500	2,500	2,500	-	10,000
22	Mayai Lambi Service Station	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
23	KSK Koirengai	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
24	Friendly Enterprises	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
25	Yumnam Oil Service	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
26	Honka & Sons	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
27	Shaiza Automobiles	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
28	DSLS & Co.	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
29	Moreh Agency House Filling Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
30	United Brother Oil Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
31	Kusum Service Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
32	Kanhai & Sons, Thoubal Bazar	12,500	-	-	2,500	2,500	2,500	7,500	2,500	2,500	-	-	-	5,000
33	Suakhnun & Sons	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
34	Lamka Filling Station	12,500	-	-	2,500	2,500	2,500	7,500	2,500	2,500	-	-	-	5,000
35	Bull Horn Fuel Depot	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
36	Bakliwal Enterprise	12,500	-	-	2,500	2,500	2,500	7,500	2,500	2,500	-	-	-	5,000
37	Bhaurilal Bakliwal & Co.	12,500	-	2,500	2,500	2,500	2,500	10,000	2,500	-	-	-	-	2,500
38	Keramat and Sons	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
39	Dwijendra Petroleum Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
40	Ksh Beikul Singh	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
41	Krishnapremi Oil City	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
42	Manipur Highway Service Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
43	Porompat Service Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
44	DK Oil Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
45	Eastern Agro Services	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500

(Amounts in ₹)

Sl. No.	Name of Dealer	Professional Tax to be paid for the period 2011-16	Recovery of Professional Tax at the instance of Audit						Outstanding Professional Tax					
			2011-12	2012-13	2013-14	2014-15	2015-16	Total	2011-12	2012-13	2013-14	2014-15	2015-16	Total
46	Namri Kisan Sewa Kendra	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
47	Chargy Fuel Station	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
48	DGR Velocity Kisan Sewa Kendra	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
49	Zuasiam Kisan Sewa Kendra	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
50	Thokchom Kisan Sewa Kendra	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
51	Leishangthem Kisan Sewa Kendra	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
52	Ningthouja Kisan Sewa Kendra	12,500	-	-	2,500	2,500	2,500	7,500	2,500	2,500	-	-	-	5,000
53	SLC Kisan Sewa Kendra	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
54	Thambal Kisan Sewa Kendra	12,500	-	-	-	-	2,500	2,500	2,500	2,500	2,500	2,500	-	10,000
55	Yumnam Romabati Kisan Sewa Kendra	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
56	Diamond Service	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
57	Kanhai & Sons	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
	Total	7,12,500	22,500	27,500	37,500	37,500	47,500	1,72,500	1,20,000	1,15,000	1,05,000	1,05,000	95,000	5,40,000

B. Details of Professional Taxes not realized from Gas agencies/dealers/distributors

(Amounts in ₹)

Sl. No.	Name of Dealer	Professional Tax to be paid for the period 2011-16	Recovery of Professional Tax at the instance of Audit						Outstanding Professional Tax					
			2011-12	2012-13	2013-14	2014-15	2015-16	Total	2011-12	2012-13	2013-14	2014-15	2015-16	Total
1	M/S Kim Joe Gas Service	12,500	2,500	2,500	2,500	-	-	7,500	-	-	-	2,500	2,500	5,000
2	M/S Manipur Gas Service	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
3	M/S Porompat Indane Gas Service	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
4	M/S Sialngengthang Gas Agency	12,500	-	-	-	2,500	-	2,500	2,500	2,500	2,500	-	2,500	10,000
5	M/S Manipur Thoubal Gas Service	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
6	M/S Maibia Gas Distributor	12,500	-	-	-	2,500	2,500	5,000	2,500	2,500	2,500	-	-	7,500
7	M/S Manipur Police Gas Agency	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
8	M/S Nambul Gas Agency	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
9	M/S New Red Shield Gas Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
10	M/S DIG AR HQ Manipur	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
11	M/S AR Ukhru HQ 10 Sector	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
12	M/S Khoriphaba Gas Service	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
13	M/S Iboyaima Tadubi Gas Agency	12,500	-	2,500	-	-	-	2,500	2,500	-	2,500	2,500	2,500	10,000
14	M/S Senapati Indane Service	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
15	M/S FSD, Leimakhong	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
16	M/S Lamsang Gas Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
17	M/S TDK Gas Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
18	M/S Athokpam Indane Service	12,500	-	2,500	2,500	-	-	5,000	2,500	-	-	2,500	2,500	7,500
19	M/S Lampodara Indane Mantripukhri	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
20	M/S STC Gas Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
21	M/S SP Chakpi Indane	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
22	M/S Ashangbi Indane Gramin	12,500	-	2,500	2,500	-	-	5,000	2,500	-	-	2,500	2,500	7,500
23	M/S Bingpa Indane Gramin	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
24	M/S Angam Indane	12,500	-	-	-	2,500	2,500	5,000	2,500	2,500	2,500	-	-	7,500
25	M/S Pancham Ar Indane	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
26	M/S Lupeng Indane	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
27	M/S Rakovi Indane Gramin	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
28	M/S HS Indane Gramin	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-

(Amounts in ₹)

Sl. No.	Name of Dealer	Professional Tax to be paid for the period 2011-16	Recovery of Professional Tax at the instance of Audit						Outstanding Professional Tax					
			2011-12	2012-13	2013-14	2014-15	2015-16	Total	2011-12	2012-13	2013-14	2014-15	2015-16	Total
29	M/S HQ Pallel Indane Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
30	M/S J. Rongmei SK Indane	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
31	M/S Emoinu Gas Agency	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
	Total	3,87,500	17,500	25,000	22,500	22,500	20,000	1,07,500	60,000	52,500	55,000	55,000	57,500	2,80,000

C. Details of Professional Taxes not realized from Brick Manufacturing Farms

(Amounts in ₹)

Sl. No.	Trading Name	Professional Tax to be paid for the period 2011-16	Recovery of Professional Tax at the instance of Audit					Outstanding Professional Tax						
			2011-12	2012-13	2013-14	2014-15	2015-16	Total	2011-12	2012-13	2013-14	2014-15	2015-16	Total
1	M/S Ipa Loyalakpa Brick Field	12,500	2,500	2,500	2,500	2,500	-	10,000	-	-	-	-	2,500	2,500
2	M/S T.I.S. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
3	M/S N.K.S Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
4	M/S Makoi Langjing Ching Maning Brick Field	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
5	M/S MIS Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
6	M/S Amuthoi Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
7	M/S P. Birahari Singh & Sons Mechanised Brick Field	12,500	-	2,500	2,500	2,500	2,500	10,000	2,500	-	-	-	-	2,500
8	M/S P.B.M Brick Farm	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
9	M/S K.B.S. Brick Farm	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
10	M/S M.I.S. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
11	M/S G.D.S. & Sons Brick Field	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
12	M/S A.R.K Brick Industry	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
13	M/S Lamkhai Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
14	M/S Bee Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
15	M/S N. Tombi & Sons Brick Field	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
16	M/S ARS Brick Firm	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
17	M/S Regal Brick And Allied Industries	12,500	-	2,500	2,500	2,500	2,500	10,000	2,500	-	-	-	-	2,500
18	M/S N. K. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
19	M/S Arbindro Brick Field	12,500	1,500	2,500	1,500	1,500	1,500	8,500	1,000	-	1,000	1,000	1,000	4,000
20	M/S M.I.S. Brick Field Industry	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
21	M/S Hauzel Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500

(Amounts in ₹)

Sl. No.	Trading Name	Professional Tax to be paid for the period 2011-16	Recovery of Professional Tax at the instance of Audit						Outstanding Professional Tax					
			2011-12	2012-13	2013-14	2014-15	2015-16	Total	2011-12	2012-13	2013-14	2014-15	2015-16	Total
22	M/S Toy Tom Tha Bricks Industry	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
23	M/S Diamond Brick Farm	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
24	M/S P.I.S. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
25	M/S N.S.M. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
26	M/S K.N.S Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
27	M/S D.I.S. Piyainu Brick Field	12,500	-	2,500	2,500	2,500	2,500	10,000	2,500	-	-	-	-	2,500
28	M/S Pourabi Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
29	M/S K.K.S. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
30	M/S K.S.A. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
31	M/S MRS Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
32	M/S Suba Bricks & Construction	12,500	2,500	2,500	2,500	2,500	2,500	12,500	-	-	-	-	-	-
33	M/S Epa Chingkhulakpa Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
34	M/S K.D.S. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
35	M/S Kairang Brick Factory	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
36	M/S M.I. Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
37	M/S Binoy & Sons Brick Field	12,500	-	-	-	-	-	-	2,500	2,500	2,500	2,500	2,500	12,500
	Total	4,62,500	16,500	25,000	24,000	24,000	21,500	1,11,000	76,000	67,500	68,500	68,500	71,000	3,51,500

Appendix 3.24
(Reference: Paragraph 3.20)

Details of tax due, tax paid and tax outstanding in respect of goods vehicles

(Amounts in ₹)

Sl. No.	Vehicle No.	Unladen weight in tone	Period upto which tax was paid	No. of Qtrs due upto 3/2016	Details of tax due						Details of tax paid			Total outstanding
					Token Tax		Goods Tax		Penalty leviable	Total due	Goods Tax	Token Tax	Total	
					Rate/qtr	Amount	Rate/qtr	Amount						
1	MN04A/7018	7.5	31-03-2012	16	1,580	25,280	750	12,000	200	37,480	3,000	6,320	9,320	28,160
2	MN04A/7025	5.0	31-03-2012	16	940	15,040	450	7,200	200	22,440	4,500	9,480	13,980	8,460
3	MN04A/7046	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	180	376	556	20,614
4	MN04A/7047	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	180	376	556	20,614
5	MN04A/7048	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	180	376	556	20,614
6	MN04A/7049	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	3,180	7,896	11,076	10,094
7	MN04A/7050	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	3,180	7,896	11,076	10,094
8	MN04A/7111	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	3,000	7,656	10,656	10,514
9	MN04A/7148	15.0	30-06-2014	7	2,540	17,780	1,200	8,400	1,000	27,180	1,275	2,794	4,069	23,111
10	MN04A/7153	7.5	31-03-2013	12	1,580	18,960	750	9,000	200	28,160	900	1,740	2,640	25,520
11	MN04A/7619	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	750	1,580	2,330	17,330
12	MN04A/7627	10.0	30-06-2012	15	1,740	26,100	900	13,500	400	40,000	11,250	8,300	19,550	20,450
13	MN04A/7629	7.5	30-06-2012	15	1,580	23,700	750	11,250	200	35,150	1,500	3,160	4,660	30,490
14	MN04A/7633	7.5	31-03-2013	12	1,580	18,960	750	9,000	200	28,160	3,000	6,320	9,320	18,840
15	MN04A/7643	10.0	30-06-2014	7	1,740	12,180	900	6,300	400	18,880	900	1,740	2,640	16,240
16	MN04A/7673	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	2,330	2,330	4,660	28,160
17	MN04A/7683	7.5	31-12-2012	13	1,580	20,540	750	9,750	200	30,490	1,500	3,160	4,660	25,830
18	MN04A/7718	10.0	30-06-2012	15	1,740	26,100	900	13,500	400	40,000	1,800	3,760	5,560	34,440
19	MN04A/7729	5.0	31-03-2013	12	940	11,280	450	5,400	200	16,880	1,200	2,400	3,600	13,280
20	MN04A/8093	15.0	31-12-2012	13	2,540	33,020	1,200	15,600	1,000	49,620	8,615	14,111	22,726	26,894
21	MN04A/8094	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	450	940	1,390	18,270
22	MN04A/8108	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	750	1,580	2,330	30,490
23	MN04A/8114	10.0	31-12-2012	13	1,740	22,620	900	11,700	400	34,720	1,950	3,828	5,778	28,942
24	MN04A/8188	15.0	31-12-2012	13	2,540	33,020	1,200	15,600	1,000	49,620	975	2,480	3,455	46,165
25	MN04A/8197	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	450	940	1,390	18,270
26	MN04A/8224	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	2,250	4,620	6,870	25,950
27	MN04A/7708	5.0	30-06-2012	15	940	14,100	450	6,750	200	21,050	-	-	-	21,050
28	MN04A/7022	5.0	31-03-2012	16	940	15,040	450	7,200	200	22,440	-	-	-	22,440

(Amounts in ₹)

Sl. No.	Vehicle No.	Unladen weight in tone	Period upto which tax was paid	No. of Qtrs due upto 3/2016	Details of tax due						Details of tax paid			Total outstanding
					Token Tax		Goods Tax		Penalty leviable	Total due	Goods Tax	Token Tax	Total	
					Rate/qtr	Amount	Rate/qtr	Amount						
29	MN04A/7023	5.0	31-03-2012	16	940	15,040	450	7,200	200	22,440	-	-	-	22,440
30	MN04A/7040	10.0	30-06-2012	15	1,740	26,100	900	13,500	400	40,000	-	-	-	40,000
31	MN04A/7041	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	-	-	-	21,170
32	MN04A/7042	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	-	-	-	21,170
33	MN04A/7043	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	-	-	-	21,170
34	MN04A/7044	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	-	-	-	21,170
35	MN04A/7045	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	-	-	-	21,170
36	MN04A/7063	10.0	30-06-2015	3	1,740	5,220	900	2,700	400	8,320	-	-	-	8,320
37	MN04A/7074	7.5	30-06-2012	15	1,580	23,700	750	11,250	200	35,150	-	-	-	35,150
38	MN04A/7084	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
39	MN04A/7095	7.5	30-06-2012	15	1,580	23,700	750	11,250	200	35,150	-	-	-	35,150
40	MN04A/7105	7.5	31-03-2012	16	1,580	25,280	750	12,000	200	37,480	-	-	-	37,480
41	MN04A/7106	5.0	30-06-2012	15	940	14,100	450	6,750	200	21,050	-	-	-	21,050
42	MN04A/7107	5.0	31-03-2014	8	940	7,520	450	3,600	200	11,320	-	-	-	11,320
43	MN04A/7116	7.5	31-03-2012	16	1,580	25,280	750	12,000	200	37,480	1,580	750	2,330	35,150
44	MN04A/7131	7.5	31-03-2012	16	1,580	25,280	750	12,000	200	37,480	-	-	-	37,480
45	MN04A/7134	10.0	30-06-2013	11	1,740	19,140	900	9,900	400	29,440	-	-	-	29,440
46	MN04A/7144	10.0	30-09-2012	14	1,740	24,360	900	12,600	400	37,360	-	-	-	37,360
47	MN04A/7621	7.5	31-12-2013	9	1,580	14,220	750	6,750	200	21,170	-	-	-	21,170
48	MN04A/7628	7.5	30-06-2012	15	1,580	23,700	750	11,250	200	35,150	3,160	1,500	4,660	30,490
49	MN04A/7644	5.0	30-06-2013	11	940	10,340	450	4,950	200	15,490	-	-	-	15,490
50	MN04A/7653	5.0	31-03-2013	12	940	11,280	450	5,400	200	16,880	-	-	-	16,880
51	MN04A/7658	7.5	30-06-2012	15	1,580	23,700	750	11,250	200	35,150	-	-	-	35,150
52	MN04A/7664	10.0	30-06-2013	11	1,740	19,140	900	9,900	400	29,440	-	-	-	29,440
53	MN04A/7669	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	-	-	-	19,660
54	MN04A/7674	15.0	30-06-2012	15	2,540	38,100	1,200	18,000	1,000	57,100	-	-	-	57,100
55	MN04A/7679	15.0	30-09-2012	14	2,540	35,560	1,200	16,800	1,000	53,360	-	-	-	53,360
56	MN04A/7688	7.5	31-03-2013	12	1,580	18,960	750	9,000	200	28,160	-	-	-	28,160
57	MN04A/7693	5.0	30-06-2012	15	940	14,100	450	6,750	200	21,050	1,880	900	2,780	18,270
58	MN04A/7696	7.5	30-06-2012	15	1,580	23,700	750	11,250	200	35,150	-	-	-	35,150
59	MN04A/7697	5.0	31-03-2013	12	940	11,280	450	5,400	200	16,880	-	-	-	16,880

(Amounts in ₹)

Sl. No.	Vehicle No.	Unladen weight in tone	Period upto which tax was paid	No. of Qtrs due upto 3/2016	Details of tax due						Details of tax paid			Total outstanding
					Token Tax		Goods Tax		Penalty leviable	Total due	Goods Tax	Token Tax	Total	
					Rate/qtr	Amount	Rate/qtr	Amount						
60	MN04A/7702	10.0	30-09-2015	2	1,740	3,480	900	1,800	400	5,680	-	-	-	5,680
61	MN04A/7707	10.0	30-06-2013	11	1,740	19,140	900	9,900	400	29,440	-	-	-	29,440
62	MN04A/7709	5.0	30-06-2012	15	940	14,100	450	6,750	200	21,050	-	-	-	21,050
63	MN04A/7711	7.5	30-06-2012	15	1,580	23,700	750	11,250	200	35,150	1,580	750	2,330	32,820
64	MN04A/7719	5.0	30-06-2012	15	940	14,100	450	6,750	200	21,050	-	-	-	21,050
65	MN04A/7722	7.5	30-06-2012	15	1,580	23,700	750	11,250	200	35,150	6,320	3,000	9,320	25,830
66	MN04A/7728	10.0	30-06-2013	11	1,740	19,140	900	9,900	400	29,440	-	-	-	29,440
67	MN04A/7736	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	-	-	-	19,660
68	MN04A/8089	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
69	MN04A/8091	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
70	MN04A/8096	7.5	31-03-2013	12	1,580	18,960	750	9,000	200	28,160	-	-	-	28,160
71	MN04A/8099	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	-	-	-	19,660
72	MN04A/8109	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	1,580	750	2,330	30,490
73	MN04A/8115	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
74	MN04A/8119	20.0	31-12-2012	13	3,340	43,420	1,500	19,500	1,000	63,920	-	-	-	63,920
75	MN04A/8149	15.0	30-09-2012	14	2,540	35,560	1,200	16,800	1,000	53,360	-	-	-	53,360
76	MN04A/8153	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	-	-	-	19,660
77	MN04A/8155	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	-	-	-	19,660
78	MN04A/8159	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
79	MN04A/8163	5.0	31-12-2012	13	940	12,220	450	5,850	200	18,270	-	-	-	18,270
80	MN04A/8164	5.0	31-12-2012	13	940	12,220	450	5,850	200	18,270	-	-	-	18,270
81	MN04A/8168	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	-	-	-	19,660
82	MN04A/8176	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	940	450	1,390	18,270
83	MN04A/8178	7.5	30-09-2013	10	1,580	15,800	750	7,500	200	23,500	-	-	-	23,500
84	MN04A/8179	7.5	31-12-2012	13	1,580	20,540	750	9,750	200	30,490	-	-	-	30,490
85	MN04A/8181	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
86	MN04A/8182	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
87	MN04A/8195	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
88	MN04A/8208	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	-	-	-	19,660
89	MN04A/8211	5.0	31-12-2015	1	940	940	450	450	200	1,590	-	-	-	1,590
90	MN04A/8214	5.0	30-06-2013	11	940	10,340	450	4,950	200	15,490	-	-	-	15,490
91	MN04A/8215	5.0	30-09-2012	14	940	13,160	450	6,300	200	19,660	-	-	-	19,660
92	MN04A/8221	5.0	30-09-2013	10	940	9,400	450	4,500	200	14,100	-	-	-	14,100

(Amounts in ₹)

Sl. No.	Vehicle No.	Unladen weight in tone	Period upto which tax was paid	No. of Qtrs due upto 3/2016	Details of tax due						Details of tax paid			Total outstanding
					Token Tax		Goods Tax		Penalty leviable	Total due	Goods Tax	Token Tax	Total	
					Rate/qtr	Amount	Rate/qtr	Amount						
93	MN04A/8227	5.0	31-12-2012	13	940	12,220	450	5,850	200	18,270	-	-	-	18,270
94	MN04A/8229	5.0	31-12-2012	13	940	12,220	450	5,850	200	18,270	-	-	-	18,270
95	MN04A/8230	5.0	31-12-2012	13	940	12,220	450	5,850	200	18,270	-	-	-	18,270
96	MN04A/8233	5.0	31-12-2012	13	940	12,220	450	5,850	200	18,270	-	-	-	18,270
97	MN04A/8244	7.5	30-09-2012	14	1,580	22,120	750	10,500	200	32,820	-	-	-	32,820
				Total		17,60,060		8,45,100	27,400	26,32,560	76,285	1,14,259	1,90,544	24,42,016

GLOSSARY

Glossary of Abbreviations

Sl. No.	Abbreviation	Expanded form
1	A&E	Accounts and Entitlement
2	AA	Assessing Authority
3	AAP	Annual Action Plan
4	AG	Accountant General
5	ARWSP	Accelerated Rural Water Supply Programme
6	ATNs	Action Taken Notes
7	BG	Bank Guarantee
8	BRC	Block Resource Centres
9	C&AG	Comptroller and Auditor General
10	CCDU	Communication and Capacity Development Unit
11	CDA	Cheque Drawal Authority
12	CoPU	Committee on Public Undertakings
13	CPWD	Central Public Works Department
14	DDOs	Drawing and Disbursing Officers
15	DLOs	District Level Officers
16	DTO	District Transport Officer
17	DWSM	District Water and Sanitation Mission
18	DWSPs	District Water Security Plans
19	FTKs	Field Testing Kits
20	GFR	General Financial Rules
21	GI	Galvanized Iron
22	GoI	Government of India
23	GPWSC/ VWSC	Gram Panchayat/ Village Water and Sanitation Committee
24	GSDP	Gross State Domestic Product
25	GST	Goods and Services Tax
26	HRD	Human Resource Development
27	IA&AD	Indian Audit and Accounts Department
28	IEC	Evaluation, Information Education and Communication
29	IEC	Information Education and Communication
30	IFCD	Irrigation and Flood Control Department
31	IMIS	Integrated Management Information System
32	IRs	Inspection Reports
33	ITC	Input Tax Credit
34	MDW&S	Ministry of Drinking Water and Sanitation
35	MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
36	MGST	Manipur Goods and Service Tax
37	MIS	Management Information System
38	MMVT	Manipur Motor Vehicles Taxation
39	MoU	Memorandum of Understanding
40	MPGTA	Manipur Passengers and Goods Taxation Act
41	MPHC	Manipur Police Housing Corporation Limited

Sl. No.	Abbreviation	Expanded form
42	MSPDCL	Manipur State Power Distribution Company Limited
43	MTDC	Manipur Tribal Development Corporation Limited
44	MVAT	Manipur Value Added Tax Act
45	NABL	National Accreditation Board for Laboratories
46	NRDWP	National Rural Drinking Water Programme
47	NREGS	National Rural Employment Guarantee Scheme
48	NRHM	National Rural Health Mission
49	O&M	Operation & Maintenance
50	ODF	Open Defecation Free
51	PAC	Public Accounts Committee
52	PHED	Public Health Engineering Department
53	PPSWOR	Probability Proportional to Size Without Replacement
54	PRIs	Panchayati Rai Institutions
55	PSUs	Public Sector Undertakings
56	R&D	Research and Development
57	RWS	Rural Water Supply
58	SLSSC	State Level Scheme Sanctioning Committee
59	SPSUs	State Public Sector Undertakings
60	STA	State Technical Agency
61	SWSM	State Water and Sanitation Mission
62	TAN	Tax Deduction Account Number
63	TDS	Tax Deducted at Source
64	TIN	Tax Identification Number
65	TINXSYS	Tax Information Exchange System
66	UDWQMP	Uniform Drinking Water Quality Monitoring Protocol
67	VAT	Value Added Tax
68	VWSP	Village Water Security Plans
69	w.e.f.	with effect from
70	WQM&S	Water Quality Monitoring & Surveillance
71	WSMD	Water Supply Maintenance Division
72	WSSO	Water and Sanitation Support Organisation

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2016 – 2017

MANIPUR