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Government of Manipur  
Secretariat: Finance Department  
(Finance Commission Cell)

**OFFICE MEMORANDUM**

Imphal, the 13<sup>th</sup> July, 2007.

**No.5/6/2006-FC:-** Government had decided, vide O.M. of even No. dated 26<sup>th</sup> Feb. 2007, that the Departmental Supervision charges, Contingency Charges, Income Tax and Value Added Tax on the work sanctioned by the Govt. should be deducted at source from the funds sanctioned/disbursed to the Work Agencies or the Autonomous Undertakings/bodies of the Government. Several representations have been received in this regard requesting the Government to review the matter and restore the entitlement of the Work Agencies in terms of supervision and contingency expenses of the Work Agencies.

2. Having regard to the fact that Work Agencies/Bodies of the Government receive varying levels of grants/budgets from the Government, the Government has reviewed the matter and has decided, in partial modification of the earlier OM mentioned above, that:-

- (i) Those work agencies/autonomous bodies whose establishment charges are fully met by the Government by way of grants or otherwise shall not be entitled for supervision or agency charges. Those agencies/bodies such as PDA that are partially funded by the Government shall be entitled for 33% of 11.75% agency charges. Those agencies/bodies that do not receive any support/grants from the Government shall be entitled for 66% of the supervision/agency charges.
- (ii) 3% contingency charge shall not be deducted from the sanctioned amount and shall be fully transferred to the work agency. [Ref clarification vide FD's OM of even No. dated 9/3/2007].
- (iii) Value Added Tax @ 5.6% of total sanctioned work shall be deducted fully at source from the sanctioned amount.
- (iv) Income Tax as applicable shall be deducted at source and refunds, if any, are to be claimed from the appropriate Income Tax authorities. [Ref clarification vide FD's OM of even no. dated 26.2.2007]. Income tax so deducted will be credited to the account of the Central Government in appropriate head of account by a challan or draft as applicable.

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