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GOVERNMENT OF MANIPUR  
SECRETARIAT: FINANCE DEPARTMENT  
(FINANCE COMMISSION CELL)

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**OFFICE MEMORANDUM**

Imphal, the 7<sup>th</sup> April, 2007.

Subject: ***Instructions regarding recovery of departmental and contingency charges along with Income Tax and Sales Tax(VAT) from the provision of works.***

NO. 5/6/2006-FC : In partial modification of Government O.M. of even no. dated 26<sup>th</sup> Feb., 2007 regarding the above subject, the Government has decided that keeping in view the difficulties the departments as well as the work agencies are facing in complying with the instructions, 2% Income Tax shall not be deducted at source by the DDO concerned until further instructions. In other words, income tax shall be paid/ realized in the manner prescribed by the competent authority.

The Department or Work Agency concerned shall, however, ensure that, where necessary, there is no avoidance or under-payment of Income Tax or any tax for that matter and that appropriate measures are taken to prevent & control award of works to proxy contractors.

In short, the consolidated deductions to be made at source by the DDO concerned before crediting/ transferring fund in favour of the work agency for execution of work by the agency itself or through contractors shall now be as follows:-

- (i) 11.75% Departmental Charges to be credited into MH-0075 by Challan and
- (ii) 5.6% Sales Tax /VAT to be credited into MH-0040 by Challan.

All concerned shall ensure compliance with the instructions.



( P. Sharat Chandra ) 07/04/07  
Principal Secretary (Finance)  
Govt. of Manipur.

Copy to:-

1. The Secretary to the Governor, Manipur.
2. The Secretary to the Chief Minister, Manipur.
3. The Chief Secretary, Govt. of Manipur.
4. The Addl. Chief Secretary, Govt. of Manipur.
5. All Principal Secretaries, Govt. of Manipur.
6. The Accountant General, Manipur.
7. All Commissioners/Secretaries, Govt. of Manipur.
8. All Head of Departments to the Govt. of Manipur.
9. The Director (Treasuries & Accounts), Govt. of Manipur.
10. All Treasury officers, Government of Manipur.
11. Guard file.