

CHAPTER-IV

REVENUE SECTOR

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4.1 Trend of revenue receipts

4.1.1 The tax and non-tax revenue raised by the Government of Mizoram during the year 2014-15, the State's share of net proceeds of divisible Union taxes and duties assigned to States and Grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given in Table-4.1:

Table-4.1

(₹ in crore)

Sl. No.	Particular	2010-11	2011-12	2012-13	2013-14	2014-15
1.	Revenue raised by the State Government					
	Tax revenue	130.44	179.07	223.14	229.78	266.52
	Non-tax revenue	146.72	168.03	212.80	194.26	241.96
	Total	277.16	347.10	435.94	424.04	508.48
2.	Receipt from the Government of India					
	State's share of net proceeds of divisible Union taxes and duties	451.66	827.38	785.96	858.08	910.67
	Grants-in-aid	2,126.55	2,650.42	3314.84	3482.73	4091.95
	Total	2,578.21	3,477.80	4100.80	4340.81	5002.62
3.	Total revenue receipts of the State Government (1 and 2)	2,855.37	3,824.90	4536.74	4764.85	5511.10
4.	Percentage of 1 to 3	9.71	9.07	9.61	8.90	9.23

Source: Finance Accounts, Government of Mizoram, 2014-15

The above table indicates that the growth of revenue during 2014-15 over previous year was 15.66 per cent against 5.03 per cent in 2013-14. Further, during the year 2014-15, the revenue raised by the State Government (₹ 508.48 crore) was 9.23 per cent of the total revenue receipts. The balance 90.77 per cent of receipts during 2014-15 was from the Government of India.

4.1.2 The details of tax revenue raised during the period from 2010-11 to 2014-15 are given in Table-4.2:

Table-4.2

(₹ in crore)

Sl. No.	Head of revenue	2010-11		2011-12		2012-13		2013-14		2014-15		Percentage of increase (+) or decrease (-) in 2014-15 over 2013-14
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	
1.	Taxes on Sales, Trades etc.	101.86	104.70	135.26	142.16	158.22	175.87	190.00	183.34	218.08	211.95	(+) 15.60
2.	Motor Vehicles Tax	6.80	7.72	15.60	16.71	23.17	22.83	19.38	19.42	22.24	17.03	(-) 12.31
3.	Others ¹	8.28	18.02	29.47	20.20	20.67	24.44	25.44	27.02	30.07	37.54	(+) 38.93
Total:		116.94	130.44	180.33	179.07	202.06	223.14	234.82	229.78	270.39	266.52	(+) 15.99

Source: Annual Financial Statement, Government of Mizoram, 2015-16

¹ Others include State Excise, Taxes on sales, Trades etc. and Taxes on Goods and Passengers etc.

Increase in revenue receipt under the head 'Others' was mainly under State Excise which was due to the increase of liquor imported by the Security Forces Deployed in Mizoram to whom liquor licenses were issued.

The other Departments did not furnish the reasons for variations in receipts from that of the previous year (January 2016).

4.1.3 The details of the non-tax revenue raised during the period 2010-11 to 2014-15 are indicated in Table-4.3:

Table-4.3

(₹ in crore)

Sl. No.	Head of revenue	2010-11	2011-12	2012-13	2013-14	2014-15	Percentage of increase (+) or decrease (-) in 2014-15 over 2013-14
1.	Interest receipts	12.72	15.60	16.86	17.93	19.88	(+) 10.88
2.	Power	72.63	109.52	111.27	109.05	144.36	(+) 32.38
3.	Other non-tax receipts	61.37	42.92	84.67	67.28	77.72	(+) 15.52
Total		146.72	168.04	212.80	194.26	241.96	(+) 24.55

Source: Finance Accounts, Government of Mizoram, 2014-15

The reasons for variation were not informed by the Department (January 2016).

4.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2015 on some principal heads of revenue amounted to ₹ 9.36 crore of which ₹ 0.09 crore was outstanding for more than five years, as detailed in the Table-4.4:

Table-4.4

(₹ in crore)

Sl. No.	Head of revenue	Total Amount outstanding as on 31 March 2015	Amount outstanding for more than five years as on 31 March 2015
1.	Taxes/ VAT on Sales, Trades etc.	9.36	0.09
2.	Taxes on Vehicles	The Department had not furnished the information	
3.	Taxes on Goods and Passengers		
Total		9.36	0.09

Source: Departmental records

Information on total amount outstanding as well as amount outstanding for more than five years as on 31 March 2015 in respect of Taxes on Vehicles and Taxes on Goods and Passengers were not furnished by the Departments (January 2016).

4.3 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the

year as furnished by the Taxation Department in respect of sales tax, motor spirit tax, luxury tax and tax on works contracts was as below in Table-4.5:

Table-4.5

Head of revenue	Opening balance as on 31 March 2014	New cases due for assessment during 2014-15	Total assessment due	Cases disposed off during 2014-15	Balance at the end of the year 2014-15	Percentage of disposal (col. 5 to 4)
1	2	3	4	5	6	7
Taxes/VAT on Sales, Trades etc.	2,998	946	3,944	725	3,219	18

Source: Departmental records

It could be seen from the above table that out of the total 3,944 assessment the disposal was 725 (18 *per cent*) during the year 2014-15. The arrears in assessment was 3,219 (81.62 *per cent*) at the end of the year 2014-15.

4.4 Evasion of tax detected by the department

The details of cases of evasion of tax detected by the Taxation and Transport Departments cases finalised and the demands for additional tax raised as reported by the Departments are given in Table-4.6:

Table-4.6

Name of tax/duty	Case pending as on 31 March 2014	Cases detected during the year 2014-15	Total	Number of cases in which assignments/investigation completed and additional demand including penalty etc., raised during the year 2014-15		Number of cases pending as on 31 March 2015
				No. of cases	(₹ in lakh)	
Sales Taxes/VAT	504	620	1124	717	9.14	407
Taxes on Vehicles	59086	The Department had not furnished the records				
Taxes on Goods and Passengers	2000					

Information on evasion of tax deducted by the Transport Department has not been received despite being requested twice on 15 May 2015 and 16 December 2015.

4.5 Pendency of Refund Cases

There was no pendency of refund cases during the year.

4.6 Response of the Government/departments towards audit

The Accountant General (AG), Mizoram conducts periodical inspection 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/ Government 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 within one month from the date of issue of the IRs. Serious financial irregularities are reported to the Heads of the Departments and the Government.

Inspection Reports issued upto December 2014 disclosed that 427 paragraphs involving ₹ 69.68 crore relating to 139 IRs remained outstanding at the end of June 2015 along with the corresponding figures for the preceding two years as shown below in Table-4.7:

Table-4.7

Particulars	June 2013	June 2014	June 2015
Numbers of outstanding IRs	166	141	139
Number of outstanding audit observations	530	447	427
Amount involved (₹ in crore)	68.56	61.77	68.98

4.6.1 The Department-wise details of the IRs and audit observations outstanding as on 30 June 2015 and the amounts involved are mentioned in the following Table-4.8:

Table-4.8

Sl. No.	Name of Department	Name of Receipts	No. of Outstanding IRs	No. of Outstanding Audit Observations	Money Value involved (₹ in crore)
1.	Land Revenue	Land Revenue	12	27	3.20
2.	Excise	State Excise	4	9	0.01
3.	Taxation	Taxes/VAT on Sales, Trade etc.	48	209	24.22
4.	Transport	Taxes on Vehicles/ Taxes on Goods and Passengers	28	68	12.97
5.	Forest & Environment	Forest & Wild Life	20	68	9.39
6.	Geology and Mineral Resources	Non-ferrous Mining and Metallurgical Industries	2	9	13.81
7.	Other	Other taxes	25	37	5.38
Total			139	427	68.98

Audit did not receive first replies required to be received from the Heads of Offices within one month from the date of issue of the IRs in respect of 14 IRs issued upto December 2014. The large pendency of the IRs due to non-receipt of the replies is indicative of the fact that the Heads of Offices and Heads of the Departments failed to initiate action to rectify the defects, omissions and irregularities pointed out by the AG in the IRs.

The Government may consider putting into place an effective system for prompt and appropriate response to audit observations

4.6.2 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. The details of the audit committee meetings held during the year 2014-15 and the paragraphs settled are mentioned in Table-4.9:

Table-4.9

Sl. No.	Head of revenue	Number of meetings held	Number of paras settled	Amount (₹ in crore)
1.	Land Revenue & Settlement Department	1	26	5.33

4.6.3 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 Accountant General, Mizoram to the Principal Secretaries/Secretaries of the concerned Departments, 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.

Five draft paragraphs and one Performance Audit report were sent to the Commissioner-cum-Secretary and the Principal Secretary/Secretary of the respective Departments. The replies of the Commissioner-cum-Secretary and the Principal Secretary/Secretary have been included in this Report.

4.6.4 Follow up on the Audit Reports – summarised position

The internal working system of the Public Accounts Committee, 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 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 33 audit paragraphs (including performance audit) included in the Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of Mizoram for the years 31 March 2009 to 31 March 2014 were placed before the State Legislature Assembly between 5 April 2010 and 8 July 2015.

The PAC discussed eight paragraphs of the Audit Reports for the years from 2009-10 to 2010-11. However, the status of the ATN on the Audit Reports was awaited from the State Legislative Assembly Secretariat (February 2016).

4.7 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 is evaluated and included in this Audit Report.

The succeeding paragraphs 4.7.1 to 4.7.2 discuss the performance of the six² Departments and 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 2004-05 to 2013-14.

4.7.1 Position of Inspection Reports

The summarised position of Inspection Reports issued during the last five years, paragraphs included in these Reports and their status as on 30 June 2015 are given in the following Table-4.10:

Table-4.10

(₹ in crore)

Year	Opening Balance			Addition during the year			Clearance during the year			Closing balance during the year		
	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value
2011-12	145	409	82.16	18	91	10.91	9	50	22.44	154	450	70.64
2012-13	154	450	70.64	8	75	2.37	0	10	1.00	162	515	72.01
2013-14	162	515	72.01	26	149	22.17	37	161	21.68	151	503	72.50
2014-15	151	503	72.50	11	31	7.59	20	76	9.55	142	458	70.54
2015-16	142	458	70.54	-	-	-	3	31	1.56	139	427	68.98

Reminders were issued to the Departments for furnishing replies to the outstanding audit observations. Despite such efforts, 427 Paras in 139 IRs having money value of ₹ 68.98 crore remained outstanding as on 30 June 2015 due to non-receipt of replies from the Departments.

4.7.2 Recovery in accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years and those accepted by the Department and the amount recovered are mentioned in the following Table-4.11:

² (i) Taxation Department, (ii) Transport Department, (iii) Geology and Mining Department, (iv) Excise and Narcotics Department, (v) Environment and Forests Department and (vi) Land Revenue and Settlement Department

Table-4.11

(₹ 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 as on 31 March 2014
2004-05	10	5.30	NIL	NIL	--
2005-06	24	10.04	NIL	NIL	--
2006-07	15	12.14	NIL	NIL	--
2007-08	11	4.98	1	0.04	--
2008-09	6	5.74	NIL	NIL	--
2009-10	4	8.85	NIL	NIL	--
2010-11	3	16.49	1	0.09	--
2011-12	7	5.43	3	2.27	0.07
2012-13	3	1.88	3	1.88	0.35
2013-14	6	3.14	4	2.00	0.21
Total	89	73.99	12	6.29	0.63

It could be seen from the above table that during the last ten years, the department had accepted 12 paragraphs having money value of ₹ 6.29 crore, out of which ₹ 0.63 crore has been recovered as of 2013-14.

The Departments need to evolve a strong mechanism to monitor and ensure recovery of accepted cases.

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

The report of Performance Audits (PAs) conducted by the AG are forwarded to the concerned departments/Government for their information with a request to furnish their replies. These PAs are also discussed in an exit conference and the Department's/Government's views are included while finalising the PAs for the Audit Reports.

The following paragraphs discuss the issues highlighted in the reviews on the Departments featured in the last five years Reports. The details of recommendations and their status is given in Table-4.12 below:

Table-4.12

Year of Audit Report	Name of the review	No. of recommendations	Details of the recommendations accepted
2008-09	Transition from Sales Tax regime to Value Added Tax (VAT) System in Mizoram	NIL	The State Legislative Assembly Secretariat did not furnish the status of recommendations as of 31 March 2015.
2009-10	NIL	NIL	
2010-11	Performance Audit on cross verification of declaration Forms in Inter State Trade and Commerce	5	
2011-12	NIL	NIL	
2012-13	NIL	NIL	
2013-14	Implementation of National Bamboo Mission	5	

4.8.1 Audit planning

The unit offices under various Departments are categorised into high, medium and low risk units according to their revenue positions, past trends of the 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, factors of the tax administration, audit coverage and its impact during past five years *etc.*

During the year 2014-15, there were 64 auditable units, of which 20 units were planned and 22 units had been audited, which is 34.38 *per cent* of the total auditable units.

Besides, the compliance audit mentioned above, one performance audit was taken up to examine the effectiveness of the State Pollution Control Board.

4.9 Results of audit

Position of local audit conducted during the year

Test check of the records of 22 units of Taxation, Environment & Forests, Excise and other³ Departments conducted during the year 2014-15 revealed underassessment/short levy/loss of revenue/non-realisation of outstanding revenue *etc.* aggregating to ₹ 381.59 lakh in 22 cases. Of these the Departments recovered ₹ 56.33 lakh in ten cases and ₹ 36.28 lakh relating to the previous years in 18 cases.

4.10 Coverage of this Report

This Report contains five paragraphs (selected from the audit detections made during the local audit referred to above and during earlier years which could not be included in earlier reports) and one Performance Audit *i.e.* “Effectiveness of Mizoram State Pollution Control Board” involving financial effect of ₹ 4.35 crore. The Department/Government have accepted audit observations involving ₹ 4.35 crore out of which ₹ 0.15 crore has been recovered.

³ Land Revenue, Geology & Mineral Resources and Transport Departments

PERFORMANCE AUDIT

ENVIRONMENT AND FORESTS DEPARTMENT

4.11 Effectiveness of Mizoram State Pollution Control Board

Among the environmental degradation, air and water pollution is of global significance. Air and Water Pollution affects human life, flora and fauna and climatic changes to a great extent. Due to industrialisation and urbanisation, environment gets contaminated, threatened, damaged and destroyed, which has a direct impact on quality of life of all living organisms. Mizoram State Pollution Control Board (MSPCB) is mainly concerned with monitoring of water and air quality deterioration and responsible for prevention and control of pollution under Water Act, 1974 and Air Act, 1981 respectively. MSPCB is entrusted with the responsibility of implementation of environmental laws including guidelines and instructions issued by Ministry of Environment and Forests (MoEF) and Central Pollution Control Board (CPCB) from time to time. Performance audit of the functioning of the MSPCB showed deficiencies in handling different types of pollution and wastes management by the Board. The Board had failed to initiate action against the polluting industries/bodies/authorities despite violation of various provisions under the Acts/Rules. There was substantial shortfall in inspection of industries. The MSPCB laboratory did not have facilities and equipment to analyse various parameters of water and air quality.

A Performance Audit on the effectiveness in the functioning of MSPCB covering the period 2010-15 brought out the following significant findings:

Highlights

The Board had not prepared Annual Action Plans for four years (2011-15) showing the comprehensive programme for the prevention, control and abatement of pollution of streams and wells in the State.

(Paragraph-4.11.9.1)

In absence of terminal facilities/ETPs or proper treatment, the Health Care Facilities and slaughter houses openly discharged their effluents into the open drain which eventually contaminate the rivers.

(Paragraph-4.11.11.2 & 4.11.11.3)

The Board did not conduct the recommended number of inspections especially for the Large Scale Industries in 'Red' category that might cause pollution.

(Paragraph-4.11.11.5)

The action of the Board to mitigate air pollution by way of checking vehicle emission, was limited to the capital city Aizawl only. No mechanism or system was in place to identify or take action against vehicles plying without valid Pollution Under Control Certificates (PUCCs).

(Paragraph-4.11.12.2.1)

Solid wastes were dumped on the hill slopes by Urban Development & Poverty Alleviation Department without having valid authorisation from the Board and no monitoring mechanism of water and air pollution exist in and around the dumping sites.

(Paragraph-4.11.16.1)

The AMC procured an incinerator, at an expenditure of ₹ 29.24 lakh without following codal provisions, which was not installed and commissioned as of February 2016.

(Paragraph-4.11.16.3)

Out of 96 HCFs in the State, 56 HCFs did not obtain Bio-Medical Waste authorisations and 38 HCFs were functioning even though their authorisations had either expired or their applications were pending with MSPCB.

(Paragraph-4.11.17)

The Government could not finalise and appoint a full-time Member Secretary even after three years of publishing the recruitment rules in the Mizoram Gazette.

(Paragraph-4.11.21.1)

4.11.1 Introduction

National Environment Policy (NEP), 2006 expressed national commitment to a clean environment. Principal objectives of NEP include conservation of critical environmental resources and integration of environmental concerns into policies and projects for economic and social development. Further, one of the principles of this policy states that the environmental protection shall form an integral part of the developmental process to achieve sustainable development and cannot be considered in isolation.

The Ministry of Environment and Forests (MoEF) is the Nodal Agency in the administrative structure of the Government of India (GoI) for planning, promotion, co-ordination and overseeing the implementation of environmental and forestry programmes. In Mizoram, State Pollution Control Board (MSPCB) was constituted (22 September 1989) in pursuance of sub-section (1) of Section 4 of the Water (Prevention and Control of Pollution) Act, 1974 to implement environment programmes under administrative control of Department of Environment and Forests (DoEF).

4.11.2 Role of State Pollution Control Board

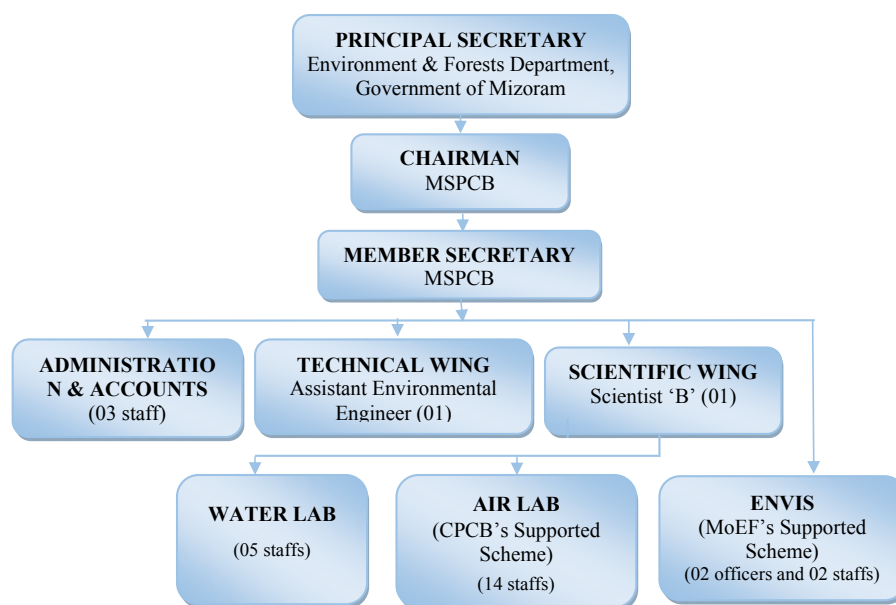
MSPCB is mainly concerned with monitoring of water and air quality deterioration and responsible for prevention and control of pollution under Water Act, 1974 and Air Act, 1981 respectively. MSPCB is entrusted with the responsibility of implementation of environmental laws including guidelines and instructions issued by MoEF and Central Pollution Control Board (CPCB) from time to time. MSPCB monitors various industries/organisations/units through Consent Administration (CA) *i.e.* issue of Consent to Establish (CTE) and Consent to Operate (CTO) through its Head Office (HO) at Aizawl. Industries/units which run under CA were grouped into three categories *i.e.* Red, Orange and Green as per their pollution emission level.

4.11.3 Organisational structure

The Environment & Forests Department headed by the Principal Secretary is the Nodal Agency in the administrative structure of the Government of Mizoram (GoM) for planning, promotion, co-ordination and overseeing the implementation of environmental and forestry programme. The Mizoram State Pollution Control Board (MSPCB) is headed by the Chairman and assisted by a Member Secretary. The Board consists of 17 members including the Chairman and the Member Secretary.

The organisational structure for regulation of environment in Mizoram is outlined below:

Chart-4.1



4.11.4 Audit Objectives

The performance audit on “Effectiveness in the functioning of State Pollution Control Board” was conducted with the objectives to get a reasonable assurance that:

- Mechanisms adopted by SPCB to prevent, control and abate pollution are efficient and effective;
- Monitoring by the Board on the compliance of Act, Rules and conditions by the stakeholders is efficient and effective;
- Fund Management by the Board is efficient to secure optimum utilisation; and
- Adequate manpower and effective Internal Control mechanisms exists.

4.11.5 Audit Criteria

Audit findings are benchmarked against the following criteria:

- The Water (Prevention and Control of Pollution) Act, 1974;
- The Water (Prevention and Control of Pollution) Cess Act, 1977;
- The Air (Prevention and Control of Pollution) Act 1981;
- The Environment (Protection) Act, 1986 and various rules made under it;
- The Public Liability Insurance Act, 1991;
- National Environment Policy, 2006;
- Environmental Impact Assessment Notification, 2006, 2009; and
- Directions and notifications issued by the CPCB, the GoI and the State Government.

4.11.6 Scope

The Performance Audit on the “Effectiveness in the Functioning of State Pollution Control Board” covering the period 2010-15 was carried out between May and July 2015. Audit examined the records of the State Government, Implementing Agencies and Board.

The MSPCB is having only one office at Aizawl without any regional/branch office and hence, records of the MSPCB at Aizawl were verified besides, records of the Nodal Department and other line Departments. The schemes relating to pollution control are being implemented by Urban Development & Poverty Alleviation (UD&PA) Department (Municipal Solid Waste collection and treatment), State Investment Program Management and Implementation Unit (Installation of Sewerage Systems and Sewage Treatment Plant) and Health & Family Welfare Department (Treatment of Bio-Medical Waste).

4.11.7 Methodology

An Entry Conference was held on 15 May 2015 at the level of the Additional Secretary, Government of Mizoram, Environment & Forests Department; Chairman and Member Secretary of MSPCB and staff from the Board wherein the audit objectives, criteria, scope and methodology were discussed.

The audit methodology mainly consisted of document analysis, responses to questionnaires, examination of reports & records collected from various entities like the MSPCB, Urban Development & Poverty Alleviation Department, Public Health Engineering Department,

Aizawl Municipal Corporation, State Investment Program Management and Implementation Unit (SIPMIU), Environment & Forests Department, Health & Family Welfare Department, Industries Department, Transport Department and other involved entities.

A workshop on “Introduction to Environment Audit with special emphasis on Audit of State Pollution Control Boards” was held from 27 April 2015 to 01 May 2015 at International Centre for Environment and Sustainable Development (ICED), Jaipur along with other North Eastern Region (NER) States where the methodology of audit was discussed with subject experts.

The draft report was forwarded to the Department on 14 October 2015 for comments and response.

An Exit Conference was held on 07 December 2015 with the Principal Secretary of the Environment & Forests Department (Nodal Department) and the Member Secretary of the MSPCB, wherein the audit findings and observations were discussed. The replies received from the Government during the audit and at the time of the Exit Conference have been suitably incorporated in the Report at relevant paragraphs.

4.11.8 Acknowledgement

The Indian Audit & Accounts Department acknowledges and appreciates the co-operation rendered by the Nodal Department (Environment & Forests Department), the Member Secretary and other staff of the Mizoram State Pollution Control Board and the functionaries of the other line Departments during the course of this Performance Audit.

AUDIT FINDINGS

Significant audit findings noticed in the course of Performance Audit are discussed in the succeeding paragraphs.

Mechanisms adopted by SPCB to prevent, control and abate pollution

4.11.9 Adequacy of mechanism for prevention, control and abatement of pollution

4.11.9.1 Inadequate planning and reporting

As provided in Section 17 of the of the Water Act, 1974 and Air Act, 1981 a State Board requires to plan a comprehensive programme for the prevention, control and abatement of pollution of streams and wells in the State and to secure the execution thereof.

Further, under Section 39(2) of the Water Act, every State Board shall during each financial year, prepare, in such form as may be prescribed, an annual report giving full account of its activities under the Act during the previous financial year and copies thereof shall be forwarded to the State Government within four months from the last date of the previous financial year and that Government shall cause every such report to be laid before the State Legislature within a period of nine months, from the last date of the previous financial year.

Audit noticed that an Annual Action Plan showing the comprehensive programme for the prevention, control and abatement of pollution of streams and wells in the State and to secure the execution thereof was not prepared during 2010-15 by the MSPCB except once in the year 2010-11. The Board in its reply stated (January 2016) that the Annual Action Plan prepared for 2010-11 could not be implemented by the State Government due to fund constraints and hence the MSPCB had not prepared the Annual Action Plan during the remaining periods.

Further, an annual report giving full account of its activities under the Act during the previous financial year was not prepared by the Board and forwarded to the State Government except for the year 2010-11. However, the information on placement of the Reports could not be made available to audit.

Thus, failure to prepare Annual Action Plans for four years showing the comprehensive programme for the prevention, control and abatement of pollution of streams and wells in the State showed lack of direction in the functioning of the Board. Also, the functioning of the Board was kept out of the purview of the Legislature for years together.

It is recommended that the Board may consider preparing Action Plan to counter pollution in the affected zones by utilising its accumulated funds.

Monitoring by the Board on the compliance of Act, Rules and conditions by the stakeholders

4.11.10 Deficiencies in monitoring compliance to Environmental Laws and Rules

The Water Act, Air Act and Environmental Protection (EP) Act empowered the State PCBs to take all such measures necessary for prevention, control and abatement of environmental pollution, to take appropriate action for regulation and control of any industry, operation or process and to initiate legal proceedings in the cases of infringement of environmental laws. Under the EP Act, various waste management and handling Rules were also framed by the GoI requiring the SPCBs to control and abate pollution caused by various types of wastes. The power to issue directions includes the power to direct closure of any industry, operation or process. The above Acts have provision for prosecution and imprisonment of the convicted up to three months to seven years and/or a penalty ranging from ₹ 10,000 to ₹ 1,00,000 for violation of provisions of environmental laws and non-compliance with directions of the Board.

Audit observations on functioning of the Board in relation to prevention, control and abatement of main types of pollution are discussed below.

4.11.11 Water Pollution

Water Pollution as defined in the Water (Prevention and Control of Pollution) Act, 1974 is “the contamination of water or such alteration of the physical chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid

substance into water (whether directly or indirectly) as may, or is likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms”.

Further, the Water Act empowers the Board to make any order for the prevention, control or abatement of water pollution including discharge of waste into streams or wells and requiring any person concerned to construct new systems for the disposal of sewage and trade effluents or to modify, alter or extend any such existing system or to adopt such remedial measures as are necessary to prevent, control or abate water pollution.

The main reasons of water pollution in the State and role of the MSPCB are discussed in the succeeding paragraphs.

4.11.11.1 Lack of sewage treatment facilities in municipal bodies

Sewage generated from populated areas is one of the major sources of water pollution. Local bodies are responsible for management of sewage under their jurisdiction and have to ensure that the sewage generated from their jurisdictional areas are not released untreated.

Audit observed that no Sewage Treatment Plant (STP) existed in the State including Aizawl Municipal Corporation (AMC) area, the only Municipal Corporation in the State.

As intimated by the Board, out of the eight Districts in the State, information regarding quantity of sewage generated was available only for the AMC area in Aizawl for the year 2010-11. According to the information available, a total sewage of 10.20 million litres per day (MLD) was discharged into rivers/streams/lakes/open lands without any treatment facilities. Thus, discharge of liquid wastes in the absence of treatment facility would naturally lead to water pollution.

Further, audit also noticed that an STP which could treat 10 MLD of sewage was being constructed on a pilot basis under Asian Development Bank (ADB) project near Chite River in the vicinity of Aizawl at an estimated cost of ₹ 19.43 crore with target date of completion on 30 May 2016. The pilot project plans to cover 21 localities in Aizawl City with a projected population of 94,459 in 2015 generating 10.20⁴ MLD of sewage; 1,33,766 in 2030 generating 14.45 MLD of sewage and 1,80,093 in 2045 generating 19.45 MLD of sewage. The capacity of the STP under construction will not meet the projected sewage generation in the covered localities. Moreover, for the uncovered areas of Aizawl City, there is no immediate plan for the construction of new STP. Hence, the untreated sewage from the households of Aizawl City not covered by the lone STP would continue polluting the water bodies in and around the city.

⁴ Estimated generation of sewage : 108 LPCD X 94,459 habitants = 10,201,572 LD = 10.20 MLD



STP under construction near Chite River

Further, there was no evidence from the records made available to audit that the Board had, at any time, analysed the need for construction of any STP by the municipal body and advised the Government on remedial measures in the matter.

The Government stated (December 2015) that setting up of sewage treatment facilities is not under the purview of the Board. Only consent is to be applied to MPCB if such proposal exists. However, it is stated that the Board will take up the matter of sewage treatment facilities in other District Headquarters also.

The reply of the Government is not acceptable as the Water Act empowers the Board to make any order for the prevention, control or abatement of water pollution including discharge of waste into streams or wells.

4.11.11.2 Lack of treatment of effluents by Health Care Facilities

The Board had directed on several occasions that Health Care Facilities (HCFs) *i.e.* Hospitals and similar establishments which were not connected to any terminal facilities, should establish individual Effluent Treatment Plants (ETPs) for treatment of the effluents.

Audit observed that out of 96⁵ HCFs in the State, few of them were connected to any terminal facilities. Moreover, most the HCFs had not installed individual ETPs and they were not treating the liquid wastes properly by the prescribed conventional method *i.e.* using one *per cent* hypo-chloride solution. Thus, the untreated effluents were openly discharged into the drains, which may cause serious health hazard.

⁵ 17 Private + 79 Government = 96 HCFs



Tank to collect effluents at Kulikawn Hospital



Tank to collect effluents at State Referral Hospital, Falkawn

Board had been issuing recommendations after inspection to the HCFs but no legal action as per Act had been initiated against defaulting HCFs.

Further, Joint Inspection (June & July 2015) of five Hospitals revealed that in the absence of the ETP/STP, liquid wastes generated from HCFs were not properly disinfected/treated before discharging into the drains.

Thus, due to absence of terminal facilities/ETPs or proper treatment of effluent, the HCFs were discharging the liquid biomedical wastes into the drains, which in turn polluted the water bodies.

It is recommended that the Board may take action against the Health Care Facilities discharging untreated liquid.

4.11.11.3 Sewage treatment by slaughter houses

In the State, there exist two slaughter houses one at Bung Bangla and the other at Mualpui in Aizawl District operating under Animal Husbandry & Veterinary Department (AH & V Dept.). Details of slaughter houses are given as under:

Sl. No.	Name of the Slaughter House	Year of establishment	Funded by	Expenditure incurred (₹ in lakh)
1.	Bung Bangla	02.05.2008	NEC	321.00
2.	Mualpui	08.04.2003	NABARD (RIDF – XIV)	443.20

Scrutiny of the records of the Board revealed that the existing slaughter houses were operating with effluent treatment plants.

However, Joint Inspection (June 2015) of the two slaughter houses revealed that-

(a) Slaughter house at Mualpui, Aizawl

The Slaughter house was operating without utilising the effluent treatment plant/facility and the effluent was discharged in the open ground (hill slopes).



ETP at Mualpui Slaughter House



Disposal of effluents in open ground

The Officer-in-charge of the slaughter house under AH &V Department informed that the butchers threw all the Bio-Medical Waste (BMW) inside the internal drain due to which the ETP was not operated as it would lead to clogging and damage.

Thus, due to inaction on the part of the Board, the slaughter house at Mualpui was deteriorating the environment in the vicinity of the slaughter house. However, the slaughter house is located far away from the city of Aizawl.

(b) Slaughter house at Bung Bangla, Aizawl

The Slaughter house had been leased on 2 May 2014 and 23 October 2015 to two private parties.

Though the Board has power to issue directions under the provisions of Water Act to violators of environmental laws including the power to direct closure of any industry, operation or process, it has not taken any steps against these slaughter houses.

The Board in their reply stated (June 2015) that they would issue direction to the slaughter houses for taking remedial action for the management of BMW.

It is recommended that the Board may take action against slaughter houses operating without utilising Effluent Treatment Plants and for discharging untreated liquid.

4.11.11.4 Industries, Municipalities, Healthcare establishments, etc. operating without consent from the Board

As per Section 25 of the Water Act, no person shall, without the previous consent of the State Board, establish or take any steps to establish any industry, operation or process, or any treatment and disposal system or an extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream/well/sewer/land. Similar provision exists in the Air Act. Further, under this Act, the Board is empowered to issue or refuse Consent To Establish (CTE) and Consent To Operate (CTO). Before expiry of CTOs granted, the units are required to renew their CTOs in the State.

Health Care Facilities (HCF) having 25 beds or more is required to obtain CTO under the Water Act.

It was noticed in audit that there was no technical committee for recommendation of Consent to Establish (CTE) and Consent to Operate (CTO) conditions.

Audit also observed that-

- (i) 40 (51 per cent) out of 79 Large, Medium and Small Scale Industries in Red Categories were operating with valid CTOs issued by the Board.

It was observed that out of 79 industries, the 37 industries neither renewed nor submitted renewal applications upto 31 March 2015. These 37 industries had not submitted the renewal application up to a period ranging from 6 months to 3 years.

However, the Board did not take any legal action against these 37 industries for not renewing their CTOs. In the remaining two cases the Board refused to renew the CTO due to non-operation of the industries.

- (ii) 56 (59 per cent) out of 96 HCFs have not obtained CTO from the Board.
- (iii) Out of two slaughter houses in the State, one (Mualpui) is operating without obtaining CTO from the Board and the other (Bung Bangla) is operating with valid CTO.

The Board in its reply stated (July 2015) that Consents for Establishment of any industry/plant/process, Consents for Operation and their renewal, were given based on a standard procedure and after due verification of the capacity of the occupier/operator to handle wastes. Further, all industries did not apply for consents/renewal of consents in time before their expiry. They were reminded over phone and through letter in case of Government Undertakings.

However, the fact was that the Board only invited the attention of defaulters from time to time on the penal provisions of the Environmental Acts without taking action under the provisions.

It is recommended that the Board may take penal actions against the industries operating without authorisation.

4.11.11.4 (i) Mismatch in inventory between MSPCB and the Industry Department

It was observed that the Board does not have a system of periodical updating data about the industries operating in the State.

Scrutiny of the details in the records of the Board and the Industry Department indicated a mismatch in the numbers of industries in the State during the period 2010-15. Total numbers of industries as per records given by the Board and Industry Department during 2010-15 are as tabulated below:

Table-4.13

Year	Total No. of Industries in the State		Difference
	As per MSPCB	As per Industry Department	
(1)	(2)	(3)	(4 = 3 – 2)
2010-11	145	201	56
2011-12	119	128	9
2012-13	123	122	-1
2013-14	103	215	112
2014-15	136	276	140

Source: Board's records and Industry Department's reply

It could be seen from the above that the MSPCB does not have the record of 140 industries operating in the State which are in the records of the Industry Department (**Appendix-4.1**). These 140 industries are thus, outside the ambit of the Board's monitoring. The Board needs to set up a system for bringing unregistered industries in its ambit for better environmental monitoring.

4.11.11.5 Inadequate inspections of industries

As per in the Water Act, the State Board shall inspect sewage or trade effluents, works and plants for the treatment of sewage and trade effluents and to review plans, specifications or other data relating to plants set up for the treatment of water, works for the purification thereof and the system for the disposal of sewage or trade effluents or in connection with the grant of any consent as required.

Further, as per instructions issued in the Notification (December 1999) by the Ministry of Environment and Forests, GoI, industries shall be inspected at the following frequency depending on their classification viz. Red (highly polluting), Orange (moderately polluting) and Green (least polluting):

Table-4.14

Sl. No.	Size of Industry	Category of Industry	Frequency of visit and effluent sampling
1.	Small scale	Red	Once in 12 months
		Orange	Once in 3 years
		Green	Once in 3 years on random check basis
2.	Large & Medium scale	Red	Once in 3 months
		Orange	Once in 6 months
		Green	Once in 12 months

The instructions also included an advice that the State Pollution Control Boards may chalk out a programme of inspection/sampling by its staff so as to cover all the units for vigilance and monitoring purposes and also to improve the frequency as might be necessary.

Audit noticed that there was substantial shortfall (73 per cent) in inspections of large scale industries in Red category during 2010-15 as given below (details in Appendix-4.2):

Table-4.15

Size of Industry	Total No. of Industries to be inspected during 2010-15				Frequency of visit (No. of Inspection conducted) and effluent sample taken during 2010-15				Recommended to be visited during 2010-15 (as per Gol's Notification)				Shortfall (+)/Excess (-) in inspection during 2010-15 (percentage)			
	Red	Orange	Green	Total	Red	Orange	Green	Total	Red	Orange	Green	Total	Red	Orange	Green	Total
Large Scale	16	11	7	34	17	14	2	33	64	22	7	93	47 (73)	8 (36)	5 (71)	60 (65)
Medium Scale	11	14	31	56	12	11	7	30	44	28	31	103	32 (73)	17 (61)	24 (77)	73 (71)
Small Scale	50	240	246	536	83	78	48	209	50	240	246	536	-33 (-66)	162 (68)	198 (80)	327 (61)
Total	77	265	284	626	112	103	57	272	158	290	284	732	46 (29)	187 (64)	227 (80)	460 (63)

Source: Board's records

It can be seen from above that there was overall shortfall in inspecting the industries. However, Board's inspection was more frequent than the requirement in case of small scale industries in red category. It was also observed that the Board was inspecting the industries only at the time of renewal of CTO or on receipt of specific complaints.

Thus, the Board did not conduct the recommended number of inspection especially in the Large Scale Industries of 'Red' category that might cause pollution.

The Board informed (July 2015) that due to current man power constraints, it was not possible to undertake the required inspection.

The fact, remains that even with the available manpower as discussed in paragraph 4.11.21.2, the Board's performance is not satisfactory.

It is recommended that the Board may consider to conduct regular inspections and follow up action initiated against industries particularly in respect of "red" category.

4.11.12 Air Pollution

Air pollution occurs due to increase in the concentration of foreign particles like Respirable Suspended Particulate Matter (RSPM), Sulphur Dioxide (SO₂), Nitrogen Dioxide (NO₂), Carbon Monoxide (CO), Lead, Ozone depleting substances, etc. which are harmful to living organisms. Increased air pollution adversely affects human health by causing respiratory diseases like asthma, bronchitis, etc.

4.11.12.1 Air Monitoring Stations

At present, the Board has 11 Air Monitoring Stations (AMS) funded under the National Air Monitoring Programme (NAMP). Out of the eleven stations, three stations were established during 2005-06 and the rest were established during the year 2010-11.

4.11.12.2 Inadequate monitoring of air quality

The Board monitored air quality in 11 monitoring stations across the State. Though CPCB prescribed (April 2011) the list of important air quality parameters to be analysed by monitoring laboratories, the State Board did so only for Total Suspended Particulate Matter (TSPM), RSPM of size PM_{10} , SO_2 , NO/NO_2 , etc. leaving out the parameters like fine particulates $PM_{2.5}$, Benzo(a) Pyrene (BaP), Lead, Nickel, Ozone (O_3) and Benzene. This was due to the absence of essential lab equipment (discussed in **Paragraph 4.11.21.4**).

Test check of data generated from 11 stations revealed that the annual average RSPM, TSPM, SO_2 and NO/NO_2 levels were below the prescribed limit as per the National Ambient Air Quality (NAAQ) standards prescribed by CPCB. Details of the results are shown in **Appendix-4.3**.

However, the Board has to address the issue of air pollution by way of arresting vehicular emission as discussed in the succeeding paragraph.

The Government stated (December 2015) that monitoring of Air quality is done through National Ambient Air Monitoring Programme (NAMP) sponsored by Central Pollution Control Board. Monitoring of parameters is also done as per their guidelines. It is however, admitted that with limited functionaries and equipment all the parameters cannot be monitored by the small lab. However, proposal for upgradation of laboratory is under consideration by the CPCB.

4.11.12.2.1 Vehicle Emission Testing

To mitigate air pollution, the Board has taken action by way of checking vehicular emission in four vehicular emission testing centres⁶ in Aizawl District. The vehicles checked by the Board include both private and Government owned vehicles. The MoEF had released ₹ 75 lakh during 2011-12 for procurement of 14 sets of machines required for testing of vehicular emissions.

It was observed that out of 1,51,486 vehicles in Mizoram, 33,085 vehicles (21.85 *per cent*) were checked upto March 2015 in Aizawl. Out of 33,085 vehicles tested, 32,225 passed the tests and were issued Pollution Under Control Certificates (PUCC).

It was seen that the action of the Board to mitigate air pollution was limited to Aizawl city only. Further, it may again be pointed out that no system has been put in place to check the validity of PUCC of the vehicles plying on the road. As per rule, vehicular emission testing is mandatory and to be done twice a year. The 33,085 vehicles as stated above were tested only one time and that too for one year.

The Board replied (July 2015) that more vehicular emission testing centers would be opened throughout the State slowly. The reason for not covering the whole State was attributed to shortage of manpower.

The Government stated (December 2015) that as far as vehicular testing is concerned, all vehicles cannot be covered due to the lack of enforcement by the authorities such as Traffic

⁶ (i) New Capital Complex, Khatla, (ii) Bungkawn, (iii) Zemabawk and (iv) Ngaizel

Police and Motor Vehicular Inspectors from Transport Department. MSPCB is only the testing agency and is not entrusted for legal enforcement. However, the Board has started issuing the stickers to the vehicles that passed the Emission testing.

It is recommended that the Board may introduce suitable system so that the vehicles with/without PUCs could be identified easily.

4.11.12.2 Unabated air pollution by Stone Crushers

As per CPCB's standards, the level of Suspended Particulate Matter (SPM) near the stone crushing units/equipment shall not exceed 600 micrograms (μ) per cubic meter. However, there was no effective monitoring by the Board on compliance of the standards by stone crushers in the State. It was noticed that out of a total of 71 stone crushers in the State, the Board conducted inspection of only 51 units during 2010-15. Further, no system was in place for conducting routine inspections, and the inspections were being conducted on receipt of any complaints from public or at the time of renewal of the CTO. Moreover, Audit could not ascertain the SPM levels near the Stone Crushers, as the analysis of air sample was not done by the Board.

While accepting the fact, the Board stated (July 2015) that it had not conducted air sample analysis near the stone crushers due to lack of equipment. It further added that all the air sampling equipments available with the Board were provided by CPCB under NAMF and were installed in the air monitoring stations.

It is recommended that the Board may monitor the level of Suspended Particulate Matter near stone crushers on regular basis.

4.11.13 Management of E-wastes

E-waste consists of all the waste from electronic and electrical appliances which have reached their end-of-life period or are no longer fit for their original intended use and are destined for recovery, recycling or disposal. E-wastes contain toxic substances many of which cause diseases like cancer. Some of the identifiably harmful e-wastes are cadmium and lead in the circuit boards; lead oxide and cadmium in Cathode Ray Tube (CRT) monitors; mercury in switches and flat screen monitors; cadmium in computer batteries; polychlorinated biphenyls in old capacitors and transformers; and brominated flame retardants on printed circuit boards, plastic casings, cables and PVC cable insulation that releases highly toxic dioxins and furans when burned to retrieve copper from the wires. Further, as per the E-Waste Rules, 2011, bulk consumers such as Departments of the State Government, PSUs, Banks, Educational Institutions, Private Companies registered under Factories Act, 1948 and Companies Act, 1956 etc. have to furnish records of e-waste generated by them in Form-2 to MSPCB for scrutiny.

- (a) Audit noticed that about 18 tonnes of e-waste was generated in two Districts – Aizawl and Lunglei. Full inventorisation of e-waste has not yet been completed by the Board for the remaining six districts. Further, no study was also taken up for assessing the e-wastes

viz. cell phones and chargers, remotes, compact discs, headphones, batteries, LCD/ Plasma TVs, air conditioners, refrigerators and other household appliances, televisions, computers and its accessories (monitors, printers, keyboards, central processing units) *etc.* generated in the State and their safe disposal. Thus, there was no assessment made about the generation of e-wastes in the State. No action plan was prepared by the Board to watch over management of e-waste.

In its reply, the Board stated (July 2015) that the inventorisation was done in two districts of Mizoram (Aizawl and Lunglei) and draft Report was prepared during the year 2011-12. The remaining six districts could not be covered due to fund constraints.

- (b) It was also noticed that the bulk consumers such as Departments of the State Government, PSUs, Banks, Educational Institutions, Private Companies *etc.* did not produce to the Board the data on e-waste generated by them in Form-2 with respect to E-Waste Rules, 2011 for monitoring and compiling data.

In its reply, the Board stated (July 2015) that all HODs were informed about the health and environmental impacts of e-wastes and the requirements of the Rules. The Commissioner, Department of Taxation, Government of Mizoram was also requested by the Board to provide list and addresses of all the electronic equipment dealers having VAT registration so that E- wastes could be addressed through the dealers.

- (c) It was noticed that the e-wastes along with other wastes were collected and dumped in the slope of the designated dumping sites of the eight districts in Mizoram and burned.

Thus, due to non-disposal of E-waste in proper way the damage to the environment could not be ruled out.

It is recommended that the Board may direct/advise the authorities concerned to follow the process strictly to segregate e-waste and expedite to finalise the responsibility for collection of e-waste by the recognised dealers in the State.

4.11.14 Management of Hazardous Wastes

Hazardous waste is the waste which by reason of any of its physical, chemical, reactive, toxic, flammable, explosive or corrosive characteristics causes danger or is likely to cause danger to health or environment, whether alone or when in contact with other wastes or substances.

Further, as per Rule 22 of Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008, the occupiers generating hazardous wastes and the operators of the facilities involved in disposal of hazardous wastes are required to furnish an annual return to the State Board showing the details of hazardous wastes generated by them and disposal thereof. Based on the returns filed by the occupiers/operators, the Board shall prepare an inventory of hazardous wastes within its jurisdiction and compile related information like their recycling, treatment and disposal.

It was observed that the last inventory was done in 2010-11. As per the Board's records, the Red category (high polluting) industries increased from one in 2010-11 to seven in 2014-15. The updated position of actual generation of hazardous waste was based on the available data from five Districts (Aizawl, Lunglei, Kolasib, Lawngtlai and Saiha) in the State and the Board did not update the inventory for all the eight Districts. However, on the positive side the inventory was prepared in the districts on the basis of site inspection rather than from the annual returns filed by the authorized persons. The quantum of hazardous waste generated upto 2013-14 (quantum of hazardous waste for the year 2014-15 has not yet been assessed) is shown below:

Generation of Hazardous Wastes (In metric ton per annum)			
Landfillable	Recyclable	Incinerable	Total
39.42	233.28	Nil	272.69

As a matter of fact, there is no authorised Treatment, Storage and Disposal Facilities (TSDFs) in the State. As per the information furnished by the Board, the nearby TSDF is located in Haldia, West Bengal.

4.11.15 Management of Plastic Wastes

Plastic waste means any plastic product such as carry bags, pouches or multilayered plastic pouch or sachets *etc.*, which have been discarded after use or after their intended life is over. Plastics are high molecular weight organic materials that are non-degradable in the natural environment. This creates a lot of environment pollution, which in turn affects ecosystem and human health. The solution to tackle this dreadful situation lies in following 3R principle namely Reduce, Reuse and Recycle. Waste plastics can be recycled and used in several ways including construction of roads. The current scenario focuses much on degradable biopolymers, an ecofriendly concept to protect the environment.

As per the Plastic Waste (Management and Handling) Rules, 2011, the concerned municipal authorities (Municipal Council or any other local body) are responsible for ensuring safe collection, storage, segregation, transportation, processing and disposal of plastic waste. The State Pollution Control Board is responsible for enforcement of the provisions of the rules related to registration, manufacturing and recycling.

Further, as per conditions stipulated in the Plastic Waste Rules, no person shall manufacture, stock, distribute or sell any carry bag made of virgin or recycled or compostable plastic, which is less than 40 microns in thickness.

There should be a State Level Advisory Body (SLAB) to monitor the implementation of the Rules and shall meet at least once in a year.

Further, each State Pollution Control Board shall prepare and submit the Annual Report to the CPCB on the implementation of these rules by 30 September of each year.

As per Board's estimate, worked out from authorized dealers' figures, the total plastic waste generation in the State was 23,040 kg/year during 2010-14. The plastic waste in respect of the Aizawl Municipal Corporation (AMC), was estimated at 19.22 *per cent* (125 MTD)⁷ of total municipal solid waste generation (650.21 MTD). Further, the quantity may double if the quantities of plastic carry bags coming from outside the State are accounted for.

Audit noticed that-

- (i) The Board did not have the actual information regarding generation, segregation, collection, disposal and recycling of plastic in the State. The Board replied that Municipality and Local Bodies did not furnish the information despite several notices issued to them. It was also noticed that none of the concerned authorities (including AMC and the line departments) in the State were complying with their responsibility of collecting and segregating the plastic waste.
- (ii) As per information furnished by the Board, there were no manufacturers/recyclers of plastic and plastic waste in the State and hence, no follow up action was taken up by the Board in the matter.
- (iii) The Board submitted the Annual Reports to the CPCB for the year 2010-11 to 2013-14 in due time.
- (iv) As per the condition stipulated in the Plastic waste Management that the Municipal authority shall encourage the use of plastic waste by adopting suitable technology such as in road construction *etc.* Accordingly, the Board has adopted a resolution in its 49th meeting (1 August 2013 "plastics for road construction" and "plasma pyrolysis method" in the State for plastic waste management. However, no report of action taken by the Public Works Department was available.
- (v) As per the Rule, a SLAB was constituted during June 2011 but they did not meet at least once in a year to monitor the implementation of the Rules.
- (vi) It was noticed that no restriction has been imposed on banning of use of plastic bags of thickness less than 40 micron. Board had written once only (May 2013) to the Sub-Deputy Commissioner (Judicial) for banning of plastic bags and had not followed it afterwards. As such, no further action was taken (September 2015) and the use of plastic bags of thickness less than 40 micron is continuing, clogging the local streams as evident from the photograph below.

⁷ Metric Tonnes per Day (MTD)



Clogging of Tuikual Stream by plastic

Thus, no action has been initiated by the Board for effective implementation of the Plastic Waste Rules in the State. Considering the large scale use of plastic carry bags, especially thickness less than 40 microns, its use needs to be effectively controlled.

The Government stated (December 2015) that the Board's role is limited to manufacturing industries which does not exist in Mizoram. However, it is admitted and assured that the Board would be vigilant to take effective action on the management of plastic waste by the Government.

4.11.16 Handling of Municipal Solid Wastes

As per Municipal Solid Waste (Management and Handling) Rules, 2000 (MSW Rules) every municipal authority is responsible for the implementation of the provisions of these rules and for any infrastructure development for collection, storage, segregation, transportation, processing and disposal of municipal solid wastes within its territory. The Board is responsible for monitoring implementation of these Rules.

4.11.16.1 Failure to obtain authorisation by Municipal body

The rules stipulated that the municipal authority or an operator of a facility shall obtain authorisation from the Board for setting up a waste processing and disposal facility including landfills and comply with the following implementation schedule:

Compliance Criteria Schedule	
Setting up of waste processing and disposal facilities	by 31.12.2003 or earlier
Monitoring the performance of waste processing and disposal facilities	once in six months
Improvement of existing landfill sites as per provisions of these rules	by 31.12.2001 or earlier
Identification of landfill sites for future use and making site(s) ready for operation	by 31.12.2002 or earlier

In Mizoram, there is only one Municipal body viz. Aizawl Municipal Corporation (AMC), which is divided into 19 wards.

It was observed that solid wastes were dumped on the slopes of the hills, the sites which were operated by the Urban Development and Poverty Alleviation Department (UD&PA). All

solid wastes from domestic, market centers and HCFs, hazardous wastes, plastic wastes and e-wastes were dumped in the designated dumping sites. However, this has been done without any authorisation from the MSPCB.

MSW Rules provide that the biodegradable wastes shall be processed through biological processes like composting, vermicomposting, *etc.* and non-biodegradable wastes which cannot be recycled shall be disposed of through landfills. However, there was no waste treatment facility and none of them had scientific landfill facilities.

The Board has completed the inventurisation of MSW in six districts and limited data on MSW was available for the period 2010-14. Further, the information for the year 2014-15 are yet to be received from the concerned Municipal authorities. The quantities of Solid Wastes generated during 2010-14 are as shown below:

Table-4.16

Name of the District		Solid Waste Generation (in MTD)					
		2010-11	2011-12	2012-13	2013-14	2014-15	Total
Aizawl	Municipal Area	167.60	111.62	200.00	170.99	Not yet received by the Board	650.21
	Non-Municipal Area	Data Not Available					Data Not Available
Champhai	No Municipal Area	Data Not Available					
Lunglei		12.00	Data Not Available				12.00
Kolasib		10.00					10.00
Mamit		Data Not Available					Data Not Available
Lawngtlai		4.00	Data Not Available				4.00
Serchhip		8.00					8.00
Saiha		5.00					5.00
Total		206.60	111.62	200.00	170.99	--	689.21

Source: Board's record

It can be inferred from above that atleast 689.21 Metric tonnes per day (MTD) of untreated Solid Waste was being dumped, Aizawl municipal area alone contributes 650.21 MTD (95 *per cent*) of municipal solid wastes, causing environmental degradation and health hazards.

In reply to audit query, the UD&PA Department stated (July 2015) that based on physical inspection of dumping sites, the consent/authorisation had been given by the MSPCB for operating the dumping sites. However, in reply to an audit query, MSPCB has contradicted this and denied (July 2015) giving any such consent/authorisation for operating the dumping sites as the operation of the dumping site was not permissible under the Rules. Admitting that no scientific treatment of wastes existed in the State, the Board pointed to a new project for scientific sanitary landfill and vermicomposting in Aizawl municipal area was taken up by State Investment Program Management and Implementation Unit (SIPMIU) under Asian Development Bank project for which Environment clearance and CTE have been obtained.

Thus, the implementing agency *i.e.* UD&PA Department is operating the dumping sites without any valid authorisation. Considering that bulk of the waste is generated in Aizawl municipal area only, special efforts are required from the Board to check & control this activity.

4.11.16.2 Pollution levels in air and ground water near Solid Wastes dumping sites

The MSW Rules stipulated that both water and ambient air quality in and around landfill sites need to be monitored to ensure that the ground water and ambient air quality is not contaminated beyond acceptable limit.

It was observed that the designated solid wastes dumping sites in the State were operating under the UD&PA Department. These dumping sites were operating without any authorisation from the MSPCB. Further, mechanism to monitor the ambient air quality and water quality in and around the dumping yards/sites was also not established either by the MSPCB or the Department (except for water quality monitoring in Aizawl District).

Joint inspection (June & July 2015) of the dumping area at Tuirial, Rengtekawn, and Haipui Mual in Aizawl, Kolasib and Serchhip Districts respectively revealed that-

- (i) All solid wastes like domestic solid wastes, solid wastes from the HCFs, plastic wastes, e-wastes *etc.* were dumped at the dumping site without segregating into biodegradable and non-biodegradable wastes.
- (ii) All these wastes were burnt periodically and no monitoring system exists in and around the dumping site. However, the Board has directed (January 2013) the AMC to stop open burning of mixed waste at Tuirial dumping site as it is detrimental to human health and environment. Despite the advisory from the Board, the AMC was still continuing with the same practice and no penal action has been taken by the Board, nor has it tried to enforce its own directions.



Waste Dumping Site at Tuirial

The Board stated (July 2015) that air sample analysis in the dumping site had not been conducted due to lack of equipment. Further, authorisation had been given to SIPMIU for constructing landfill trench and vermicomposting plant, the construction of which is under process. The Board also stated that ground water quality in and around the dumping site of MSW was not

monitored due to problems associated with extracting ground water sample. There were no ground water hand pumps in the vicinity of the dumping site.

It is recommended that the Board may monitor the air and ground water quality on regular basis near the dumping sites.

4.11.16.3 Procurement of incinerator by the AMC

As per Schedule-IV of the Municipal Solid Wastes (Management and Handling) Rules, 2000, for management of the Municipal Wastes (viz. waste processing or disposal facilities) an incinerator shall be procured along with a chimney with a minimum stack height of 30 metre above ground.

It was observed that the Aizawl Municipal Corporation (AMC) without observing the codal provisions of the Rule 146 and 151 of the GFR purchased an incinerator⁸ from a Guwahati based firm (M/s Lifeline Clean Technology) for ₹ 29.24 lakh including installation and commissioning charges of ₹ 1.50 lakh in March 2015. Further, against the requirement of the 30 metre stack height of Chimney the AMC procured the incinerator with six metre height MS make Chimney. Moreover, the incinerator so procured in March 2015 had not been installed and commissioned as of February 2016 although the full payment, including installation and commissioning charges of ₹ 1.50 lakh was released in advance to the firm in October 2014.

Further, as informed (July 2015) by the Board, the design capacity of the incinerator should be at least 1,200 kg/day. But, it was seen from the specification of the incinerator procured that the capacity of the incinerator is 1,000 kg/day. Thus, the procured incinerator with lower capacity, will not meet the desired purpose.

A Joint inspection (June 2015) with the Officers of the MSPCB revealed that the incinerator was lying in packed condition in the open space under one roof at Tuirial dumping site.



Incinerator lying idle at Tuirial dumping site, Aizawl

⁸ Out of the Performance Grant of Thirteenth Finance Commission

It was further noticed in audit that the incinerator was not installed due to missing of some items from the site. The AMC, however, intimated (September 2015) the firm to arrange for installation of the incinerator along with supply of the missing parts at an additional cost of ₹ 1.29 lakh. However, the present status of installation of the incinerator has not been intimated by the AMC (February 2016).

Thus, the delay in commissioning of equipment purchased in March 2015 defeated the purpose for which it was purchased.

4.11.16.4 Socio-economic effect

4.11.16.4.1 The unrecognised Rag Pickers

Rag pickers segregate wastes from the dumping sites or collect from the households and send them for recycling to the recyclers and earn their livelihood without being aware of the health effects of hazardous waste. Thus, their work helps the society to some extent from deterioration of the environment. However, the rag pickers have never been recognised nor got their acceptance by the society for their valuable services to the society.

It is noted that the GoI had announced (July 2015) a process for recognising the rag pickers and decided to give national award for their contribution to keep India clean.

Joint Inspection (July 2015) of the dumping grounds also proved that they were segregating (photograph below) the wastes in an unhealthy manner without taking any protection/precaution.



Rag pickers working in the Tuirial Dumping Ground (Aizawl)

Neither the GoI nor the GoM has provided any precautionary measures to protect their exposure to harmful waste impinging on their health by distributing gloves, boots, mask *etc.*

There is a need for the GoM to take some corrective measures to provide preventive health care and to the rag pickers, who assist in waste disposal.

4.11.16.4.2 Health issues of garbage collectors

It was observed that in the Aizawl Municipal Corporation area, collection of garbage was done on PPP mode by pick-up trucks and the garbage collectors were not provided with proper protective clothing *viz.* raincoats, gloves, nose covering mask and gum boots *etc.*

The Board did not issue/give any direction/advice to the GoM or the AMC for taking proper precautionary measures to protect the garbage collectors from health hazards.

Also, neither the AMC nor the GoM has taken up any steps to protect the garbage collectors from health hazards.

4.11.17 Management of Bio-Medical Wastes (BMW)

As per the Bio-Medical Waste (Management and Handling) Rules, 1998, it is the duty of every occupier of an institution generating bio-medical waste to take all steps to ensure that such waste is handled without any adverse effect to human health and environment.

The BMW was generated in the State from the HCFs and from the slaughter houses.

It was observed that out of a total of 96⁹ HCFs in the State, 56 HCFs did not obtain BMW authorisations and 38 HCFs (40 *per cent*) were functioning even though their authorisations had either expired or were pending with MSPCB.

The Rules stipulated that every occupier shall set up requisite BMW treatment facilities like incinerator, autoclave, microwave system for treatment of waste or ensure requisite treatment of waste by having a tie up with a common BMW treatment facility. It was observed that HCFs in the test checked Districts were not complying with these conditions. No legal action was initiated by the Board under the Environment Protection Act against the defaulting HCFs. Moreover, there were cases of pending authorisation with the Board. Further, none of the Government hospitals had separate budget for the management of BMW.

(A) Joint Inspection (June & July 2015) of five Hospitals revealed the following:

- (i) All the three incinerators (placed in State Referral Hospital, Falkawn and Civil Hospital Kolasib and Lunglei) in the State were non-functional.
- (ii) Category-I pit (Deep Burial Pit) was not constructed as per the Rules in case of the Aizawl Civil Hospital.

⁹ 17 Private + 79 Government = 96 HCFs



Deep Burial Pit of Aizawl Civil Hospital in the premise of Kulikawn Hospital

- (iii) Waste sharp pits in Civil Hospitals at Kolasib and Serchhip were not maintained properly like construction as per the direction of the Board, non-cementing *etc.*
- (iv) In Civil Hospitals at Kolasib and Serchhip, needles were not treated/disinfected properly before disposal.
- (v) In the Civil Hospitals at Kolasib, Serchhip and State Referral Hospital, Falkawn solid wastes were not segregated with colour coded polythene bags as instructed in BMW Rules.
- (vi) The transportation of BMW from Aizawl Civil Hospital to its Category-I pit at Kulikawn was done by a pick-up truck without any Bio-hazards symbol and without colour coded polythene bags.

In reply to an audit query, the Board stated (July 2015) that no legal action was taken against the HCFs. However, written intimations were given to the Health & Family Welfare Department for compliance of BMW (M & H) Rules, 1998. Authorisation was granted to HCFs only when their establishment conforms to the norms, otherwise the authorisations were withheld. Further, as agreed in the Group discussion made during the training on BMW in the year 2013, the Board had started enforcement of the Rule. As per Rule 7(8), the Board is giving an ‘opportunity of being heard’ to the HCFs before penalty is initiated.

(B) Joint Inspection (June 2015) of the two slaughter houses revealed that-

(a) Slaughter house at Mualpui, Aizawl

- (i) There was no arrangement for safe disposal of solid wastes generated from the BMW in the slaughter house.
- (ii) Due to absence of deep burial pit in the vicinity of the slaughter house, the solid BMWs generated from the slaughter house were dumped in the solid waste dumping area in Tuirial, Aizawl. Moreover, some of the solid wastes like horns were stacked in a corner, without any plans to utilise/dispose the same properly.



Horns pile up in the backyard



Disposal of solid waste in the drain

(b) Slaughter house at Bung Bangla, Aizawl

- (i) The approach road was full of solid wastes generated from the BMW. Wastes like bones and horns were piled up beneath one tree without proper disposal, which deteriorated the environment of the area.



Horns piled up at the entrance



Scattered bones & horns on the approach road

Thus, due to inaction on the part of the Board, the slaughter houses were deteriorating the environment in the vicinity of the slaughter houses.

The Board in their reply stated (June 2015) that they would issue direction to the slaughter houses for taking remedial action.

The fact, however, remains that due to absence of strict enforcement by the Board, the BMW management was not done properly as required.

It is recommended that the Board may cancel authorisations and take penal actions against violators of Bio-Medical Waste (BMW) Rules.

4.11.18 Water Cess not levied

One of the major sources of Board's income is its share of water cess. The Water Cess Act, 1977 provides for collection of cess on water consumption by persons carrying on certain industries and by local authorities. The water cess so collected by the Board is

to be remitted into the Consolidated Fund of India and GoI in turn apportions the water cess amount to the CPCB and State Boards. Also, the Water Cess Act provides that the non-payment of water cess attracts levy of interest (two *per cent* per month), penalty (up to an equal amount of arrears) and imprisonment (up to six months). Further, as per the Act, the State Government shall, by Notification in the Official Gazette, collect the cess from the person or local authority liable to pay the same.

In Mizoram, Public Health and Engineering Department (PHED) is responsible for supply of water to the general populace including all industries and authorities.

It was noticed that as of July 2015, the State Government had not issued Notification in its Official Gazette, for collection of the water cess from the industry or local authority who are liable to pay the same. Hence, the water cess charges of ₹ 4.42 lakh¹⁰ (for water supplied by the PHED for domestic purposes) for the period from 2010-15 were not collected by the Board. However, the Board has not taken any attempt till now to demand the water cess due from the PHED.

In their reply, the Board stated (July 2015) that the cess was not levied yet.

4.11.19 Control of Noise Pollution

The increasing ambient noise level in public places from various sources, inter-alia, industrial activity, construction activity, fire crackers, sound producing instruments, generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and the psychological well-being of the people.

As per Noise Pollution (Regulation and Control) Rules, 2000, the State Government shall categorize the areas into industrial, commercial, residential or silence areas/zones for the purpose of implementation of noise standards for different areas. The ambient air quality standards in respect of Noise for different areas/zones are as given below:

Area Code	Category of Area/Zone	Limits in dBA Leq	
		Day Time (6 a.m. to 10 p.m.)	Night Time (10 p.m. to 6 a.m.)
A	Industrial Area	75	70
B	Commercial Area	65	55
C	Residential Area	55	45
D	Silence Zone	50	40

10

Year	Volume of water supplied (in Kilolitre)	Rate of Cess	Amount (in ₹)
2010-11	37,18,373	@ 02 paise per Kilolitre	74,367
2011-12	37,64,240		75,285
2012-13	41,14,727		82,295
2013-14	42,68,641		85,373
2014-15	62,13,600		1,24,272
Total	2,20,79,581		4,41,592

The State Government shall take measures to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise.

The State Pollution Control Board in consultation with the Central Pollution Control Board shall collect, compile and publish technical and statistical data relating to noise pollution and devise measures for its effective prevention, control and abatement. Also, as per the rules, a loud speaker or a public address system shall not be used except after obtaining written permission from the designated authority.

However, it was observed that-

- i. The State Government had not categorized areas into industrial, commercial, residential or silence areas/zones for the purpose of implementation of noise standards for different areas/zones.
- ii. The Board did not monitor noise at different categories of areas/zones except during Deepawali and New Year festival.
- iii. Vehicles producing noise beyond permissible limit had not been given adequate attention and specific direction had not been given to Traffic (Home) Department by the board in this regard.
- iv. There was no practice of taking approval of the designated authority *i.e.* the Deputy Commissioners for event/programme which would cause noise.

The Board, in its reply (July 2015) stated that it mainly focused on noise from stationary sources like stone crushers, furniture industries, steel fabrications, DG sets *etc.* and that definition of night time is enforced on stricter basis *i.e.* from 6 p.m. to 6 a.m.

Mass awareness campaigns on the ill-effects of noise pollution have been carried out by MSPCB a number of times through advertisement in newspaper presentations at educational institutions, publications in newsletter such as MizEnvis and by making appeals in collaboration with Deputy Commissioners to the public to support control of noise pollution.

Fund Management by the Board

4.11.20 Financial Management

Rule 33(1) and 37 of the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 respectively envisage that the State Board shall have its own fund, and the sums which may, from time to time, be paid to it by the State Government and all other receipts (by way of grants or otherwise) of that Board shall be carried to the fund of the Board and all payments shall be made therefrom.

The State Board shall, during each financial year, prepare a budget in respect of the ensuing financial year showing the estimated receipt and expenditure and the copies thereof shall be forwarded to the State Government.

The position of years-wise budget prepared by the MSPCB, funds released by the State Government, CPCB/GoI and expenditure incurred thereagainst during 2010-15 are shown as under:

Table-4.17

(₹ in crore)

Year	Budget of the Board	Position of fund:					Expenditure	Closing Balance
		Opening Balance	Grants-in-aid from		Receipts from own sources*	Total		
			CPCB/GoI	GoM				
2010-11	0.80	0.33	1.08	0.60	0.07	2.08	1.25	0.83
2011-12	0.80	0.83	1.08	0.30	0.21	2.42	1.25	1.17
2012-13	0.84	1.17	0.78	0.08	0.50	2.53	2.00	0.53
2013-14	0.99	0.53	1.12	0.40	0.24	2.29	1.33	0.96
2014-15	1.14	0.96	2.18	0.30	0.38	3.82	2.80	1.02
Total	4.57	0.33	6.24	1.68	1.40	9.65	8.63	1.02

Source: Records of the Board

* Receipts from own sources includes Bank Interest, Consent Fee, Vehicular Emission Testing Fees and Public Hearing Fees

4.11.20.1 Short-release of fund by the State Government

As can be seen from the above table, out of the total budgetary requirement of ₹ 4.57 crore, the GoM had to release ₹ 2.39 crore¹¹ during 2010-15. Out of ₹ 2.39 crore, the GoM had released only ₹ 1.68 crore leading to short release of ₹ 0.71 crore. Reasons for short-release were not on record.

On being pointed out, the Under Secretary, Environment and Forests Department, GoM stated (July 2015) that the funds were released to the Board based on allocation made by the Planning and Programme Implementation Department.

4.11.20.2 Accounts not prepared by the Board

As per Section 40 of the Water (Prevention and Control of Pollution) Act, 1974 read with Rules 42 and 43 of the Mizoram Water (Prevention and Control of Pollution) Rules, 2002, the Board is required to prepare Annual Accounts at the close of each financial year. The annual accounts of the Board shall be audited by an auditor duly qualified to act as an auditor of Companies under Section 226 of the Companies Act, 1956. The auditor is to be appointed by the State

¹¹

Year	Budget	Amount required from the State Government as per budget of the Board (₹ in crore)
2010-11	0.80	0.40
2011-12	0.80	0.30
2012-13	0.84	0.51
2013-14	0.99	0.60
2014-15	1.14	0.58
Total	4.57	2.39

Government on the advice of the Comptroller and Auditor General of India (C&AG). Further, the auditor shall send a copy of his report with an audited copy of the accounts to the State Government.

During the period covered under audit, the Member Secretary of the Board had prepared annual accounts for two years 2012-13 and 2013-14 only. However, the said annual accounts were not placed before the Board for approval. The two annual accounts were got audited by two Chartered Accountants (CA)¹², who were appointed by the Board as auditors from outside the empanelled list of the C&AG.

It was also noticed that the auditor who audited the annual accounts for the year 2012-13 had not forwarded the audit report to the State Government as mandated in the Acts/Rules. The annual accounts of the Board for the year 2013-14, was however, not submitted (July 2015) to the Board.

Moreover, as per the Accounting Standard-1 issued by the Institute of Chartered Accountants of India, all significant accounting policies should be disclosed at one place and the depreciation on fixed assets is to be provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956 as amended. Depreciation on revalued amount of fixed assets is to be adjusted by transferring the equivalent amount from revaluation reserve.

Detailed checking of the audited annual accounts for the year 2012-13 revealed that the auditor had charged the depreciation of ₹ 3.53 lakh¹³ on fixed assets without any policy framed by the Board.

While accepting the facts, the Member Secretary of the Board stated (July 2015) that the requirement of the rule would be complied in future.

The Board needs to frame a policy about depreciation and get it approved by the BoD.

Manpower and Internal Control mechanisms

4.11.21 Manpower management

Deployment of adequate manpower in the Board is critical to discharge its widespread and varied functions for effective implementation of environmental laws.

¹² (i) Akas & Associates, Aizawl, Mizoram and (ii) G. S. Dugal, Juhu, Mumbai

¹³ **Depreciation charges:**

on Equipments (10 per cent)	=	₹ 2.68 lakh
on Computer and peripherals (10 per cent)	=	₹ 0.56 lakh
on Furniture & Fixture (10 per cent)	=	₹ 0.22 lakh
on Inverter & Battery (80 per cent)	=	₹ 0.06 lakh
Total		₹ 3.35 lakh

4.11.21.1 Appointment of a regular Member Secretary

The Water (Prevention and Control of Pollution) Act, 1974 stipulates for a full time Member Secretary, possessing qualification, knowledge and experience of scientific, engineering or management aspects of pollution control, to be appointed by the State Government.

The State Government appointed the present Member Secretary during 2003-04 and he had been functioning as a part-time Member Secretary since then.

Further, the Government had notified (27 March 2012) in the Mizoram Gazette (04 April 2012) the Mizoram Environment & Forest Department (Group 'A' post) Recruitment Rules, 2012 for recruitment to the post of Member Secretary under MSPCB.

However, no steps were taken to appoint full-time Member Secretary of the Board till (July 2015).

In its reply, the State Government stated (July 2015) that due to non-finalisation of Recruitment Rules for appointment of full time Member Secretary, recruitment under Section 4 of Water Act, 1974 read with the Mizoram Water (Prevention and Control of Pollution) Rules, 2002 and Notification (27 April 2012) could not be initiated.

The fact, remains that the Government could not finalise and appoint full-time Member Secretary even after more than three years of publishing the recruitment rules in the Mizoram Gazette.

4.11.21.2 Manpower issue and non-availability of legal cell

(A) As per the current sanctioned strength of 36 staff (23 Technical and Scientific and supporting Staff + 13 Non-Technical), there was only one shortage in the post of Assistant Environmental Engineer (AEE) as of July 2015.

The management of all the wastes including consent management was looked after by one AEE. The Board had neither decided nor took any appropriate action to strengthen the staff to effectively monitor the matters relating to the management of all kinds of wastes and inspection of the industry and to issue consent/authorisation.

It was noticed that the Board had not taken any initiative to establish a legal cell/section, except proposals to the CPCB (during 2010-11) for strengthening the activities of the Board by increasing man power and separating its central activities into six different activities through (i) Pollution Control Implementation Section, (ii) Infrastructure, (iii) Administrative, (iv) Accounts Section, (v) Legal cell and (vi) two Regional Offices. The proposal of the Board was approved (01 February 2012) by the State Government. However, the final approval from the CPCB is awaited as of February 2016.

(B) Under the provisions of the Environment Protection Acts and Rules made thereunder, the Board was vested with the authority to take legal action on violators of environmental laws. As was pointed out in this report earlier, in many cases, the Board did not initiate legal action against offenders.

It was noticed that the Board had not taken any initiative to establish a legal cell/section, except the proposals to the CPCB (during 2010-11) for strengthening the activities of the Board

Thus, without having such legal section/cell it was not possible for the Board to initiate any legal action against the defaulting industries.

4.11.21.3 Training

Training is an important part for utilising the existing manpower in more fruitful manner to reach the level of the desired goal of an entity. Further, it should be conducted on regular basis or in such a manner so that the functionaries can discharge their duties and responsibilities with due knowledge.

During the review period, very few training programmes were organised by the MSPCB and other agencies¹⁴ as given below:

Table-4.18

Year	No. of training organised by the		
	MSPCB	Other agencies	Total
2010-11	01	03	04
2011-12	-	01	01
2012-13	01	01	02
2013-14	-	02	02
2014-15	-	01	01
Total	02	08	10

It can be seen from the above that out of the total ten training programmes during 2010-15, only two training programmes were organised by the MSPCB for the management of BMW and remaining eight training programmes were organised by other agencies in which the officers and staffs of the MSPCB attended.

Thus, it is evident that the Board is lagging far behind in its efforts to make the functionaries of the State Government as well as its own officers and staff aware about the various rules and regulations.

The Board stated (July 2015) that due to fund constraints, it could no longer finance training. As such, only limited training was attended when TA/DA were borne by the host institute or when the cost of travelling is less. If the Board was to bear TA/DA of staff, training organised only in the North Eastern region could be attended.

The fact however, remains that had the Board realised cess and consent fees regularly, they could have attended the training programme out of their own revenue.

4.11.21.4 Lack of infrastructure facilities and manpower in the Environmental Laboratory

Under the Water Act and the Air Act, the State Board may establish or recognise laboratories for analysing water/air samples to enable the Board to perform the functions stipulated in those Acts.

¹⁴ Administrative Training Institute, Mizoram; Mizoram University; DFID; DoPT

Further, Guidelines issued (June 2008) by the CPCB for recognition of environmental laboratories under the Environment Protection (EP) Act by the Central Government stipulated certain minimum standards, which included availability of equipment for conducting certain minimum air/water quality tests and recognition/accreditation by the National Accreditation Board for Testing and Calibration of Laboratories (NABL).

Accordingly, the Board established one Laboratory in Aizawl and has been sending reports to CPCB under National Water Monitoring Programme (NWMP) & National Air Monitoring Programme (NAMP).

Audit observed that:

- (i) The Laboratory situated at Aizawl neither got accreditation from the NABL nor was it recognized under the Environment Protection Act. For obtaining accreditation from the NABL, a laboratory has to meet the minimum criteria set by NABL in terms of manpower, infrastructure, testing facilities, performance *etc.* CPCB has instructed all the State Boards to work out their requirements and submit proposals so as to upgrade their laboratories in order to enable them to obtain NABL accreditation and make them capable of monitoring the MoEF's notified parameters. As such, MSPCB has submitted proposal (during 2010-11) for upgradation of its laboratory and approval is awaited from MoEF.
- (ii) The lab does not have necessary equipment required for sample analysis. The lab either did not have some of the mandatory equipment or had non-functional equipment as shown in **Appendix-4.4**.
- (iii) As per CPCB's guidelines, every laboratory should have facilities for a minimum of five essential group tests, *viz.* physical, inorganic, organic, microbiological and toxicological tests for water analysis. For air analysis, the lab must have facilities for the first four of the above tests. An environmental lab should also provide for biological tests, characterisation of hazardous waste and soil/sludge/sediment/ solid waste analysis.

It was, however, noticed that the MSPCB's laboratory did not have the capacity for conducting all the mandatory tests (details in **Appendix-4.5**).

While accepting the facts the Board stated (July 2015) that in respect of water analysis, Physical, Inorganic and microbiological tests had been done. Organic and toxicological tests had not yet been done due to lack of facilities. Further, in respect of Air analysis, Physical and Inorganic parameters such as noise, temperature, Relative Humidity (RH), Wind Direction and Wind Speed (WD&WS), rainfall, Respirable Suspended Particulate Matter (RSPM), Suspended Particulate Matter (SPM), Nitrogen Dioxide (NO₂) and Sulfur Dioxide (SO₂) were being analysed. The reason for not conducting analysis of other parameters was attributed to unavailability of the requisite facilities.

- (iv) There was also shortage of scientific staff/ scientist 'B' in the lab against the norms prescribed by CPCB, as shown below:

Table-4.19: Staff strength in the Lab

Name of the Laboratory	Assistance in sampling (Field Attendants/ Assistants)				Sampling and Analysis (Laboratory/Scientific Assistants)				Sampling and Analysis Supervision (Scientific Officer/Scientist 'B')			
	SR	PE	CE	TE	SR	PE	CE	TE	SR	PE	CE	TE
Water Laboratory	2	2	Nil	2	3	3	Nil	3	3	1	Nil	1
Air Laboratory	11	Nil	11	11	3	Nil	3	3	3			

Source: Board's records

SR: Staff Requirement as per norms; PE: Permanent employees; CE: Contract employees;

TE: Total employees

However, the Board submitted proposals to the CPCB for strengthening the activities of the Board by increasing man power and separating its central activities into six different activities.

It is recommended that the Board may take steps to upgrade the lab to make monitoring of water pollution and air pollution more holistic.

4.11.22 Internal Audit mechanism

Internal audit is an indispensable requirement for evaluating the efficiency of the organisation in the implementation of various programme, functions *etc.*

4.11.22.1 Coverage of internal audit

Internal audit of the Board was being conducted by Chartered Accountants appointed specifically for this purpose, but the internal audit reports focused on financial/accounting aspects only and did not point out deficiencies relating to implementation of environmental laws by the Board.

4.11.22.2 Board meetings were not conducted regularly

The Water (Prevention and Control of Pollution) Act, 1974 stipulates that the Board shall meet at least once in every three months and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

It was observed that during the five year period 2010-15, as against the minimum requirement of 20 meetings, the Board met only seven times (2010-11: three times; and 2011-12: two times; 2013-14 and 2014-15: once each).

Thus, issues related to environment and pollution could not be addressed properly in the State as the Board did not meet as mandated in the Acts and Rules.

4.11.23 Conclusion

The performance audit of the working of MSPCB brought out many system and compliance deficiencies. It was observed that the MSPCB has been deficient in handling different types of pollution & waste control in the State.

The Board did not prepare Annual Action Plans from 2011-12 onwards. Handling and management of municipal solid wastes, e-wastes, hazardous waste, bio-medical waste and plastic wastes were compromised by various bodies/authorities. Despite such large number of violations, the Board failed to initiate legal action to abate and control pollution. Several industries, healthcare establishments were operating without valid authorisations or Consent to Operate. There was substantial shortfall in conducting inspections of even highest polluting 'Red' category industries. All the 96 HCFs and the two slaughter houses were operating without utilising proper sewage/effluent treatment facilities. There was shortage of staff and funds in the Board due to which it could not function optimally. The MSPCB laboratory did not have facilities and equipment to analyse all the parameters of water and air quality. Available equipment was non-functional in some cases.

4.11.24 Recommendations

It is recommended that the Board/State Government may consider to:

1. Prepare Annual Action Plans for prevention, control and abatement of all types of pollution in the State.
2. Action against the industries, slaughter houses and health care facilities which are polluting the environment by conducting regular inspections of these establishments.
3. Steps may be taken to upgrade the labs by making available equipment to analyse all parameters of water and air quality. Monitor the air and ground water quality on regular basis.
4. Segregation of e-waste should be ensured and it should be properly disposed.
5. Proper checking of the vehicles should be carried to minimize the vehicular pollution.
6. Initiate action to improve facilities and manpower for effective functioning of the Board. Full-time Member Secretary should be appointed.

COMPLIANCE AUDIT PARAGRAPHS

TAXATION DEPARTMENT

4.12 Irregular allowance of Input Tax Credit

Six ACTs in Mizoram irregularly allowed Input Tax Credit claim of ₹ 1.05 crore in respect of 66 registered dealers without supporting tax invoices.

Sub-Section (8)(g)(i) of Section 14 of the MVAT Act provides that no Input Tax Credit (ITC) shall be claimed or be allowed to a registered dealer where tax invoice is not available with the dealer.

Test check (May-September 2015) of the records of six ACTs¹⁵, Mizoram, revealed that during the period from April 2012 to March 2015, against the local purchase of taxable goods worth ₹ 101.92 crore, 66 registered dealers claimed an Input Tax Credit (ITC) of ₹ 9.95 crore which was allowed by the taxation authorities.

Audit, however, noticed that out of ITC claim of ₹ 9.95 crore the tax invoices were available only for ₹ 8.89 crore. Thus, the ITC claim of ₹ 1.05 crore not supported by any tax invoice was irregularly allowed by the taxation authorities. The details of ITC claims which were not supported by tax invoices are shown in **Appendix-4.6**.

While accepting the facts, the Government stated (January 2016) that reminders to the notice for payment were issued to 19 dealers under ACT, South Zone, Aizawl. However, the reply is silent about the action taken on the remaining 47 dealers under five zones.

4.13 Under-assessment of tax

There was an under-assessment of tax of ₹ 9.06 lakh due to irregular determination of opening stock and purchase turnover.

Section 34(1)(a) and (b) of the Mizoram Value Added Tax (MVAT) Act, 2005 provides that where a dealer is assessed under Section 31 or 32 for any year, and if the Commissioner has reason to believe that the whole or any part of the turnover of the dealer in respect of any period has escaped assessment or is under-assessed, he may serve a notice and proceed to assess to the best of his judgement, the amount of tax due from the dealer in respect of such turnover, and the provisions of this Act shall apply accordingly.

Scrutiny of the records (October 2014) of the Assistant Commissioners of Taxes (ACT), Central Zone, Aizawl revealed that in respect of a dealer¹⁶ assessed in February 2014 by the Assessing

¹⁵ ACTs of : (i) Champhai Zone, (ii) Lunglei Zone, (iii) Kolasib Zone, (iv) South Zone, Aizawl, (v) North Zone, Aizawl, and (vi) Central Zone, Aizawl

¹⁶ M/s Hauva & Sons, TIN 15200009023

Officer (AO) for the assessment years 2007-08 to 2011-12, there was an under-assessment of tax of ₹ 9.06 lakh as discussed below.

As per assessment records of the dealer the actual closing stock of the dealer at the end of the year 2006-07 was ₹ 72.16 lakh, however, while assessing the dealer for the year 2007-08, the AO had irregularly determined the opening stock as ₹ 45.51 lakh, which resulted in under-assessment of opening stock of ₹ 26.65 lakh as shown in the following Table-4.20:

Table-4.20

(₹ in lakh)

Closing Stock for the year 2006-07			Opening stock determined for the year 2007-08			Under-assessed opening stock		
4 per cent	12.5 per cent	Total	4 per cent	12.5 per cent	Total	4 per cent	12.5 per cent	Total
29.21	42.95	72.16	12.61	32.90	45.51	16.60	10.05	26.65

Source: Departmental records

Further scrutiny of the assessment for the year 2011-12 disclosed that as per VATSoft¹⁷ the dealer purchased taxable goods worth ₹ 326.66 lakh during 2011-12, against which the assessing officer determined the dealer's taxable purchase turnover at ₹ 258.85 lakh resulting in under-assessment of purchase turnover of ₹ 67.81 lakh as shown below in the Table-4.21:

Table-4.21

(₹ in lakh)

Purchase turnover as per VATSoft					Purchase turnover determined					Under-assessed purchase turnover				
4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total	4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total	4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total
105.16	48.57	121.97	50.96	326.66	92.14	39.56	85.28	41.87	258.85	13.02	9.01	36.69	9.09	67.81

Source: Departmental records

Thus, there was a total under-assessed turnover of ₹ 94.46 lakh (Opening Stock: ₹ 26.65 lakh + Purchase turnover: ₹ 67.81 lakh) against the dealer.

While determining the sales turnover the AO determined a profit element of 4 per cent. Taking into account 4 per cent profit element on the under-assessed purchase turnover of ₹ 94.46 lakh, the dealer was liable to pay an additional tax of ₹ 9.06 lakh as calculated below in the Table-4.22:

¹⁷ Computerised records on import of taxable goods maintained by the Taxation Department

Table-4.22

(₹ in lakh)

Rate of tax/VAT	Purchase turnover as per VATSoft				
	4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total
Under-assessed purchase turnover/opening stock	29.62	9.01	46.74	9.09	94.46
Add: 4 per cent profit	1.18	0.36	1.87	0.36	3.77
Total under-assessed taxable sales turnover	30.80	9.37	48.61	9.45	98.23
Tax to be levied	1.23	0.47	6.08	1.28	9.06

Source: Departmental records

Thus, the dealer was liable to pay an additional tax of ₹ 9.06 lakh against the under-assessed turnover.

Besides, it was noticed that during the assessment years 2007-11, the dealer was issued 1,152 numbers of waybills (Form-33) none of which could be produced to Audit for scrutiny. Thus, due to non-production of waybills, Audit could not verify the correctness of the assessment relating to 2007-08 to 2010-11.

While accepting the facts partially the Government stated (November 2015) that at the instance of Audit observation, the dealer was re-assessed (23 September 2015) for the years 2007-12 and levied a tax of ₹ 9.23 lakh. Accordingly notice was served (6 October 2015) to the dealer to deposit the tax of ₹ 9.23 lakh on or before 30 October 2015. However, intimation from the Government regarding realisation of tax is awaited (February 2016). Further, the reply is silent about the non-production of waybills (Form-33) for its verification to Audit.

4.14 Under-assessment of tax

Purchase and deduction against credit notes without supporting document, resulted in under-assessment of sales turnover of ₹ 16.79 crore for which tax of ₹ 2.59 crore along with a penalty not exceeding ₹ 5.18 crore was leviable.

Section 34(1)(a) and (b) of the Mizoram Value Added Tax (MVAT) Act, 2005 provides that where a dealer is assessed under Section 31 or 32 for any year and the Commissioner has a reason to believe that the whole or any part of the turnover of the dealer in respect of any period has escaped assessment or under assessed, he may serve a notice and proceed to assess to the best of his judgement, the amount of tax due from the dealer in respect of such turnover, and the provisions of this Act shall apply accordingly.

Further, Section 20 of the MVAT Act 2005 provides that where a tax invoice has been issued and the amount shown as tax charged in the tax invoice exceeds the tax payable in respect of that sale the registered dealer making the sale shall provide the purchaser with a credit and debit note containing the requisite particulars as may be prescribed. Penalty not exceeding twice the amount of tax assessed is leviable under Section 31(7) (b) for furnishing incomplete and incorrect returns.

Scrutiny of the records (October 2014) of the Assistant Commissioners of Taxes (ACT), Central Zone, Aizawl revealed that the Assessing Officer (AO) while assessing a dealer¹⁸ (September 2014) for the assessment years 2011-12 to 2012-13 under-assessed a tax of ₹ 2.58 crore.

As per VATSoft¹⁹ the dealer purchased taxable goods worth ₹ 62.83 crore during 2011-13, against which the assessing officer determined the dealer's taxable purchase turnover at ₹ 54.80 crore resulting in under-assessment of purchase turnover of ₹ 8.03 crore as shown below in the Table-4.23:

Table-4.23

(₹ in crore)

Year	Purchase turnover as per VATSoft					Purchase turnover determined					Under-assessed purchase turnover				
	4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total	4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total	4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total
2011-12	4.41	5.01	19.75	2.29	31.46	16.55	0.00	9.12	0.00	25.67	(-) 12.14	5.01	10.63	2.29	5.79
2012-13	0.00	22.14	0.00	9.23	31.37	0.00	19.90	0.00	9.23	29.13	0.00	2.24	0.00	0.00	2.24
Total	4.41	27.15	19.75	11.52	62.83	16.55	19.90	9.12	9.23	54.80	(-) 12.14	7.25	10.63	2.29	8.03

Source: Departmental records

While determining the sales turnover the AO determined a profit element of 3 *per cent* and assessed and levied tax of ₹ 1.50 crore instead of ₹ 1.45 crore on taxable sales turnover of ₹ 20.44 crore (taxable 4 *per cent* on ₹ 14.54 crore and 12.5 *per cent* on ₹ 6.90 crore) during 2011-12. Thus, the AO had levied excess tax of ₹ 0.05 crore on the dealer. Taking into account three *per cent* profit element on the under-assessed turnover of ₹ 8.03 crore as calculated by audit, the dealer was liable to pay an additional tax of ₹ 1.51 crore as shown in the Table-4.24 below:

Table-4.24

(₹ in lakh)

Rate of tax	Purchase turnover as per VATSoft				
	4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total
Under-assessed purchase turnover	(-) 1213.76	725.68	1062.78	228.66	803.36
Add: Three per cent profit	(-) 36.41	21.77	31.88	6.86	24.10
Total Taxable sales turnover	(-) 1250.17	747.45	1094.66	235.52	827.46
Tax to be levied	(-) 50.01	37.37	136.83	31.80	155.99
Less: Deduct the excess amount of tax levied by the AO in excess of payable tax as per assessment during 2011-12					5.40
Net tax to be levied	-	-	-	-	150.59

Source: Departmental records

Further, the AO irregularly allowed and deducted ₹ 8.27 crore without any supporting document on Credit Notes on Cash Discount, price subsidy on invoices and goods damaged during

¹⁸ M/s F. Kapsanga, TIN 15200008013

¹⁹ Computerised records on import of taxable goods maintained by the Taxation Department

2011-13, which resulted in under assessment of sales turnover of ₹ 8.52 crore having tax effect of ₹ 1.07 crore as detailed in Table-4.25 below:

Table-4.25

(₹ in lakh)

Rate of tax	Purchase turnover as shown by the AO				
	4 per cent	5 per cent	12.5 per cent	13.5 per cent	Total
Deduction allowed under credit Note on purchase turnover	21.65	24.93	288.69	491.83	827.10
Add: Three per cent profit	0.65	0.75	8.66	14.75	24.81
Total Taxable sales turnover	22.30	25.68	297.35	506.58	851.91
Tax to be levied	0.89	1.28	37.17	68.39	107.73

Source: Departmental records

Thus, there was a total under-assessed purchase turnover of ₹ 16.79 crore (₹ 8.27 crore + ₹ 8.52 crore) having tax effect of ₹ 2.59 crore (₹ 1.51 crore + ₹ 1.08 crore). Besides, the dealer is also liable to pay a penalty not exceeding ₹ 5.18 crore under section 31 (7) (b) of the Act.

While accepting the facts, the Government stated (November 2015) that notice had been served to the dealer for re-assessment (September 2015). However, the status of re-assessment of the dealer is awaited (February 2016).

4.15 Short-assessment of tax

There was a short-assessment of tax of ₹ 0.42 crore due to under-assessment of purchase turnover of four dealers by ₹ 3.28 crore.

Section 34(1)(a) and (b) of the Mizoram Value Added Tax (MVAT) Act, 2005 provides that where a dealer is assessed under Section 31 or 32 for any year and the Commissioner has reason to believe that the whole or any part of the turnover of the dealer in respect of any period has escaped assessment, he may serve a notice and proceed to assess to the best of his judgement, the amount of tax due from the dealer in respect of such turnover, and the provisions of this Act shall apply accordingly. Penalty not exceeding twice the amount of tax assessed is leviable under Section 31(7)(b) for furnishing incomplete and incorrect returns.

Scrutiny of records (November 2013 and October 2014) of the Assistant Commissioners of Taxes (ACTs), North and Central Zone, Aizawl revealed that while assessing four dealers²⁰, the Assessing Officers (AOs) determined the dealers' taxable purchase turnover at ₹ 7.88 crore as per waybills, dealer's return and 'c'-form *etc.* during the assessment years 2008-13 against the actual purchase turnover of ₹ 11.16 crore, which resulted in an under-assessment of purchase turnover by ₹ 3.28 crore.

²⁰ ACT, North Zone: one dealer (assessed in January 2012) ACT, Central Zone: three dealers (assessed between July 2013 and March 2014)

Against the under-assessed purchase turnover of ₹ 3.28 crore, ₹ 0.42 crore tax was leviable against the four dealers, which was not levied and recovered (September 2015).

The details of dealer-wise under-assessment of purchase turnover and tax to be levied during 2008-13 are as shown in **Appendix-4.7**. Besides, the dealers are also liable to pay penalty of ₹ 0.84 crore under Section 31(7)(b) of the Act.

While accepting the facts, the Commissioner of Taxes, Mizoram stated (March 2014) that the re-assessing process was already initiated in respect of one dealer (M/S L.Z. Agencies). However, the progress has not been intimated (September 2015).

The Government in its reply (November 2015) accepted the Audit observations in respect of four dealers and had taken the following action:

The dealers were re-assessed with a tax of ₹ 42.22 lakh and penalty of ₹ 0.60 lakh. However, ₹ 14.07 lakh as tax and ₹ 0.60 lakh as penalty was recovered from three dealers (M/s Central store: ₹ 2.93 lakh, M/s L.Z. Agencies : ₹ 10.74 lakh, including penalty of ₹ 0.60 lakh and M/s L.L Enterprise ₹ one lakh) as of January 2016. However, in respect of M/s Mana & Sons, reminder (20 April 2015) and show cause notice (8 September 2015) were for non-deposit of the balance tax. In spite of the above action the dealer had not complied and the case was referred to the Certificate Officer for registering in the Bakijai²¹ case as provided under Section 31(7)(b) of the Act.

The action of the Government was not acceptable in respect of -

- (i) M/s Mana & Sons on re-assessment for tax of ₹ 20.16 lakh for the year 2012-13, as the Assessing Officer had taken the value of purchase turnover as ₹ 148.18 lakh instead of ₹ 175.88 lakh (as noticed by Audit). Further, the re-assessment was made without levying any penalty as per the Act.
- (ii) M/s L.L. Enterprise, as the dealer was not penalised as per the Act. However, the recovery of the balance tax of ₹ 7.99 lakh and imposition of penalty is still awaited (February 2016).

TRANSPORT DEPARTMENT

4.16 Loss of Revenue

There was a loss of revenue of ₹ 19.76 lakh due to non-deposit of Authorisation (Plying) Permit Fee by the owners of the Inter State Maxi Cabs and All Mizoram Maxi Cabs.

As per the Notification (27 November 2006) of the State Transport Authority, Government of Mizoram – “All the Inter State Maxi Cabs (ISMCS) and All Mizoram Maxi Cabs (AMMCs) registered with the State Transport Authority (STA), Mizoram are required to pay yearly

²¹ Bakijai case is a case which referred to the certificate officer to recover the Government dues

Authorisation (Plying) Permit Fee (APPF), failing which a penalty will be levied by the STA, Mizoram”.

The STA, Mizoram fixed (27 November 2006) the APPF for ISMCs and AMMCs and its rates of penalty (*w.e.f.* 02 December 2005) in case of non-renewal as under:

(A)	APPF:	
(i)	ISMCs	₹ 1,500/- <i>per annum</i> and ₹ 2,000/- <i>per annum w.e.f.</i> 25 August 2009
(ii)	AMMCs	₹ 4,000/- <i>per annum</i>
(B)	Penalty for non-renewal of ISMCs and AMMCs:	
(i)	For each month upto three months	₹ 200/- <i>per month</i> subject to maximum of ₹ 500/-
(ii)	More than three months upto six months	₹ 200/- <i>per month</i> subject to maximum of ₹ 800/-
(iii)	More than six months	₹ 1,000/- <i>per year</i> and ₹ 200/- for every additional month

Scrutiny of the records (January 2014) of the Secretary, STA, Mizoram revealed that 21 ISMCs and 57 AMMCs were regularly plying on the routes without paying yearly APPF along with penalty for non-payment of yearly APPF. This resulted in an outstanding balance of APPF and penalty of ₹ 19.76 lakh during the period from January 2008 to November 2011 as shown in the Table-4.26 below:

Table-4.26

(₹ in lakh)

Sl. No.	Category of Vehicle	Period	Outstanding APPF	Penalty to be levied	Total outstanding
1.	ISMCs	26.01.2008 to 14.11.2011	13.26	1.48	14.74
2.	AMMCs	26.06.2008 to 14.11.2011	3.04	1.98	5.02
Total			16.30	3.46	19.76

Source: Departmental records

The details of vehicle-wise outstanding balances are shown in **Appendix-4.8 (a) and (b)**.

While accepting the facts, the Government stated (October 2015) that the APPF has not yet been recovered. However, the Department is trying its level best to recover the dues from the defaulters by serving notices and is also seeking help from the SP (Traffic).