

DEENDAYAL PORT TRUST

VIGILANCE DEPARTMENT

NO: KPC/4049-Vig/ 139

Date 07/07/2020

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CIRCULAR NO. 38

Sub : Recovery of Government dues – Royalty of quarried materials.

The CTE-CVC, New Delhi, during their inspections, of one of the contract works awarded by one of the departments, has observed that the contractor has quoted rates that are inclusive of payment of royalty to the government for the quarried materials used for the work and therefore the Port Trust is required to ensure that the royalty on materials used in the work has been duly paid by the contractor to the concerned authorities.

However, on insistence of CTE-CVC, the department could not provide any documents showing the payment of royalty by the contractor to the concerned authority. The existing condition regarding royalty is not binding on the contractor to produce any proof of payment made to the authority and the department merely assumes that the payments have been done if the concerned authorities do not reply to the department's letter which is not a fool proof method of ensuring payment of these dues.

CTE-CVC, has therefore not agreed to the present procedure and therefore to remove the possible flaw in the existing clause it needs to be replaced by the earlier provision which was more self-sufficient and is reproduced below:

"All royalties of materials, quarry fees, etc., payable by the contractor directly to the authorities concerned and rates tendered shall be deemed to be inclusive of all charges. Before claiming refund of Security Deposit the contractor shall produce 'No Dues Certificate' from the Geologist, Geology and Mining department, Bhuj."

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It is therefore advised that all this condition may be incorporated by replacing the existing one in all tenders wherever it is applicable. It is advised that all departments should follow the above suggested procedure in the on-going tenders also, before release of payments due to the contractor.

All HOD's are advised to take a serious note of the above and ensure that the necessary measures are followed in all the future as well as on-going tenders.



Chief Vigilance Officer

Secretary/T.M/D.C/FA & CAO/C.M.E/ C.E/ C.M.O/C.O.M

Copy to : 1. Sr. PS to Chairman for information of Chairman
2. PS to Dy. Chairman for information of Dy. Chairman