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27/08/10  
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Priority  
DEPARTMENT

GOVERNMENT OF ANDHRA PRADESH  
GENERAL ADMINISTRATION (VIGILANCE & ENFORCEMENT) DEPARTMENT

Date: 2.8.2010

Alert Note No.88 (930/V&E/E2/2009)

Sub :- General Administration (Vigilance & Enforcement) Department  
- Seigniorage charges on sand - Non recovery of penalty - Alert Note  
- Reg.

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23/8/10  
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The Vigilance & Enforcement Department has identified that one time penalty to be recovered from Contractors for their failure to submit valid permits for the sand consumed on the works is not being effected. During the course of inspection and verification of records of works, it is observed that normal seigniorage fee is being recovered by the Departments for the sand consumed in the works.

1.0 BACK GROUND :

Government vide G.O.Ms.No.84, dt.10.04.07 of Industries and Commerce (MI) Department has made amendments to rule 9 of A.P. Minor Mineral concession rules 1966 for sand policy. As per para 2 of the G.O. the sand consumed in all Government works by the Contractors, normal Seigniorage fee with one time penalty is to be recovered from the work bills by the consuming Department in case of procurement of sand is without valid permits issued by the concerned Assistant Director of Mines & Geology, (Copy of GO is annexed as Annexure-A1).

2.0 OBSERVATIONS :

1. During verification of records of some of the Engineering works selected at random taken up by R&B Department, Panchayat Raj Department, A.P. Industrial Infrastructure Corporation, I & CAD Department, it is observed that the agencies are procuring sand for the works without valid permits issued by the Asst. Director, Mines & Geology. As per the earlier procedures and instructions in vogue, the Departments are affecting recovery of normal seigniorage fee for sand from the bills of the Contractors. The works verified are:


- Want to  
13 Section
- a) Reconstruction of minor bridge @ KM 110/195, KM:127/750, KM:192/2-4, KM:197/6-8, KM:199/6-8 and KM:201/4-6 of National Highway-202 (R&B Dept).
  - b) Excavation of alternative canal from other side of Sathupalli town of Sathupalli (M) in Khammam District (I & CAD Department).
  - c) Providing C.C. roads in Industrial Workers Colony at IP Palvancha in Khammam District (A.P.I.I.C).
  - d) Road from NH-202 at Tadvaj to Kamalapur (via) Eturunagaram in Warangal District. (Panchayat Raj Department).
  - e) Investigation, design, estimation and execution of irrigation canals under Kinnerasani project, Yanambail (V) Palvancha (M) in Khammam District (I & CAD Department).

and interaction with officials of department agencies of the works revealed that neither the Departments nor aware of the G.O. which was issued on 10.04.07 due to which normal is being recovered from the Contractors resulting in loss of revenue Government. The Pay & Accounts Office has also not raised any objection issue. (Copies of statements of officers are enclosed as Statement-S1 & S2).

### 3.0 RECOMMENDATIONS :

The Principal Secretaries to Government, Transport, Roads & Building; Irrigation & Command Area Development, Panchayat Raj & Rural Development are requested to follow the Government Orders scrupulously and recover one time penalty on the sand consumed from the bills of contractors for their failure to submit valid permits.

Encls: Annexure-A1 & A2  
Statements-S1 & S2.



V. DINESH REDDY

DIRECTOR GENERAL (VIG. & ENFT.) &  
E.O. PRL. SECY. TO GOVT., G.A.D.

To

1. The Principal Secretary to Government, Panchayat Raj & Rural Development Department, A.P. Secretariat, Hyderabad. (w.e.)
2. The Principal Secretary to Government, Transport, Roads & Buildings Department, A.P. Secretariat, Hyderabad. (w.e.)
3. The Principal Secretary to Government, Irrigation & Command Area Development Department, A.P. Secretariat, Hyderabad. (w.e.)
4. All Principal Secretaries / Secretaries executing the Engineering works are also requested to follow the Government orders scrupulously.

Copy to :

The Regional Vigilance & Enforcement Officer  
Warangal, w.r.t. Lr.No. 24(1)/RVEO/Engg/WGL/2009, dt.27-7-09 & 9-2-2010.