



Government of Rajasthan
Office of Project Director
Rajasthan Urban Infrastructure Development Project

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F3(106)(02)(3) PMU- RUSDIP-BARAN-BRIDGE 299

Dated 8 .04.2013

Sub: Construction Management System - Circular - 73.

Ref: Earlier CMS circular no- 22, 44, 51, 67 and 68 for availing Excise/ custom duty exemptions under different packages of RUSDIP.

In continuation to the earlier issued Circulars & Guidelines, it is observed that financial closure of contracts are still not being attended by IPIUs in want of reconciliation of ECs.

A letter vide no. 7277-95 dated 17.06.2011 was issued by IPMU which provides complete methodology for issues related to EC for financial closure of the contracts. The same is reiterated as below:

"Sub:- Compliance of the condition of Essentiality Certificate and applicable procedure.

Department is issuing Essentiality Certificates for availing exemption in Excise Duty against quantity of particular item mentioned in EC. In such EC department is mentioning following details in specific manner:

- Name of project with name of station
- Name of contractor who shall procure that material
- Name of manufacturer from whom the material is to be procured with full address of place from where material will be dispatched
- Detail of material with language as per contract
- Validity period of EC

As per Excise Rules, it is the foremost responsibility of manufacturer to fulfill the obligations required as per law. Manufacturer is the key agency which has to keep the EC in safe custody and maintain the record of utilization of quantities mentioned in EC. It is the manufacturer who has to file the returns to Excise Department in which complete account of material dispatched with Excise Duty Exemption is given. It is the manufacturer who has to issue invoices to the contractor in which zero Excise Duty is clearly mentioned.

Apart from this, it is responsibility of contractor to ensure that manufacturer is keeping the EC under safe custody and maintaining the record properly. Contractor has to ensure in each running bill that all Excise Duty free invoices are submitted to department with the bill. Contractor himself shall keep such record in his office also. In case quantity expected to be consumed is less than quantity mentioned in EC, it is his duty to either stop further supply or in case full supply has already been taken then deposit back the material to manufacturer and take appropriate certificate of back receipt from manufacturer or if he is not in position to deposit the material back to manufacturer then deposit an amount equal to Excise Duty against excess quantity & submit the same to department with certificate from manufacturer.

In consideration to above, you are hereby directed to follow the procedure mentioned below so that during the execution and on the completion of the packages issues related to account of ECs are easily settled and payment of final bill is not delayed:-

1. EC shall be issued in phases for a particular manufacturer. For small quantity and specific items such as pumps, motors, screens, expansion joints etc., single EC can be issued, but for a particular manufacturer with his Excise Registration No. and Address on record. EE has to keep a

track of earlier quantity and requirement in future considering the procedural time so that excess quantity is not issued nor the work is held up due to non availability of EC with contractor.

2. With each and every running bill, EE shall check the invoices mentioning name of manufacturer and entry in invoices mentioning Excise Duty exempted. Record of all invoices shall be maintained by IPIU. IPIU shall also maintain record of EC and consumption with every running bill so that you are in position to assess further requirement of EC or finalization of account against particular EC. Utilization of quantity against EC should be compiled as the work progresses.
3. In case the utilized quantity is less than the quantity mentioned in EC, IPIU concerned should ensure that same has been recorded with the respective manufacturer and appropriate certificate to this effect shall be obtained in consideration to following:
 - a. In case, E.C. has not been fully utilized or the quantity mentioned has not been fully purchased by the contractor, a certificate from the manufacturer with the certified copy of the E.C. should be obtained to the effect that only so much quantity of material has been supplied. In case of nil supply against particular EC, contractor shall arrange to submit original EC to department and certify that EC stands cancelled.
 - b. In case particular quantity of the material has been purchased but it has not been fully consumed for the project, the unutilized material shall either be returned to the manufacturer and receipt voucher /inward gate pass shall be submitted to department or the Excise Duty shall be paid as per the prevailing rates and copy of challan along with the confirmation of the manufacturer shall be submitted to department.

Executive Engineer IPIU shall not withhold any amount against incomplete account of EC. In case, the compliances are not made as above, IPIU may withhold an amount equivalent to 25% of the cost of the item and not only the amount of Excise Duty amount. Simply withholding of Excise Duty may not motivate the contractor to take desired actions that are obligatory on his part and on part of manufacturer. These directions may be shared with the local management of contractor also."

The directions of this circular are compulsory be abided by all officials of IPMU, IPIUs and DSCs.

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(Dr. Prithvi, IAS)
Project Director
Dated : 8 .04.2013

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Copy to following for information and necessary action:

1. Addl. PD / FA/ Dy. PD (T)/ Dy. PD (Adm.)/ SE-I/ II / III, PO (all)/ Sr. AO / All APOs / AAO/ PA to PD PMU, RUIDP, Jaipur.
2. SE, RUIDP, Zone- Jaipur/ Jodhpur/ Kota
3. Executive Engineer IPIU, RUSDIP (Concerned), Alwar, Baran-Chhabra, Barmer, Bharatpur, Bundi, Chittorgarh, Churu, Dhaulpur, Jaisalmer, Jhalawar-Jhalrapatan, Karauli, Nagaur, Rajsamand, Sawai Madhopur and Sikar.
4. Team Leader IPMC/ Team Leader, DSC-I, Jaipur, DSC-II, Jodhpur, DSC-III, Kota, RUSDIP.
5. DSC-I, Alwar/ Dholpur/ Karauli/ Sawai Madhopur, DSC-II, Churu/ Jaisalmer/ Barmer/ Sikar and DSC-III, Chittorgarh/ / Rajsamand/ Bundi/ Baran, RUSDIP.
6. ACP, RUIDP, Jaipur to send by e-mail and put up the Guidelines on the website.


Dy. Project Director (T)