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Ref.: 116/J/2020-21 dated 20th June 2020

To,

The All Hon'ble Member of Parliament
(Lok Sabha & Rajya Sabha)

Sub: - Request from Construction Industry.

Respected Sir,

Regards and Greetings from Builders Association of India.

Builders' Association of India (BAI), Estd. in 1941, is the Apex Body of Indian Construction Industry, having about 20,000 Construction Companies as its Patron members directly through its 200 Centres spread throughout the country and more than 1,00,000 indirect membership through Regional Associations Affiliated to **BAI**. **BAI** acts as a bridge between the Government and Construction Industry on policy advocacy of the Government and contribute to the economic development of the country.

Construction industry is an important indicator of the development as it creates investment opportunities across various related Sectors/Industries. In the year 2019, India's Construction sector had a contribution of over 2.7 trillion Indian rupees to the Country's GDP and accountable around 60% of the total plan outlay. Construction industry is the second largest generation of employment to our people matching the Agriculture sector and employs potentially around 51 million workers. Construction industry has forward and backward linkage to more than 250 allied industries and any upward movement of construction industry would therefore naturally affect the fortune of these industries also and ultimately result economic growth of the whole country.

The Construction Industry provides large employment opportunities to the farmers during non agricultural operational period which labour force still remaining an unorganised sector and unaware of many welfare measures and concessions extended by our Government. We earnestly appeal your good self to recommend the Government to consider Construction Industry by extending relief measures in line with Agriculture Sector.

1. Please recommend for granting Industry Status to construction sector and constitute a separate Ministry exclusively for Construction Industry.
2. Cement and Steel being essential materials for Construction and Infrastructure, a Cement & Steel Regulatory Authority should be constituted to rein in unruly Manufacturers, who are indulging in Cartelization, with a purpose of profiteering. In this regard, we wish to inform that **Builders Association of India** filed a case in **Competition Commission of India (CCI)** in the

year 2010, against **Cement Manufacturers Association (CMA)** and 11 Cement manufacturing companies for controlling the supply and determine exorbitantly high price of cement by forming a Cartel. Based on an enquiry, **CCI** passed an order in the year 2016 and imposed penalty of INR 6317 Crores for using the platform provided by the CMA to fix cement prices as well as limit and control production of supply of Cement in the market.

3. The Construction industry in present scenario is not moving up and suffering more setbacks as all the projects are stalled due to the pandemic COVID-19 characterized by extreme uncertainty. All Builders and contractors should be compensated suitably as they are burdened with over-head costs towards administration and labour payments without any productivity.
4. Payment of all pending bills with Central and State Governments which were not cleared before ending of the financial year 2019-20 have to be released as early as possible.
5. The moratorium for repayment of principal and interest borrowed for machinery, business, housing etc. to be extended till 31/3/2021 and waiver of interest, therefore, should be granted.
6. Arbitration clause with escalation of price, extension of time to be included in both the Existing Government and Private Construction contract works and payment of disputed projects finalized in Arbitration should be released.
7. To provide housing for all and to increase the buying capacity of the Buyers, interest on housing loan should not exceed 5%.
8. Loans for Construction Industry should be treated at par with the Agriculture Sector and should be regulated accordingly.
9. To consider GST rate @ 5% for both the Infrastructure and Housing Projects.
10. The Government should come out with an Equitable Standard Contract Document, in line with FIDIC Contract Document, to be adopted by all Works Authorities, including private sector.
11. Government should introduce a transparent E-Tendering system, to be adopted by all Works Authorities and no Works Authority should be permitted to call for tenders to execute the work without proper budgetary allocation.

Sir, we shall be grateful if our above suggestions are suitably placed before the Government for their response with appropriate remedial measures.

Thanking you,

Yours faithfully,



Mu. Moahan
President
Builders' Association of India