



It may please be noted that presently we are allowed to work only 5 days in a week in some area with lockdown on Saturdays , Sundays and on other holidays full lock down is observed. No late hour work is allowed. Shops are not allowed to open on any day.

The procurement of materials was also difficult due to covid restrictions on movement of personnel and vehicles. Majority of our labours were depending on public transport which has been stopped completely, now partially resumed due to lock down curbs.

Machinery and other construction equipments had to be kept idle all along the lock down period, which had to be maintained at a very high cost to enable proper functioning of the same.

Without work, the skilled labours and technicians shifted their locations as we were unable to keep them in our payrolls. Workshops were not functional during this period. Due to these Interruptions, the progress of work suffered very badly.

Since the execution of works are getting extended indefinitely we are incurring losses due to the extension sought in Bank Guarantee, CAR insurance policy, Labor insurance, underutilization of men & machinery, supervisory staff , establishment costs, transportation cost and materials cost increase.

During this period the prices of all construction materials and labor cost increased abnormally. Cement price increased by 40%, Steel price went up by 70 % , , skilled and unskilled labor cost increased by 30%. Cost of PVC Pipes, Sanitary fittings, tiles, marble, bricks, aggregates, paint & hardware and all other materials used in construction increased by an average of 35% which were unforeseen and unplanned. Fuel which forms one of the main components, either directly or indirectly in construction activity, the price of which increased drastically affecting the cost in a major way.

There is a clause in contract condition Clause 10C ( I ) which has a provision to compensate the increase of Labor & Material costs if the hike is more than 10 % in comparison to the cost at time of submission of tender, provided the hike is due to direct result of any fresh law or statutory rule or order. The Government of India has considered the covid lock down period under force majeure and allowed for period extension for all the ongoing projects work. Hence this may please be made applicable to clause 10C ( I ) also and considered for price escalation.

Also works beyond 12 months period of completion only are eligible under clause 10C (II). We request that suitable compensation may be approved under clause 10C (II) for all works, time extended accordingly considering under covid lock down as force majeure clause by Ministry of Finance, Government of India.

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Impact of the covid pandemic and the ongoing restrictions, its fall out has devastated the construction industry totally with huge financial loss unbearable to the construction community. Any other remedial measures, for the losses suffered due to sudden stop of work, interruptions, manpower loss, transportation of men , materials, Machinery idling, Insurance, Bank & interest losses may be compensated as per department procedures, so that the impact due to lockdowns may be lessened to a certain extent.

Thanking you,

Yours faithfully,



**R. N. GUPTA**

**PRESIDENT**

**BUILDERS' ASSOCIATION OF INDIA**

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**Copy to:**

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