

SIXTY-SEVENTH REPORT

ESTIMATES COMMITTEE

(1983-84)

(SEVENTH LOK SABHA)

MINISTRY OF WORKS AND HOUSING—
CENTRAL PUBLIC WORKS DEPARTMENT

Action Taken by Government on the recommendations contained in the Fiftieth Report of Estimates Committee (Seventh Lok Sabha) on the Ministry of Works & Housing—C.P.W.D.



Presented to Lok Sabha on 18 April, 1984

LOK SABHA SECRETARIAT
NEW DELHI

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(1983-84)

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INTRODUCTION

1. The Chairman of the Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Sixty-seventh Report on action taken by Government on the recommendations contained in the Fiftieth Report of the Estimates Committee (Seventh Lok Sabha) on the Ministry of Works and Housing—Central Public Works Department.

2. The Fiftieth Report was presented to Lok Sabha on 28-4-1983. Government furnished their replies indicating action taken on the recommendations contained in that Report on 26 November, 1983 and 9 December, 1983. The replies were examined by Study Group of Estimates Committee on Action Taken Report at their sitting held on 6 April, 1984. The draft Report was adopted by the Committee on 10 April, 1984.

3. The Report has been divided into following Chapters:—

- (i) Report
- (ii) Recommendations/Observations that have been accepted by Government.
- (iii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies.
- (iv) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee.
- (v) Recommendations/Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in Fiftieth Report of Estimates Committee (Seventh Lok Sabha) is given in Appendix. It would be observed that out of 35 recommendations made in the Report, 23 recommendations i.e. about 65 per cent have been accepted by Government, and the Committee do not desire to pursue 2 recommendations i.e. about 6 per cent in view of Government's replies. Replies have not been accepted in respect of 8 recommendations i.e. about 23 per cent. Final replies of Government in respect of 2 recommendations i.e. about 6 per cent are still awaited.

NEW DELHI;
April, 12, 1984

Chaitra 23, 1906 (S).

BANSI LAL,
Chairman

Estimates Committee.

CHAPTER I

REPORT

1.1 This Report of the Estimates Committee deals with action taken by Government on the recommendations contained in their 50th Report (7th Lok Sabha) on the Ministry of Works and Housing—Central Public Works Department, which was presented to Lok Sabha on April, 28, 1983.

1.2 Action taken notes have been received in respect of all the 35 recommendations contained in the Report.

1.3 The Action taken notes on the recommendations of the Committee have been categorised as follows:—

(i) Recommendations/Observations which have been accepted by the Government:

2, 4, 6, 7, 9, 10, 11, 12, 15, 16, 17, 19, 21, 22, 24, 25;
26, 29, 30, 32, 33, 34, 35.

(Total 23—Chapter II)

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:

20, 28.

(Total 2—Chapter III)

(iii) Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee:

3, 5, 8, 13, 14, 18, 23, 27.

(Total 8—Chapter IV)

(iv) Recommendations/Observations in respect of which final replies of Government are still awaited:

1, 31

(Total 2—Chapter V)

1.4 The Committee will now deal with the action taken by Government on some of their recommendations.

*Delegation of Powers***(Recommendation Sl. No. 3—Para No. 1.24)**

1.5 The Committee had in paragraph 1.24 of their Report made the following recommendation about the need to evolve a system of periodic review of delegation of powers in C.P.W.D. to bring it in tune with changing conditions:

“The Committee are surprised to find that there is no system of periodic review of delgation of Powers to bring it in tune with the changing conditions. In several respects powers delegated in the fifties and sixties have remained unchanged. As promised by the Secretary, Ministry of Works and Housing there should be a periodic review, say once in 5 years, in future having regard to escalation of prices and other relevant factors. The Committee would suggest that the first exercise of this kind should start forthwith and the powers redelegated realistically and meaningfully under intimation to the Committee.”

1.6 In their reply (November, 1983), the Ministry have stated as follows:—

“The matter regarding delegation of enhanced powers is reviewed by the Ministry of Works and Housing from time to time, if felt necessary. On the last review, enhanced powers were delegated to the officers of CPWD to the extent of 50 per cent during 1980-81 and June, 1983. The powers stated to have remained unchanged are those where either the Ministry or the D.G. (W) did not consider it necessary for enhancing the powers already delegated to the C.P.W.D. Officers.”

1.7. From the reply of the Ministry, it is evident that the recommendation of the Committee has not been properly considered by them. The Committee had recommended that having regard to the escalation of prices and other relevant factors, it is desirable that there should be a system of periodical review, say after once in 5 years, of the delegation of powers. This recommenadtion of the Committee was made on the basis of facts brought to their notice that delegation of powers in certain respects were made as far back as 1956 and a few examples thereof were mentioned in Paragraph 1.22 of the original Report. In reply, the Ministry have merely stated the existing position namely that this matter was reviewed by the Ministry “from time to time, if felt necessary”. The Committee reiterate the recommendation and desire the Ministry of Works & Housing to reconsider the same.

*Cadre-Review***(Recommendation Sl. No. 5 para 1.39)**

1.8 The Committee had noted with great concern in paragraph 1.39 of their Report about the delay in Cadre Review of various categories of officers and the Central Public Works Departments despite the recommendations of the Third Pay Commission made in 1973, as follows:

"The Committee are distressed to note that despite the recommendations of the Third Pay Commission (1973) that there should be a Cadre Review of all the Departments every three years, the CPWD has not completed even a single Cadre Review so far. There is stagnation of Engineers at all levels and a large number of them are awaiting Promotion having fulfilled the eligibility criteria. This position is not conducive to the efficient functioning of the Department. It is unfortunate that the Cadre Review has not been approached with a sense of urgency that it deserved. The Committee have however been assured that in the case of JEs, as high level Committee headed by DG(W) has been set up and it is expected to report "is a couple of months" and that in the case of Class I posts "the process has reached final stages and it is expected that in the next three months some view will be taken." The Committee desire that the Cadre Review in respect of all the categories of technical staff in CPWD should be completed and necessary follow up action taken within six months. The Committee trust that the cadre review would help in relieving the stagnation in the Department. The Committee suggest that a person should get at least three promotions in his career. They would await the outcome."

1.9 The Ministry in their Action Taken reply (November, 1983) have stated as under:—

"The cadre review proposals in respect of the Central Engineering Service Group 'A' and the Central Electrical and Mechanical Engineering Service Group 'A' are under active consideration in this Ministry.* It is expected that the cadre review proposals for both these Services would be finalised in about two or three months time."

* At the time of factual Verification of the draft Action Taken Report, dated 10-4-84 the Ministry of Works & Housing have informed the Committee about the latest position in respect of Cadre Review as follows:—

"The Cadre Review proposal have been forwarded by the Ministry to the Department of Personnel & Administrative Reforms".

1.10 As regards JEs (both Civil and Electrical) the recommendation of the Expert Committee have been considered in consultation with the Department of Personnel and Administrative Reforms and Ministry of Finance (Department of Expenditure) who have suggested that this issue may be referred to the 4th Pay Commission, as it involves revision of their pay structure.

1.11 The Committee do not see any justification in putting off the "cadre review" in respect of junior engineers by referring the issue to the 4th Pay Commission. The Committee would like to point out that the "cadre review" has little to do with the revision of pay-scales and conditions of service of the junior engineers, which are likely to be the primary concern of the Pay Commission. They therefore desire that the Ministry of Works and Housing should complete the process of cadre review in respect of junior engineers (both Civil and Electrical) in consultation with the department of Personnel and Administrative Reforms and the Ministry of Finance (Deptt. of Expenditure) as soon as possible.

Targets and Achievements during 1974-75 to 1979-80

(Recommendation Sl. No. 8, para No. 2.8)

1.12 The Committee had in paragraph 2.8 of their 50th Report, made the following observation/recommendation about the absence of the system of fixing targets and the physical performance of the Central Public Works Department projects without which it was very difficult to make a realistic assessment of their performance:—

"The system of fixing targets and the physical performance of the C.P.W.D. leave much to be desired. The Committee note that no physical targets were laid down for the years 1974-75 and 1975-76 for residential accommodation and for the year 1974-75 to 1978-79 for office accommodation. The Committee would like to stress that in future the physical targets should be laid down for each activity of the Department and the achievements as well as the reasons for the shortfall should be clearly brought out in the Annual Reports of the Ministry."

1.13 In their reply (November, 1983) the Ministry have stated as follows:—

"The system of fixing targets and physical performance in the CPWD can be achieved when Management Information

System (MIS) is fully introduced in the department. At present it is being implemented only in one zone of CPWD.

One of the specific objectives of the above system is "Periodical review and monitoring of physical and financial progress of projects against predetermined targets at all stages of execution.

During planning as well as during execution of Major projects, reasons for delay and corrective action taken/proposed are also reported periodically for attention at the top management level for necessary assistance whenever required to minimise shortfalls."

1.14. The Committee feel that fixation of performance targets and execution of works according to the time-bound programme should be a normal process of working of the CPWD and the absence of the system cannot be justified on the grounds that Management Information System has not been fully introduced in the CPWD. The Committee reiterate that the system of fixation of annual targets of performance, which is at present being observed in CPWD in an ad hoc and erratic manner, should now on be observed on a regular basis and the performance periodically monitored with reference to the targets fixed. Further, as already recommended earlier, achievements in relation to physical targets laid down and the reasons for shortfall, if any, should be clearly brought out in the Annual Report of the Ministry.

Delay in According Administrative Approval and Expenditure Sanction

(Recommendation Sl. No. 13-14 para 3.18, 3.19)

1.15 Pointing out inordinate delays in according administrative approvals, expenditure and technical sanctions in respect of projects included in the Budget estimates of the Ministry of Works & Housing, the Committee had, in paras 3.18 and 3.19, observed as follows:—

"The Committee note with concern that admittedly in some cases just project ideas are included in the Budget Estimates of the CPWD and the administrative approval, expenditure sanction and technical sanction get delayed with the result the funds are surrendered at the end of the year. The Ministry, however, is not in a position to state the percentage of such cases where the projects were included in the Budget prematurely; nor is the Ministry able to indicate the average time taken to complete all the formalities in such cases. Further, the Ministry is

of the view that it will not be practical to fix the time limit to ensure prompt completion of the formalities so that the works could start without avoidable delay. The Committee are unable to agree with the Ministry. They would require the Ministry to undertake a case study of at least a few cases and then evolve a time table for the various processes in consultation with the Ministry of Finance and other administrative Ministries,

The Committee recommend that a work should be included in the budget estimates of the Central Public Works Department only after the administrative approval and expenditure sanction. This would enable better project planning and execution of work in accordance therewith."

1.16 In Action taken reply furnished to the Committee in November 1983, the Ministry of Works & Housing have stated as follows:—

"As already stated in the evidence tendered before the Committee, the works undertaken by the CPWD fall under two categories—Plan Works and Non-Plan Works. Both categories comprise not only works pertaining to the Ministry of Works & Housing but also those of other Departments of the Central Government whose civil works are looked after by the CPWD.

In the case of Plan Works, the requirements are projected by the Administrative Departments concerned to the Planning Commission and this Ministry does not come into the picture. After the Planning Commission have finalised the allocations in consultation with the concerned Departments, they in-turn communicate to this Ministry the works components of these approved outlays. At this stage, we are hardly left with two or three days as the budget documents have to be sent according to a strict time table. It is, therefore, not possible for this Ministry to exercise any pre-budget scrutiny and the allocations are included as they are in the budget grants pertaining to this Ministry, so as to tally with the figures of plan outlays communicated by the Departments to the Ministry of Finance. It would, therefore, be seen that there is no occasion for this Ministry to check whether administrative sanctions have been issued by the Departments or not. In cases where such administrative approvals have not been issued at the time of communicating allocations and in case the sanctions are not issued by the Departments during the course of the year for whatever reasons,

it follows that the provisions made will lapse to that extent.

It may, however, be added that the building works are only one of the component of plan schemes and may not therefore be discussed as new project ideas, since the Planning Commission agrees to allocate outlays only in respect of schemes ripe for such inclusion. Moreover, the provision for building works in the first year is seldom more than 10 to 15 per cent of this cost.

So far as the provision on the Non-plan side is concerned, this Ministry invites New Works proposals from the Departments well in advance and these are to be received by 30th of November in this Ministry. This Ministry exercises adequate pre-budget scrutiny and includes mainly those items for which administrative sanctions have been issued. However, it may not be possible to impose a blanket ban by not including any new proposal for which expenditure sanction has not been issued. Token provision is necessary in some cases such as, proposals for purchase of land which are in advanced stage of discussion between the Department and the Urban Development Authority/Housing Board etc. In such cases, payments are often required to be made within a month of allotment of land so as not to attract heavy penal interest. In the absence of even a token provision it will be necessary to seek an advance from the Contingency Fund or a Supplementary Demand even for small proposals attracting 'New Services'.

It is, however, submitted that the provisions being made in the CPWD grants on account of works for which expenditure sanctions have not been issued, are invariably kept to the minimum or token levels and form only a very small percentage of the total grant. Savings/surrenders from the grant at the end of the year are not contributed by this factor to any significant extent as they arise mostly on account of several contractual on other problems which crop up during execution of works."

1.17 The Committee would recall that the recommendations contained in Paragraphs 3.18 and 3.19 of the Original Report were based on the observation of the Committee from the preliminary material furnished to them by the Ministry that in a large number of cases of shortfalls of expenditure against the budget estimates for 1981-82 the reason indicated was "non-receipt of administrative approval and

expenditure sanction." The Committee are unable to agree with the Ministry of Works and Housing that it is not possible for them to exercise any pre-budget scrutiny in respect of plan works after the allocations as finalised by the Planning Commission are intimated to them and therefore the allocations are included in the budget of the Ministry of Works & Housing "as they are". The Committee would like the Ministry to devise procedures in consultation with the Planning Commission to ensure that the projects are included in the budget of the Ministry only when there is a reasonable possibility of the expenditure being incurred during the financial year. The Committee had in their recommendation also suggested that the Ministry should undertake a case study of at least a few cases and then evolve a time table for various processes such as grant of expenditure sanction, administrative approval, technical sanction etc., in consultation with the Ministry of Finance and other administrative ministries. The reply of the Ministry is silent on this point. The Committee therefore reiterate the recommendation contained in Paragraphs 3.18 and 3.19 of their Original Report.

Award of Works to Enlisted Contractors

(Recommendation Sl. No. 18, para No. 3.37)

1.18 Pointing out the defects in the existing system to ensure award of works to only approved contractors, the Committee had, in paragraph 3.37 of their Original Report, recommended as follows:—

"Apart from the contractors approved and enlisted by the CPWD, the contractors who are registered with the P&T, State PWDs, Railways, MES etc. are also eligible to take up works in the CPWD. The CPWD or the Ministry is however not maintaining an up-to-date list of contractors registered with organisations other than CPWD and works are awarded to such contractors on the basis of registration papers shown at the time of submitting tenders and it is left to the officer issuing the tenders to ensure that their registration is current. This does not appear to be a fool-proof system of ensuring that only approved and enlisted contractors are awarded work in the CPWD. The Committee would like the Ministry of Works & Housing and the CPWD to review the existing procedures so as to leave no scope for any malpractice."

1.19 In their action taken reply (Nov. 1983) the Ministry of Works and Housing have stated as follows:—

"It would be difficult to maintain a list/register of contractors enlisted with departments other than CPWD at all the formations. However, para 7 of section 18 of CPWD

Manual, Vol. II provides that whenever a tender is issued to a contractor listed with another Department a reference should simultaneously be made to that Department for ascertaining technical capability and financial resources of the contractors and this information should be available with the tender accepting authority while taking a decision. This provision of the rules takes adequate care to avoid any scope of malpractice. A uniform procedure in this regard has also been formulated and circulated to Departmental officers *vide* circular No. CE/CON/692 dated 24-4-79."

1.20. The Committee feel that it should not be difficult for the CPWD to maintain an up-to-date list of contractors registered with them as well as with organisations other than CPWD by making use of data processing machines and computers. The Committee therefore reiterate the recommendation.

Arbitration

(Recommendation Sl. No. 23 para No. 3.63)

1.21 Regarding settlement of disputes between the contractor and the C.P.W.D., the Committee in para 3.63 had recommended in their Report that:—

"The Committee find merit in the argument advanced before them that a contractor whose dispute was being referred for arbitration should also have a say in the appointment of the arbitrator. Despite the views of the Ministry that the system is "found to be functioning very satisfactorily" the Committee desire that the question should be examined in consultation with the Ministry of Law. The desirability of associating judicial officers with arbitration of major disputes may also be examined in this connection."

1.22 The Ministry in their Action Taken reply (November, 1983) have stated as follows:—

"The recommendation of the Estimates Committee has been examined in detail in consultation with the Ministry of Law, Justice and Company Affairs.

It is found that the present system of appointment of arbitrators is functioning satisfactorily. The appointment of regular arbitrator from a panel of 3 arbitrators drawn up by this Ministry has ensured speedy disposal and development of expertise. The award announced by arbitrator is challengeable in a court of law, and so far there has been

hardly any occasion that the courts of law have had to comment about the inadequacy of the system.

Accepting an arbitrator on the basis of the recommendations of contractors would not ensure any more impartiality than is displayed at present. Nor would it be right to say that it would ensure that awards are given faster. Appointment of regular Government servant ensures a quick disposal since he is expected to devote his regular working hours to arbitration work. An outside arbitrator may not be able to devote the same amount of time. Further more, when a Government servant acts as an arbitrator he would be acting in accordance with the law and exercising his own judicial discretion while giving awards. The existing system, therefore, does not call for any change."

1.23. The Committee do not share the view of the Ministry that "the present system of appointment of Arbitrators is quite satisfactory". The very fact that the contractors have represented to the Committee against the present system shows that it does not carry favour with them, it seems to the Committee only fair that the Arbitration system should be such as to instill a sense of confidence in both the parties to the dispute.

Quality of Cement

(Recommendation Sl. No. 27 para 4.38)

1.24 Nothing with great concern that Ordinary Portland Cement was not available to the general public adequately, as the cement factories were concentrating on the production of Pozzolana Portland cement, the Committee had, in paragraph, 4.38 of their Original Report, recommended as follows:—

"At present the Industrial Licences issued to the Cement factories do not indicate the kind of cement that the factory is licensed to manufacture, with the result that the factories are concentrating on manufacturing Pozzolana Portland Cement the production cost of which is much less than that of the Ordinary Portland Cement or other superior varieties, because of larger proportion of cheaper ingredients used in the manufacturing process. With an insignificant price differential the profit margin on the pozzolana cement is indeed huge. The position, therefore, is that the Ordinary Portland Cement is scarcely available to the general public. The Committee would like the Ministry of Industry to review the Industrial Licences issued to the cement factories and endorse on them the

quantities of different kinds of cement each factory is authorised to manufacture. In making this endorsement, it should be ensured that a substantial quantity of cement to be manufactured should be the ordinary portland cement."

1.25. In their action taken note (November, 1963) the Ministry have stated as follows:—

"Industrial licences for manufacture of cement are issued in terms of the provisions of Industries (Development & Regulation) Act, 1951 and the Registration and Licensing of Industrial Undertaking Rules, 1952. The item for which entrepreneurs are granted IL in this regard is for 'Portland Cement' which figures at S. No. 35 (1) of the First Schedule of the I(D&R) Act, 1951 referred to above. This expression namely Portland cement in the IL enables the Cement producers to manufacture any variety of Portland Cement within the statutory provisions referred to above. The three popular varieties of cement which are produced under this authorisation are Ordinary Portland Cement (OPC), Portland Slag Cement (PSC) and Portland Pozzolana (PPC).

The directions of the Estimates Committee to review the ILs issued to the cement factories with a view to endorsing on them the quantities of different kinds of cement which the factory is authorised to manufacture was examined with reference to the legal provisions contained in the I(D&R) Act referred to above. Section 12(2) and the provision thereunder of the said act stipulated that the Central Government cannot vary or amend any industrial licence unilaterally if the undertaking concerned has taken effective steps in accordance with the licence issued in favour of them. This implies that if an amendment is to be made, it has to be with the concurrence of the licensee. In view of this legal constraint, it is difficult to unilaterally amend the industrial licence issued in favour of the parties who have already taken effective steps to establish the cement plant or those who have already commenced commercial production. However a proposal to amend the I(D&R) Act, 1951 is under consideration in this Ministry. In the proposal for amendment it is proposed to provide that the Government may call for the IL and impose appropriate condition etc. on the same. This

would however, be done after giving an opportunity to the affected party to state its case.

In this connection it may be stated that there are certain definite advantages to the country in encouraging manufacture of PPC as also PSC in as much as it augments availability of cement in the country and utilise the waste products such as fly ash and slag which would otherwise pose environmental problems. There has also been energy conservation to a certain extent in manufacture of PPC in as much as it consumes less power as compared to other two varieties of cement namely OPC and PSC. It is also pointed out that in regard to production of OPC and other varieties of cement there are specific Indian Standards which prescribe certain physical and chemical specification for the manufacture of different varieties of cement. If these specifications are scrupulously maintained, there could be no danger to the structures built with these varieties of cement. The danger, however, lies in the cement not being manufactured according to these specifications. To prevent the malpractice of manufacturing sub-standard cement, Cement Quality Control Order, 1962 was amended on 3-6-1983 whereby ISI Certification has been made compulsory in respect of cement industry.

However, a number of Central Government Deptts. as well as State Govts. have been requesting that they have not been in a position to obtain adequate supplies of OPC. This request was considered by the Government and it was decided that cement manufacturers should make available 30 per cent of the quantity of their levy commitment in OPC. Instructions were accordingly issued in June, 1982 by the Cement Controller to all the cement producers."

1.26. Ministry of Industry have admitted that a number of Central Government Departments as well as State Governments have been pointing out that they have not been in a position to obtain adequate supply of OPC in pursuance whereof Government have decided that cement manufacturers should make available 30 per cent of the quantity of their levy commitment in OPC. Nothing has however been done to augment the supplies of OPC to the general public. In view of the consumers' preference for OPC as against PPC and also of the fact that OPC is scarcely available in the market because of deliberate diversion by the cement factories of their production

capacity to production of PPC, the Committee would like the Ministry of Industry to devise ways and means to enhance the availability of OPC in the market for consumption by the general public.

Certification of Cement by the ISI

(Recommendation Sl. No. 30 para 4.41)

1.27. The Committee had gone into the complaints made to it about the misuse of ISI certification mark on the cement bags available in the market and *vide* para 4.41 in their report, recommended as follows:—

“Complaints have been made to the Committee about cement bearing the ISI certification mark having been found to be of sub-standard mark so that the faith of the general public in the certification purpose of checking whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used. It, however, appears that the system is not working well. The Committee recommends that the ISI should strengthen its inspection machinery and be more energetic in dealing with infringements of the conditions for the use of the ISI certification marks, so that the faith of the general public in the certification mark of the ISI is not eroded.”

1.28 The Ministry in their action taken reply (November 1983) have stated as under:—

“It is noted that complaints had been made to the committee about cement bearing ISI Certification Mark having been found to be sub-standard. However, no specific complaint had been made to ISI in this regard for investigation. ISI had a detailed procedure for investigation of complaints of sub-standard material bearing ISI mark. A note on procedure for dealing with complaints is attached at Annexure I.

Under cement (Quality Control Order, 1982, prevalent till 30 June, 1983, cement was required to conform to Indian Standards. The ISI Certification Mark has been made obligatory *vide* Cement (Quality Control) Amendment Order 1983 dated 3 June, 1983. A copy of the circular issued in this regard is at Annexure II. As on 31st Octo-

ber, 1983, ISI has granted 143 licences for different varieties of cement to 82 cement manufacturing units.

A few complaints have been received after the introduction of Compulsory ISI Certification Marks Scheme and these are being investigated to establish genuineness of the complaint with regard to ISI marked cement for necessary investigation as per the procedure.

Regarding recommendation of the Committee that ISI should strengthen its inspection machinery and the more energetic in dealing with infringements of the conditions for the use of ISI Certification Mark, it may be mentioned here that it is necessary to have additional powers for ISI inspectors for conducting raids under police protection and seize such goods. Presently the inspectors are not in a position to deal with the situation effectively. As soon as the power is given to the Institution, it would be possible for the inspectors to deal with such infringements."

1.29. The Committee would like steps to be taken speedily for the ISI inspectors being invested with additional powers for conducting raids under police protection and seize sub-standard goods.

Implementation of recommendations

1.30. The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendations accepted by Government. They would, therefore, urge that Government should keep a close watch so as to ensure expeditious implementation of the recommendations accepted by them. In case where it is not possible to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

1.31. The Committee also desire that final replies in respect of the recommendations contained in Chapter V of this report may be furnished to the Committee expeditiously.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Sl. No. 2 para No. 1.21)

The Committee note that the Central Works Advisory Board is required to communicate its decision in ten days time from the date it receives the tender papers. The Committee would like the Ministry to ensure that the Advisory Board observes the prescribed time limit in actual practice so that there is no cause for complaint of delay in the award of work. The performance of the Board in this regard should be monitored for review by the Secretary, Ministry of Works and Housing periodically.

Reply of Government

The recommendation has been noted. The Management Committee of the C.P.W.D. under the Chairmanship of Secretary, Ministry of Works and Housing will review the performance of the Central Works Board periodically.

[Ministry of W&H O.M. No. 15011|1|82-W3, dated Nov. 25, 1983]

Recommendation (Sl. No. 4 para No. 1.31)

The Committee feel, that the consultancy services wing of the CPWD set up recently in 1977 has a vast potential to develop. The CPWD has the expertise in building and road construction and it would handle planning, designing and construction of townships and office/factory buildings for Public Undertakings and other autonomous bodies controlled and/or financed by Government. It could even be made obligatory for them to entrust the work to the CPWD. The Committee therefore desire that this question should be examined by the Ministry of Finance and BPE in consultation with the Ministry of Works and Housing. In the meantime the Consultancy Service Wing of the CPWD should be gradually strengthened and expanded. The competence and capacity of the Consultancy Wing of the CPWD to undertake works for public undertakings and other autonomous bodies should be suitably publicised widely. The wing should at least be able to break even, which should be ensured by keeping proforma commercial accounts of its transactions in consultation with the Comptroller and Auditor General of India.

Reply of Government

This Ministry is in agreement with the views of the Estimates Committee that the projects for planning and construction of townships and office/factory buildings for Public Undertakings and other autonomous bodies financed by Government should be entrusted to CPWD. The Bureau of Public Enterprises have already issued a circular No. 156-ADV(C)|CIE-30|68, dated 22-1-68 advising all the Ministries & Depts. of the Government of India categorically that all Public Sector Undertakings should entrust their civil construction works to CPWD.

2. In so far as the publicising the activities of the Consultancy Wing of CPWD is concerned, this Ministry is examining delegating full powers to DG (W), CPWD for publicising the activities of the Consultancy Wing through advertising in Press|Publications, arrangement of Seminars, symposiums etc.

[Ministry of W&H O.M. No. 15011|1|82-W3, dated Nov. 25, 1983]

Recommendation (Sl. No. 6 para 1.46)

The Engineers of the CPWD have not been confirmed in higher posts for a long time which in some cases has been more than 20 years. The Ministry has, however, explained that the main reason for non-confirmation was the disputes regarding seniority inter se of engineers of various categories which have remained under adjudication by Courts for substantial period of time. The Committee hope that the Ministry would take immediate steps for confirming eligible officers of those categories in respect of which Courts have given final decisions. In regard to categories in respect of which cases are still pending in Courts, the Committee would like the Ministry to iron out the differences and settle the matter out of Courts in the interest of expeditious confirmation of officers. The Committee also desire that the recruitment and condition of service rule wherever pending should be notified and the seniority lists finalised without delay.

Reply of Government

The confirmation in the grade of Assistant Engineers had been held up for a considerably long time due to Court cases involving dispute in seniority. Rules regulating the seniority of Assistant Engineers have since been notified and the preparation of seniority list of Assistant Engineers on the basis of the Rules notified recently has also been taken up and considerable progress achieved. It is expected that confirmation in the grade of Assistant Engineers will be taken up shortly and finalised.

The seniority of Executive Engineers is under dispute through a petition in the Supreme Court and this case has not yet been finally

settled. There is no delay in the cases of confirmation in the grades of Superintending Engineer and above.

[Ministry of Works & Housing O.M. No. 15011|1|82-W.3
dt. 9-12-83]

Recommendation Serial No. 7 para No. 1.59)

The training facilities available in the CPWD do not seem to be adequate. At present, though the need for induction training to the newly recruited Junior Engineers is recognised, no such training is imparted. A foundational training course introduced recently covers about 300 Junior Engineers against 600 recruited every year. Thus there is huge backlog to be covered. Further the Deputy Architects who are directly recruited through the UPSC do not receive any induction training. The Committee desire that the training facilities and programmes should be critically reviewed and in the light of the need suitably augmented and reoriented. The backlog of training of Engineering|Architectural personnel should be covered by suitable crash programme. In this connection, the Committee would also recommend that a well equipped training Institution for the CPWD should be set up at a suitable place as early as possible and adequate funds for this purpose should be allocated at least in the Seventh Five Year Plan.

Action Taken Note

The foundational training (which is the same as induction training) is being imparted to Junior Engineers of CPWD from 1973. Serious efforts are being made to cover all the newly recruited Junior Engineers within a period of two years after joining. Deputy Architects recruited through UPSC are imparted training along with Group 'A' officers of Electrical & Civil Wings.

Setting up of Training Institute in CPWD was approved by the Planning Commission on 4th October, 1980 on the clear understanding that it will be located outside Delhi. Intensive efforts are being made to find suitable accommodation in the areas adjacent to Delhi (like Gaziabad and Faridabad) to house the Training Institute. A full fledged proposal for an adequate training facility will be incorporated in the 7th Five Year Plan of this Ministry.

[Ministry of Works & Housing O.M. No. 15011|1|82-W.3
dt. 9-12-83]

Recommendation (Sl. No. 9 para No. 2.9)

The physical achievements both in respect of houses and office accommodation have almost consistently fallen considerably below targets during the period 1976—82 and 1979—82 respectively, the targets and achievements being 27,979 Nos., and 16,187 Nos. for

houses and 1,30,000 Sq. M. and 1,01,765 Sq. M. for office accommodation. The Committee desire that the Ministry of Works and Housing should examine the inadequacies of the CPWD in regard to achieving the targets and take suitable measures so that in future such significant shortfalls may not occur.

Reply of Government

The physical targets for each year are prepared in relation to the annual plan outlay for the 'general pool' residential and office accommodation. The reasons for non-achievement of physical targets are mainly as under:—

- (i) There are shortages of essential building materials like cement and steel, normally supplied by the concerned departments. In order to over-come this, powers have now been delegated to Chief Engineers of CPWD to meet the shortages by procuring these materials from the open market. Shortages of other building materials also occur from time to time. Although it is the responsibility of the contractors to arrange for these materials, their shortages in the open market adversely affect progress of the work.
- (ii) In many cases, procurement of materials and machineries have to be arranged through DGS&D for items like lifts, sub-station equipment, etc., which normally takes time.
- (iii) Rapid inflation in the cost of construction is also responsible for delay. Contractors find that rise in prices of building materials from the rates envisaged in the contract make them a non-profitable proposition while works are in progress. The works are, therefore, sometimes abandoned. The introduction of the new escalation clause in contracts is expected to over-come this difficulty to at least a certain extent.
- (iv) Even when the buildings are fully constructed by the CPWD they cannot be put to use because of the non-availability of services like water & electricity, which are to be provided by the local bodies. They cannot, therefore, be treated as completed.

In the recent past, there have been undue delay in the achievement of physical targets by CPWD. The targets for the 6th Plan both in respect of residential and office accommodation will be substantially achieved.

[Ministry of Works & Housing O.M. No. 15011|1|82-W.3
dt. 9-12-83]

Recommendation (Sl. No. 10, Para No. 2.10)

The Committee note that for the 6th Plan period (1980—85) the total financial outlay for the General Pool Works (residential accommodation) is Rs. 112.70 crores while the physical target was to construct 26615 quarters during the Plan period. As against these financial and physical targets the actual achievement during the first two years of the Plan period is an expenditure of Rs. 46.18 crores and 8846 houses actually constructed. The reasons for slow progress in construction is stated to have been due to non-availability of essential building materials like cement and bricks and steep escalation of prices compelling the contractor to abandon work. The Committee have, however, been assured by the representative of the Ministry that the CPWD expects to complete the plan targets, though the overall cost of construction would be about 15 per cent more. The Committee would like the Ministry of Works and Housing to make concerted efforts to remove the impediments coming in the way of orderly progress of work and see that the targets of construction laid down for the 6th Five Year Plan period are achieved with minimum cost over-runs.

Reply of Government

Targets for Sixth Five Year Plan are expected to be achieved with minimum cost over-runs.

[Ministry of W & H O.M. No. 15011/1/82-W3,
• dated November 25, 1983]

Recommendation (Sl. No. 11, Para No. 3.5)

The Committee were informed by the Secretary, Works and Housing in evidence that an upward revision of work-load norms for Civil and Electrical Divisions of the CPWD fixed in 1978 is 'actively under consideration and in the near future a decision will be taken'. The Committee also learn that the CPWD have represented to the Ministry of Works and Housing that the work-load norms should not be increased without a proper work study by an Expert Body like Indian Institute of Public Administration or National Productivity Council instead of the Staff Inspection Unit of the Ministry of Finance. The Committee desire that the question of work load norms for the Divisions of the CPWD should be got examined early for suitable upward revision. The Committee further recommended that in future an exercise of this kind should be undertaken at five-yearly intervals as in the case of delegation of financial powers.

Action taken Notes

A Committee has been set up under the Chairmanship of Additional Secretary (Administrative Reforms) by the Administrative Reforms Wing with the assistance of officers of the CPWD and the Ministry of Works and Housing to examine the work-load norms for the Civil and Electrical Divisions of the CPWD. The recommendations of the Committee to revise work-load norms at five-yearly intervals have been accepted.

[Ministry of W & H O.M. No. 15011/1/82-W3,
dated December 9, 1983]

Recommendation (Sl. No. 12, Para No. 3.9)

The Committee find from the details of projects costing more than Rs. 2 crores furnished to the Committee by the Ministry of Works and Housing that in the case of almost all such projects there were time overruns ranging from 1 year to 7½ years, involving also cost overruns to the extent of, in certain cases, nearly 300 per cent of the original estimates. The main reason adduced for the delay in the execution of works is the rise in the cost of material and labour at a phenomenal rate. The Committee hope that with the steps taken by the Ministry of Works and Housing such as introduction of level jumping in the matter of processing of tenders, proposal for revision of price escalation clause in the contract and empowering the CPWD officers to accept tenders without waiting for revised sanction from the Client Department, would facilitate speedy progress of works and their completion according to time targets. They would however emphasise the need for constant monitoring of atleast major works and taking prompt remedial action to ensure timely completion of works without unjustified escalation of cost. This review should be at the level of Secretary, Ministry of Works and Housing.

Reply of Government

It has since been decided to introduce EMIS in all the Zones of CPWD. Therefore, on its implementation, the desired effect of the Committee's recommendations is expected to be achieved in due course of time.

[Ministry of W & H O.M. No. 15011/1/82-W3,
dated November 25, 1983]

Recommendation (Sl. No. 15, Para No. 3.20)

The Committee are unable to appreciate the reasons indicated for rush of expenditure on works during the last few months of the

financial year. They would like the Ministry of Works and Housing and the CPWD to give a serious thought to this problem and devise ways and means for an even spread of the expenditure throughout the financial year. This would make for better expenditure control.

Reply of Government

Absolute evenness in spreading of expenditure throughout the year may be difficult to achieve due to several factors. For instance, there is scarcity of labour during the first quarter of the year due to harvesting season. Monsoon also creates impediment in the progress of work during the second quarter of the financial year. Maintenance works are also mostly taken up after the monsoon. The main working season starts from September and ends with the end of the financial year.

Again, according to the PWD system of accounting, departmental charges ranging between 10 per cent and 17.25 per cent (average 12 per cent) are to be adjusted at the end of the financial year. Similarly, stores transactions booked in March are of two months i.e. stores issued during February and March. This is generally 5 per cent over and above the proportionate expenditure. Even if the progress of works and expenditure are absolutely evenly spread out during the whole year, the expenditure booked in the last quarter would be 12 plus 5 equal to 17 per cent plus 1/4th of 83 per cent or 37.75 per cent. It is thus obvious that the booking of expenditure cannot be spread over evenly during the financial year under the existing accounting procedure.

Nevertheless, in spite of all such constraints, we have instructed our officers to keep a close watch on the expenditure every month and to keep the monthly expenditure uniform as far as possible throughout the financial year. One of the means to achieve this, is to procure materials/stock required for the work well in advance in the first or second quarter of the financial year.

[Ministry of W & H O.M. No. 15011/1/82-W3,
dated November 25, 1983]

Recommendation (Sl. No. 16, Para 3.25)

As there has been a steep escalation in the cost of building materials and labour, there is an urgent need for revision of the norms of expenditure for repairs and maintenance of Central Government buildings laid down in 1978. The Committee agree that the expenditure should be related to the Plinth Area rather than to the cost of construction. The Committee hope that the Ministry

will take expenditure decisions on the recommendations of the Committee appointing to go into this question as well as staff norms. The Committee further desire that there should be a review of the norms as frequently as warranted.

Reply of Government

The recommendations of the Committee appointed to consider *inter-alia* norms of expenditure for repairs and maintenance have since been examined by the Government and orders fixing the Plinth area rates in respect of Civil and Electrical maintenance works have been issued by the Government.

[Ministry of W&H O.M. No. 15011|1|82-W3
dated December 9, 1983]

Recommendation (Sl. No. 17, Para No. 3.29)

How that the process of revision of Schedule of Rates has been computerised, the Committee hope that, as assured to them by the Director-General (Works) the Scheduled of Rates would be reviewed and updated on annual basis.

Reply of Government

The Delhi Schedule of Rates 1981 is currently in use in the Department. This was printed and Published in Oct. 1982. Action has already been initiated to collect the rates of various materials, labour etc., valid for 1983, so that the revised schedule of rates for the current year can be published.

2. The Schedule of rates for Civil Works for places like Bombay, Ahmedabad & Calcutta, are on 1981 rates and action to collect the present market rates is being initiated by the concerned CEs for updating the Schedule.

3. The Schedule of rates for Elect. Works (Part I internal) 1980 was brought into effect on 5-2-80 and schedule of Rates for Elect. (Part II external) was issued on 15-6-81. The matter of computerising the schedule calculations for internal Elect works is in progress. This is likely to be completed in the next two months, after which, a programme for schedule of Rates for external Elect. works will be taken up.

(Ministry of W&H O.M. No. 15011|1|82-W3, dated Nov. 25, 1983)

Recommendation (Sl. No. 19, Para No. 3.40)

The complaint of non-availability of complete tender documents to the contractors in 90 per cent cases is a serious matter. Though

the representative of the Ministry denied that, the Committee would like the Ministry and the Central Public Works Department to issue strict instructions to their subordinate agencies that the tender documents sold to the contractors should be complete in all respect and any complaint received in this regard from the contractor should be investigated properly by senior officers and action taken against these responsible for the lapse.

Reply of Government

The instructions in this regard exists in the Departmental Manual and have been reiterated to the Chief Engineers. Instructions have also been issued directing the Chief Engineers that complaints received should be investigated and action thereon completed within a period of 15 days of its receipts (copy enclosed).

[Ministry of Works & Housing, O.M. No. 15011|1|82-W3,
dated 8-12-83]

Directorate General of Works

Central Public Works Department

No. CE|CON|775

Dated: New Delhi, the 7-12-83

CIRCULAR I

SUB: Issuing of complete tender documents to the contractors—
Instructions of completion in regard thereof.

A copy of the recommendation in Para 3.40 of the 50th Report of the Estimates Committee (7th Lok Sabha) for the year 1982 alongwith the reply of the Ministry is enclosed which is explanatory. Very clear instructions exist in Para 3, Section 17 of the CPWD Manual indicating the list of documents which must comprise of the tenders before these are sold to contractors, and these were again reiterated in Circular No. CE|CON|387 dated 17-1-65. Para 9 Section 17 requires that these forms issued to the contractors whether printed or otherwise, must be clear, legible and unambiguous. Para 1 Section 19 makes it obligatory that the tender forms should be kept ready and be available for sale as soon as an application in writing is made by a contractor for its issue. Instructions already exist for preparation of complete tender documents and their sale to the contractors, nevertheless, it has come to notice that these instructions are not being rigidly followed. The Ministry of Works & Housing have desired that these instructions may be reiterated to the Chief Engineers for issuing strict instructions to the subordinate officers to ensure that these and the general instructions contained in Sections 17 and 19 of the CPWD Manual are strictly observed by all the Executive Engineers. The Estimates Committee has also desired

where there is a complaint about incomplete tender documents, including non-availability of the documents in time, this must be investigated by the senior officers and action taken against those responsible for the lapses.

The Chief Engineers, may, therefore, issue instructions that all complaints received by the E.E. or by the S.E. must be forwarded to the Chief Engineer by name who will decide the issue and also examine the need for departmental action against the defaulting officers and investigation as well as action thereon must be completed by them within 15 days of the receipt of the complaint. A copy of the instructions issued may kindly be sent to this Directorate for record.

(Issued from file No. 12/2/80-A&C (DGW))

Sd/-

(T. NARASIMHAN)

F.O. to D.G. (Works)

To

All C.Es (byname) including CE, AP

Recommendation (Sl. No. 21, Para No. 3.54)

As noted earlier in this Report one of the main reasons for the slow progress of contractor works is the escalation of prices compelling the contractors to abandon the works. The Committee understand that proposal for modifying Clause 10(c) of the Standard Contract Form to provide for compensating the contractors for increase in rates of materials and labour during the concurrency of the contract, is awaiting approval of the Ministry of Finance. The Committee urge an early decision in the matter in the interest of smooth execution of works.

Reply of Government

This Ministry have since issued instructions incorporating a new Clause 10-CC in the Standard Contract Form allowing increase in rates of materials and labour during the contract (copy enclosed).

[Ministry of W&H O.M. No. 15011/1/82-W.3 dated Nov. 25, 1983]

GOVERNMENT OF INDIA
MINISTRY OF WORKS AND HOUSING
NIRMAN AND AWAS MANTRALAYA
(WORKS DIVISION)

New Delhi, dated the 9th May, 1983.

STANDING ORDER NO. 256

A new clause (10-CC) as under may be incorporated below existing clause 10(C) of the forms PWD 7 & 8 of the Book of Forms First Edition (first reprint) referred to in para 16 of the CPWD Code, introduced *vide* standing Orders No. 103 and 104:—

“Clause 10(CC)—If the prices of materials (not being materials supplied or services rendered at fixed prices by the department in accordance with clauses 10 and 34 hereof) and/or wages of labour required for execution of the work increase, the contractor shall be compensated for such increase as per provision detailed below and the amount of the contract shall accordingly be varied, subject to the condition that such compensation for escalation in prices shall be available only for the work done during the stipulated period of the contract including such period for which the contract is validly extended under the provisions of clause 5 of the contract without any action under clause 2 and also subject to the condition that no such compensation shall be payable for a work for which the stipulated period of completion is 6 months or less. Such compensation for escalation in the prices of materials and labour when due, shall be worked out based on the following provisions:—

- (1) The base date for working out such escalation shall be the last date on which tenders were stipulated to be received.
- (2) The cost of work on which escalation will be payable shall be reckoned as 35 per cent of the cost of work as per the bills, running or final, and from this amount the value of materials supplied under clause 10 of this contract or services rendered at fixed charges as per clause 34 of this contract, and proposed to be recovered in the particular bill, shall be deducted before the amount of compensation for escalation is worked out. In the case of materials brought to site for which any secured advance is included in the bill the full value of such materials

as assessed by the Engineer-in-Charge and not the reduced amount for which secured advance has been paid) shall be included in the cost of work done for operation of this clause. Similarly when such materials are incorporated in the work and the secured advance is deducted from the bill, the full assessed value of the materials originally considered for operation of this clause should be deducted from the cost of the work shown in the bill running or final. Further the cost of work shall not include any work for which payment is made under clause 12 or 12(a) at prevailing market rates.

- (3) The components of materials labour, P.O.L., etc. shall be pre-determined for every work and incorporated in the conditions of contract attached to the tender papers and the decision of the Engineer-in-charge in working out such percentages shall be binding on the contractor.
- (4) The compensation for escalation for materials, labour and P.O.L. shall be worked out as per the formulae given below:—

$$(i) \quad VM = \frac{W \times X}{100} \times \frac{(MI - MI_0)}{MI_0}$$

VM = Variation in material cost i.e. increase or decrease in the amount in rupees to be paid or recovered.

W = Cost of work done worked out as indicated in sub-para 2 above.

X = Component of materials expressed as per cent of the total value of work.

MI & MI₀ = All India whole sale Index for all Commodities for the period under reckoning as published by the Economic Adviser to Government, of India, Ministry of Industry and Commerce, for the period under consideration and that valid at the time of receipt of tenders, respectively.

$$(ii) \quad VL = \frac{W \times Y}{100} \times \frac{(LI - LI_0)}{LI_0}$$

VL = Variation in Labour cost i.e. increase or decrease in the amount in rupees to be paid or recovered.

WL = Value of work done, worked out as indicated in sub-para 2 above.

Y = Component of labour expressed as per cent of the total value of work.

LI & LI₀ = Consumer price index for industrial labour (All India declared by Labour Bureau, Government of India as applicable for the period under consideration and that valid at the time of receipt of tenders, respectively.

(iii) VF

$$= W \times \frac{Z}{100} \times \frac{(FI - FI_0)}{FI_0}$$

VF	= Variation in cost of fuel, oil and lubricant, increase or decrease in rupees to be paid or recovered.
W	= Value of work done, worked out as indicated in sub para 2 above.
Z	= Component of P.C.L. expressed as a per cent of total value of work as indicated under the special conditions of contract.
FI & FI ₀	= Average index number of wholesale price for group (fuel, power, light and lubricants)—as published weekly by the Economic Adviser to Govt. of India Ministry of Industry for the period under reckoning and that valid at the time of receipt of tenders, respectively.

(5) The following principles shall be followed while working out the indices mentioned in sub para 4 above:—

- The index relevant for any month will be the arithmetical average of the indices relevant to the three calendar months preceding the month in question.
- The base index will be the one relating to the month in which the tender was stipulated to be received.
- The compensation for escalation shall be worked out at quarterly intervals and shall be with respect to the cost of work done during the previous three months. The first such payment will be made at the end of three months after the month (excluding) in which the tender was accepted and thereafter at three months' interval.

(6) In the event the price of materials and/or wages of labour required for execution of the work decrease(s), there shall be downward adjustment of the cost of work so that such price of materials and/or wages of labour shall be deductible from the cost of work under this contract and in this regard the formula here in before stated under this clause 10(CC) shall mutatis mutandis apply, provided that—

- no such adjustment for the decrease in the price of materials and/or wages of labour aforementioned would be made in case of contracts in which the sti-

puted period of completion of the work is less than six months;

- (ii) the Engineer-in-charge shall otherwise be entitled to lay down the principles on which the provision of this sub-clause shall be implemented from time to time and the decision of the Engineer-in-charge in this behalf shall be final and binding.
- (7) The provisions of the preceding clause 10(C) shall not be applicable for contracts where provisions of this clause 10(CC) are applicable. However, in contracts where provisions in clause 10(CC) are not applicable, then provisions in clause 10(C) will become applicable".

Sd|-

(H. K. GHOSH)

Section Officer (Special).

Copy forwarded to:

1. Director of Audit, Commerce, Works and Misc., New Delhi.
2. All Accountants General.
3. All Pay and Accounts Officers attached to CPWD.
4. Finance Division.
5. D. G. (Works), CPWD, New Delhi.
6. All Chief Engineers, CPWD, New Delhi.
7. All the Union Territories Public Works Department.
8. Sanction file.
9. Standing Order folder.
10. Guard file.
11. Central P.W.D. Contract Forms.

Sd|-

(H. K. GHOSH)

Section Officer (Special).

Recommendation (Sl. No. 22 Para No. 3.59)

The Committee are distressed at the complaint that the final bills of contractors remain pending for long for one reason or the other. The provision of Clause 7 of the Standard Contract Form, which have been quoted by the Ministry in this connection, do not go very far in ensuring finalisation of the contractors' bills within a reason-

able period especially if there is a dispute about any item of work. The Committee recommend that this Clause of the Standard Contract Form should be suitably amended so as to enjoin upon the officers of the CPWD an obligation to take final decision in regard to the items in dispute between the contractor and the CPWD within a specified period and for final payment to the contractors within a certain time limit. This would instil in the mind of the officers a degree of seriousness in taking prompt decision on matters in dispute and finalising the bills of contractors without undue delay. A review of final bills pending for more than six months by the CEs/DG Works as well as by the Ministry will go a long way in expediting the payment. An analysis of pending final bills should also be invariably included in the Annual Reports.

Reply of Government

This Ministry is in agreement with the recommendation of the Estimates Committee that the provision of Clause 7 of the Standard Contract Form should be amended to ensure finalisation of the bills of the contractor within a reasonable period of time. Necessary action is being initiated in this regard. As desired by the Committee, an analysis of pending bills would be included in the Annual Report of this Ministry.

[Ministry of W&H O.M. No. 15011|1|82-W. 3 dated Nov. 25, 1983]

Recommendation (Sl. No. 24 Para No. 4.8)

The Committee have been informed that while the position of availability of steel for works undertaken by the CPWD is for the time being satisfactory, the inadequacy of allotment of levy cement to the CPWD may compel the CPWD to make supplementary purchases of imported or non-levy cement both of which are very costly. The quarterly allotment of cement has been progressively reduced from 90,000 tonnes in 1979 to 68,000 tonnes in 1982 despite increase in the work load of the CPWD. The Committee would like that the matter be taken up with the Cement Controller and the Ministry of Industry at the level of the Ministry of Works and Housing.

Reply of Government

The quota of cement allotment has since been restored to 90,000 tonnes. The matter regarding further increase in quota has already been taken up by Ministry of Works & Housing with the Ministry of Industry but further increase in quota of levy cement

has not been found feasible so far. It appears inescapable to go in for purchase of non-levy/imported cement. The Ministry of Works and Housing have already issued orders delegating full powers to all the Chief Engineers in charge of works in Central P.W.D. to make local purchase of non-levy and/or imported cement on ground of emergency up to Rs. 10 lakhs at a time vide Office Memorandum No. 28012|72|82-W. 4 dated 7th September, 1963 (copy enclosed).

[Ministry of W&H O.M. No. 15011|1|82-W3, dated Nov. 25, 1963]

No. 28012|72|82-W4

Government of India

Ministry of Works and Housing

(Works Division)

New Delhi, the 7th Sept., 1963

OFFICE MEMORANDUM

SUB: Delegation of powers to the Chief Engineers, Central P.W.D. for making local purchase of non-levy cement on grounds of emergency.

The undersigned is directed to say that in partial modification of the orders contained in this Ministry's O.M. No. 28012|72|82-W4 dated 14-4-63, the President is pleased to delegate full powers to all the Chief Engineers-in-charge of works in Central PWD to make local purchase of non-levy and/or imported cement on grounds of emergency. These powers will be exercised by the Chief Engineers as follows:—

- | | |
|---|--|
| (i) For local purchases of below Rs. 5 lakhs at a time. | In consultation with their Finance Officer |
| (ii) For local purchases between Rs. 5 lakhs to Rs. 10 lakhs at a time. | In consultation with CCA & FA to DG (W) |
| (iii) For local purchases in excess of Rs. 10 lakhs at a time. | With the prior concurrence of C.C.A. & FA to DG (W). |

2. Quantity of imported cement to be purchased by different Chief Engineers shall be coordinated by the Director General of Works, Central PWD but the actual orders shall be placed by the concerned officers under the respective Chief Engineers.

3. The President is also pleased to authorise the Chief Engineers-in-Charge of works of the Central PWD to make 100 per cent advance payment for purchase of non-levy and/or imported cement.

4. The implementation of the above orders will be reviewed after a year.

5. This issues with the concurrence of the Finance Division vide their U.O. No. 2876-W&E/D-I(a) 83, dated the 26th August, 1963.

**

**

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Sd/-

KRISHNA PRATAP

Director (Works)

Copy sent for information and necessary action to:—

1. Director General of Works, Central PWD, New Delhi.

Sd/-

M. C. ARORA

Section Officer (Special)

Recommendation (Sl. No. 25 Para No. 4.36)

The Director General (Works) shared the misgivings of the Committees about the reliability of Pozzolana Portland Cement and informed the Committee that the attempts to get ordinary Portland Cement for the CPWD Works did not succeed. The Committee would like the Ministry of Works and Housing to appoint a Committee of Engineers and Technologists, including a representative of the Indian Standards Institution, to go into the matter and report their findings regarding the relative strength of various kinds of cement, giving their recommendations regarding their use for different types of construction works and processes. The findings and recommendations of the Committee should be given wide publicity.

Reply of Government

The references about mainly of P.P.C. & doubts about its engineering properties.

Under the auspices of I.R.C./I.S.I. a detailed study/research is under progress to find out the engineering properties of P.P.C./O.P.C. Experiments are being conducted on random samples in 4 laboratories spread out in the country, drawing samples from 12 factories. CPWD is also actively involved by sharing 1/4th of cost of this research scheme.

In view of above, it is felt that we should wait for the outcome of this study/research.

(Ministry of W&H O.M. No. 15011|1|82-W.3 dated Nov. 25, 1983)

Recommendation (Sl. No. 6, Para No. 4.37)

The quality control of cement production in the country leaves much to be desired going by the complaints voiced in several quarters although the cement producers are to conform to ISI specifications in terms of their licences. The Committee find that the Cement (Quality Control) Order, 1982 and the Cement Control (Regulation of Production) Order, 1981 have been issued under the Essential Commodities Act, 1955 and that the powers to take action for violation of these orders have been delegated to State Govts/U.Ts. The Committee desire that the Cement Controller should have a regular system of sample check of quality of cement produced by each manufacturer.

Reply of Government

A system of surprise sample checking of cement produced by the cement factories is already in existence. The Cement Controller's Organisation in association with Cement Research Institute of India (CRI) draws samples on surprise visits to cement factories for purposes of checking in such samples whether they correspond to the specifications prescribed by the Indian Standards Institution. The Cement Controller's Organisation, however, in view of its limited man-power resources has not been in a position to expand the scope of such surprise checks on a substantial scale. However, with the amendment to the Cement Quality Control Order, 1962, dated 3-6-1983, the Indian Standards Institution will be responsible for undertaking periodical tests of cement produced by the various cement manufacturers.

The Cement Quality Control Order, 1962 dated 24-11-1962 provides that all cement manufacturers must produce cement conforming to the relevant Indian Standards. This order was amended on 3-6-1983 making ISI Certification compulsory for cement industry w.e.f. 1-7-1983. The amendment provides for prohibition of manufacture or sale or distribution of cement packed in jute bags which do not bear ISI Certification Mark. All cement producers are required to obtain licences compulsorily from Indian Standards Institution (Certification Marks) Act, 1952, to enable them to use the ISI Marks on Cement bags. The ISI Mark on products covered by an Indian Standard conveys the assurance that they have been pro-

duced to comply with all requirements of that Standard. ISI marked products are test checked by ISI for conformity to that Standard as a safeguard.

(Ministry of W&H O.M. No. 15011|1|82-W. 3 dated the 25th Nov. 83)

Recommendation (Sl. No. 29, Para No. 4.40)

The difference in production costs should also be fairly reflected in the retail prices of the Pozzolana Portland cement and other varieties of cement. At present it is not so. The Committee would like the Ministry of Industry to have the production cost of different varieties of cement analysed by the Bureau of Industrial Costs and Prices/Costs Accounts Branch of the Ministry of Finance, and, keeping in view the production cost structure of different varieties of cement, take steps to regulate their market prices.

Reply of Government

It is reasonable that difference in cost of production should be fairly reflected in retail prices of different varieties of cement. The Committee on Development of Cement Industry headed by Dr. A. K. Ghosh the then Chairman of BICP had recommended differential price for OPC and PPC. A difference of Rs. 15/- per tonne of cement was recommended by this Committee. On the basis of their recommendations the F.O.R. prices of three popular varieties of levy cement namely OPC/PSC and PPC were fixed at Rs. 440/- per tonne in respect of OPC/PSC and Rs. 425/- per tonne in respect of PPC with effect from 28-2-1982. It would be observed from the above that Blast furnace Slag Cement is priced at the same level as that of OPC because of the comparable properties of the two varieties of cement. The BICP and Cost Accounts Branch of the Deptt. of Expenditure, Ministry of Finance who were consulted, have indicated that the prices fixed in respect of three varieties of cement are related to the cost of production of the respective varieties of cement.

(Ministry of W&H O.M. No. 15011|1|82-W. 3 dated the 25th Nov. 83)

Recommendation (Sl. No. 30, Para No. 4.41) . .

Complaints have been made to the Committee about cement bearing the ISI certification mark having been found to be of sub-standard Mark so that the faith of the general public in the certification purpose of checking whether any article or process in relation to which the standard mark has been used conforms to the

Indian Standard or whether the standard mark has been improperly used. It, however, appears that the system is not working well. The Committee recommends that the ISI should strengthen its inspection machinery and be more energetic in dealing with infringements of the conditions for the use of the ISI certification marks, so that the faith of the general public in the certification mark of the ISI is not eroded.

Reply of Government

It is noted that complaint had been made to the Committee about cement bearing ISI Certification Mark having been found to be sub-standard. However, no specific complaint had been made to ISI in this regard for investigation. ISI had a detailed procedure for investigation of complaints of sub-standard material bearing ISI mark. A note on procedure for dealing with complaints is attached at Annexure I.

Under cement (Quality Control) Order 1982, prevalent till 30 June, 1983, cement was required to conform to Indian Standards. The ISI Certification Mark has been made obligatory vide Cement (Quality Control) Amendment Order 1983 dated 3 June, 1983. A copy of the circular issued in this regard is at Annexure II. As on 31st October, 1983, ISI has granted 143 licences for different varieties of cement to 82 cement manufacturing units.

A few complaints have been received after the introduction of Compulsory ISI Certification Marks Scheme and these are being investigated to establish the genuineness of the complaint with regard to ISI marked cement for necessary investigation as per the procedure indicated above.

Regarding recommendation of the Committee that ISI should strengthen its inspection machinery and be more energetic in dealing with infringements of the conditions for the use of ISI Certification Mark, it may be mentioned here that it is necessary to have additional powers for ISI inspectors for conducting raids under police protection and seize such goods. Presently the inspectors are not in a position to deal with the situation effectively. As soon as the power is given to the Institution, it would be possible for the inspectors to deal with such infringements.

[Ministry of Food and Civil Supplies (Department of Civil Supplies) O.M. No. 14/2/83-ISI dated 26-11-83]

Recommendation (Sr. No. 32 Para No. 4.43)

At present ISI mark for cement is on a voluntary basis. The Committee recommends that this should be made obligatory as a condition of grant of licence.

Reply of the Government

On 3rd June, 1983 the Government has already issued Cement (Quality Control) Amendment Order 1983 under which the order has come into force with effect from 1st July, 1983 (Copy enclosed).

[Ministry of Food and Civil Supplies (Department of Civil Supplies) O.M. No. 14/2/83-ISI dated 26-11-83]

Doc: CMD/OM: 73 (Third Revision)

June 1982

(Superseding OM 25 & 32)

INDIAN STANDARDS INSTITUTION

Subject: Procedure for dealing with complaints

1. ACTION ON RECEIPT OF COMPLAINT

1.1 After receipt of a complaint, RO/BO receiving it shall take the following action:

- (a) acknowledge the complaint
- (b) ascertain whether complaint pertains to product carrying ISI mark or not
- (c) whether ISI mark is genuine or spurious.

1.2 If the complaint is for a product without ISI mark, RO/BO receiving the complaint shall inform the complainant about inability of ISI to take any action but will direct the complainant to get in touch with the manufacturer for necessary amends.

1.1.2.1. Such complaints need not be registered. However statistics of such complaints received and dealt with by RO/BO may be maintained and supplied to CMD quarterly for reporting to CMAC.

1.1.2.2. If the ISI mark is found to be spurious, the necessary evidence for legal action for spurious use of ISI mark may be collected.

The matter may then be referred to CMD for legal action. The complaint may be closed after informing the complainant accordingly.

1.3 If the complaint is for a product with ISI mark, RO/BO shall find out the name of the licensee who had manufactured the product and send a copy of the complaint alongwith copies of correspondence with the complainant to RO where licensee is situated (and to CMD). Such complaint shall have the registration number of the regional office who is required to register the complaint.

1.4 RO where the licensee is situated shall register the complaint and arrange investigation and initiate further actions on the basis of findings. Registration No. of complaint (which shall contain the abbreviation of RO/BO) and copies of all correspondence pertaining to the complaint shall be endorsed to the relevant RO/BO and CMD for information and record.

1.5 A register shall be maintained in RO/BO in the proforma enclosed. A similar register giving all India position (RO wise) shall also be maintained in CMD.

2. INVESTIGATION OF COMPLAINTS

2.1 It shall be the responsibility of RO registering the complaint to organize investigation of the complaint. For this purpose, they may take such help as may be necessary from any other RO/BO and in case of difficulty CMD may be approached. All requests for such help in investigation of the complaints shall be given top-most priority.

2.2 The investigation of complaint shall consist of one or more of the following actions:

- (a) establishment of genuineness of the complaint by:
 - (i) physical verification of the product complained about to verify the complaint and to note the marking details on the product and to ascertain details of purchase such as name of dealer, date of purchase, date of installation etc.
 - (b) drawal of sample from same batch/control unit/consignments for independent testing in ISI recognized laboratory and arranging for testing of samples. If necessary a sample may be purchased from the same dealer. Testing of such samples shall receive high priority by concerned laboratory.

- (c) examination of records of the batch/control unit/consignment as maintained by licensee and overall assessment of performance of licensee during that period of manufacture.
- (d) arranging of replacement of the product to consumer. This may be done straight away if the product is not expensive otherwise we may await receipt of test report from laboratory.
- (e) arranging for repairs or rectification of defective product to the satisfaction of the complaint.

2.3 In case life is not specified in the standard and manufacturers do not provide any warranty, the period of one year (from the date of purchase) be taken as period of warranty under the ISI Certification Marks Scheme. The complaints be entertained and processed in the normal course if received during the warranty period.

3. ACTIONS AFTER COMPLETION OF INVESTIGATION

3.1 After completion of all the necessary investigation, RO where complaint is registered shall take one or more of the following actions:—

- (a) See Amendment I of Sept. 1982.
- (b) Action against licensee. This may consist of stoppage of marking, cancellation of licence depending upon the seriousness of the complaint.

4. QUARTERLY STATEMENT TO CMD

4.1 CMD should be kept informed of the progress of the investigations at all stages and a quarterly statement of the complaints registered and closed may be sent to CMD for record and review by ADGM. Such region-wise review will be made by ADGM half yearly and ROs will be informed accordingly.

Sd/-

(A. P. BANERJI)

Additional Director General

1982-08-06

Circulated to All ROs/BOs

P R O F O R M A

Registration of Complaints Regarding ISI marked product.

Registration No. of Com- plaint	Name & Address of the Complainant	Date of Complaint	Status of complainant Govt./ Private Or- ganisation/ Individual	Product & ISI No.	Name of Manufacturer and GMPL No.	Date of Purchase or Supply of Product	Source of Purchase & Bill No.	Date of Complaint if any to Dealer/Ma- nufacturer	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
.									

Amendment I—Sep 1982 to
DOC:CMD/OM: 73 (Third revision)
June 1982

INDIAN STANDARDS INSTITUTION
(Central Marks Department)

SUBJECT: *Procedure for dealing with complaints*

Item 3.1. (a) of the Document may be amended as under:

“(a) closure of complaint. This may be done if (complaint is found to be not genuine) or the actions have been completed to the satisfaction of complainant as confirmed by the RO where the complaint has been received. The proposal for closure of complaint for the decision by concerned DDGR shall be put up in the proforma (Annexure I). The decision of DDGR shall be intimated to CMD through quarterly statement (Please see 4). On the basis of investigation of the RO registering the complaint, the complainant will be informed by the RO/BO where the complaint was originally received.”

Sd/-
(A. P. BANERJI)
Additional Director General
1982-09-28

Circulated to all ROs/BOs for information and necessary action.

ANNEXURE I

DOC : DMD/OM:73

INDIAN STANDARDS INSTITUTION

(.....Branch Office)

PROFORMA FOR CLOSURE OF COMPLAINTS

(To be filled in by RO/BO where licensee is situated)

Complaint Regn, NO.

1. Product
2. Quantity
4. Complainant (Name & full address)
5. LICENSEE (Name and full Address)
6. CM/L—
7. Specific Nature of Complaint
8. Actions taken with the licensee

3. IS : No.

9. Licensee's test record of the batch of which the material is under complaint
10. Performance during preceding one operative year.

No. of Inspections	Satisfactory	Not satisfactory	Test Reports Received in the last Operative period.			
			(a) Factory testing	Total No.	Pass	Fail
			(b) Market samples			
			(c) Factory samples			
11.	Overall performance of the licensee					
12.	Actions taken with the complainant					
13.	Test result of the complaint samples or market samples of the same lot	Sample size	Pass	Fail	Lab	TR N ^o
14.	Recommendation of head RO/BO.					

Director/Head

15 DDGR's orders

- Copy to :
1. BO where the licensee is situated
 2. BO where the complainant is situated
 3. RO where the complainant is situated
 4. CMD.

(To be Published in Part II, Section 3, Sub-section (ii) of the Gazette of India, Extra Ordinary dated the 3rd June, 1983)

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY

(DEPARTMENT OF INDUSTRIAL DEVELOPMENT)

New Delhi, 3rd June '83.
13 Jyastha, Saka 1905

ORDER

S.O. In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following order further to amend the Cement (Quality Control), Order 1962 namely:—

1. (i) This order may be called the Cement (Quality Control Amendment Order, 1983.

(ii) It shall come into force with effect from 1st July '83.

2. In the Cement (Quality Control) Order, 1962 in paragraph 2, for sub-paragraph 2(b) the following sub-paragraph shall be substituted namely:—

"Prescribed standard" means the following Indian Standard Specifications as amended/revised from time to time namely:—

1. IS:269-1976 Ordinary and low heat Portland Cement (Third Revision)
2. IS: 455-1976 Portland Slag Cement (Third Revision)
3. IS: 1489-1976 Portland Pozzolana Cement (Second Revision)
4. IS: 3466-1967 Masonry Cement (First Revision)
5. IS:6452-1972 High alumina Cement for structural use (with amendment No. 1)
6. IS: 6909-1973 Supersulphated Cement
7. IS: 8041-1978 Rapid Hardening Portland Cement (First Revision)
8. IS:8042-1978 White Portland Cement (First Revision)
9. IS:8043-1978 Hydophobic Portland Cement (First Revision)
10. IS:8112-1976 High Strength Ordinary Portland Cement
11. IS: 8229-1976 (E) Oil-well Cement.

3. In the Cement (Quality Control) Order, 1962 for paragraph 3, the following paragraph shall be substituted, namely:—

"3. Prohibition to manufacture sale etc. of cement which is not of the prescribed standard,

No person shall himself or by any person on his behalf, manufacture or store for sale, sell or distribute cement which does not conform to the prescribed standard and

which do not bear the 'I.S.' Certification Mark."

(F. No. 1-24/83-Cem.)

Sd/-

(S. L. KAPUR)

Joint Secretary to the Govt. of India

The Manager,
Government of India Press,
Mayapuri,
NEW DELHI

No. 1-24/83-Cem.

Dated the 3rd June '83

Copy forwarded for information to:—

1. The Cement Manufacturers' Association, 'Express Building', Opp. Churchgate Railway Station, Bombay.
2. Cement Controller, Office of the Cement Controller, New Delhi.
3. All Cement Producers..
4. Regional Cement Controller, Bombay|Madras|Delhi|Calcutta.
5. Assistant Regional Cement Controller, Ahmedabad.
6. Ministry of Finance (Deptt. of Revenue, Expenditure and Economic Affairs).
7. DGS&D (SMH-8 Dte.) Parliament Street, New Delhi.
8. DGTD, New Delhi (Cement Dte).
9. Planning Commission (I&M Division).
10. All State Governments/Union Territories.
11. Ministry of Industry Library, Udyog Bhavan, New Delhi.
12. All Ministries/Deptt. of Government of India.
13. State Trading Corporation of India, 36, Janpath, New Delhi.
14. Pay & Accounts Office, Deptt. of Supply, New Delhi.
15. Chief Controller of Accounts, Deptt. of Supply, New Delhi.
16. Controller of Accounts, Deptt. of Supply, Bombay/Calcutta/Madras.
17. Office of the Economic Adviser, Ministry of Industry, Udyog Bhawan, New Delhi.
18. Cement Corporation of India Limited, 59, Nehru Place, New Delhi-110019
19. Cement Research Instt. of India, M-10, South Extension-II, New Delhi-49.

20. Indian Standards Institution, Manak Bhavan, 9, Bahadur
Shah Jafar Marg, New Delhi-110002

Sd/-
(K. R. AHUJA)
Desk Officer

(Shri G. Raman, Director Civil Engg.)

Recommendation (Sl. No. 33 Para No. 4.44)

It has been brought to the notice of the Committee that a large number of small factories particularly in Rajasthan and Madhya Pradesh, which have been set up with aid and assistance from the State Government and Institutional Finance are manufacturing some kind of a binding material and are selling it as a substitute for cement to gullible public with dangerous consequences. At present anything that is not sold as 'cement' and is being manufactured in small scale industry is not under the control of the Ministry of Industry. The Committee feel that in view of the risk involved, the Ministry should be in a position to regulate such manufacturers also. The representatives of the Ministry of Industry assured the Committee in evidence that the Ministry will get the matter investigated. He also agreed with the suggestion that such binding material produced by the small factories should also be distinguished by some colour so that the general public does not mistake it for ordinary cement. The Committee would await a report from the Ministry of Industry in regard to this matter.

Reply of Government

The observation made by the Committee were brought to the notice of the State Governments of Rajasthan and Madhya Pradesh. The Government of M.P. have in reply stated that they have promulgated Madhya Pradesh Cement Apmishran Nivaran Adhiniyam, 1981 which have proved quite effective in checking the activities of manufacturers of different binding materials and sell it as cement. A copy of this Adhiniyam is enclosed. This Adhiniyam prohibits sale or exposure for sale of any cementitious material unless it is duly pigmented so as to distinguish it clearly from the usual colour of cement; it is packed in a container other than a gunny bag usually used for packing of cement and a bag should contain not more than 35 Kgs of cementitious material. The use of word 'cement' has been prohibited. Its exposure for sale or storage where cement is stored and exposed for sale is also prohibited. The contravention of the provisions of the Act shall be deemed to be an offence punishable with imprisonment for a term

which may extend to five years and with fine. A copy of the Adhinyam has been forwarded to the Government of Rajasthan vide Ministry of Industry letter dated 11-1-1983 with the request that the State Government of Rajasthan may also evolve a suitable legislation to prevent malpractice of selling cementitious materials as cement. A copy of the M.P. Cement Apmishran Nivaran Adhinyam, 1981 is also being circulated to other State Govts/ Union Territories Administrations for taking similar action in their respective States/Union Territories.

(Ministry of W&H O.M. No. 15011|1|82-W.3 dated Nov. 25, 1983)

MADHYA PRADESH ACT

No. 38 of 1981

THE MADHYA PRADESH CEMENT APMISHRAN NIVARAN ADHINIYAM, 1981

TABLE OF CONTENTS

Sections:

1. Short title, extent and commencement.
2. Definitions.
3. Regulation of sale of cementitious material.
4. Prohibition of use of word "cement".
5. Prohibition for sale, etc. of cementitious material with cement.
6. Prohibition for adulteration.
7. Power of inspection, etc.
8. Penalty.
9. Power to make rules.
10. Saving.

MADHYA PRADESH ACT

No. 38 of 1981

THE MADHYA PRADESH CEMENT APMISHRAM NIVARAN ADHINIYAM, 1981

[Received the assent of the Governor on the 30th October, 1981 assent first published in the "Madhya Pradesh Gazette" (Extra-ordinary dated the 3rd November 1981.)]

An Act to provide for prevention of adulteration of cement with

any other cementitious material not conforming to the I.S.I. standard and for matters connected therewith.

Be it enacted by the Madhya Pradesh Legislature in the Thirty-second Year of Republic of India as follows:—

- | | |
|---|--|
| Short Title,
Extent and commence-
ment. | <p>(1) This Act may be called the Madhya Pradesh Cement Apmishran Nivaran Adhiniyam, 1981.</p> <p>(2) It extends to the whole of Madhya Pradesh.</p> <p>(3) It shall come into force at once.</p> |
| Definition 2. | <p>In this Act, unless the context otherwise require :</p> <p>(a) "adulterate" means mixing of any other cementitious material with the cement, whatever be the proportion;</p> <p>(b) "cement" means any variety of cement manufactured in India and includes blast furnace slag cement portland pozzolana cement, rapid hardening portland cement white portland cement, hydrophobic portland cement, ordinary portland cement, low heat portland cement, high strength ordinary portland cement, cement used for the manufacture of railway sleepers, masonry cement, oil well cement, super sulphated cement or any other variety of cement which the Central Government may, by notification in the Gazette, specify under any enactment relating to the control of the quality of cement, with reference to the standard prescribed by I.S.I.;</p> <p>(c) "cementitious material" means any material (by whatever name called other than cement, such as agol or other similar material, which is, or may be, used for joining two bodies but shall include lime or hydrated lime;</p> <p>(d) "dealer" shall include a manufacture of cementitious material.</p> |
| Regulation of sale of
cementitious material | <p>3. No. dealer shall sell or expose for sale any cementitious material, unless,—</p> <p>(a) It is duly pigmented so as to distinguish it clearly from the usual colour of cement ;</p> <p>(b) it is packed in a container other than a gunny bag usually used for the packing of cement ; and</p> <p>(c) a bag contains not more than 35 kilograms of cementitious material.</p> |
| Prohibition of use of
word "cement". | <p>4. No. dealer shall in any form whatsoever, exhibit on the packing of the cementitious material the word "cement" singly or in combination with other words.</p> |
| Prohibition for sale etc.
of cementitious material
with cement. | <p>5. No dealer shall store, expose for sale or sell cementitious material in the premises where cement is stored, exposed for sale or sold.</p> |
| Prohibition for adulteration. | <p>6. No dealer shall adulterate cement or mix cementitious material with cement.</p> |
| power of inspection etc. | <p>7. Any officer, duly notified by the State Government in this behalf, shall have a right to enter into any premises where</p> |

counterfeit material is stored or exhibited for sale or sold and take samples for purposes of investigation of offences under, or enforcement of the provisions of, this Act.

Penalty,

8. (1) Any contravention of the provisions of this Act or of the rule made thereunder shall be deemed to be an offence punishable with imprisonment for a term which may extend to five years and with fine.

A prosecution under this section shall be instituted only on the complaint of such officer as the State Government may, by notification, specify in this behalf.

Power to make rules.

9. (1) The State Government may make rules generally for carrying out the purposes of this Act.
- (2) Without prejudice to the generality of the foregoing power, the State Government may make rules providing for, —
- (i) The setting up of a laboratory for testing samples;
 - (ii) forms in which reports shall be submitted by an analyst;
 - (iii) the attribution of presumptive correctness to the report of an analyst; and
 - (iv) specifying the manner in which samples shall be taken and despatched to an analyst for testing;
- (3) All rules made under this Act shall be laid on the table of the Legislative Assembly.

Saving.

10. The provisions of this Act shall be in addition and not in derogation of the provisions of any Act or order issued thereunder relating to the quality control of cement.

Bhopal, the 1st December 1981

No. 10148-7138-XXIX-2-81.—In exercise of the powers conferred by sub-section (2) of Section 8 of the Madhya Pradesh Cement Apmishran Nivaran Adiniyam, 1981, (No. 38 of 1981), the State Govt. hereby specifies all Collectors and Additional Collectors in the State for purposes of the said sub-section, within their respective jurisdiction.

By order and in the name of the Governor of Madhya Pradesh,

V. S. KRISHNA, Dy. Secy.

No. 10150-7138-XXIX-2-81.—In exercise of the powers conferred by Section 7 of the Madhya Pradesh Cement Apmishran Nivaran Adhiniyam, 1981 (No. 38 of 1981), the State Government hereby notifies the officers specified in column (2) of the Schedule below for the areas specified in column (3) thereof for purposes of the said section:—

SCHEDULE

S. (Officers) No.	(Areas)
1 Director of Food and Civil Supplies, Madhya Pradesh	} Whole State
2 Joint Director, Food and Civil Supplies, Madhya Pradesh	
3 All Deputy Directors, Food and Civil Supplies, Madhya Pradesh	
4 All Assistant Directors, Food and Civil Supplies, Madhya Pradesh	
5 All Food Officers/Food Controllers	Within the limits of their respective jurisdic- tion.
6 All Police Officers not below the rank of Superintendent of Police, Madhya Pradesh	Within the limits of their respective jurisdic- tion.
7 All Revenue Officers not below the rank of Tahsildar, Madhya Pradesh	Within the limits of their respective jurisdic- tion.
8 All Officers of Industry Department not below the rank of Asstt. Director of Industries	Within the limits of their respective jurisdic- tion.
9 All Officers of Weights and Measures Department not below the rank of Asstt. Director.	Within the limits of their respective jurisdic- tion.

By order and in the name of the Governor of Madhya Pradesh

V. S. KRISHNA, Dy. Secy.

MADHYA PRADESH ORDINANCE

No. 17 of 1982

THE MADHYA PRADESH CEMENT APMISHRAN NIVARAN (SANSHODHAN) ADHYADESH, 1982

(First Published in the "Madhya Pradesh Gazette" (Extra-ordinary)
dated the 10th September, 1982).

Promulgated by the Governor in the Thirty-third Year of the Republic of India.

An Ordinance to amend the Madhya Pradesh Cement Apmishran Nivaran Adhiniyam, 1981.

Whereas the State Legislature is not in session and the Governor of Madhya Pradesh is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, therefore, in exercise of the powers conferred by clause (1) of article 213 of the Constitution of India, the Governor of Madhya Pradesh is pleased to promulgate the following Ordinance:—

- | | |
|--|--|
| Short title and commencement. | 1 (1) This Ordinance may be called the Madhya Pradesh Cement Apmishran Nivaran (Sanshodhan) Adhyadesh, 1982. |
| | (2) It shall come into force at once. |
| Madhya Pradesh Act No. 38 of 1981 to be temporarily amended. Amendment of section 3. | 2 During the period of operation of this Ordinance, the Madhya Pradesh Cement Apmishran Nivaran Adhiniyam, 1981 (No. 38 of 1981) (hereinafter referred to as the principal Act) shall have effect subject to the amendment specified in section 3. |
| | 3 In section 3 of the Principal Act, for clause (a) the following clause shall be substituted, namely:—
“(a) It is duly coloured dark red.” |

BHOPAL

BHAGWAT DAYAL

Governor

Dated the 10th September 1982.

Madhya Pradesh,

Recommendation (Sl. No. 34, Para 5.18)

The Committee find that the Chief Technical Examiner's Organisation was initially a part of the CPWD. In 1964, on the recommendations of the Santhanam Committee that “it would be much better to have one Central Organisation to conduct examination and inspections and give technical opinion in all cases involving engineering work” and to be independent, it should be placed under CVC”, this Organisation was transferred to the Central Vigilance Commission. In 1979 it was decided that the technical audit of the CPWD work should be taken over by the Department and the Chief Technical Examiner's Organisation should confine itself to examination of works from vigilance angle only. The Committee desire that a quality control unit should be set up in the CPWD early.

Reply of the Government

The major thrust of the quality control system is on checking and using only approved quality materials/products. A Core Unit of the Quality Control and Technical Audit Wing has started functioning from June, 1982 under the Central Design Organisation. Briefly, the functions of the Core Unit comprise laying down norms for inspection of works by Quality Control teams, providing guidance for setting up laboratories, carrying out periodical survey of new building materials and evaluating their performance and laying down tolerance limits in respect of finished items of works etc. The Core Unit has also been entrusted with the inspection and technical audit of works costing more than Rs. 22.50 lakhs at random.

(Ministry of Works & Housing O.M. No. 15011/1/83-W. dt. 9-12-83)

Recommendation Serial No. 35, Para No. 5.19

The CPWD has set up an elaborate vigilance organisation of its own headed by a Chief Engineer which also conducts technical examination and inspections of engineering work in CPWD. However, the Committee have serious reservations about the efficacy of this set up in as much as surprisingly surprise inspections of the Unit have not brought to light any serious irregularity during the period 1977-82. The Unit should, therefore, be qualitatively strengthened to be an effective tool of internal control.

Action taken Note

The Vigilance Unit created in 1965 consists of the following :-

1. Chief Engineer (Vig) 1 No.
2. Superintending Engineer (Vig) 1 No.
3. Executive Engineer (Civil) 5 Nos.
4. Executive Engineer (Elect) 1 No.
5. Asstt. Engineer (Civil) 4 Nos.

To this 2 posts of Assistant Engineers (one civil and one electrical) were added in 1982. The position of the CPWD staff, both civil and electrical is as follows

As on	No. of Divisions (Elect+civil+ Hort.)	No. of EF/SW (civil+Elect+ Hort.)	No. of AE/AS W/E (civil+Elect+ Hort.)
1-3-1965 .	117	175	635
1-3-1983 .	181	256	1068

A proposal of strengthening of Vigilance Unit is already under Examination of this Ministry. This includes the creation of additional posts of one SE(elect), 3 EEs (Civil) and one EE(Elect) so that pre-emptive vigilance can be increased. The cases received and investigated by the vigilance Unit of the CPWD during the past few years is as follows :

Year	B.F.	Received	Investigated	CF
1	2	3	4	5
1978	271	127	314	84
1979 .	84	269	350	3
1980 .	3	324	283	44
1981 .	44	259	187	116
1982 .	116	272	275	113

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENTS REPLIES.

Recommendation (Sl. No. 20, Para No. 3.49)

The Committee recommend that CPWD should so arrange its organisation and procedures as to ensure that the designs and drawings in respect of works to be taken up are completed before tenders are called for award of work and the drawings are made available to the contractors along with tender documents and oncourse changes in designs and drawings should be discouraged in order to avoid delay in execution of works and disputes with Contractors.

Reply of Government

The recommendation has been examined thoroughly and it has not been found practicable to finalise all drawings for a work before its commencement. Detailed instructions about the phases for which the drawings will be ready and made available to the contractors have been issued. (A copy of Ministry of Works & Housing O.M. No. 12011/4/80-W3 dated 13-7-83 is enclosed).

(Ministry of W&H O.M. No. 15011/1/82-W. 3 dated Nov. 25, 1983)

No. 12011/4/80-W3

GOVERNMENT OF INDIA

MINISTRY OF WORKS AND HOUSING

(WORKS DIVISION)

New Delhi, dated 13 July, 1983

OFFICE MEMORANDUM

SUBJECT.—*Amendment to the CPWD Manual Vol. II*

The undersigned is directed to say that the question of carrying out certain amendments to the CPWD Manual Vol. II have been under consideration of the Government for quite some time. The need for amending certain sections of the Manual arose as a result of some adverse comments of the Audit/PAC on CPWD officers

undertaking planning, designing and execution of works without strictly adhering to the provisions of the Manual. It was found that although every effort was made by the CPWD officers to comply with the instructions in the Manual, on certain occasions due to various restrictions and to expedite the start and completion of works it was not always possible to have full compliance of the provisions of the Manual. The matter has been considered in depth in consultation with the Director General (Works) and the Chief Engineers of the CPWD.

2. With a view to obviate further adverse comments of the Audit/PAC, it has been decided to carry out the undermentioned amendments to the CPWD Manual Vol. II (1972 edition):

(i) *Para 2 Section 2*

The existing entry may be substituted as follows:—

“No normal work should be commenced or liability thereon incurred until administrative approval and expenditure sanction have been accorded, a proper detailed estimate based on essential drawings and preliminary structural and service designs sanctioned and allotment of funds made.”

(ii) *Para 3 Section 17*

Existing paragraph may be substituted as follows:—

“3. (a) In the case of works for which tenders are to be invited tender documents comprising of:—

- (i) The notice inviting tenders in form PWD-6;
- (ii) the form of tender to be used alongwith a set of conditions;
- (iii) the schedule of quantities of works;
- (iv) a set of drawings referred to in the schedule of quantities of works;
- (v) a complete specification of work to be done, should be prepared and approval of the competent authority obtained before the notice inviting tenders is issued. The contract documents would require the approval of an authority not lower than that which is empowered to accept the tenders.

- (b) Essential architectural drawings and adequate structural drawings for commencing the work together with specifications are to be made available to the contractors at the time of inviting tenders.

No tenders should be invited unless stipulated materials are available, or are likely to be received before the work commences.

No tender notices are to be issued unless all tender documents are ready."

(iii) *Para 6 Section 19*

The existing paragraph may be substituted as follows:—

"Where a request is received from a contractor for the supply of duplicate set of tender documents, the same may be supplied to him at half the cost of the original copy at the time of issue of original papers. The copy to be supplied would be marked 'duplicate', so that it may not be got mixed up with the original tender documents. Drawings for special items should be attached to the tender documents, where it is not feasible to describe the work required to be carried out without the same, for the information and guidance of the contractors."

3. Director General (Works), CPWD is requested to bring the above amendments to the notice of all the field officers for strict compliance. These amendments may also be incorporated in the CPWD Manual Vol. II (1972 edition).

4. The above amendments would necessitate certain modifications in the relevant provisions of the CPWD code which will be issued separately in due course.

Sd/-

(H. K. GHOSH)

Section Officer (Special)

To

The Director General (Works),
Central P.W.D.,
New Delhi.

Recommendation (Sl. No. 28; Para No. 4.39)

The Committee further recommend that it should be made obligatory for the cement factories to either colour the cement differently for different varieties or to use bags of different colours for different varieties of cement, to enable the general public to distinguish one variety from the other easily.

Reply of Government

Under the scheme of ISI Certification, cement producers are required to obtain licences compulsory from the Indian Standards Institution under the ISI Certification Act, 1952. The scheme envisages that cement producers are required to indicate the variety of cement packed, on the cement bags. Further, ISI monogram stencilled on cement bags carrying Portland Pozzolana Cement will be red in colour whereas monogram in the case of cement bags carrying other varieties of cement will be in black colour. The question of colouring different varieties of cement with different colours was also examined by the Cement Research Institute of India (CRI). They, however, experienced certain difficulties in implementing this proposal. The ISI specification for OPC limits the addition of any non-deleterious additive or substance only to one per cent whereas to produce different distinctive shades at least 5 per cent of pigments are to be added. Further, colouring of cement will also imply additional material and processing cost. For these reasons it was felt that the proposal to colour cement as such is not practicable at this stage.

[Ministry of W.&H. O.M. No. 15011/1/82-W.3,
dated 25th November, 1983]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 3, Para No. 1.24)

The Committee are surprised to find that there is no system of periodic review of delegation of powers to bring it in tune with the changing conditions. In several respects powers delegated in the fifties and sixties have remained unchanged. As promised by the Secretary, Ministry of Works and Housing, there should be a periodic review, say once in 5 years, in future having regard to escalation of prices and other relevant factors. The Committee would suggest that the first exercise of this kind should start forth-with and the powers redelegated realistically and meaningfully under intimation to the Committee.

Reply of Government

The matter regarding delegation of enhanced powers is reviewed by the Ministry of Works and Housing from time to time, if felt necessary. On the last review, enhanced powers were delegated to the officers of CPWD to the extent of 50 per cent during 1980-81 and June, 1983. The powers stated to have remained unchanged are those where either the Ministry or the D.G. (W) did not consider it necessary for enhancing the powers already delegated to the C.P.W.D. Officers.

[Ministry of W & H O.M. No. 15011/1/82—W. 3,
dated 25th November, 1983]

Recommendation (Sl. No. 5, Para 1.39)

The Committee are distressed to note that despite the recommendations of the Third Pay Commission (1973) that there should be a Cadre Review of all the Departments every three years, the CPWD has not completed even a single Cadre Review so far. There is stagnation of Engineers at all levels and a large number of them are awaiting Promotion having fulfilled the eligibility criteria. This position is not conducive to the efficient functioning of the Depart-

ment. It is unfortunate that the Cadre Review has not been approached with a sense of urgency that it deserved. The Committee have however been assured that in the case of JEs, a high level Committee headed by DG(W) has been set up and it is expected to report "in a couple of months" and that in the case of Class I posts "the process has reached final stages and it is expected that in the next three months some view will be taken." The Committee desire that the Cadre Review in respect of all the categories of technical staff in CPWD should be completed and necessary follow-up action taken within six months. The Committee trust that the cadre review would help relieving the stagnation in the Department. The Committee suggest that a person should get at least three promotions in his career. They would await the outcome.

Reply of Government

The cadre review proposals in respect of the Central Engineering Service Group 'A' and the Central Electrical and Mechanical Engineering Service Group 'A' are under active consideration in this Ministry. It is expected that the cadre review proposals for both these Services would be finalised in about two or three months time.

As regards JEs (both Civil and Electrical) the recommendation of the Expert Committee have been considered in consultation with the Department of Personnel and Administrative Reforms and Ministry of Finance (Department of Expenditure) who have suggested that this issue may be referred to the 4th Pay Commission, as it involves revision of their pay structure.

[Ministry of W & H O.M. No. 15011/1/82—W. 3,
dated 9th December, 1983]

Recommendation (Sl. No. 8, Para No. 2.8)

The system of fixing targets and the physical performance of the C.P.W.D. leave much to be desired. The Committee note that no physical targets were laid down for the years 1974-75 and 1975-76 for residential accommodation and for the years 1974-75 to 1978-79 for office accommodation. The Committee would like to stress that in future the physical targets should be laid down for each activity of the Department and the achievements as well as the reasons for the shortfall should be clearly brought out in the Annual Reports of the Ministry.

Reply of Government

The system of fixing targets and physical performance in the CPWD, can be achieved when Management Information System (MIS) is fully introduced in the department. At present, it is being implemented only in one zone of CPWD.

One of the specific objectives of the above system is "Periodical review and monitoring of physical and financial progress of projects against pre-determined targets at all stages of execution."

During planning as well as during execution of major projects, reasons for delay and corrective action taken/proposed are also reported periodically for attention at the top management level for necessary assistance whenever required to minimise shortfalls.

[Ministry of W & H O.M. No. 15011/1/82—W. 3,
dated 25th November, 1983]

Recommendations (Sl. No. 13, Para 3.18 and Sl. No. 14, Para 3.19)

The Committee note with concern that admittedly in some cases just project ideas are included in the Budget Estimates of the CPWD and the administrative approval, expenditure sanction and technical sanction get delayed with the result the funds are surrendered at the end of the year. The Ministry, however, is not in a position to state the percentage of such cases where the projects were included in the Budget prematurely; nor is the Ministry able to indicate the average time taken to complete all the formalities in such cases. Further, the Ministry is of the view that it will not be practical to fix the time limit to ensure prompt completion of the formalities so that the works could start without avoidable delay. The Committee are unable to agree with the Ministry. They would require the Ministry to undertake a case study of at least a few cases and then evolve a time table for the various processes in consultation with the Ministry of Finance and other administrative Ministries.

The Committee recommend that a work should be included in the budget estimates of the Central PWD only after the administrative approval and expenditure sanction. This would enable better project planning and execution of work in accordance therewith.

Reply of Government

As already stated in the evidence tendered before the Committee, the works undertaken by the CPWD fall under two categories—Plan

Works and Non-Plan Works. Both categories comprise not only works pertaining to the Ministry of Works and Housing but also those of other Departments of the Central Government whose civil works are looked after by the CPWD.

2. In the case of Plan works, the requirements are projected by the administrative Departments concerned to the Planning Commission and this Ministry does not come into the picture. After the Planning Commission have finalised the allocations in consultation with the concerned Departments, they in-turn communicate to this Ministry, the works components of these approved outlays. At this stage, we are hardly left with two or three days as the budget documents have to be sent according to a strict time table. It is, therefore, not possible for this Ministry to exercise any pre-budget scrutiny and the allocations are included as they are in the budget grants pertaining to this Ministry, so as to tally with the figures of Plan outlays communicated by the Departments to the Ministry of Finance. It would, therefore, be seen that there is no occasion for this Ministry to check whether administrative sanctions have been issued by the Departments or not. In cases where such administrative approvals have not been issued at the time of communicating allocations and in case the sanctions are not issued by the Departments during the course of the year for whatever reasons, it follows that the provisions made will lapse to that extent.

3. It may, however, be added that the buildings works are only one of the component of plan schemes and may not therefore be discussed as new project ideas, since the Planning Commission agrees to allocate outlays only in respect of schemes ripe for such inclusion. Moreover, the provision for building works in the first year is seldom more than 10 to 15 per cent of this cost.

4. So far as the provision on the Non-Plan side is concerned, this Ministry invites New Works proposals from the Departments well in advance and these are to be received by the 30th of November in this Ministry. This Ministry exercises adequate pre-budget scrutiny and includes mainly those items for which administrative sanctions have been issued. However, it may not be possible to impose a blanket ban by not including any new proposal for which expenditure sanction has not been issued. Token provision is necessary in some cases, such as, proposals for purchase of land which are in advanced stage of discussion between the Department and the Urban Development Authority/Housing Board etc. In such cases, payments are often required to be made within a month of allotment of land so as not to attract heavy penal interest. In the absence of even a token provision, it will be necessary to

seek an advance from the Contingency Fund or a Supplementary Demand even for small proposals attracting 'New Services'.

5. It is, however, submitted that the provisions being made in the PWD grants on account of works for which expenditure sanctions have not been issued, are invariably kept to the minimum or token levels and form only a very small percentage of the total grant. Savings/surrenders from the grant at the end of the year are not contributed by this factor to any significant extent as they arise mostly on account of several contractual and other problems which crop up during execution of works.

[Ministry of W & H O.M. No. 15011/1/82—W. 3,
dated 9th December, 1983]

Recommendation (Sl. No. 18, Para No. 3.37)

Apart from the contractors approved and enlisted by the CPWD, the contractors who are registered with the P & T, State PWDs, Railways, MES etc. are also eligible to take up works in the CPWD. The CPWD or the Ministry is however not maintaining an up-to-date list of contractors registered with organisations other than CPWD and works are awarded to such contractors on the basis of registration papers shown at the time of submitting tenders and it is left to the officer issuing the tenders to ensure that their registration is current. This does not appear to be a fool-proof system of ensuring that only approved and enlisted contractors are awarded work in the CPWD. The Committee would like the Ministry of Works and Housing and the CPWD to review the existing procedures so as to leave no scope for any malpractice.

Reply of Government

It would be difficult to maintain a list/register of contractors enlisted with departments other than CPWD at all the formations. However, para 7 of section 18 of CPWD Manual Vol. II provides that whenever a tender is issued to a contractor listed with another Department a reference should simultaneously be made to that Department for ascertaining technical capability and financial resources of the contractors and this information should be available with the tender accepting authority while taking a decision. This provision of the rules takes adequate care to avoid any scope of mal-practice. A uniform procedure in this regard has also been formulated and circulated to Departmental officers *vide* circular No. CE/CON/692 dated 24-4-1979 (copy enclosed).

[Ministry of W & H O.M. No. 15011/1/82—W. 3,
dated 25th November, 1983]

Director General of Works
Central Public Works Department
Nirman Bhawan, New Delhi

No. CE/CON/602

Dated, New Delhi, the 24-4-1979.

SUBJECT.—*Verification of eligibility and technical capability etc. of contractors enlisted in MES/Railways/State PWDs for tendering in CPWD.*

Attention is invited to the instructions contained in Para 7 of Section 18 of CPWD Manual Volume II regarding issue of tender schedules for CPWD works to contractors who are not registered with the CPWD and verification of their technical capability, financial resources etc.

2. To have uniform procedure for sale of tenders by different Chief Engineers, it has been decided by the Govt. that, in future, the following procedure should be adopted for issuing tenders for CPWD works to the contractors, who are not registered with the CPWD.

3. (i) (a) In the Notice inviting Tenders, the estimated value of the work should be indicated and tenders should be invited from contractors of approved class of CPWD which should invariably be indicated.
- (b) Contractors registered with the MES/Railways/State PWDs of the State in which the work is to be done shall have to satisfy the CPWD authorities that the class, in which they are registered permits them to file tenders for the value of the work as notified.
- (c) For works costing over Rs. 25 lakhs, it should be insisted that the contractors registered in MES/Railways or State PWDs should have done satisfactorily at least three works of Rs. 10 lakhs each.
- (ii) To ensure that the contractors registered with MES, State PWDs or Railways are eligible to tender for the work, a scrutiny in regard to capability of the tenderer (physical, financial and organisational) and his past performance should be done at the time of sale of tenders itself so as to exclude at that very stage, the contractors who do not fulfil the conditions as mentioned in (i) (a) & (b) above. The contractor concerned will have to

produce documentary evidence about his financial, technical and organisational capacity to the Engineer-in-Charge who will issue the tender after having satisfied himself. The tender issuing authority shall be ultimately responsible for taking decision as to eligibility or otherwise of the contractor to tender for a particular work. Further, the authority competent to accept the tender must also satisfy itself about the financial status and capacity to execute the particular work of the tenderers before the award of the work.

The above instructions should be followed strictly in future by all concerned.

Please acknowledge receipt.

Sd/- N. S. L. RAO,
Director General of Works.

(Issued from File No. 2/5/74-CWBd)

Recommendation (Sl. No. 23, Para No. 3.63)

The Committee find merit in the argument advanced before them that a contractor whose dispute was being referred for arbitration should also have a say in the appointment of the arbitrator. Despite the views of the Ministry that the system is "found to be functioning very satisfactorily", the Committee desire that the question should be examined in consultation with the Ministry of Law. The desirability of association of judicial officers with arbitration of major disputes may also be examined in this connection.

Reply of Government

The recommendation of the Estimate Committee has been examined in detail in consultation with the Ministry of Law, Justice and Company Affairs.

It is found that the present system of appointment of arbitrators is functioning satisfactorily. The appointment of regular arbitrator from a panel of 3 arbitrators drawn up by this Ministry has ensured speedy disposal and development of expertise. The award announced by arbitrator is challengeable in a court of law, and so far there has been hardly any occasion that the courts of law have had to comment about the inadequacy of the system.

Accepting an arbitrator on the basis of the recommendations of contractors would not ensure any more impartiality than is displayed at present. Nor would it be right to say that it would ensure that awards are given faster. Appointment of regular Government servants ensures a quick disposal since he is expected to devote his regular working hours to arbitration work. An outside arbitrator may not be able to devote the same amount of time. Further more, when a Government servant acts as an arbitrator, he would be acting in accordance with the law and exercising his own judicial discretion while giving awards. The existing system, therefore, does not call for any change.

[Ministry of Works & Housing, O.M. No. 15011/1/82-W3,
dated 8-12-83]

Recommendation (Sl. No. 27, Para No. 4.38)

At present the Industrial Licences issued to the Cement factories do not indicate the kind of cement that the factory is licensed to manufacture, with the result that the factories are concentrating on manufacturing Pozzolana Portland Cement the production cost of which is much less than that of the Ordinary Portland Cement or other superior varieties, because of larger proportion of cheaper ingredients used in the manufacturing process. With an insignificant price differential the profit margin on the pozzolana cement is indeed huge. The position therefore is that the Ordinary Portland Cement is scarcely available to the general public. The Committee would like the Ministry of Industry to review the Industrial Licences issued to the cement factories and endorse on them the quantities of different kinds of cement each factory is authorised to manufacture. In making this endorsement, it should be ensured that a substantial quantity of cement to be manufactured should be the Ordinary portland Cement.

Reply of the Government

Industrial licences for manufacture of cement are issued in terms of the provisions of Industries (Development & Regulation) Act, 1951 and the Registration and Licensing of Industrial Undertaking Rules, 1952. The item for which entrepreneurs are granted IL in this regard is for 'Portland Cement' which figures at S. No. 35(i) of the First Schedule of the I(D&R) Act, 1951 referred to above. This expression namely Portland Cement in the IL enables the cement producers to manufacture any variety of portland cement within the statutory provisions referred to above. The three popular varieties of cement which are produced under this authorisation are

Ordinary Portland Cement (OPC), Portland Slag Cement (PSC) and Portland Pozzolana (PPC).

The directions of the Estimates Committee to review the ILs issued to the cement factories with a view to endorsing on them the quantities of different kinds of cement which the factory is authorised to manufacture was examined with reference to the legal provisions contained in the I(D&R) Act referred to above. Section 12(2) and the proviso thereunder of the said act stipulates that the Central Govt. cannot vary or amend any industrial licence unilaterally if the undertaking concerned has taken effective steps in accordance with the licence issued in favour of them. This implies that if an amendment is to be made, it has to be with the concurrence of the licensee. In view of this legal constraint, it is difficult to unilaterally amend the industrial licence issued in favour of the parties who have already taken effective steps to establish the cement plant or those who have already commenced commercial production. However, a proposal to amend the I(D&R) Act, 1951 is under consideration in this Ministry. In the proposal for amendment it is proposed to provide that the Govt. may call for the IL and impose appropriate condition etc. on the same. This would, however, be done after giving an opportunity to the affected party to state its case.

In this connection it may be stated that there are certain definite advantages to the country in encouraging manufacture of PPC as also PSC in as much as it augments availability of cement in the country and utilise the waste products such as fly ash and slag which would otherwise pose environmental problems. There has also been energy conservation to a certain extent in manufacture of PPC in as much as it consumes less power as compared to other two varieties of cement namely OPC and PSC. It is also pointed out that in regard to production of OPC and other varieties of cement, there are specific Indian Standards which prescribe certain physical and chemical specification for the manufacture of different varieties of cement. If these specifications are scrupulously maintained, there could be no danger to the structures built with these varieties of cement. The danger, however, lies in the cement not being manufactured according to these specifications. To prevent the malpractice of manufacturing sub-standard cement, Cement Quality Control Order, 1962 was amended on 3-6-1983 whereby ISI Certification has been made compulsory in respect of cement industry.

However, a number of Central Govt. Deptts. as well as State Govts. have been requesting that they have not been in a position

to obtain adequate supplies of OPC. This request was considered by the Govt. and it was decided that cement manufacturers should make available 30 per cent of the quantity of their levy commitment in OPC. Instructions were accordingly issued in June, 1982 by the Cement Controller to all the cement producers.

[Ministry of W&H O.M. No. 15011/1/82-W.3, dated 25th Nov., 1983]

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE AWAITED

Recommendation (Sl. No. 1, Para No. 1.20)

The Central Public Works Department is under the administrative control of the Ministry of Works & Housing. The Department is headed by the Director General of Works and operates in various Zones, each headed by a Chief Engineer, covering the entire country. The Committee have been informed that the Director General Virtually exercises the powers of the Ministry. In regard to acceptance of tenders and award of works he is assisted by the Central Works Advisory Board, which has full powers. Although the powers have been delegated to the Chief Engineers and other officers below them, the Director General who is above the level of the Chief Engineers and is the Chairman of the Central Works Advisory Board could exercise on his own only powers as delegated to the Chief Engineers in the matter of award of works. The Committee suggest that as agreed to by the Ministry in evidence, the desirability of suitably enhancing the financial powers of the Director General should be examined with a view to expedite decision making. The Committee would await the outcome.

Reply of Government

The desirability of suitably enhancing financial powers of D.G.(W) is under consideration of this Ministry.

[Ministry of W&H O.M. No. 15011|1|82-W.3
dated November 25, 1983]

Recommendation (Sl. No. 31 Para No. 4.42)

The Committee also feels that the penalty provided in the Indian Standards Institution (Certification Mark) Act, 1952 for the improper use of standard mark i.e. "fine which may extend to ten thousand rupees" is grossly inadequate. The Committee learn that there is a proposal to amend the Act *inter alia* enhancing the penalty to "one lakh rupees and/or rigorous imprisonment which may extend to one year" which is under consideration. The Committee emphasises the need for early conclusive action on the proposal. The Committee further desire that misuse of ISI mark should be made a cognisable offence.

Reply of Government

The ISI have already taken up the suggestions made by the Estimates Committee for the amendment of the ISI (Certification Marks) Act to increase the penalty for violation of Act. This is also under the consideration of the Ministry.

[Ministry of Food and Civil Supplies (Department of Civil Supplies) O.M. No. 14/2/83-ISI, Dated 26-11-1983]

NEW DELHI;
April 18, 1984

Chaitra 29, 1906 (Saka).

BANSI LAL,
Chairman,
Estimates Committee.

APPENDIX

(Vide Introduction of the Report)

Analysis of Action Taken by Government on the 50th Report of Estimates Committee (Seventh Lok Sabha)

I.	Total number of Recommendations	35
II.	Recommendations/Observations that have been accepted by Government (Nos. 2, 4, 6, 7, 9, 10, 11, 12, 15, 16, 17, 19, 21, 22, 24, 25, 26, 29, 30, 32, 33, 34 and 35) :	
	Total	23
	Percentage	65.7%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government replies. (Nos. 20 & 28) :	
	Total	2
	Percentage	5.7%
IV.	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee (Nos. 3, 5, 8, 13, 14, 18, 23 & 27) :	
	Total	8
	Percentage	22.9%
V.	Recommendations/Observations in respect of which final replies of Government are still awaited (Nos. 1, 31) :	
	Total	2
	Percentage	5.7%

**LIST OF AUTHORISED AGENTS FOR THE SALE OF
LOK SABHA SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
BIHAR		TAMIL NADU	
1.	M/s Crown Book Depot, Upper Bazar, Ranchi (Bihar).	10.	The Manager, M. M. Sub- scription Agencies, No. 2 1st Law Out Sivananda Colony, Coimbatore—641012.
GUJARAT		UTTAR PRADESH	
2.	The New Order Book Company, Ellis Brilge, Ahmedabad-6.	11.	Law Publishers, Sardar Patel Marg, P. B. No. 77, Allahabad, U.P.
MADHYA PRADESH		WEST BENGAL	
3.	Modern Book House, Shiv Vilas Palace, Indore City.	12.	Mrs. Manimala, Buys and Sells, 128, Bow Bazar Street, Calcutta—12
MAHARASHTRA		DELHI	
4.	M/s Sunderdas Gian Chand, 601, Girgaum Road, Near Princess Street, Bombay-2.	13.	Jain Book Agency, Connaught Place, New Delhi.
5.	The International Book Service, Decan Gymkhana, Poona—4.	14.	J. M. Jain & Brother, Mori Gate, Delhi.
6.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay—1.	15.	Oxford Book & Stationery Co., Scindia House, Connaught Place,
7.	M/s Usha Book Depot, Law Book Seller and Publishers' Agents Govt. Publications, 585, Chitra Bazar, Khan House, Bombay—2	16.	Bookwell 4, Sant Nirankari Colony, Kingsway Camp, Delhi—9.
8.	M&J Services, Publishers, Representative Accounts & Law Book Seller, Mrhan Kunj, Ground Floor, 68, Jyotiba Fuele Road, Naigaum-Dadar, Bombay—14.	17.	The Central News Agency, 23/30, Connaught Place, New Delhi.
9.	Subscribers Subscription Services India, 21, Raghunath Dadaji St., 2nd Floor, Bombay—1.	18.	M/s Rajendra Book Agency, IV—D/89, IV—D-50, Lajpat Nagar, Old Double Storey, Delhi—110024.
		19.	M/s Ashoka Book Agency. BH-82, Poorvi Shalimar Bagh, Delhi—110033.
		20.	Venus Enterprises, B—2/85, Phase—II, Ashok Vihar, Delhi.