



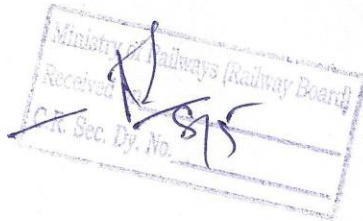
**CONSTRUCTION
FEDERATION OF
INDIA**

AJIT GULABCHAND
President

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May 7, 2015

Mr. Suresh Prabhu
Minister for Railways
Government of India
Rail Bhawan
Rafi Marg
New Delhi 110 001



Sub: Critical issues in infrastructure construction sector

Dear Minister:

On behalf of Construction Federation of India (CFI), I extend our sincere compliments to you for the series of progressive policy measures and action programmes set in motion in recent months for revitalizing the infrastructure in the country. CFI is the representative body of leading infrastructure construction companies of India engaged over last many decades in construction of dams, bridges, highways, expressways, hydel, thermal and nuclear power projects, airports, seaports and other complex civil projects.

The Federation welcomes the renewed thrust to the growth of basic infrastructure and also the ambitious focus on futuristic concepts such as high-speed rail network, river linking, smart cities etc. apart from the efforts to re-engineer the policy framework for expediting the pace of infrastructure creation.

Unfortunately, the problems that have been negatively impacting the implementation of infrastructure construction projects in the country particularly during the last few years have remained unaddressed or unresolved. The cumulative effect of this state of affairs has put the infrastructure firms under very severe financial stress, to the extent that many of them are confronted with an existential threat. A major reason for this crisis has been the huge pendency of claims due to be paid by the clients to the civil contractors but locked up in arbitration proceedings and courts.

Construction industry is the second biggest employer and a huge contributor to the country's GDP. It generates growth and indirect employment in other sectors through a multiplier effect. A stable Construction industry is important and essential for the success of every program announced by the Government of India like **Make in India, Clean India and Skill India** and will contribute significantly in creating new jobs in the country. A weak Construction and Infrastructure industry would be an impediment to the country's economic growth.

We sincerely hope that corrective measures would be taken at the earliest so as to create an ecosystem in which the construction industry is not only able to go ahead full-stream on execution of ongoing projects but also enhance its potential to help in realization of the new bold visions.

Faced with this unprecedented crisis, the industry is now deliberating this matter intensively and it is in this context that a delegation of the Federation would like to meet you to explain and discuss the key problem areas, which need urgent resolution. **We shall be thankful if a date could be indicated for this meeting, may we request a suitable time on May 14 or 15, 2015.**

We sincerely look forward to a positive outcome of this deliberation.

Yours sincerely


AJIT GULABCHAND