

No. RM-29 (2)/80

Dated the 20th August, 1982

To

All State Chief Engineers/Addl. Chief Engineers of the  
State P.W.Ds. and the Union Territories  
(Dealing with National Highways and other Central/Centrally financed works).

Subject : Allocation and movement of cement

As you are aware, this Ministry has been pursuing with the Cement Controller and the Ministry of Industry regarding more allocation of cement, specially OPC and regarding difficulties in their supply to State consignees. In this connection, a detailed discussion was held by the undersigned on 9th August, 1982 with the Joint Cement Controller and the action taken by the office of the Cement Controller is detailed below for your information and necessary action.

1. *Due to power cuts and other problems, the production of cement in the country has still not picked up sufficiently, even though it is expected that the production will go up due to implementation of the latest policy of supplying non-levy cement to other agencies except the Government. As and when the production is stepped up, increase in allocation to the Ministry, would be considered by the Cement Controller. The States should, no doubt, assess their requirements realistically and project only the minimum essential requirements.*
2. As a result of constant persuasion of this Ministry, Cement Controller has sent instructions last month to all the cement factories in the country to produce a minimum of 30% of their installed capacity as OPC (Ordinary Portland Cement). While obtaining authorisation from RCO concerned, you may, therefore, indicate your minimum essential requirement of OPC to him and request him to mention it specifically in the release order, so that the cement factories definitely supply that quantity of OPC. If the release order

does not indicate the quantity of OPC to be supplied, the cement factories might only supply PPC (Pozzolana Portland Cement). It is, therefore, requested that your consignees may be instructed suitably.

3. *Two factories, namely, Orissas Cement Works, Rajganpur and cement factory at Dalmiapuram (Tamil Nadu) are producing High strenght cement in the country.* The Cement Controller has since fixed the cost for the same, in consultation with the manufacturers and the major users like Railways, Ministry of Irrigation, etc. Your requirement, if any, of the high strength cement may, therefore, be indicated to the Ministry while sending your demands for the future quarters.

The manufacturers of high strength cement have, however, informed that the manufacture of this quality of cement would adversely affect their capacity production in view of the process involved, and therefore for fixing the quantum of levy/non-levy cement, the Cement Controller should consider a production of 1.5 tonnes of levy cement for every tonne of high strength cement produced in their factory. This has been agreed by the Ministry of Industry and, therefore, while giving the bulk allocation to this Ministry, if any State asks for high strength cement, their overall allocation will be reduced proportionately. For example, if 1,000 tonnes of high strength cement is allotted to some State, their allocation will be considered as 1,500 m. tonnes. Since the cost of high strength cement is also bound to be high, the States should only project their minimum essential requirements.

4. The import of cement has practically been stopped, by the Cement Controller, as the cost is very high. If this price is included in the pooled price, other consumers are likely to be unnecessarily burdened. Further, according to Cement Controller, the cement factories in the country produce OPC conforming to relevant ISS. It is, therefore, necessary for users requiring imported cement to follow the lengthy procedure of indicating their requirement to a common State agency fixed in their State, who will consolidate the requirements of the entire State and import cement through the State Trading Corporation. Since the supply of imported cement following this lengthy process is going to take considerable time and will be more costly, the States may not like to go in for imported cement.

5. The policy of reimbursement of extra freight incurred due to movement of cement by road transport still continues, wherever it has been found difficult to move cement by rail. However, since the Railways have increased the freight rates twice or thrice recently, reimbursement given by Cement Controller would only be limited to the rates that prevailed at the time of issue of their earlier circular in this connection. Cement Controller has also instructed RCOs to utilise the services of Central Inland Water Transport Corporation, Calcutta for movement of cement by river route to North Eastern States, as far as possible.