

## **CHAPTER I INTRODUCTION**

1.1 The Rajasthan State Road Development and Construction Corporation Limited (RSRD & CC or more commonly known as RSRDC) is the changed name of Rajasthan State Bridge and Construction Corporation Limited (RSB & CC which was more commonly known as RSBC). The fresh certificate of incorporation consequent on change of name was issued by Registrar of Companies, Rajasthan, Jaipur on January 18, 2001. The original company, RSBC was got registered under the Companies Act, 1956 on February 8, 1979 by some officers on behalf of Government of Rajasthan as a Public Limited Company. Therefore, it is a government company sponsored by Rajasthan State Government within the meaning of Section 617 of the Companies Act. Thereafter, the certificate of commencement of business in pursuance to Section 149(3) of the Act was issued on 19.05.1979 by the Registrar. Thus, the Corporation started functioning in May, 1979.

1.2. The main objectives of the Corporation as per its Memorandum of Association are: To construct, erect, build, remodel, repair, execute, develop, improve, administer, manage, control, carry out, maintain, demolish, manufacture, buy, sell, install, work, alter, manipulate, take on lease or otherwise acquire by transfer, control, grades, curve, pave macadamize, deal in all kinds of bricks, tiles, earthenware, cement, stone, sand, hardware and other building materials, equipment, tools and machinery connected with the construction of roads, paths, streets, bridges, sideways, tunnels, underground rail, roads, alleys, courts, pavements, dams, township schemes, docks, shipyards, sewer, canal, walls, ports, reservoirs, embankments, irrigation, reclamations, improvements, sanitary, water, gas or any other structural or architectural work and also to do other similar constructions, levelling or paving work at present being a part of the activities of the Public Works Department, other government departments, autonomous bodies of Government of Rajasthan, Government of India and all other states/union territories of India including under the BOT or BOOT or BOLT or MOT schemes or any other schemes developed from time to time for the purpose in a manner which will facilitate to undertake the above mentioned work.

1.3 The Directors on the Board of Directors of the Company shall not be less than 3 and not more than 12 and are appointed by Government of Rajasthan. Presently the Minister in-charge of Public Works Department of Government of Rajasthan is the Chairman of the Board and the Principal Secretary to the Government in Public Works Department is Vice-Chairman. The Managing Director, officers in the pay scale of Superintending Engineer (except one SE from Corporation) and above and head of Finance and Accounts wing are appointed by Government of Rajasthan.

1.4 The Corporation executes civil works in two ways. In one way the works are awarded by the departments of State Government, other agencies and clients on cost plus basis in which the Corporation charges certain percentage over the actual cost of construction from the client. Another way is to participate in tender

process like other contractors and compete with them for lowest rates. After procuring the work in either way from clients, the Corporation awards the work to other contractors either on completed rate (including cost of materials) or on labour rate (piece rate work) by inviting tenders. Generally cement and steel for the works are procured centrally and issued on works departmentally.

1.5           The State Government in Public Works Department first authorised the Corporation vide order dated 04.10.1979 to procure the civil works on cost plus basis and charge 15 per cent overheads. The period and percentage of overhead have been revised by the State Government from time to time. Lastly, by order dated July 16, 2005, the term of award of large civil engineering works to RSRDC on cost plus basis has been extended upto 31.03.2008. RSRDC has been authorised to charge the overheads @ 9 per cent in case the design and drawings are also to be prepared by RSRDC but it will charge the overheads @ 7.50 per cent if the design and drawings are supplied by the client department/organisation.

