



GOVERNMENT OF KERALA

Abstract

Finance Department – Non exemption granted to MSMEs regarding Earnest Money Deposit/Security Deposit /Performance Guarantee for civil construction works - clarification issued - reg

FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT

G.O.(P) No.1/2021/FIN.

Dated, Thiruvananthapuram, 03.01.2021

- Read :-
- 1) G.O.(P) No.546/2013/Fin dated 07.11.2013.
 - 2) Letter No. CE/BL/A1/GL/823/2020 dated 18/09/2020 from Chief Engineer, PWD(Buildings)
 - 3) U.O.(F) No. PWD - H3/230/2020-PWD

ORDER

As per the Government Order read as 1st paper above, it was ordered that to reduce transaction cost of doing business, the MSMEs will be given tender sets free of cost, payment of EMD will be exempted and e - procurement will be adopted to ensure transparency in the tendering process. As per letter read as 2nd paper above, the Chief Engineer, PWD(Buildings) has requested to issue a Government Order to the extend that MSMEs were granted exemption for procurement of Goods and Services only, which is not extended for civil construction works.

2) Government have examined the matter in detail and are pleased to order that the exemption regarding Earnest Money Deposit/Security Deposit /Performance Guarantee granted to MSMEs vide Government Order read as 1st

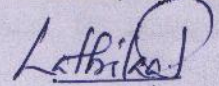
paper above is not applicable for Civil/Electrical/Infrastructure Contracts in the light that Earnest Money Deposit/Security Deposit /Performance Guarantee play a vital role in civil works in confirming satisfactory execution of contract over a considerable time period as well as in ensuring quality of work.

**By Order of the Governor,
RAJESH KUMAR SINGH IAS
Additional Chief Secretary (Finance)**

To

The Accountant General (A&E) Kerala, Thiruvananthapuram
The Accountant General (Audit-II) Kerala, Thiruvananthapuram
All Heads of Departments and Offices
The Secretary to Governor
All Departments of Secretariat
All Private Secretaries to Ministers
Private Secretary to Chief Minister
Private Secretary to the Leader of Opposition
All Secretaries to Government
The Registrar, High Court of Kerala
The Secretary, Kerala Human Rights Commission, Thiruvananthapuram
The Election Commissioner, State Election Commission, Thiruvananthapuram
The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam
The Nodal Officer, www.finance.kerala.gov.in
Stock file/Office Copy (E-1623181)

Forwarded/By Order



Section Officer