



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 1<sup>st</sup> 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

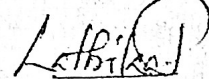
paper above is not applicable for Civil/Electrical/Infrastructure Contracts in the light that Earnest Money Deposit/Security Deposit /Performance Guarantee play a vital role in civil works in confirming satisfactory execution of contract over a considerable time period as well as in ensuring quality 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](http://www.finance.kerala.gov.in)  
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Forwarded/By Order



Section Officer