

No.16016/FD/F3/2023-24
Government of Puducherry
Finance Department

Puducherry, dt. 02/05/2023

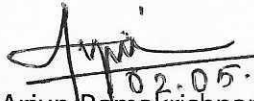
I.D. NOTE

Sub: Finance Department – Orders of Government of India on Vivad Se Vishwas I – Relief for MSMEs and Amendments in GFR, 2017 – Communicated.

The following Office Memorandums of Government of India are communicated herewith for information and necessary action:

Sl. No.	Ref. No. & Date	Subject
1.	O.M. No.F-1/1/2023-PPD dt.06.02.2023 of Department of Expenditure (Procurement Policy Division), Ministry of Finance, Govt. of India.	Vivad Se Vishwas I – Relief for MSMEs
2.	O.M. No.F-1/1/2023-PPD dt.10.04.2023 of Department of Expenditure (Procurement Policy Division), Ministry of Finance, Govt. of India.	Vivad Se Vishwas I – Relief for MSMEs
3.	O.M. No.F-1/1/2023-PPD dt.11.04.2023 of Department of Expenditure (Procurement Policy Division), Ministry of Finance, Govt. of India.	Vivad Se Vishwas I – Relief for MSMEs: Revised Order.
4.	O.M.No.F.1/2/2023-PPD dt.03.04.2023 of Department of Expenditure (Procurement Policy Division), Ministry of Finance, Govt. of India.	Amendments in General Financial Rules, 2017 – Rule 171(i) – Performance Security – Reg.

//By Order//


(Arjun Ramakrishnan)
Under Secretary(Finance)

Encl.: As above.

To

All Secretariat Departments
All Heads of Departments/Offices
All SAOs/JAOs.

No.F.1/1/2023-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

264-C, North Block, New Delhi.
6th February, 2023.

Office Memorandum

Subject: Vivad Se Vishwas I - Relief for MSMEs

Government has been getting many references from Micro, Small and Medium Enterprises (MSMEs) regarding difficulties being faced by them in the last two years due to COVID 19 pandemic. The Government had provided certain benefits to the industry (including MSMEs) in Government contracts in the past.

2 In order to further support MSMEs, it has been decided to provide relief in all contracts for procurement of Goods and Services, entered into by any Ministry/ Department/ attached or subordinate office/ autonomous body/ Central Public Sector Enterprise (CPSE)/ Public Sector Financial Institution etc with MSMEs, which meet the following criteria:

- (i) The contractor/ supplier should be registered as a Medium, Small or Micro Enterprise with Ministry of MSME, as on 31.03.2022.
- (ii) The original delivery period/ completion period was between 19.02.2020 and 31.03.2022.

3. For the MSMEs which meet the specified criteria, the following reliefs shall be provided:

- (i) 95% of the performance security forfeited from such firms shall be refunded.
- (ii) 95% of the Bid security (Earnest Money Deposit), if any, forfeited from MSME firms in tenders opened between 19.02.2020 and 31.03.2022 shall be refunded.
- (iii) 95% of the Liquidated Damages (LD) deducted from such firms shall also be refunded. LD so refunded shall not exceed 95% of the performance security stipulated in the contract.
- (iv) In case firm has been debarred only due to default in execution of such contracts, such debarment shall also be revoked, by issuing an appropriate order by the procuring entity.

However, in case a firm has been ignored for placement of any contract due to debarment in the interim period (i.e. date of debarment and the date of revocation under this order), no claim shall be entertained.

- (v) No interest shall be paid on such refunded amount.

4. Government e-Marketplace (GeM) shall provide an online portal for the purpose implementation of this order. Broad functionality of the portal shall be as follows:

Step 1: GeM shall provide functionality to MSME Vendors to register on the portal through its authorized personnel.

Step 2: The registered contractor shall list out the applicable contracts on the portal. The list of the procuring entities shall be available only through drop down menu, which should be changed only with the approval of DoE. The details of the dispute should contain atleast following details: contract number, contracting authority, paying authority, Deducted/ forfeited amount.

Step 3: GeM portal shall intimate through email to nodal officers of each procuring entity to verify the claim of the MSME vendor.

Step 4: The nodal officer of the procuring entity shall after due diligence and refund of due amount as per this order shall update the portal with the amount, date and transaction details of the payment.

Step 5: Reports to track pendency in each procuring entity shall be provided by GeM.

5. The date of commencement of the scheme shall be notified separately.

W
06/02/2023
(Kanwalpreet)
Director(PPD)

Tel.No. 2309 3811; email: kanwal.irss@gov.in

To

1. Secretaries of all Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities under their administrative control.
2. Secretary, Department of Public Enterprises with a request to reiterate these orders in respect to public enterprises.
3. Secretary, Department of Financial Services with a request to reiterate these orders in respect to public sector financial institutions.
4. Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.
5. CEO/ GeM with a request to ensure implementation of this order on GeM.

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B. Vennila
2.5.2023

(B. VENNILA)
Superintendent
Finance Department
Puducherry

No.F.1/1/2023-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

264-C, North Block, New Delhi.
10th April, 2023.

Office Memorandum

Subject: Vivad Se Vishwas I - Relief for MSMEs

Government has been getting many references from Micro, Small and Medium Enterprises (MSMEs) regarding difficulties being faced by them in the last two years due to COVID 19 pandemic. The Government had provided certain benefits to the industry (including MSMEs) in Government contracts in the past. In continuation to the efforts of the Government in this regard, this Department had issued an OM of even number dated 06.02.2023. Many references have been received by this Department seeking clarifications on implementation of the scheme circulated on 06.02.2023. In this context, it has been decided to issue following instructions in supersession of this Department's OM of even number dated 06.02.2023.

2. The following parameters will determine eligibility for benefits under this scheme:

SN	Parameter	Eligibility condition
i	Nature of procurement eligible for the relief	Procurement of Goods and Services
ii	Central government procurement entities to whom this scheme applies	Ministry/ Department/ attached or subordinate office/ autonomous body/ Central Public Sector Enterprise (CPSE)/ Central Public Sector Banks/ Financial Institution etc.
iii	Nature of the supplier/ contractor eligible for the scheme	Registered as a Medium, Small or Micro Enterprise (MSME) as per prevalent scheme of Ministry of MSME on the date of claim by supplier/ contractor. MSME may be registered for any category of Goods and Services.
iv	Eligible contracts in case of forfeiture of performance security or imposition of Liquidated Damages (LD) or the damages levied under "Risk Purchase" (RP) or debarment action	Where original delivery period/ completion period stipulated in contract was between 19.02.2020 and 31.03.2022 (both dates are inclusive). In case of risk purchase, the original delivery period of the main contract (and not the risk purchase contract) should be between 19.02.2020 and 31.03.2022.

v	Eligible tenders in case of forfeiture of Bid security (Earnest Money Deposit) or debarment action	Tenders, where date of closing of the tender was between 19.02.2020 and 31.03.2022 (both dates are inclusive).
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3. The following amount shall be refunded by the procuring entities as a relief under this scheme after determining eligibility as per para 2 as above:

SN	Cause of action	Amount/ extent of relief
i	Performance security forfeited by the procuring entities for failure to execute contracts by the contractors.	95% of the performance security forfeited by the procuring entity.
ii	Imposition of Liquidated damages (damages deducted for late deliveries) or the damages levied under the risk purchase.	95% of the Liquidated Damages (LD) deducted or 95% of the risk purchase amount realized by the procuring entities from the MSME.
iii	Bid security (Earnest Money Deposit) forfeited	95% of the Bid security (Earnest Money Deposit) forfeited.
iv	Debarment of the contractor due to default in execution of eligible contracts/ eligible tenders under the scheme	Revocation of debarment by issue of an appropriate order by the procuring entity. The date of revocation shall be the date of such order. However, in case a firm has been ignored for placement of any contract due to debarment in the interim period (i.e. date of debarment and the date of revocation under this order), no claim shall be entertained.

Notes:

- i. No interest shall be paid on such refund/ relief amount in any case.
- ii. Wherever, performance security has been reduced in view of this Department OM F.9/4/2020-PPD dated 12.11.2020 or for any other reasons, the relief under para 3(i) and 3(ii) as above, shall be limited only to 95% of the reduced performance security.
- iii. In case liquidated damages and/ or performance security and/ or damages under risk purchase have been deducted in the same contract, total relief will be 95% of LD forfeited plus 95% of the performance security forfeited plus 95% of the damages under risk purchase realized.
- iv. For cases where recoveries/ forfeiture for liquidated damages and/ or performance security and/ or damages under risk purchase have not materialized/ completed, the cases shall be dealt on the principles of this circular under para 3 as above.

4. Government e-Marketplace (GeM) has provided a dedicated link on their portal for implementation of this scheme. The link/ portal has the functionality for MSME Vendors to register their claims through its authorized personnel. For non- GeM contracts of Ministry of Railways, MSME vendors will be required to register on IRePS (www.ireps.gov.in). The information regarding contracts for which claim is to be lodged on IRePS will be provided on GeM as well as IRePS. The broad features of this portal are as under:

- i. The registered contractor shall list out the eligible contracts on the portal. The list of the procuring entities is available through drop down menu on the portal. The details, such as contract number, contracting authority, Deducted/ forfeited amount, etc. will be submitted by the contractor on the portal.
- ii. GeM portal shall intimate through dashboard such details to the procuring entities to verify and refund the claim in terms of the eligibility etc. mentioned above and shall update the portal with the amount, date and transaction details of the payment. Procuring entities must approve/ reject the claim within 30 days of claim submitted by the contractor on the portal. Further, once claim is accepted, payment must be made and details are entered on the portal by the procuring entities within 30 days of the acceptance of the claim.
- iii. Pendency Reports to each procuring entity shall be provided by GeM.

5. The date of commencement of the scheme will be 17.04.2023 and claims can be submitted by 30.06.2023.

y
P 10/4/2023
(Kanwalpreet)
Director(PPD)

Tel.No. 2309 3811; email: kanwal.irss@gov.in

To

1. Secretaries of all Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities under their administrative control.
2. Secretary, Department of Public Enterprises with a request to reiterate these orders in respect to public enterprises.
3. Secretary, Department of Financial Services with a request to reiterate these orders in respect to public sector financial institutions.
4. Secretary, Ministry of MSME with a request to monitor the procuring entities for implementation of the scheme.
5. Chief Secretaries/ Administrators of Union Territories/ National Capital Territory of Delhi.
6. CEO/ GeM.

Copy to: Chief Secretaries of all State Governments, for kind information, and with a request to consider formulation of similar schemes in their States.

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B. Vennila
2-5-2023

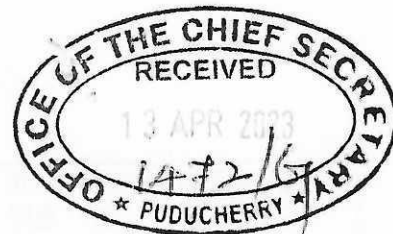
(B. VENNILA)

Superintendent

Finance Department

Puducherry

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No.F.1/1/2023-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

264-C, North Block, New Delhi.
11th April, 2023.

Office Memorandum

Subject: Vivad Se Vishwas I - Relief for MSMEs: Revised order.

Government has been getting many references from Micro, Small and Medium Enterprises (MSMEs) regarding difficulties being faced by them in the last two years due to COVID-19 pandemic. The Government had provided certain benefits to the industry (including MSMEs) in Government contracts in the past. In continuation to the efforts of the Government in this regard, this Department had issued an OM of even number dated 06.02.2023. Many references have been received by this Department seeking clarifications on implementation of the scheme circulated on 06.02.2023. In this context, it has been decided to issue following instructions in supersession of this Department's OM of even number dated 06.02.2023 and 10.04.2023.

2. The following parameters will determine eligibility for benefits under this scheme:

SN	Parameter	Eligibility condition
i	Nature of procurement eligible for the relief	Procurement of Goods and Services
ii	Central government procurement entities to whom this scheme applies	Ministry/ Department/ attached or subordinate office/ autonomous body/ Central Public Sector Enterprise (CPSE)/ Central Public Sector Banks/ Financial Institution etc.
iii	Nature of the supplier/ contractor eligible for the scheme	Registered as a Medium, Small or Micro Enterprise (MSME) as per prevalent scheme of Ministry of MSME on the date of claim by supplier/ contractor. MSME may be registered for any category of Goods and Services.
iv	Eligible contracts in case of forfeiture of performance security or imposition of Liquidated Damages (LD) or the damages levied under "Risk Purchase" (RP) or debarment action	Where original delivery period/ completion period stipulated in contract was between 19.02.2020 and 31.03.2022 (both dates are inclusive). In case of risk purchase, the original delivery period of the main contract (and not the risk purchase contract) should be between 19.02.2020 and 31.03.2022.

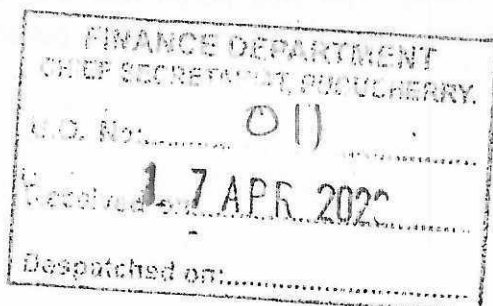
O.O. D.C. & COMM - cum - SECY
(FIN/PLG/IT/CTD & E & S)

FTS. No. _____

F.No. 1690/DI/1155/2023

Receipt on: 13/04/2023

Despatch on: 17/04/2023



v	Eligible tenders in case of forfeiture of Bid security (Earnest Money Deposit) or debarment action	Tenders, where date of closing of the tender was between 19.02.2020 and 31.03.2022 (both dates are inclusive).
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3. The following amount shall be refunded by the procuring entities as a relief under this scheme after determining eligibility as per para 2 as above:

SN	Cause of action	Amount/ extent of relief
i	Performance security forfeited by the procuring entities for failure to execute contracts by the contractors.	95% of the performance security forfeited by the procuring entity.
ii	Imposition of Liquidated damages (damages deducted for late deliveries) or the damages levied under the risk purchase.	95% of the Liquidated Damages (LD) deducted or 95% of the risk purchase amount realized by the procuring entities from the MSME.
iii	Bid security (Earnest Money Deposit) forfeited	95% of the Bid security (Earnest Money Deposit) forfeited.
iv	Debarment of the contractor due to default in execution of eligible contracts/ eligible tenders under the scheme	Revocation of debarment by issue of an appropriate order by the procuring entity. The date of revocation shall be the date of such order. However, in case a firm has been ignored for placement of any contract due to debarment in the interim period (i.e. date of debarment and the date of revocation under this order), no claim shall be entertained.

Notes:

- i. No interest shall be paid on such refund/ relief amount in any case.
- ii. *Deleted.*
- iii. In case liquidated damages and/ or performance security and/ or damages under risk purchase have been deducted in the same contract, total relief will be 95% of LD forfeited plus 95% of the performance security forfeited plus 95% of the damages under risk purchase realized.
- iv. For cases where recoveries/ forfeiture for liquidated damages and/ or performance security and/ or damages under risk purchase have not materialized/ completed, the cases shall be dealt on the principles of this circular under para 3 as above.

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contracts of Ministry of Railways, MSME vendors will be required to register on IRePS (www.ireps.gov.in). The information regarding contracts for which claim is to be lodged on IRePS will be provided on GeM as well as IRePS. The broad features of this portal are as under:

- i. The registered contractor shall list out the eligible contracts on the portal. The list of the procuring entities is available through drop down menu on the portal. The details, such as contract number, contracting authority, Deducted/ forfeited amount, etc. will be submitted by the contractor on the portal.
- ii. GeM portal shall intimate through dashboard such details to the procuring entities to verify and refund the claim in terms of the eligibility etc. mentioned above and shall update the portal with the amount, date and transaction details of the payment. Procuring entities must approve/ reject the claim within 30 days of claim submitted by the contractor on the portal. Further, once claim is accepted, payment must be made and details are entered on the portal by the procuring entities within 30 days of the acceptance of the claim.
- iii. Pendency Reports to each procuring entity shall be provided by GeM.

5. The date of commencement of the scheme will be 17.04.2023 and claims can be submitted by 30.06.2023.

uj
11/04/2023
(Kanwalpreet)
Director(PPD)

Tel.No. 2309 3811; email: kanwal.irss@gov.in

To

1. Secretaries of all Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities under their administrative control.
2. Secretary, Department of Public Enterprises with a request to reiterate these orders in respect to public enterprises.
3. Secretary, Department of Financial Services with a request to reiterate these orders in respect to public sector financial institutions.
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6. CEO/ GeM.

Copy to: Chief Secretaries of all State Governments, for kind information, and with a request to consider formulation of similar schemes in their States.

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B. Vennila
2-5-2023

(B. VENNILA)

Superintendent

Finance Department

Puducherry

No.F.1/2/2023-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

513, Lok Nayak Bhavan,
Khan Market, New Delhi,
03.04.2023

OFFICE MEMORANDUM

Subject: - Amendment in General Financial Rules, 2017 – Rule 171(i) Performance Security Regarding.

Attention is invited towards Rule 171(i) of General Financial Rules, 2017 regarding Performance Security. It has been decided to amend the Rule 171(i) of GFRs, 2017 as under:

Existing Rule	Revised Rule
Rule 171(i): To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Unlike contracts of Works and Plants, in case of contracts for goods, the need for the Performance Security depends on the market conditions and commercial practice for the particular kind of goods. Performance Security should be for an amount of five to ten percent of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of Insurance Surety Bonds, Account Payee Demand Draft, fixed Deposit Receipt from a Commercial bank, Bank Guarantee (including e-Bank Guarantee) from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects.	Rule 171(i): To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Unlike contracts of Works and Plants, in case of contracts for goods, the need for the Performance Security depends on the market conditions and commercial practice for the particular kind of goods. Performance Security should be for an amount of three to ten per cent (3-10%) of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of Insurance Surety Bonds, Account Payee Demand Draft, fixed Deposit Receipt from a Commercial bank, Bank Guarantee (including e-Bank Guarantee) from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects.

2. Accordingly, amount of Performance Security will also stand modified from existing i.e. 5-10 % to 3-10 % at all places, including following paragraphs in the procurement manuals :

- (i) Para 6.1.2 of Manuals for Procurement of Goods,
 - (ii) Para 6.2.6(iv)(a) of Manual for Procurement of Consultancy and Other Services.
3. Similarly, the amount of performance guarantee plus Security Deposit/ Retention Money as per Para No. 4.12 and 4.13 respectively of the Manual for Procurement of Works will of 3-10%.

4. This OM is also available on website of Department of Expenditure; www.doe.gov.in - > Notification -> Circular -> Procurement Policy OM. Hindi version of this OM will follows.

Usha Rani
03/04/2023
(Usha Rani)

Under Secretary(Procurement Policy)

Tel.24621304

email: usha.rani64@gov.in

To,

All the Secretaries and Financial Advisors to Government of India.

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B. Vennila
2-5-2023

(B. VENNILA)

Superintendent

Finance Department

Puducherry