



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

CIN: U40100KL2011SGC027424, website: www.kseb.in

Regd. Office : Vidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695 004.

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Abstract

Relief measures due to Covid Pandemic - Revising Performance Bank Guarantee @3% for supply/work Contracts under Central schemes based on the OM of Ministry of Power, Government of India – implementation in KSEBL - Approved - Orders issued

CORPORATE OFFICE (SBU-D)

Board Order (FTD) No. **623/2021** (CAPs/P2/IPDS & R-APDRP/Performance BG/2021-22

Thiruvananthapuram dated: **17.08.2021**

- Read: 1. Letter No. PFC:IPDS:2020/071730/16.03.2021 from ED(IPDS)/PFC with acc: Office Memorandum No. F.9/4/2020-PPD/dated 12.11.2020 from the Ministry of Finance/ Government of India
2. Note No. CAPs/P2/IPDS & R-APDRP/Performance BG/2021-22/dated 04.08.2021 of the Chief Engineer (IT, CR & CAPs) –(Agenda No. 82/8/21)

ORDER

The Ministry of Finance, Government of India has issued an Office Memorandum dated 12.11.2020 and subsequently ED(IPDS), PFC Ltd, N Delhi, has intimated that, as part of the relief measures on account of economy slow down due to COVID pandemic, it has been directed to reduce the Performance Security from the existing 5 – 10% **to 3% of the Contract value** for all the existing Contracts under IPDS **except for** the contracts under dispute - arbitration/ court proceedings. This extends to Contracts concluded till 31.12.2021 and all kinds of procurements.

Though the Closures for projects including R-APDRP & IPDS (System Strengthening) have been submitted to the Nodal agencies, and Loan/Grant amount was received, in spite of the above directions from the Ministry of Finance, Government of India, the Performance Guarantee @10% of the Contract value, extending beyond the successful completion and commissioning of works, as part of the contractual obligations, are being retained at various levels.

In certain cases, the validity of Performance Guarantee kept as retention amount extends up to 2024. In such cases, for IPDS System Strengthening works, though the closures are accepted, Nodal Agency has not released the eligible balance Grant amount due to the fact that the retention amount is still pending release and expenditure towards project is not matching with the approved cost.

To avoid further delay in receipt of pending Grant amount, and to extend the benefits of the directions contained in the referred letter, to all the contracts under Central projects,

the Chief Engineer(IT, CR & CAPs) as per note read as (2)nd above requested whether the directions from the Ministry of Finance, Government of India to reduce the Performance Security from 10% to 3% may be implemented in KSEBL, for

- a. The new Central Government schemes as per the relevant clause in SBD
- b. The existing Contracts including procurements, for the balance of Performance Guarantee validity period, **except for** the contracts under dispute - arbitration/ court proceedings.

The matter was placed before the Full Time Directors as per note read as (2)nd above. Having considered matter in detail, Full Time Directors in its meeting held on 12.08.2021, resolved to implement the directions from Ministry of Finance, Government of India to reduce the Performance Security **from 10% to 3%**, in KSEBL for the following in line with the same

- a. The new Central Government schemes as per the relevant clause in Standard Bidding Document
- b. The existing Contracts under **Central Govt. schemes** including procurements, for the balance of Performance Guarantee validity period, **except for** the contracts under dispute - arbitration/ court proceedings.

Orders are issued accordingly

By order of the
Full Time Directors
Sd/-
Lekha G
Company Secretary-in-charge

To

The Chief Engineer (IT, CR & CAPs)

Copy to

1. The Financial Advisor/Chief Internal Auditor/LA&DEO
2. TA to Chairman & Managing Director
3. TA to the Director (D&IT)
4. PA to the Director (Finance)/ Company Secretary
5. The Fair copy Superintendent, Board Secretariat, Library

Forwarded / By Order


13/8/21
Assistant Executive Engineer