

9th March 2021

To,

Shri Sitaram Kunte, IAS
Chief Secretary
Government of Maharashtra
CS Office Main Building,
Mantralaya, 6th Floor, Madame Cama Road
Mumbai-400032

Respected Sir,

Sub: Providing relief measures to mitigate the additional financial burden on Contractors (brought out due to outbreak of pandemic Covid-19 and subsequent imposition of nation-wide lockdown), by way of reduction in the value of Performance Security in Construction Contracts –

Request to Implement the directions issued by Ministry of Finance, Govt. of India vide Office Memorandum dated 12.11.2020– reg.

Construction Federation of India is the representative body of the leading infrastructure construction firms of the country engaged in building dams, power stations (Thermal, Hydro, Nuclear), highways, bridges, roads, irrigation and water supply projects etc. and other basic infrastructure of national importance.

Sir, as your good-self are already aware of the fact that the outbreak of pandemic Covid-19 and subsequent nationwide lockdown has caused severe adverse effect on the construction sector, infrastructure in particular, and the economy of our Nation as a whole. The infrastructure sector has been undergoing immense stress due to lack of funding avenues for projects of national importance and shortage of workforce.

In order to provide support for the Infrastructure sector which is suffering irreparable losses due to ongoing crisis, the Central Government and respective Governments of various States are implementing several measures to facilitate early revival of the economy.

The Ministry of Finance, Govt. of India, taking due cognizance to many representations in this regard, has issued an Office Memorandum No: F.9/4/2020-PPD, dated 12.11.2020 to provide certain immediate reliefs

9th March 2021

To,

Shri Rajendra Kumar Tiwari
Chief Secretary
Government of Uttar Pradesh
101, Lok Bhawan, U.P. Civil Secretariat,
Vidhan Sabha Marg
Lucknow - 226001

Respected Sir,

Sub: Providing relief measures to mitigate the additional financial burden on Contractors (brought out due to outbreak of pandemic Covid-19 and subsequent imposition of nation-wide lockdown), by way of reduction in the value of Performance Security in Construction Contracts –

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To,

Shri Iqbal Singh Bains
Chief Secretary
Government of Madhya Pradesh
MP Mantralaya, Vallabh Bhavan
Bhopal - 462004

Respected Sir,

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To,

Shri Niranjana Kumar Arya
Chief Secretary
Government of Rajasthan
Main Building, Secretariat, Jaipur
Rajasthan

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9th March 2021

To,

Smt. Vini Mahajan
Chief Secretary & (Additional Charge
Principal Secretary – Personnel, General Admin.)
Government of Punjab
6th Floor, Punjab Civil Secretariat -1, Sector 1
Chandigarh-160001

Madam,

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To,

Shri Vijai Vardhan, IAS
Chief Secretary, Haryana
4th Floor, Haryana Civil Secretariat,
Sector-1, Chandigarh

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To,

Shri Vijay Bhaskar T M
Chief Secretary
Government of Karnataka
Room No. 320, 3rd floor,
Vidhanasoudha,
Bangalore-560 001

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9th March 2021

To,

Shri Anil Mukim
Chief Secretary
Government of Gujarat

Block No. 1, 5th Floor, Sardar Bhavan,
Sachivalaya, Gandhinagar,
Gujarat - 382010

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Dr Rajeev Ranjan, IAS
Chief Secretary
Government of Tamil Nadu
Secretariat,
Chennai-600009

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Shri Om Prakash
Chief Secretary
Government of Uttarakhand
4 Subhash Road, Uttarakhand Secretariat,
Dehradun-248001

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inter-alia allowing a reduction in the amount to be deposited as Security in the Govt. Contracts. **At point no 4 of the said Memorandum, it is decided that the amount of Performance Security deposited under all existing Contracts shall be reduced from existing 5-10% to 3 % of the Contract value.** A copy of the said office Memo dated 12.11.2020 issued by the Ministry of Finance is enclosed as **Annexure-1** hereto for your ready reference.

In furtherance whereof, the Secretary (Expenditure), has also addressed a communication to the Chief Secretaries of all State Government's, requesting them to consider issuing directions similar to those issued in the Office Memo by the Ministry of Finance dated 12.11.2020 as aforesaid. A photocopy of such communication is also attached herewith as **Annexure-2**.

In considerations thereto, the Governments of various States such as Andhra Pradesh, Telangana, West Bengal et-al., have issued instructions for adopting similar measures to provide relief to the contractors engaged in the execution of works in their respective States, pursuant to the directions issued in the said Office Memorandum from the Ministry of Finance. Copies of such Govt. orders/Memorandums issued by **Governments of Andhra Pradesh, Telangana and West Bengal** are collectively enclosed as **Annexure-3** hereto.

In light of the prevailing situation, we humbly request you to lend a considerate view to our request and provide directions for implementing the relief measures by way of effecting a reduction in the percentage of

Performance Security to 3% of Contract Value in line with the directions contained in the Office Memo by the Ministry of Finance, Govt. of India.

Such timely support shall not only facilitate the contractors to mitigate the immediate challenges effectively and ensure the completion of ongoing works smoothly but shall also provide necessary encouragement during these trying times for taking up complex projects which are intended to bring welfare and benefit to the people of the state.

With sincere regards,

(Shiv Rawat)
Deputy Director

Encl: As stated above.