Sub:  Vivad Se Vishwas – Relief for MSEs – Revised Order

Ref: 1. Govt. of India, Ministry of Finance, DPE, New Delhi’s letter dated 17th April, 2023
2. Govt. of India, Ministry of Finance, Department of Expenditure, Procurement Policy Division, North Block New Delhi’s letter dated 11.04.2023

With regard to the above, kindly find attached the Letters dated 17th April, 2023, received from Deputy Director, Govt. of India, Ministry of Finance, Department of Public Enterprises, New Delhi along with letter dated 11.04.2023 of Ministry of Finance, Department of Expenditure, Procurement Policy Division, North Block, New Delhi, which are self explanatory, for necessary information and compliance.

This issues with the approval of Competent Authority.
To,

Chief Executives of all CPSEs

Subject - Vivad Se Vishwas I - Relief for MSEs : Revised Order

Sir/Madam,

The undersigned is directed to forward herewith a copy of Department of Expenditure O.M. No. 1/1/2023-PPD dated 11th April, 2023 on the subject mentioned above and to reiterate these orders for information and compliance by all CPSEs.

2. It is further requested that the above order may also be circulated among MSME suppliers/contractors of your company so that they could avail benefit under this scheme as per prescribed eligibility.

Endl : As stated

(Kailash Bhandari)
Deputy Director
Tel : 2436-6247
महोदय/महोदया,

अधिवक्ताओं को उपरोक्त बर्णना निगम पर व्यवस्था के तिथि 11 अप्रैल, 2023 के कार्यालय जानने संख्या 1/1/2023-पीपीरी की एक प्रति इसके माध्यम अपेक्षित करने और सभी सीपीएसआर द्वारा घोषित और अनुमोदन के लिए इन आदेशों को दूरदर्शन का निर्देशन है।

2. यह भी अनुरोध किया जाता है कि उपरोक्त आदेश को आपकी कंपनी के एमएमएसआर आधुनिकताओं/उपकरणों के बीच भी परिवहित किया जाए, नाकि वे निर्धारित पात्रता के अनुसार इस योजना के तहत लाभ उठा सकें।

मंत्र: यथा उल्लिखित
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:

<table>
<thead>
<tr>
<th>SN</th>
<th>Parameter</th>
<th>Eligibility condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>Nature of procurement eligible for the relief</td>
<td>Procurement of Goods and Services</td>
</tr>
<tr>
<td>ii</td>
<td>Central government procurement entities to whom this scheme applies</td>
<td>Ministry/ Department/ attached or subordinate office/ autonomous body/ Central Public Sector Enterprise (CPSE)/ Central Public Sector Banks/ Financial Institution etc.</td>
</tr>
<tr>
<td>iii</td>
<td>Nature of the supplier/contractor eligible for the scheme</td>
<td>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.</td>
</tr>
<tr>
<td>iv</td>
<td>Eligible contracts in case of forfeiture of performance security or imposition of Liquidated Damages (LD) or the damages levied under &quot;Risk Purchase&quot; (RP) or debarment action</td>
<td>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.</td>
</tr>
<tr>
<td>SN</td>
<td>Cause of action</td>
<td>Amount/ extent of relief</td>
</tr>
<tr>
<td>----</td>
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</tr>
<tr>
<td>I</td>
<td>Performance security forfeited by the procuring entities for failure to execute contracts by the contractors.</td>
<td>95% of the performance security forfeited by the procuring entity.</td>
</tr>
<tr>
<td>II</td>
<td>Imposition of Liquidated damages (damages deducted for late deliveries) or the damages levied under the risk purchase.</td>
<td>95% of the Liquidated Damages (LD) deducted or 95% of the risk purchase amount realized by the procuring entities from the MSME.</td>
</tr>
<tr>
<td>III</td>
<td>Bid security (Earnest Money Deposit) forfeited</td>
<td>95% of the Bid security (Earnest Money Deposit) forfeited.</td>
</tr>
<tr>
<td>IV</td>
<td>Debarment of the contractor due to default in execution of eligible contracts/ eligible tenders under the scheme</td>
<td>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.</td>
</tr>
</tbody>
</table>

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.

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.

(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.