



Indian Electrical & Electronics Manufacturer's Association
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Director General

SEC/REP/RS/147

19th July 2021

Dear Sir / Ma'am

Subject: Request to Issue Order for Extension of Contractual Delivery Period with Waiver of Liquidated Damages/ Penalty in view of COVID 19 pandemic and lockdowns

The Indian electrical industry has been undergoing through an unprecedented situation and difficult times, caused by the outbreak of deadly Covid 19 pandemic.

Taking cognizance of the seriousness of the situation, certain stringent measures were taken by the Government of India and various State Governments and the country went through complete lockdown, from 23rd March 2020 till the end of May 2020 and thereafter partial shutdowns, which are still imposed in the form of containment zones/ micro containment zones. Other precautionary measures have also been taken by various State/ Central agencies due to rapid rise in second strain of Covid-19, from the 1st week of March 2021.

There is an environment of fear and uncertainty prevailing everywhere, developed over last two months. The electrical industry, which was trying to come out of earlier losses, are again being compelled to take precautions, due to which, manufacturing capacities have reduced further.

As per the information received from our members, due to the unprecedented situation developed over last one year, our members are not able to maintain the delivery schedule as per their contracts, because of the uncertainty in supply chain of commodities, availability of work force, scarcity of containers and shipping vessels, Non-Regularisation of essential items and consumables. Over and above, there has been steep and unprecedented rise in prices of essential raw materials, such as, Steel, Aluminum, Copper, Polymer etc in the range of 23% - 125% during the last one year.

We are pleased to inform, in view of aforesaid hardships faced by the industry, the Government of Rajasthan has issued a circular, dated 15th July 2021, extending delivery period for supplies and contractual work for 6 months from 16th April 2021, without any Liquidated Damages or penalty on the suppliers / contractors. A copy of the circular, dated 15th July 2021, is attached for your ready reference.

IEEMA requests your State Government to also issue Circular / Instructions to the Power Utilities and Government Departments for extension of delivery period for supplies and contractual work, without any Liquidated Damages or penalty on the suppliers / contractors.

proud partners in implementation





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Your above actions would make the suppliers and contractors healthy, also keeping the interest of your utility in the long run, by way of increased competition and better prices for future supplies.

We look forward to kind consideration of our above request.

Best regards,

Yours Sincerely,

J Pande

To,
All Power Secretaries of States

CC: CMDs / MDs of State Utilities