



Controller General of Defence Accounts
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(IFA WING)
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No. IFA/120/PBG/1/2020

Dated 13.10.2021

Circular No. 33 of 2021

To

All PCsDA/PIFAs/CsDA/IFAs
(Through CGDA Website)

Sub: Implementation of reduction of PWBG from 5-10% to 3% - regarding

Ref: 1. HQrs IFA Wing Circulars No 1 of 2021 dated 04.01.2021, 5 of 2021 dated 29.01.2021 and 9 of 2021 dated 02.03.2021.

In continuation of the HQrs IFA Wing Circulars cited under reference, a copy of Ministry of Defence (Acquisition Wing Secretariat)'s Office Order No. 4(4)/D(Acq)/20 dated 27.09.2021 on the above subject is forwarded herewith for your information and further necessary action please.

Encl: As above.

Sibal Kishna
AO (IFA)

28159/2021/IFA

रक्षा लेखा महानियंत्रक सचिवालय
C.G.D.A. Secretariatआयरी सं० / Dy. No. 895
दिनांक / Date. 29/9/2021No. 4(4)/D(Acq)/20
Government of India
Ministry of Defence
Department of Defence
[Acquisition Wing Secretariat]

South Block, New Delhi-110011

Dated 27.09.2021

OFFICE ORDER

Sub: Implementation of reduction of PWBG from 5-10% to 3%~regarding.

Ref.: (i) Ministry of Finance OM No. 9/4/2020-PPD dated 12.11.2020.

(ii) Office Order of Even No. dated 21 Jan 2021 & 23 Feb 2021

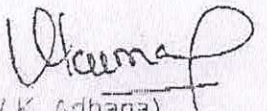
Reference above, directions have been issued on reduction of Performance Security from existing 5-10% to 3% of the value of the contract in certain cases/conditions and authorizing SHQs to effect contract amendments for all eligible Capital Acquisition Contracts(both delegated and non-delegated).

2. Representations have been received from the Industry regarding need for instructions to Banks to reduce the BG to 3% to facilitate effective and timely implementation of the directions on PWBG reduction.

3. In order to ensure smooth implementation of the directions on PWBG reduction, SHQs may adopt the enclosed format (Annexure-I) for writing to the concerned Banks to reduce BG to 3% while effecting contract amendments in respect of eligible Capital Acquisition Contracts(both delegated and non-delegated).

4. This issues with the approval of DG(Acq).

Encl.: As above.


(V.K. Adhana)
Director(Acq)
Telefax: 23792865

CISC

VCOAS

VCNS

DCAS

DG(ICG)

✓ CGDA

AS & FA(Acq)

JS & AM(LS)

JS & AM(MS)

JS & AM(Air)

Copy for information to:

- (i) SO to Defence Secretary
- (ii) PPS to FA(DS)
- (iii) PPS to DG(Acq)

Copy to: DDG NIC- for uploading on website.

ACQ(IFA)

28159/2021/IFA

Annexure-I (Referred to in Para 3 of the
Office Order No. 4(4)/D(Acq)/20 dated 27.09.2021)

Tel:
Fax:
Email:

Integrated HQ of MoD(---)

New Delhi-110011
Sep 2021

Bank Address

REDUCTION OF PERFORMANCE CUM WARRANTY BOND AGAINST
THE CONTRACT NO. ----

1. Kindly ref the following:-
 - (a) Contract No. _____ Dt. _____ (copy enclosed).
 - (b) MoF OM No. 9/4/2020-PPD dated 12 Nov' 2020 & MoD Office Order No.4(4)/D(Acq)/20 dated 21 Jan 2021.
2. In accordance with the contract amendment No. _____ dated _____ to subject contract, you are requested to reduce the value of the FWBG No. _____ to 3% (Three) of the total contract value, i.e. Rs. ____ Cr. With validity upto _____.

(_____)

Enclosure :(As Above)

Copy to:-

Vendor Address