



PHD Research Bureau
PHD Chamber of Commerce and Industry



Dear Members,

Greetings!

Benefit of reduced performance security extended till March 2023

PHDCCI recommended through its representation to Ministry of Finance and other Key Ministries for the extension of reduced performance security

The Government has extended the benefit of reduced performance security in government contracts till March 2023. According to the rules, a successful bidder awarded a Government contract has to deposit a performance security of 5-10% of the value of the contract with the Government. To help commercial entities and contractors tide over the liquidity crunch post the first wave of the COVID pandemic, the Ministry of Finance in November 2020 had reduced this performance security to 3% for all tenders or contracts issued or concluded till December 31, 2021.

The Ministry of Finance on 30th December 2021 said that the Government of India has decided to extend the benefit of reduced performance security of 3% up to March 31, 2023, for all central government tenders/contracts issued/concluded till March 31, 2023.

The notification by Department of Expenditure, Ministry of Finance in this regard is appended for your kind reference.

Please contact for any query related to this mail to Ms Shivani Mehrotra, Research Officer at shivani.mehrotra@phdcci.in, with a cc to Dr S P Sharma, Chief Economist | DSG at spsharma@phdcci.in and Ms Kritika Bhasin, Senior Research Officer at kritika.bhasin@phdcci.in, PHD Chamber of Commerce & Industry.

Warm Regards,

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