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No. IFA/109/Force Majeure/5/2020

Dated: 24.09.2021

Circular No. 32 of 2021

To

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

Sub: Force Majeure Clause (FMC) in Capital Acquisition Contracts due to Covid-19 Measures.

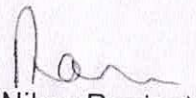
Ref: HQrs IFA Wing Circular No. 10 of 2020 dated 15.06.2020.

Kindly refer to communication cited under reference on the subject.

2. A copy of Ministry of Defence, Acquisition Wing Secretariat Office Order No. 4(4)/D(Acq)/20 dated 02.09.2021 regarding Force Majeure Clause (FMC) in Capital Acquisition Contracts due to Covid-19 Measures is forwarded herewith for information and necessary action please.

This issues with the approval of CGDA.

Encl: As above.


(Nihar Ranjan)
AO (IFA)

IFA
No. 4(4)/D(Acq)/20
Government of India
Ministry of Defence
Department of Defence
[Acquisition Wing Secretariat]

South Block, New Delhi – 110001
Dated: 02.09.2021

OFFICE ORDER

Subject: Force Majeure Clause (FMC) in Capital Acquisition Contracts due to Covid-19 Measures.


Attention is invited to Ministry of Defence Office Order of even number dated 12.06.2020 on the subject.

2. Taking into consideration the restrictions of different levels including curbs on movement of people imposed by the State Governments during the second wave of Covid-19, majorly starting from mid-April, 2021 to last week of June, 2021 on account of Covid-19 pandemic, which have affected transportation, manufacturing and distribution of goods and services, resulting in disruption of industrial activities and hampering normal activities, the following has been decided in respect of FMC of Capital Acquisition Contracts (of the Services and Coast Guard) with Indian Contractors/ Sellers/ Vendors:-

- (i) Force Majeure shall be applicable for a period of two and a half months, i.e. from 15th April 2021 to 30th June 2021.
- (ii) Duration of this Force Majeure will be excluded while calculating the delay in delivery of contracted equipment/service and imposition of LD charges.
- (iii) Interim and Final Delivery Period of the stage(s) of the contract that is affected by lockdown, will stand extended by two and a half months without imposition of any LD Charges. However, the Vendor is free to deliver the item well within the extended DP on account of FM.
- (iv) No separate contract specific amendments are required to be made to give effect to this order.
- (v) The vendors to be intimated about the above mentioned amendment to the concerned capital acquisition contracts on account of Force Majeure (FM).

3. Foreign Vendors may approach the SHQs/MoD separately, which will consider the cases on the basis of situation prevailing in their country.

4. This issues with the concurrence of FA(DS) conveyed vide MoD(Fin) Dy No. 75/AFA/N/Acq dated 25.08.2021 and the approval of Hon'ble RM.


2.9.21
(T. D. Diwivedi)
Director(DAC)
for Director(Acq)
Telefax: 23792865

CISC	VCOAS	VCNS	DCAS	DG(CG)
✓CGDA	AS&FA(Acq)			
JS&AM(LS)	JS&AM(MS)	JS&AM(Air)		

Copy to:-

- (i) PS to RM,
- (ii) DA to CDS,
- (iii) SO to Defence Secretary
- (iv) PPS to Secretary(DP),
- (v) PPS to Secretary(R&D)
- (vi) PPS to Secretary(Def Fin),
- (vii) PPS to DG(Acq)

Copy to: US(IT)- For uploading the Order on the MoD website.