Office Memorandum

Subject:- Imposing of Liquidated Damages (LD)- Reg.


CGDA, vide above cited UO No, has sought clarification on the issue of inclusion/ exclusion of taxes & duties for calculation of Liquidated Damages in respect of Defence Contracts.

2. The matter has been examined and it is stated that Liquidated Damages are to be calculated on the basic cost (excluding taxes & duties).

3. This is applicable from date of issue of this O.M. for all contracts under DPM & DPP.

4. This issues with the concurrence of FA (DS) and approval of Defence Secretary.

(Navjot Singh)
Asst. Financial Advisor (O2)

Distribution:

CGDA
DGADS
O/o Raksha Mantri
O/o Raksha Rajya Mantri
COAS
CNS
CAS
Defence Secretary/ Secretary (DP)/Secretary Defence (R&D)/ Secretary (ESW)/ FA (DS)
VCOAS
VCNS
VCAS
CISC
DGAFMS
DG CG
All Additional Secretaries in MOD/ MOD (F)
PIFA(O)
PIFA(Navy)
PIFA(Air)
All Joint Secretaries in MOD
All JS & Addl FAs in MOD (Fin)
Principal Advisor (Cost)
Finance Managers/ Advisors (Cost)
NIC Cell MOD- For Hosting on MOD Website