No. 8(8)/O2P/2018
Government of India
Ministry of Defence
(Fin/O2P)
****

South Block, New Delhi-110011
Dated: 6th Aug 2018

Office Memorandum

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

Reference: - CGDA's UO Note No. AT/IX/9504/Corr/PCDA ND dated 26.03.2018.

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

(Navjot Singh)
Asst. Financial Advisor (O2)

Distribution:

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