

सत्यमेव जयते

Controller General of Defence Accounts
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AT-IX/9504/Corr/PCDA ND

Dated: 21.08.2018

To,

All ✓ PCsDA/CsDA
✓ PCA(Fys)/CsFA(Fys)
PIFAs/IFAs

Sub: Guidelines on Imposing of Liquidated Damages(LD).

Please find enclosed a copy of Govt. of India, MoD(Fin/O2P) letter bearing no. 8(8)/O2P/2018 dt. 06th Aug 2018 regarding calculation of Liquidated Damage (LD) on basic cost(excluding taxes & duties) for guidance and necessary action.

Sr.A.O.(AT-IX)

Copy to:

1) **PCDA, New Delhi:** For kind information w.r.t your office letters bearing no. 40011/APO/Contract/Scrutiny/ATVP dt. 09.02.2018 & 05.03.2018.

✓ 2) **EDP Wing (Local):** For uploading on CGDA website.

Sr.A.O.(AT-IX)

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

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

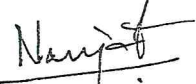
Office Memorandum

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 Singh)
Asst. Financial Advisor (O2)

Distribution:

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