



Ministry of Defence

MoD extends by four months capital acquisition deliveries of domestic manufactures due to COVID-19 situation

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The Ministry of Defence (MoD) has extended the delivery period for all existing capital acquisition contracts with the Indian vendors by four months due to supply chain disruptions arising out of COVID-19 pandemic.

An order to this effect has been issued today by the acquisition wing of the Ministry, duly approved by Raksha Mantri Shri Rajnath Singh. It states, "Force Majeure shall be applicable for a period of four months i.e. 25th March 2020 to 24th July 2020."

The order adds, "Duration of this Force Majeure will be excluded while calculating the delay in delivery of contracted equipment/service and imposition of Liquidated Damages charges."

This measure would bring a big relief to the domestic defence industry, whose production schedules have been adversely affected by COVID-19 situation.

The MoD order, however, adds that the Indian vendor is free to deliver the contracted items well within the extended delivery period.

Further, as per the order, no separate contract specific amendments are required to be made to give effect to this decision.

With respect to the foreign vendors they can approach the MoD which may consider cases on the basis of the situation prevailing in their respective countries.

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