

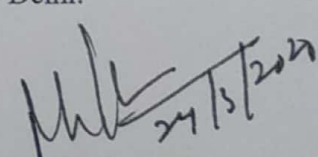
F. No. (24)/Fin. (Estb-III)/2016/500-508.
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
FINANCE DEPARTMENT
4TH LEVEL, 'A WING' DELHI SECRETARIAT.
I.P. ESTATE, NEW DELHI 110002
CD No:- 012400830

Dated: 24.03.2020

ENDORSEMENT

The copies of the under mentioned papers are forwarded herewith for information and necessary action to the following:-

1. All Heads of Department, Govt. of NCT of Delhi.
2. All Pay & Accounts Officers, Pay and Accounts Office, Vikas Bhawan. Govt. of NCT of Delhi.
3. All Heads of Autonomous Bodies, Govt of NCT of Delhi.
4. Commissioner M.C.D(North, East & South), Town Hall, Chandni Chowk, Delhi.
5. Chairperson, NDMC, Palika Kendra, New Delhi.
6. Chief Executive Officer, Delhi Cantonment Board, Delhi.
7. CEO, Delhi Urban Shelter Improvement Board, I.P. Estate, New Delhi.
8. Guard File.
9. Website of Finance Department.


(MANOJ KUMAR)
DY. SECRETARY-V(FINANCE)

List of paper forwarded

S.No.	Name of the Ministry/Deptt.	O.M. No. and Date	Subject
1.	Ministry of Finance, Department of Expenditure, GOI.	No. 18/4/2020-PPD Dated 19.02.2020	Force Majeure Clause (FMC)

No.F.18/4/2020-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

Room No.512, Lok Nayak Bhavan,
New Delhi dated the 19th February, 2020.

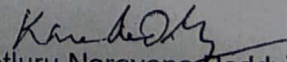
OFFICE MEMORANDUM

Subject: Force Majeure Clause (FMC)

Attention is invited to para 9.7.7 of the "Manual for Procurement of Goods, 2017" issued by this Department, which is reproduced as under:

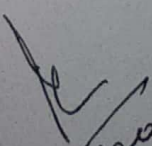
*A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like **anatural calamity**) or events such as a war, strike, riots, crimes (but not including negligence or wrong-doing, predictable/ seasonal rain and any other events specifically excluded in the clause). An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party's non-performance entirely, but only suspends it for the duration of the FM. The firm has to give notice of FM as soon as it occurs and it cannot be claimed ex-post facto. There may be a FM situation affecting the purchase organisation only. In such a situation, the purchase organisation is to communicate with the supplier along similar lines as above for further necessary action. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of FM for a period exceeding 90 (Ninety) days, either party may at its option terminate the contract without any financial repercussion on either side.*

2. A doubt has arisen if the disruption of the supply chains due to spread of corona virus in China or any other country will be covered in the Force Majeure Clause (FMC). In this regard it is clarified that it should be considered as a case of natural calamity and FMC may be invoked, wherever considered appropriate, following the due procedure as above.


(Kotluru Narayana Reddy)
Deputy Secretary to the Govt. of India
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To,

Secretaries of all Central Government Ministries/ Departments


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