

**Circular No. 75/2023**

No: DLI/ONS/CORP-MM/2023/PMC/13(13)/1131723  
Dated: 17.10.2023

**Sub: Clarification on Vivad Se Vishwas I - Relief for MSMEs**

Reference is invited to Circular No. 27/2023 dated 13.04.2023 read with Circular No. 36/2023 and 51/2023 consequent to Office Memorandum No. F.1/1/2023-PPD dated 11.04.2023, 02.06.2023 and 18.07.2023 respectively of Department of Expenditure to provide relief/benefits to MSMEs.

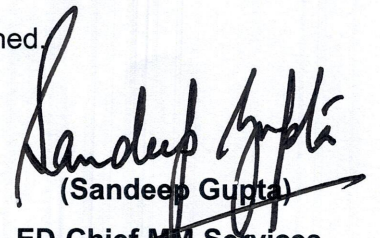
As per said Circulars/O.M.s with regard to refund of Liquidated Damages, eligibility condition inter alia is mentioned as "Where original delivery period/completion period stipulated in contract was between 19.02.2020 and 31.03.2022 (both dates are inclusive)". Upon meeting the above eligibility condition, 95% liquidated damages (damages deducted for late deliveries) deducted from the MSME vendors is to be refunded.

In this regard, clarification was sought from Department of Expenditure on whether LD deducted for delay in mobilization period is covered under Vivad se Vishwas-I scheme for cases where original Mobilisation period falls within the period as specified above, but scheduled contract completion date is after 31.03.2022.

Department of Expenditure vide letter No. F.1/1/2023-PPD dated 11.04.2023 has clarified that in such cases, claim for refund of Liquidated Damages (LD) for not able to mobilize resources within the stipulated period under Vivad se Vishwas-I scheme are admissible, if otherwise eligible. Aforesaid letter dated 10.10.2023 of ONGC and reply date 12.10.2023 of DoE is also enclosed for reference.

In view of the above, all concerned should process cases of refund of LD deducted from MSME supplier/contractor, under Vivad se Vishwas-I scheme after taking cognizance of aforesaid clarification from DoE.

Above guidelines should be meticulously followed by all concerned.

  
(Sandeep Gupta)  
ED-Chief MM Services  
17/10/23

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

**All concerned may download the circular from the site. Hard copies are not distributed separately.**

No.F.1/1/2023-PPD(II)  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division  
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502, Lok Nayak Bhawan  
Khan Market, New Delhi  
12.10.2023

To

Shri Arun Kumar Singh,  
Chairman & CEO,  
Oil & Natural Gas Corporation Ltd.,  
5, Nelson Mandela Marg, Vasant Kunj,  
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Tel: 26129001  
email: cmd@ongc.co.in

**Subject: Vivad Se Vishwas I (VsV-I) – Relief for MSMEs – Clarification of Oil & Natural Gas Corporation Limited (ONGC).**

Sir,

I am directed to refer Shri Sandeep Gupta, ED-Chief, MM, ONGC letter No. DLI/CMM/ONGC/2023/DoE/5 dated 10.10.2023 on the subject cited above and to say that it is a case similar to severable contract, wherein, for not achieving a interim mile-stone, a penalty is levied.

2. Hence, claim for refund of Liquidated Damages (LD) for not able to mobilize resources within the stipulated period under VsV-I scheme are admissable, if otherwise eligible.

Yours Faithfully



(Sher Bahadur)  
Under Secretary (Procurement Policy)  
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No. DLI/CMM/ONGC/2023/DoE/5

10<sup>th</sup> October, 2023

Director,  
Public Procurement Division  
Department of Expenditure  
Ministry of Finance  
New Delhi-110001

**Sub: Clarification on Vivad se Vishwas I- Relief for MSMEs**

Dear Sir,

Reference is invited to OM No. F.1/1/2023-PPD dated 11.04.2023 of Department of Expenditure, wherein amount to be refunded as a relief to MSME has been specified. With regard to refund of Liquidated Damages, eligibility condition is mentioned as under:

*"Where original delivery period/completion period stipulated in contract was between 19.02.2020 and 31.03.2022 (both dates are inclusive)".*

Upon meeting the above eligibility condition, 95% liquidated damages (damages deducted for late deliveries) deducted from the MSME vendors is to be refunded.

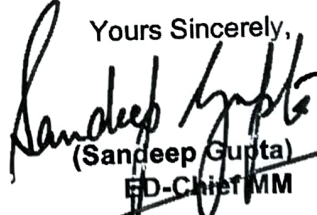
2. In ONGC, Services Contracts are awarded for a definite period of 3/5 years, during which a contractor is required to provide services. In such cases, a vendor is required to mobilize its resources (man-power, machinery etc.) within a defined period after award of contract. In case, contractor fails to mobilize within Mobilization period, Liquidated Damages are applicable.

3. ONGC is in receipt of request from one MSME vendor for refund of Liquidated Damages for delay in Mobilization. In such cases, though original Mobilization period falls within the period as specified above i.e. between 19.02.2020 and 31.03.2022, but scheduled contract completion date is after 31.03.2022.

4. In this regard, it is requested to clarify whether LD deducted for delay in mobilization period in such cases can be refunded under Vivas se Vishwas-I scheme.

With warm regards,

Yours Sincerely,

  
(Sandeep Gupta)  
ED-Chief MM  
10/10/23