OFFICE ORDER

Sub: Incorporation of penalty clause in sanction letters of release of funds to State/UT Governments under schemes of Ministry of Drinking Water and Sanitation.

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Ministry of Drinking Water and Sanitation has been receiving complaints from various State/UT Governments regarding inordinate delay in getting Central Funds from State Exchequer to the implementing agencies which is adversely affecting the achievement of physical and financial targets.

2. Accordingly, Ministry of Drinking Water and Sanitation, to get rid of this situation, has decided to incorporate a penalty clause in the financial sanction letters of the Ministry, for the delay in transfer of Central Funds from State Exchequers to implementing agencies.

3. Para 4 of the existing financial sanction letters to be replaced with following para of all financial sanction letters:

"The State is to ensure release/transfer of the released amount to the Implementing Agency(s) along with matching State share within 15 days of its receipt. In case of delay in transfer of funds by the State Government beyond this stipulated period, a penal interest @ 12% p.a for the period of delay, shall required to be transferred by the State Government to the IEs concerned along-with the principal amount of the fund."

4. This issues with the approval of Hon'ble Minister of Rural Development, Panchayati Raj and Drinking Water & Sanitation in consultation with IFD vide their U.O. No. 152/DWS-IFD/2014-15 dated 28.10.2014.

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All officers/Sections for strict compliance.