

**F.No. 15/10/2022-IFD
Government of India
Ministry of Jal Shakti
Department of Water Resources, River Development and Ganga
Rejuvenation**

**Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 07.11.2022**

OFFICE MEMORANDUM

Subject: Waiver of Interest part against the mobilization advance – Proposal received by IFD from various SMDs, DoWR, RD &GR - regarding.

The undersigned is directed to refer to various proposals received from SMDs under this Department seeking waiver of interest against the mobilization advance paid to PMC on the ground that the same is not covered under the terms and conditions of the contract/agreement already signed with the PMC.

2. In terms of para 6.5.1(ii) (d) of the Manual for procurement of Goods (MoF), advance payments shall generally be interest bearing, suitable percentages for which are to be decided on a case to case basis. Manual for procurement of Works stipulates a 10% interest on mobilization advances. However, considering the fact that there is no enabling provision regarding levying of interest on mobilization advance in few contract/agreement already signed with the PMC, following decisions have been taken by the Competent Authority to deal with the past cases:-

(i) Payments against the existing contract(s) shall be governed by the terms and conditions of the contract(s) only. Payment against all existing contracts where advance payment has been made, is proposed to be regulated as per contract condition (i.e.without insisting on interest payment where the contract does not provide for it) subject to following certification:-

(a) The work has been completed by PMC and the Director (Finance), PMC and CA have certified that the PMC has not earned any interest against the mobilization advance.

(ii) SMDs is to ensure that provisions of all future contracts are in accordance with the provisions of Manual of Procurement, GFRs and other relevant instructions of MoF issued from time to time and must incorporate all stipulated standard conditions including levying of interest on mobilization advances, where applicable.





07/11/22

(Anil Kumar Singh)
Under Secretary to the Government of India
Tel- 011-23719302

To

- (i) All Wing Heads/SMDs/Organizations under DoWR, RD & GR.
- (ii) All Sections under DoWr, RD &GR
- (iii) NIC with a request to upload O.M.
- (iv) Reference Folder.