

**Comp. No.: 121642**  
**File No.: Infra-11/37/2024-O/o DS(SDM)**  
**Government of India**  
**Ministry of Development of North Eastern Region**

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Level-IV, East Block-10, Sector-1,  
R.K. Puram, New Delhi-110066,  
Dated: 29<sup>th</sup> July, 2024.

To

The Chief Secretaries,  
All the North Eastern States.

**Subject: Operational guidelines for processing of release proposals for projects having physical and financial progress at different stages.**

Madam/Sir,

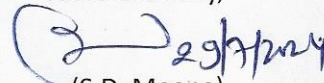
Reference is invited to this Ministry's letter No. Comp. No.: 121642 File No.: Infra-11/37/2024-O/o DS(SDM) dated 22<sup>nd</sup> July, 2024, whereby the process of release of funds under all the schemes of the Ministry namely, PM-DevINE, NESIDS(OTRI), NESIDS(Roads), Schemes of NEC and Special Packages (viz. BTC, KAATC and DHATC) has been streamlined by adopting the mechanism to release funds in four installments for a sanctioned project under the respective scheme.

2. The releases for the projects sanctioned under all the schemes of the Ministry are now to be made in four equal instalments as per mechanism prescribed vide letter dated 22.7.2024 *ibid*. It is, however, a fact that a number of projects are ongoing almost under all the schemes including PM-DevINE, and these ongoing projects are at various stages of execution in terms of their physical and financial progress. For processing release proposals in term of the mechanism prescribed vide letter dated 22.7.2024 for the projects **having physical and financial progress at different stages**, operational guidelines with illustrations devised by the Ministry are attached which may be referred to in case of any ambiguity/ doubt.

3. This issues with the approval of the Competent Authority and concurrence of IFD vide Dy. No. DIR(IFD)/60/2024 dated 29<sup>th</sup> July, 2024.

Encl: As above.

Yours faithfully,

  
(S.D. Meena)

Deputy Secretary to the Govt. of India  
Email: meena.sd@nic.in  
Tel.: 011-26100328

Copy to:

- i. Secretary, North Eastern Council (NEC).
- ii. Joint Secretary, Infrastructure, MDoNER
- iii. Financial Advisor, NEC.
- iv. Planning Advisor, NEC.
- v. CCA, MDoNER.
- vi. All the Implementing Agencies/ Central Agencies/ Other Agencies through the respective Programme Division.

Copy for information to:

1. PS to Hon'ble Minister, MDoNER.
2. APS to Hon'ble MoS, MDoNER.
3. Sr. PPS to Secretary, MDoNER.
4. PPS to AS&FA, MDoNER.
5. PPSs/PSs to Sr. EA, JS(S)JS(AD), JS(MD), SA(SG),
6. All Directors/Deputy Secretaries/Joint Directors/Under Secretaries/SOs in MDoNER.
7. Sr. Director, NIC, MDoNER for uploading on the website of the Ministry.

(2)  
24/12/2014



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Government of India  
Ministry of Development of North Eastern Region

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Dated: 29<sup>th</sup> July, 2024

**Operational guidelines for processing of release proposals for projects having physical and financial progress at different stages.**


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Earlier under the schemes of the Ministry, such as NLCPR- State, Schemes of NEC, etc. the releases used to be made in three installments in the ratio of 40:40:20 and thereafter since 2015 onwards, the releases were made in 2 installments (Token amount, balance of 40:60). From 2018-19, in all the schemes viz. Schemes of NEC, NERSDS, NESID Scheme and its sub-scheme HADP, the funds were released in 2 installments (Token amount, balance of 40:60). However, in Special Development Packages (BTC, KAATC and DHATC), the releases were made in 2 equal installments (50:50).

2. In view of the requests received from the State Governments and Implementing Agencies that the manner of release of funds to implementing agencies should be in a manner that strikes balance between expeditious expenditure and proper monitoring. It was decided by the Ministry with the approval of the Competent Authority to release funds under all the schemes in 4 equal installments (25:25:25:25). A letter to this effect has been issued on 22.7.2024 (copy enclosed).

3. The releases for the projects sanctioned under all the schemes of the Ministry are now to be made in four equal instalments as per mechanism prescribed vide letter dated 22.7.2024 *ibid*. It is a fact that a number of projects are ongoing almost under all the schemes including PM-DevINE, and these ongoing projects are at various stages of execution in terms of their physical and financial progress. For processing release proposals in term of the mechanism prescribed vide letter dated 22.7.2024 for the projects **having physical and financial progress at different stages**, the following illustrations are given to address any ambiguity/ doubt:

| Sl. No. | Quantum of funds already released (X)                         | Manner of release of balance funds  |
|---------|---|---|
| 1.      | Upto 25% (including Token amount) of admissible central share | <p>a. An amount, equal to 25% of admissible central share minus the amount already released (say, X), may be released on receipt of demand letter accompanied with Work Order.</p> <p>b. In case financial progress i.e. <math>X \geq 18.75\%</math> of admissible central share commensurate with the physical progress, the proposal will qualify for 2<sup>nd</sup> installment of 25% also (amount to be released would be <math>50\%-X</math>), subject to compliance of codal formalities.</p> <p>c. In case overall physical progress is more than 43.75% of the project, the proposal will qualify for an amount to be released upto <math>75\%-X</math>, subject to compliance of codal formalities.</p> |

  
29/7/2024



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|----|--|--|
|    |  | d. In case overall physical progress is more than 68.75% of the project, the proposal will qualify for an amount to be released upto 100%-X, subject to compliance of codal formalities.   |
| 2. | Above 25% and upto 50% of admissible central share | <p>a. An amount, equal to 50% of admissible central share minus the amount already released, may be released subject to 75% utilization of previous installment and 100% utilization of the installment(s) preceding the previous instalment, if any, and subject to compliance of codal formalities.</p> <p>b. In case financial progress i.e. <math>X \geq 43.75\%</math> of admissible central share commensurate with the physical progress, the proposal will qualify for an amount to be released 75%-X, subject to compliance of codal formalities.</p> <p>c. In case overall physical progress is more than 68.75% of the project, the proposal will qualify for an amount to be released upto 100%-X, subject to compliance of codal formalities.</p> |
| 3. | Above 50% and upto 75% of admissible central share | <p>a. An amount, equal to 75% of admissible central share minus the amount already released, may be released subject to 75% utilization of previous installment and 100% utilization of the installment(s) preceding the previous instalment, if any, and subject to compliance of codal formalities.</p> <p>b. In case financial progress i.e. <math>X \geq 68.75\%</math> of admissible central share commensurate with the physical progress, the proposal will qualify for an amount to be released 100%-X, subject to compliance of codal formalities.</p>  |
| 4. | Above 75% of admissible central share              | Balance amount may be released subject to 75% utilization of previous installment and 100% utilization of the installment(s) preceding the previous instalment, if any, and subject to compliance of codal formalities.  |

With these operational guidelines, the releases for all the ongoing projects under all the schemes of MDoNER will be on boarded uniformly under the respective scheme guidelines for releases in installments duly following the applicable codal formalities.

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Level-IV, East Block-10, Sector-1,  
R.K. Puram, New Delhi-110066,  
Dated: 22<sup>nd</sup> July, 2024.

To

The Chief Secretaries,  
All the North Eastern States.

**Subject:** Streamlining of the process of release of funds for the projects sanctioned under the schemes of the Ministry of Development of North-Eastern Region (MDoNER).

Madam/Sir,

Reference is invited to the extant guidelines for administration of the schemes/packages of this Ministry namely i) Prime Minister's Development Initiative for North-East Region (PM-DevINE); ii) North East Special Infrastructure Development Scheme-Other Than Road Infrastructure (NESIDS-OTRI)); iii) North East Special Infrastructure Development Scheme (Roads); iv) Schemes of North Eastern Council (SoNEC); and Special Development Packages (SDPs) for Bodoland Territorial Council (BTC) and Karbi Anglong Autonomous Territorial Council (KAATC).

2. The extant guidelines of aforesaid schemes/ packages lack a pre-defined framework for release of funds for implementation of the sanctioned projects under a particular scheme. The funds are, however, released based on periodic demands from the State Government/ Implementing Agencies (IA) against the executed work, which result in multiple installments of releases of funds against a project, requiring multi-level and multi-time scrutiny of documents at the level of the Implementing Agency, the State Government and the Ministry/NEC for release of each installment. The extant practice sub optimal because of releases of comparatively small amounts and repetitive scrutiny of documents for subsequent release. The practice also throttles the flow of funds, resulting in poor expenditure/ utilization of allocated funds under the schemes of the Ministry. NE States have requested for the optimization of the financial release process.

3. The matter has been considered in the Ministry, and a need to have well defined process for release of funds under all the schemes of the Ministry was felt. Accordingly, in order to streamline the process of release of funds under all the schemes of the Ministry namely, PM-DevINE, NESIDS(OTRI), NESIDS(Roads), Schemes of NEC and Special Packages (viz. BTC, KAATC and DHATC), it has been decided to adopt the following

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*[Signature]*

(22/7/2024)

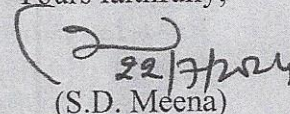


mechanism to release funds in four installments for a sanctioned project under the respective scheme:

| Sl. No. | Installment No. | Quantum of Installment   | Milestone for eligibility   |
|---------|-----------------|--|---|
| 1.      | Installment -1  | 25% of admissible central share as per the approved cost or tendered cost of the project, whichever is less. | On receipt of demand letter accompanied with the Work Order.  |
| 2.      | Installment- 2  | - do -   | 75% utilization of Installment-1 and codal formalities as per checklist.  |
| 3.      | Installment- 3  | -do-   | 100% utilization of Installment-1; 75% utilization of Installment-2; and codal formalities as per checklist.        |
| 4.      | Installment- 4  | -do-   | 100% utilization of earlier installments; 75% utilization of Installment-3; and codal formalities as per checklist. |

4. This issues with the approval of the Competent Authority and concurrence of IFD vide Dy. No. DIR(IFD)/47/2024 dated 16<sup>th</sup> July, 2024.

Yours faithfully,

  
(S.D. Meena)

Deputy Secretary to the Govt. of India  
Email: meena.sd@nic.in  
Tel.: 011-26100328

Copy to:

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