

K-16015/1/2019-AMRUT-1B
Government of India
Ministry of Housing and Urban Affairs
AMRUT-I Division

Nirman Bhawan, New Delhi,
dated the 05th April, 2019.

OFFICE MEMORANDUM

Subject: Partial modification in Para 9.5 of the guidelines of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) – Reg.


The undersigned is directed to refer to the above mentioned subject and to say that Para 9.5 of AMRUT's guidelines has been partially modified in compliance with Para 7.3 of NITI Aayog's O.M. No: O-11013/02/-CSS & CMC dated 17.08.2016 which states that "*The extant procedure, which mandates immediate release of funds from State Treasuries to implementing agencies failing which penal rate is imposed, is abolished.*"

2. Further, Ministry of Finance has also confirmed that the provision of Para 7.3 of the above mentioned O.M. of NITI Aayog shall have precedence over the extant applicable provision of the AMRUT Mission guidelines on matters related to delayed transfer of funds.

3. Accordingly, the detailed modification is being enclosed herewith. For the purpose of convenient understanding, the deleted text has been shown struck off and the added text as underlined.

4. This issues with the approval of Hon'ble Minister of Housing and Urban Affairs.

Encls.: As above.


(Suneet Mehta)
Deputy Secretary (AMRUT)
Tel. No. 011-23063661

To,

The Secretary / Principal Secretary (Urban Development Department) of all States/UTs.

Copy to,

1. PS to Hon'ble Minister of Housing and Urban Affairs.
2. Sr. PPS to Joint Secretary (AMRUT)
3. All members of the Apex Committee for AMRUT.
4. Director I/II (AMRUT), Deputy Director (AMRUT), Assistant Director (AMRUT).
5. Under Secretaries (AMRUT-I/IIA/IIB).
6. Mission website.

Second amendment to Mission Guidelines of AMRUT

Para 9.5

Existing text

The learnings from earlier programmes have pointed to the fact that timely release of project funds by the State Governments is critical to project completion. Therefore, the States/UTs are required to release the CA funds along with State share to the nodal account of the State Mission Director within one month from the date of release of Central share by MoUD. Interest at the rate specified by the Ministry of Finance shall be levied on the State for any delay beyond one month and appropriate deductions made from future instalments.

The State Mission Director shall allocate the funds to the ULBs/parastatals. Regarding the release of funds, the following two options will be available:

1. Release the funds directly to the ULBs/parastatals into their nodal accounts; and
2. The State Mission Directorate may keep the entire AMRUT funds (Central and State Share) in one single account with any scheduled bank. It will authorize eligibility / limits / allocations for each ULB/ parastatal as per its requirements. Based on this authorization, using the core banking solutions, the ULB / parastatal will be operating the single nodal account (mother-child account) up to the authorized limit without any further interventions/approvals from State Mission Directorate. This will avoid any parking of funds with ULBs / parastatals while, at the same time, they will have availability, authority as well as autonomy to utilize the funds as per the project requirements. The State Mission Directorate will, however, have the power to change the above mentioned authorization / eligibility / allocations, as and when required, as per the requirements of ULBs / parastatals based on project implementation progress. This will enable re-allocation of funds to fast performing ULBs out of funds lying unutilised against slow-performing ULBs
3. The interest earned will be accounted separately for flowing back to the projects. The details of interest earned shall be taken into account while releasing further instalments of the Central assistance.

The State Mission Directors, ULBs and parastatal agencies shall be registered with Public Finance Management System. The detailed instructions on Public Finance Management System shall be issued separately.

Further, the above timelines of one month to transfer the funds from State will be applicable from 2015-16 onwards.

All payments under the Mission shall be made through electronic mode at every level including final disbursement by implementing agencies, except petty expenses or expenses out of imprest money.

New text

The learnings from earlier programmes have pointed to the fact that timely release of project funds by the State Governments is critical to project completion and to ensure that the benefits of the Mission reaches its intended beneficiaries. Therefore, the States/UTs are required to release the CA funds along with State share to the nodal account of the State Mission Director within one month from the date of release of Central share by MoHUA. ~~Interest at the rate specified by the Ministry of Finance shall be levied on the State for any delay beyond one month and appropriate deductions made from future instalments.~~ The State Mission Director, by adopting the just in time approach of release of funds through PFMS and by tracking the physical progress through UC, can ensure that parking of funds is avoided and funds are released to ULBs on time.

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