



**File No.: NESTS/Civil/EMRSOrder/140/2021-22**  
**Comp No:- 21032**

**Date: 13.09.2024**

To,

**CMD/MD/CEO,**  
PSUs (B&R, HSCL, TCIL, WAPCOS, EPIL, NPCC, MANIDCO, MTDC)  
(As per list attached)

**Subject: Standard Operating Procedure (SOP) for release of advance funds to construction agencies (PSUs) for construction of EMRS.**

Sir,

The following Standard Operating Procedure shall be adhered to by PSUs and followed, henceforth, in the NESTS while processing & releasing the advance funds to the PSUs:

**1. Execution of Work:**

- **Progress Monitoring:** The PSU is undertaking and responsible for overall progress of construction work and maintaining quality standards, specifications, standards according to the contract agreement. Progress shall be regularly monitored by project officers and site engineers of concerned PSUs to ensure the timely completion of the Project while at the same time ensuring quality. This shall involve physical inspections of the construction work.
- **Opening of site-specific accounts:** All PSUs shall open a site-specific account (ESCROW in nature) from a scheduled Public Sector Bank as informed by the NESTS for all transactions in the said account. PSUs shall not divert funds released in this account for other EMRSs/other projects. **NESTS shall have full rights to withdraw funds released to the ESCROW account in case any project/site has been withdrawn from the concerned PSUs, at any stage.**
- **GST and other statutory compliances:** All applicable statutory liabilities, including taxes/TDS such as Goods and Services Tax [GST], Income Tax, and Labour payments, related to the payments received from NESTS for the above-mentioned project, shall be duly deducted and deposited with the relevant statutory authorities by PSUs, **for which they shall be solely responsible** and submit an Undertaking for same as per **Annexure-II** with the fund demand request.

**2. Fund release requests by PSUs:**

- **Fund release procedure:** Funds to the PSUs shall be released in five instalments details as under:

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<b>Instalments</b>	<b>Progress milestone</b>	<b>% Release of accepted/ revised Tendered Value</b>	<b>Cumulative % Release of accepted/ revised Tendered Value</b>
1 <sup>st</sup> Instalment	Commencement of work	30%	30%
2 <sup>nd</sup> Instalment	20% Financial Progress	30%	60%
3 <sup>rd</sup> Instalment	50% Financial Progress	20%	80%
4 <sup>th</sup> Instalment	70% Financial Progress	18%	98%
5 <sup>th</sup> Instalment	Successful completion of Defect Liability Period (DLP) of 12 Months	2%	100%

- **Fund release procedure for ongoing works:** The ongoing works, where part funds have already been released will be synchronized with aforesaid progress milestones and eligible funds shall be released on receipt of financial progress from the respective PSUs.

- **Submission of fund requests:** NESTS shall provide a **dedicated email ID** i.e., ***fund.nests@gmail.com*** for correspondence via email for demand and release of funds to PSUs. The PSUs shall submit fund release requests to the NESTS with the documents, as under, via said email (**DIGITALLY SIGNED only**).

- i. Letter for demand of funds as per progress milestones.

- ii. Utilization certificate cum progress report, if work is already under progress (**Annexure-I**)

- iii. Undertaking for statutory compliances. (**Annexure-II**)

- iv. From 2<sup>nd</sup> instalment onwards- an Undertaking for complying with observations of all TPQA reports till submission of request for the fund demand to NESTS (**Annexure-III**)

**Only those fund demand requests which are complete in all respect, as per above, shall be entertained by NESTS.** Any incomplete/returned fund demand shall be construed to be as **NOT** received in the NESTS.

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- **Verification & Certification:** The submitted fund demand shall be verified against the project progress reports and contract terms by the project director/zonal manager etc. This certification confirms that the work has been completed to the required standards.
- **Record Maintenance:** All documentation related to the project, including contracts, bills, measurement books, drawings, certifications, progress reports, records of statutory payments, payment receipts, TQPA and other compliances etc. shall be maintained for auditing and future reference by PSUs.
- **Compliance:** Ensure compliance with all government regulations and financial guidelines.
- **Transparency:** Maintain transparency throughout the payment process to avoid disputes and ensure accountability.
- **Quality assurance: Maintaining the quality and quality assurance is the sole responsibility of the concerned PSUs.**

### 3. Disbursement to PSUs:

- **Fund Transfer to PSU:** The approved funds shall be disbursed to the concerned PSUs **only** in the ESCROW accounts, which are planned to be opened in a scheduled public sector bank.
- **Payment by PSU to respective contractors:** Since, the fund request has been made by the PSUs based on actual work done with the quality certification, **the concerned agency shall release the amount to the respective contractors without any delay for the actual certified quality work done.**

### 4. Quality Assurance Wing:

Quality of construction will be monitored by a dedicated QA Wing of NESTS. They shall analyse the reports submitted by TPQA, NESTS site visit/inspection teams etc. and would ensure that necessary compliances are being made. **In case of non-compliances of these reports, appropriate Penalty, in monetary terms, for deduction from the PMC charges of PSUs would be imposed.**

### 7. Existing Fund Demands pending in NESTS, as on date of issuance of SOP:

This existing Fund Demands pending in NESTS, as on date of issuance of SOP shall be processed as under:

The demands submitted by the Competent Authority of PSU shall be processed for fund release with the documents, as under:

- i. Letter for demand of funds as per progress milestones decided prior to the issuance of this SOP.
- ii. Utilization certificate cum progress report, as per earlier format prior issuance of this SOP.
- iii. Undertaking for statutory compliances, as per directions issued prior to issuance of this SOP.

  
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- iv. An Undertaking for complying with observations of all TPQA reports till submission of request for the fund demand to NESTS.

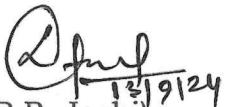
**Only those fund demand which are complete in all respect shall be entertained by NESTS.** Any incomplete/returned fund demand shall be construed to as **NOT** received in the NESTS.

**8. Part of Agreement:**

**The SOP shall form part of agreement with the PSUs in view of Para 3.22 of Construction Agreement between PSU & NESTS. The SOP is issued in suppression of NESTS letter of even no. dated 04.09.2024.**

This issues with the approval of the Competent Authority.

Yours faithfully,

  
(R.P. Joshi),  
Executive Engineer

Encl: Annexure- I, II & III

**Copy To:**

1. Zonal Managers, B&R, HSCL, TCIL, WAPCOS, EPIL, NPCC, MANIDCO, MTDC.
2. Addl. Commissioner, NESTS;
3. PS to Commissioner, NESTS;
4. DC (F) and AC (F), NESTS;
5. CCE-I, NESTS;
6. Guard File.

राष्ट्रीय आदिवासी छात्र शिक्षा समिति

(जनजातीय कार्य मंत्रालय के अंतर्गत  
एक स्वायत्त संस्थान, भारत सरकार)  
भू-तल, गेट नंबर-3ए, जीवन तारा बिल्डिंग,  
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(Annexure-I)

[To be submitted on PSU letterhead]

UTILIZATION, EXPENDITURE CUM PROGRESS STATEMENT OF EMRS \_\_\_\_\_ [Name]  
UPTO \_\_\_ [Date: dd-name of month-yyyy]

Name of State: \_\_\_\_\_

Construction Agency: \_\_\_\_\_

(Amount in ₹)

S.N o.	Nam e of Work (EMR S nam e)	A/A & E/S Amou nt	Tender ed Amoun t	Upto date Deposit/fu nds received	Exp. Upto previo us Month	Expendit ure during the month	Total Expendit ure	Balanc e availa ble	% of Physic al Progre ss	% of Financ ial Progre ss	Remar ks
	2	3	4	5	6	7	8 (6+7)	9 (5-8)	10	11	12
1											
	Total										

Seal & Signature

Finance Head of PSU

Name:

Seal & Signature

Zonal Head of PSU

Name:

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**UNDERTAKING/SELF-DECLARATION**

[To be submitted on PSU letterhead]

I, \_\_\_\_\_ [Name & Designation], of \_\_\_\_\_ [Name of PSU], located at \_\_\_\_\_ [District/City], \_\_\_\_\_ [State], hereby solemnly affirm and undertake the following in relation to the "Construction of Eklavya Model Residential School" [EMRS] at \_\_\_\_\_ Village - \_\_\_\_\_, District \_\_\_\_\_ in the state of \_\_\_\_\_ being undertaken by \_\_\_\_\_ [PSU]:

1. **Fund Demand:** The fund demand raised on \_\_\_\_\_ [date] for advance fund release concerning the deposit works of the aforementioned project is in accordance with the Construction Agreement executed between \_\_\_\_\_ [PSU] and NESTS.
2. **Responsibility for Works:** We, \_\_\_\_\_ [PSU], acknowledge full responsibility for the accuracy of work measurements, quality, technical and structural soundness, and the management of construction as well as the authenticity of the Bills for work executed or to be executed concerning the aforementioned project. This is in line with para 3.6 of the Construction Agreement between the Construction Agency[s] and NESTS.
3. **Statutory Liabilities:** We undertake that all applicable statutory liabilities, including taxes/TDS such as Goods and Services Tax [GST], Income Tax, and Labour payments, related to the payments received from NESTS for the above-mentioned project, have been duly deducted and deposited with the relevant statutory authorities.
4. **Pending Liabilities:** As of the date of this declaration, there are no outstanding liabilities related to GST, Income Tax, Labour Laws, or other statutory obligations concerning the above project. We further undertake that any statutory or mandatory liabilities, including ESI and EPF, arising in the future will be borne by us.
5. **Litigation Responsibility:** We undertake that in the event of any litigation arising in connection with the above project, it will be our sole responsibility to address, settle, and resolve such issues satisfactorily.
6. **Technical Manpower:** We confirm that the required number of technical personnel has been deployed at EMRS \_\_\_\_\_ [Name of EMRS], and all personnel possess the requisite qualifications and experience as stipulated in the Construction Agreement with NESTS.
7. **Land Possession:** We confirm that the land for EMRS \_\_\_\_\_ is in possession of \_\_\_\_\_ [PSU].


[Signature of Finance Authority]

[Signature of Project Head] or

[Signature of Zonal Manager]

Place:

Date:

  
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**Undertaking for compliances of TPQA observations**

*[To be submitted on PSU letterhead]*

This is to confirm that as of \_\_\_\_\_ [DATE], a total of \_\_\_\_\_ [in words] TPQA visits have been conducted by \_\_\_\_\_ [Name of TPQA Agency] to the \_\_\_\_\_ [Name of EMRS]. All observations made by the TPQA Agency during these visits have been rectified, corrected, or otherwise complied with by \_\_\_\_\_ [Name of PSU].

The compliance for inspections up to \_\_\_\_\_ [in words] has been duly verified by the TPQA Agency. Additionally, compliance for \_\_\_\_\_ [in words] will be reviewed by the TPQA Agency during forthcoming visits.

[Signature of Site Engineer]

[Signature of Zonal Manager]

Name of Site Engineer

Name of ZM

  
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