

GUIDELINES FOR FINANCIAL ASSISTANCE FROM NCRPB

(A) Submission of Request For Financial Assistance Project Reports & Loan Sanctioning Procedure

- i. In accordance with Section 7(e) and 8 (e) of the NCRPB Act, 1985, NCRPB provides financial assistance to the constituent States and their implementing agencies for infrastructure development projects in the NCR and CMAs. Financial assistance is approved by the NCRPB's Project Sanctioning & Monitoring Group (PSMG).
- ii. The projects, however, need to be in line with the Regional Plan of NCR Planning Board and the respective Sub-regional Plan/Master Plan prepared by the concerned State Govt./their departments, as the case may be.
- iii. The agency seeking financial assistance need to prepare and submit Detailed Project Reports covering the technical, financial, environmental and social aspects. The Environmental & Social aspects need to be prepared as per NCRPB circular dated 23.06.2023 available at NCRPB website.
- iv. Alongside the project needs to have the necessary administrative and financial approvals of the State Govt. The project should preferably be not under implementation/tendered as this shall undermine the appraisal work and in such cases no revision of reports and accordingly implementation becomes tedious both for loan borrowing agency and agency whom work is already awarded.
- v. The Borrowing /Implementing Agency should submit request for loan assistance in prescribed loan application along with three sets of Detailed Project Reports (including one advance copy to NCRPB) and a soft copy to the NCRPB Delhi through the respective NCR Planning & Monitoring Cells of the participating States. The Cells after appraising the project, in terms of its conformity with the Regional / Sub-Regional/Functional Plan and Master Plan of the town techno-eco feasibility of the project in the context of Regional Plan, submit the project report along with their Satisfactory Assessment Note to NCRPB Office.

(B) Eligible Agencies To Borrow

- i. State Government Departments of Urban Development/Housing or any Department/Agency of the State Government implementing physical and social infrastructure projects as envisaged in its development plans related to:–
 - Power,
 - Water,
 - Sewerage,
 - Road Transport (Roads & ROBs, Bus Stands, Transport Nagar etc.),
 - Drainage,
 - SWM or Public Health,
 - Metro/RRTS.through concurrence of Finance Department of concerned State Government to get funding through State budget for specific project.
- ii. Development Authorities / Urban Improvement Trusts.

- iii. State Industrial Development Corporations.
- iv. State Power authorities and distribution agencies.
- v. Municipal Corporation/Municipal Councils/ Notified area Committees / Nagar Nigams/ Nagar Panchayats/ Nagar Palikas which are implementing the Sub-Regional Plans and the Project Plans in NCR or developing a counter-magnet town/city.
- vi. Metro Rail Corporation/Transport Corporation/departments.

(C) Type of Projects Eligible For Funding:

- i. **Water Supply and Sanitation Sector: -**
 - Water Supply (Source development/ Treatment/ storage and distribution).
 - Drainage and Sewerage Collection & Disposal/Solid Waste Management/Low Cost Sanitation etc.
- ii. **Transport Sector: -** Roads, Widening/ Strengthening/ Tunnels/ Bridges/ Flyovers, Metro LRT/MRT/Rapid Rail and RRTS etc.
- iii. **Power Sector: -** Generation, HT & LT Transmission and Distribution.
- iv. Affordable/EWS Housing.
- v. **Social Infrastructure projects:-** Hospitals, Educational institutions, Recreation Facility, Abattoir etc.
- vi. Other schemes as the Project Sanctioning and Monitoring Group (PSMG) may find compatible with the objectives of the NCR Regional Plan.

(D) Mode of Sanction:

- i. The DPRs are appraised by the concerned NCR Cell/Consultants and NCR Planning Board.
- ii. The preliminary observations, if any, obtained are forwarded to implementing agencies for incorporation/revision of DPRs.
- iii. Project proposals are taken up in the Project Sanctioning and Monitoring Group (PSMG) under the chairmanship of Secretary, Ministry of Housing & Urban Affairs.

(E) Financial Terms And Conditions:

- i. **Financing Pattern**
 - Loan from NCRPB– upto**75%** of the estimated cost of the project.
 - Grant-in-aid-- upto**15%** of the sanctioned project cost for water supply and sanitation projects, on completion, subject to fulfilment of terms & condition laid down by Board.
 - State Govt./Implementing agency -- Remaining share.
- ii. **Present Rate of interest**

Type of Project / Category	Interest rate *
Priority Infrastructure Projects viz. Water Supply, Sewerage, Sanitation, Drainage and Solid Waste Management, Roads, ROBs & Flyovers, Metro/Rapid Rail/RRTS	7.00% p.a.
Affordable/EWS Housing	7.00% p.a.
Power Sector (transmission, distribution and generation)	7.50% p.a.

Other Infrastructure Projects	8.50% p.a.
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** Rebate/Incentive of **0.25%** by reduction in interest rate for timely payment of loan instalments, strictly as per repayment schedule, shall be available.*

- iii. **Repayment of Loan/Interest-** The loan alongwith interest shall be repaid by the Borrower annually on or before the anniversary date of the drawal of loan as per repayment schedule. Each instalment of loan shall be treated as separate loan for the purpose of repayment of Principal and payment of interest.
 - Tenure for repayment of loan- upto 10 years.
 - Moratorium period for payment of principal- upto 2 years
(Upto 15 year loan with 3 year moratorium for public health and environment related infrastructure projects like water supply, sewerage & sanitation including drainage, solid waste management etc.).
(Upto 20 years loan tenure with 5 years moratorium for Metro /Rapid Rail/ RRTS projects)
 - Moratorium period for payment of interest - Nil
- iv. **Penalty, Pre-Payment Charges, etc.**
 - Penal rate of interest – 2.75% over and above the normal rate of interest for the delayed period on overdue amount.
 - Prepayment Charges – 1% of the principal loan amount outstanding.
 - There shall be Commitment Charges on non-drawal and delayed drawal of loan. Accordingly, commitment charge @ 0.05%per annum will be levied on non-drawal and delayed drawal of loan after sanction as per instalment. The commitment charges shall be levied only after loan sanction and shall be leviable after six months from due date of instalment as per sanction order, in case of road projects and after one year of the same in other cases.
- v. **Guarantee and Securities:**
 The loan shall be guaranteed fully, unconditionally and irrevocably either by the State Government (not less than 100%) or by the any scheduled commercial bank (not less than 133.33% of the loan amount) as per provisions under NCRPB Rules, 1985.

(F) General Terms and Cconditions:

- i. In case where land acquisition is involved in project, loan will be released after confirmation about possession of land, compliance with the requisite Social & Environmental Guidelines of NCRPB as per NCRPB Circular dated 23.06.2023.
- ii. Necessary required clearances/ NOCs, if any, should be arranged by IA in a timely manner and IA should ensure that the project should be implemented as per the schedule.
- iii. The Borrower shall maintain proper separate accounts and other records in respect of NCRPB Scheme so that in flow, out flow and utilization of expenditure on each project can be identified. Board reserves the right to ask for these records, till the loan is fully repaid.
- iv. The borrower shall not invest any part of the loan amount advanced by way of deposits, loans, share capital or otherwise, without the prior permission of the Board.
- v. It would be open to the Board to depute its Officers/nominees for inspection of record relating to this loan and its purposes. The inspecting staff shall be provided full access to such books, records and stores of the Borrowers as will be deemed necessary by the inspecting Officers/ nominees.

- vi. The funds released for one scheme should not be diverted to other scheme and the borrowing agency must maintain separate books of accounts for each scheme.
- vii. During the course of execution or on completion of the project, whichever is earlier, if the Implementing Agency comes to know that there is likely to be reduction in the sanctioned cost estimates of the various components, it shall be the obligatory on the part of the Implementing Agency to refund immediately the excess amount of loan obtained from the Board calculated on the pro-rata basis in respect of the decreased cost of the project.
- viii. The Borrower shall furnish periodic progress Reports in the formats, as prescribed by the Board, on the utilization of this loan and on the physical progress of the Project/Scheme on a monthly or quarterly basis (as required) in physical form or updation in NCRPB's software (P-MIS) as decided by NCRPB alongwith Geo-tagged Photograph of milestone achieved for the project with dated stamped.