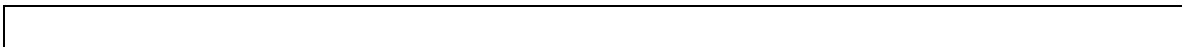


COMPREHENSIVE GUIDELINES
FOR FINANCIAL ASSISTANCE
FROM THE NATIONAL CAPITAL REGION PLANNING BOARD
FOR DEVELOPMENT
IN THE NATIONAL CAPITAL REGION AND COUNTER MAGNET
AREAS



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Procedure for seeking loan from NCRPB

Introduction

The NCR Planning Board was created through an Act of Parliament in 1985 with the concurrence of the Legislatures of Haryana, Rajasthan and Uttar Pradesh.

The Board has the mandate of preparing a plan for the development of the National Capital Region and for coordinating and monitoring the implementation of such plan and for evolving harmonized policies for the control of land uses and development of infrastructure in the National Capital Region so as to avoid any haphazard development thereof.

One of the functions of the Board as defined in Section 7 (e) of the NCRPB Act is to arrange for and oversee the financing of selected development projects in the National Capital Region. For this purpose a National Capital Region Planning Board Fund has been created under section 22 of the Act, which inter-alia is required to be utilized for:-

- 'providing financial assistance to the participating States and the Union territory for the implementation of Sub-Regional Plans and Project Plans;' and
- 'providing financial assistance to the State concerned for the development of the Counter Magnet Area subject to such terms and conditions as may be agreed upon between such State and the Board.'

Coverage & Eligible Agencies

3.1 Development projects to be taken up in the National Capital Region and the Counter Magnet Areas (CMAs) would be identified by the Board, participating States of NCR, CMA and their implementing agencies.

3.2 The Board may provide financial assistance to the participating State governments and their implementing agencies including Local Bodies, Development Authorities, Housing Boards, Industrial Development Corporations or such other agencies of the State governments as the case may be.

Types of Projects eligible for financing

Depending on the availability of resources, the following types of projects would be considered for financing by the Board.

4.1 Land acquisition and development for social and physical infrastructure projects for industrial, institutional, residential and commercial uses.

4.2 Upgradation and augmentation of existing infrastructure like water supply, sewerage, sewage disposal, drainage, solid waste management, power supply, expressways, railways, regional/sub-regional/master plan roads & bridges, milk dairies, fire services, parks & playgrounds, stadia, etc.

- 4.3 Development of art & cultural centres having facilities like theatres, auditorium, conference/exhibition halls, handicraft/haat bazaars, etc.
- 4.5 Infrastructure and other development projects in the Counter Magnet Areas.
- 4.6 Pilot projects on rural development.
- 4.7 Development of new townships.
- 4.8 Such other projects with the approval of the Project Sanctioning and Monitoring Groups which are in conformity with the objectives of the Regional Plan.

Terms & Conditions

Financing Pattern

The Board would provide loan for a project upto 75% of the estimated cost and the balance to be contributed by the State Government and their Implementing Agency.

Repayment of loan & interest

The loan amount alongwith interest will be repaid normally, within a maximum period of 10 years for non-remunerative infrastructure (other than commercial projects) projects and 7 years for remunerative/commercial projects. However, PSMGs may grant a repayment period exceeding these limits. The PSMGs may also, in deserving cases, grant a moratorium up to a maximum of 2 years towards repayment of principal amount. Repayment of loan will be on annual basis and the period would be reckoned from the date of release of the loan amount. There will be no moratorium on payment of interest i.e. in case of two years moratorium the first repayment of principal amount shall begin from 3rd anniversary while interest payment will begin from first anniversary of loan.

Loan agreements

In case of loans to Local Authorities, Urban Development Authorities, Housing Boards and such other agencies other than the State Governments, a loan agreement in the form prescribed by the Board would require to be executed.

Security for loans

Loans to local bodies, urban development authorities, housing boards and bodies/entities other than the State governments shall be sanctioned only against adequate security. The security to be taken shall ordinarily be at least 33 1/3 per cent more than the amount of loan; provided that the Board may accept a State guarantee in lieu of the security.

Adequate security mentioned above may also include Bank Guarantee, other realizable proceeds/assets such as Escrow Accounts

etc., subject to approval of the PSMGs.

Delay in payment

In case of any delay in the payment of loan or interest, a penal interest as notified by the Board will be charged over and above, the normal rate of interest. At present, the rate of penal interest is 2.75% per annum.

Pre-payment of Loan

Pre-payment of loan will not be allowed by the Board, unless decided otherwise by the Board in special cases on terms and conditions to be decided by the Board.

Project Report

The borrowing agency shall submit a Detailed Project Report (DPR) alongwith a feasibility study report, wherever necessary, to the Board. The DPR will include the following aspects:-

a) Technical Aspects

i) General Information

A brief note describing the status of the project in terms of meeting the over-all objectives laid down for the target area/town in the NCR Plan and conformity with the area development plan.

ii) Justification for the Project

Justification for the project duly supported by demand survey findings. Status of the existing schemes of similar nature, if any, in the proposed area, alongwith its utilization status should be given.

iii) Conformity to the Regional Plan/Master plan/Local Planning Laws/National Building etc.

The project should be in conformity with the Regional Plan, Sub-regional Plan/Functional Plan/District Plan and also with the Master Plan of the town/city. The layout plan submitted must follow the local building bye-laws and also should be approved by the competent authority. Further, as the NCR falls under the High seismic zone IV as per seismic zone map of Indian standard, 1893 and also in high risk zone of MSK intensity of VIII, therefore all the structures (buildings) must be in conformity with the National Building Code, other relevant codes of Bureau of Indian Standards and any other relevant provisions in-force.

iv) Site Conditions

General description of the site in terms of its topography, soil condition, natural and manmade features, contours and available transport linkages and other infrastructure network, supported by a site plan. The project site should be clearly marked on the Development/Master Plans, Sub-Regional Plans or Regional Plan as the case may be.

v) Service Availability

The position of existing supply of water, sewerage, sewage treatment, solid waste disposal sites, drainage, power transport, telecommunication etc., duly supported by the documents of concerned

agencies of the State government should be given.

vi) Layout Plan

A detailed layout plan alongwith site plan, in appropriate scale, duly approved by the local planning agency/ authorised agency, should be submitted alongwith the project report.

vii) Project Components

Various components of the project like land acquisition, land development including survey, leveling, water supply, sewerage, storm water drainage, solid waste management, roads, culverts, landscaping, electrification, community facilities etc. should be given in quantitative terms with estimated cost and timeframe for each component

viii) Details of plots

Details of plots alongwith sizes should be given. The plot sizes should be in accordance with the local planning laws and plots as per the state/local norms should be earmarked for economically weaker sections, to be allotted at subsidized rates.

ix) Implementing agency

Implementing agency(s) for the project/project components should be indicated. The other details of the organisation including its functions, powers to raise resources and also the manpower proposed for execution of the project to be submitted. Nodal officer for the project to be identified and his name, designation, contact numbers and office address be indicated.

x) Implementation Schedule

An Implementation Schedule as per management practise should be prepared showing linkages and dependence of various activities. Schedule for supporting activities should also be prepared. It should also contain a detailed and realistic implementation schedule of all project components taking into consideration stages of preparation of detailed design and drawings, additional field investigations, time required for preparing tender documents, award of work, actual development/construction period, period required for procurement of material and equipment, commissioning of facilities, etc.

b) Financial Aspects

i) Cost Estimates

The rates adopted for preparing all the cost estimates are required to be as per the latest PWD/CPWD or any other Schedule of Rates (SOR) applicable in the concerned State alongwith a provision for cost escalation, if any. The implementing agency must certify that the estimates are approved by the competent authority.

ii) Sources of Funds

All sources of funds for implementation of the project to meet the

expenditure as planned for completing the project will be indicated.

iii) Cash Flow Statements

The project report will include cash flow statement indicating year-wise revenue & expenditure as per the format given in the Application Form enclosed at Annexure-II.

iv) Financial Viability

The financial viability of the projects is to be calculated based on the discounted cash flow techniques and should give the Net Present Value (NPV), Cost Benefit Ratio (CBR) and Financial Internal Rate of Return (FIRR). In case of non-remunerative projects, the agency will indicate the sources of returns/funds which make the project viable to service the loan amount.

v) Loan Drawal & Repayment Schedule

Year wise amount of loan to be drawn from the Board alongwith repayment schedule for principal and interest and also moratorium period required for repayment of principal amount to be indicated.

vi) Supplementary Information

Before considering an application for financial assistance from agencies other than state governments, the following documents as prescribed under rule 155 of General Financial Rules, Government of India will be submitted:-

- Copies of profit and loss (or income and expenditure) accounts and balance sheets for the last 3 years*.
- The security proposed to be offered for the loan and a certificate to the effect that the asset offered as security is not already encumbered.
- Details of loan or loans taken from the Central Government, State Government or other agencies for the proposed project/security offered for the project, indicating amount, rate of interest, source and period of repayment, date of original loan and amount outstanding against the loan(s) on the date of the application and the assets, if any, given as security;
- A complete list of all other loans, outstanding, on the date of application and the assets given as security against them;

* Agencies need to submit these documents only once to the Board for each relevant financial year.

Submission of Project Proposal

(A) For the projects in NCR.

The Borrowing/Implementing Agency should submit the project proposal to the respective NCR Planning & Monitoring Cells of the participating States with a copy to the Board in the prescribed application format (enclosed at Annexure-II) with these guidelines) along with the detailed project report, supporting documents etc. The Cells after appraising the project and also

examine its conformity with the Regional/Sub-regional/Functional Plan and Master Plan of the town and also the relevance and utility of the project in the context thereof, submit the project proposal along with their observations and recommendations to Board.

(B) For the projects in CMAs

The borrowing/ implementing agencies should submit the project proposal to the Board after following actions have been taken by the State Governments:-

1. Finalization of the Development Plan for the Counter Magnet Town.
2. Constitution of project sanctioning Committee at the town level and approval of project proposal by the NCR Planning & Monitoring Cells and the Board.

Project Appraisal

The detailed project appraisal in terms of technical feasibility, financial viability, organizational capacity for implementation of the projects etc. would be undertaken by the Board.

Technical & Financial Appraisal

The Board will scrutinize the project reports in terms of technical feasibility and financial viability. While appraising the projects, the Board will ensure that:-

SYMBOL 45 \f "Symbol" \s 11 \h the proposed projects will help in achieving the objectives of the Regional Plan,

SYMBOL 45 \f "Symbol" \s 11 \h the projects are in conformity with the Regional/Sub-regional/Functional Plan, Master Plan proposals etc.

SYMBOL 45 \f "Symbol" \s 11 \h they meet the present and future requirements of the town/ area in terms of services and utilities,

SYMBOL 45 \f "Symbol" \s 11 \h the specifications of technical parameters are sound, realistic and technically feasible,

SYMBOL 45 \f "Symbol" \s 11 \h the cost estimates are prepared as per the latest PWD/CPWD Common Schedule of Rates (CSR) of the respective States,

SYMBOL 45 \f "Symbol" \s 11 \h the project as a whole is viable and the implementing agency would be in a position to repay the loan,

SYMBOL 45 \f "Symbol" \s 11 \h the implementing agency has sound organizational capacity to execute the project as per the implementation schedule given in the report, and

SYMBOL 45 \f "Symbol" \s 11 \h the environmental impacts, if any, are being taken care of, to minimize any adverse impact.

SYMBOL 45 \f "Symbol" \s 11 \h the other conditions not covered above would be in accordance with approved government policies.

The summary of the appraisal report would be placed before the respective Project Sanctioning & Monitoring Group for consideration and approval.

Phasing of Project Implementation

The project period, unless otherwise specified by PSMG, will be limited to a maximum of five years.

Mode of Sanction

The appraisal report would be considered by the respective Project Sanctioning and Monitoring Group, (PSMG-I or PSMG-II) as per the financial powers delegated by the Board

Release of loan

After sanctioning the projects by the PSMG-I or PSMG-II, Board would issue sanction letters to the State government/Implementing Agencies giving the details of loan sanctioned alongwith the terms & conditions. The State government/Implementing Agencies are required to complete all the formalities, including the execution of loan agreements alongwith the submission of guarantee, as prescribed in these guidelines. The time limit for completion of these formalities will ordinarily be 3 months from the date of issue of sanction letter by the Board. One the documentation is complete, the Board would release the first instalment of loan to the State governments/Implementing Agencies.

Each instalment is treated as a separate loan by the Board.

The subsequent instalments of loan assistance would be released by the Board, with the approval of the Member Secretary, subject to the following conditions:-

- i) The implementing agency will submit Utilisation Certificate in the prescribed form as given Annexure-IV for at least 80% of the loan already released by the Board and the counter part share of the State/agency put together. However, in case of the last / final instalment amount will be released only after the UC for the 100% amount put together with the counter part State/agency share is received to the Board.
- ii) Submission of quarterly physical and financial progress report in the prescribed format as given at Annexure-V, and
- iii) Physical & financial verification of the progress by the Board/Planning Cells officials or any other agency authorized by the Board and satisfactory report thereof.

General Terms & Conditions

The following terms and conditions would be followed for drawing loan assistance from the Board by the State government and/or their implementing agencies.

- ii) In case of projects where the amount of financial assistance provided for land acquisition is in excess of the actual amount utilized for land acquisition, such excess amount would be adjusted towards funds for development works on the project or the, amount

of subsequent loan instalments would be adjusted accordingly as the case may be.

Land Development

In case of land development, the loan amount would be released subject to the following conditions :

- i) State Government/Implementing Agency would certify that the entire land has been acquired and complete physical possession has been taken.
- ii) Before funds are released for land development, the officers of the Board / NCR Planning & Monitoring Cells will inspect the site with a view to ensuring that land is free from all encumbrances and is in possession of the State government/ implementing agencies for further project development
- iii) The implementing agency has to furnish a certificate to the effect that detailed estimates for all the components of the scheme have been technically sanctioned by the competent authority (A copy of such letter will be submitted).
- iv) The implementing agency has to furnish a certificate to the effect that tenders for all the components have either been invited or are in the process of being called, specifying the schedule.

General

- i) The borrower shall maintain separate accounts of receipts and expenditure in respect of all concerned projects and shall furnish to the Board every year till the loan is fully repaid with all other dues, the annual report of accounts as per the format given at Annexure-VI.
- ii) The borrower shall not invest any part of the loan/grant amount by way of deposits, loans, share capital or otherwise, without the prior permission of the Board.
- iii) The borrower shall make available for inspection of the Board / NCR Planning & Monitoring Cells and/or its authorized agents, all its books of accounts and other books and documents as required by the Board or required under applicable law, bye-laws or rules of the borrower and provide all facilities to the Board and/or its authorized agent for carrying out such inspection and render such explanation or elucidation as may be required by the Board and/or its authorized agent and allow the taking of any copies of /or extracts thereof, the Board and/or its authorised agent shall have the right to inspect any or all locations of the schemes and all the Bank account records and documents relating thereto at any time.

The Board reserves the right to recover in full amount from the borrower all the expenses incurred by it in connection with the inspection of the schemes, books of accounts etc. by it and/or its nominee(s).

- iv) The funds released for one project will not be diverted to other project and the borrowing agency must maintain separate books of accounts for each project.
- v) In case of loans to agencies other than State governments, a written undertaking to the effect that the assets created out of the financial assistance provided by the Board in respect of the project will not be hypothecated/charged to any other lender without prior approval of the Board till the loan and interest thereon is paid to be Board.
- vi) The Board may also seek vital information such as Article of Association, Certificate of Incorporation, By-Laws, etc. of the borrower.
- vii) The Implementing Agencies shall ensure that there are no deviations from the sanctioned project, except with the prior approval of the Board.
- viii) In case the completion of the project is delayed due to reasons beyond the control of the Implementing Agencies, they will submit a revised project proposal well in advance to seek and obtain approval of the Board.
- ix) If during the course of execution of the project, the implementing agency realizes that it is feasible to complete the project at a lower cost than the sanctioned cost, the excess amount will be refunded immediately to the Board.
- x) The Implementing Agency will submit periodical progress reports on quarterly basis in the prescribed form for all the ongoing projects, the implementing agency will submit the Completion Certificate after the completion of the project.

Monitoring and Evaluation

i) The monitoring and evaluation of projects would be carried-out by the Officers of NCR Planning Board and NCR Planning and Monitoring Cells of the respective State governments. The quarterly progress reports should be submitted by the implementing agencies in the prescribed formats to the Board through the NCR Planning Cells of the participating States. The NCR Cells will examine/scrutinize the project reports and forward the consolidated report alongwith their comments by 15th of the month following the quarter.

ii) Periodic inspection of the projects, inspection of books of accounts along with expenditure verification etc. will be carried out by the officials of the Board from time to time. Besides this, the physical and financial progress

will be reviewed at regular intervals by the Board. The Board may also conduct or get conducted through any external agency, the impact evaluation studies of the completed projects to examine the utility of such projects and impact of such projects on overall development of the region.

Board may call for refund of loan with interest if it is not satisfied with the progress of the project or the way the accounts are being maintained.

★ Patiala

Hissar
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Bareilly
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Kota
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Gwalior
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