

## Pattern of Assistance

- The Scheme shall provide a capital grant at the rate of 50 percent of the eligible project cost\* in general areas and at the rate of 75 percent of eligible project cost in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States subject to a maximum of Rs. 50 crore per project.  
\*The eligible project cost is defined as total project cost but excluding cost of land, pre-operative expenses and margin money for working capital. However, interest during construction (IDC) as part of preoperative expenses and fee to Project management consultant (PMC) up to 2% of the approved grant would be considered under eligible project cost.
- In the interest of expeditious implementation of the projects, a Program Management Agency (PMA) is appointed by the Ministry to provide management, capacity building, coordination and monitoring support. For meeting the cost of the above and also other promotional activities by the Ministry, a separate amount, to the extent of 5% of the overall grants available, is earmarked.

## Release of Grant

The grant-in-aid under the scheme is released in four installments of 30%, 30%, 20% and 20%, subject to other scheme parameters, as per the following schedule:

- First Installment of 30% of total grant under the scheme is released after ensuring expenditure of at least 10% of the eligible project cost on the project components;
- Second installment representing 30% of approved grant assistance is released after proportionate expenditure by SPV from term loan and equity equivalent to the grant amount released as first installment;
- Third installment representing 20% of approved grant assistance is released after proportionate expenditure by SPV from term loan and equity equivalent to the grant amount released as second installment;
- Fourth and final installment representing 20% of approved grant assistance is released subject to successful completion of project and commencement of operations after ensuring expenditure of 100% envisaged contribution of SPV including term loan and equity on the approved project components.