

9. DISBURSEMENT OF FUNDS

- a. The SCAs/other borrowing agencies of NSTFDC are required to first complete requisite formalities viz; selection of beneficiaries, documentation with the beneficiaries, tie-up of their share (i.e. Margin Money/Subsidy), identification of supplier of assets and arrangement of Government Guarantee/Bank Guarantee etc. as may be necessary for operation of the Scheme/Project so that utilisation of funds is not delayed beyond the stipulated period.
- b. Funds for the sanctioned Scheme/Project may be released by NSTFDC on specific request from the SCAs /Other borrowing agencies subject to:
 - i) Execution of General Loan Agreement.
 - ii) Furnishing of Government Guarantee/Bank Guarantee
 - iii) Submission of list of selected applicants **as per prescribed format 'A'**. However in respect of Working Capital Assistance only total number of beneficiaries assisted need to be indicated along with utilisation certificate.
 - iv) Submission of satisfactory status of overall scheme / project-wise utilisation of funds to NSTFDC in the prescribed format.
 - v) Satisfactory level of repayment of dues of NSTFDC.
 - vi) Tying-up of Subsidy, Margin Money Loan and Promoter's Contribution by the SCAs.

10. FUNDS UTILISATION PERIOD AND INTEREST RATES ON UNUTILISED FUNDS

- i) Funds drawn from NSTFDC by the SCAs are to be utilised within a period of 120 days from the date of its release. In addition to normal moratorium period allowed for each Scheme/Project, 120 days are allowed for funds utilisation as moratorium period for the SCAs,. However, for Working Capital Loan, funds utilisation period is 60 days from the date of release of funds by NSTFDC.
- ii) NSTFDC funds released by the SCAs to the beneficiary(ies) or advanced to the manufacturer/supplier of assets (in exceptional cases) towards procurement of approved items as specified in the Letter of Intent (Sanction) issued by NSTFDC, are only considered as funds utilised. **However, funds transferred by SCA to its Branch/District Office(s), are not considered as funds utilised.**
- iii) NSTFDC's funds not utilised by SCAs within a period of 120 days, from the date of its release by NSTFDC, shall attract interest @10% p.a. from the date of disbursement, till the time of actual utilisation.

iv) NSTFDC funds ever if returned unutilised by the channelising agencies within 120 days shall also attract interest @ 10% p.a.

- v) In no case the higher rate of interest charged by NSTFDC **on account of delayed utilisation of funds by the SCAs** be passed on to ultimate beneficiaries.

11. SUBMISSION OF PROGRESS REPORTS

- i) Progress Reports are to be submitted by the SCAs as per NSTFDC's prescribed format within a maximum period of 210 days from the date of release of funds.
- ii) In respect of Working Capital assistance, funds utilisation certificate duly certified by the SCA/borrowing organization to the effect that funds were utilised within 60 days shall be submitted inter alia including the total number of Scheduled Tribes beneficiaries assisted under the scheme.

Note: Progress reports of funds utilisation to be submitted **as per prescribed format 'B'**.

12. RECALL OF FUNDS

Funds shall be recalled from the SCAs in case the same are not utilised within a period of one year from the date of its release by NSTFDC. The funds recalled, however, shall carry a rate of interest @ 10% p.a. from the date of release by NSTFDC till the date the funds are repaid.

13. LIQUIDITY DAMAGES ON DEFAULTED PAYMENTS/ REPAYMENTS

NSTFDC loans and interest charges thereon are to be repaid/ paid as per repayment schedule. Defaulted payments/repayments shall attract liquidity damages @ 4% p.a. over and above normal interest rate applicable on the dues.

14. PROCEDURE FOR AVAILING LOAN ASSISTANCE

- i) For availing financial assistance provided by NSTFDC, the eligible applicant(s) is/are required to approach the concerned SCA.
- ii) To facilitate submission of the proposals, NSTFDC has devised three different formats as detailed below :
 - a) Format of application for seeking financial assistance for **INDUSTRIAL AND OTHER SERVICES SECTOR** activities (**Format No. 1**).
 - b) Format of application for seeking financial assistance for **FARMING AND ALLIED SECTOR** activities (**Format No. 2**).
 - c) Format of application for seeking financial assistance for **TRANSPORT SECTOR** activities (**Format No. 3**).

Note: Formats are annexed. Copies of these formats are also available with the SCAs/Head Office/Zonal Offices of the NSTFDC.