

## **Funds Release**

After the Stage 1 of the challenge, each potential Smart City will be given an advance of Rs. two crore for preparation of SCP which will come from the city's share of the A&OE funds and will be adjusted in the share of the city.

In the first year, Government proposes to give Rs.200 crore to each selected smart city to create a higher initial corpus. After deducting the Rs. Two crore advance and A&OE share of the MoUD, each selected Smart City will be given Rs. 194 crore out of Rs. 200 crore in the first year followed by Rs. 98 crore out of Rs. 100 crore every year for the next three years.

The yearly instalment of funds will be released to SPVs after they meet the following conditions:

- (i) timely submission of the City Score Card every quarter to the MoUD,
- (ii) satisfactory physical and financial progress as shown in the Utilization Certificate (Annexure 6) and the annual City Score Card (Annexure 7),
- (iii) achievement of milestones given in the roadmap contained in SCP, and
- (iv) fully functioning SPV as set out in the Guidelines and the Articles of Association.

A Board Resolution should certify that all these conditions have been met, including a certificate that all the conditions relating to establishment, structure, functions and operations of the SPV as given in para 10 and Annexure 5 of the Guidelines are complied with.