

## Logic for Calculation

### Tranche Allocation Logic

- Out of the project cost, 60% is covered by Grants, and 40% is covered by BC Loan.
- Once a tranche is released, its allocated funds are used in payments.

**Example: If the total Project Cost is 100 Rs, the breakdown is as follows:**

| Tranche   | Project Cost | Grants (60%) | BC Loan (40%) | Status   |
|-----------|--------------|--------------|---------------|----------|
| Tranche 1 | 50           | 30           | 20            | Released |
| Tranche 2 | 30           | 18           | 12            | Released |
| Tranche 3 | 10           | 6            | 4             | Released |
| Tranche 4 | 10           | 6            | 4             | Pending  |

### Breakup of Payment to Vendor

Each E Slip represents a payment request, and the amount is split according to the tranche funding logic.

### Payment Allocation Logic

1. Normal Flow (Tranches 1-3)
  - Payments are split 60% from Grants and 40% from BC Loan.
  - There is no Own Contribution in this stage. However, if the Approved Tender Cost is less than the Tender Cost by CBO, the difference is covered under Own Contribution.
2. Tranche 3 Remaining Amount & Tranche 4
  - If the Grants (60%) is fully utilized, then additional amounts are adjusted using BC Loan and Own Contribution.
  - Any excess amount over the remaining Grant + BC Loan is assigned to Own Contribution.

### E Slip Breakdown

| E Slip No. | Basic Amount | Share from Grants (60%) | Share from BC Loan (40%) | Own Contribution | Total Amount |
|------------|--------------|-------------------------|--------------------------|------------------|--------------|
| 1          | 40           | 24                      | 16                       | 0                | 40           |
| 2          | 30           | 18                      | 12                       | 0                | 30           |
| 3          | 48           | 28.8                    | 19.2                     | 0                | 48           |
| 4          | 30           | 18                      | 12                       | 0                | 30           |
| 5          | 50           | 1.2                     | 0.8                      | 48               | 50           |
| 6          | 30           | 0                       | 12                       | 18               | 30           |

## Formula Used

### Grant Share Calculation

**Case 1:** If 60% of E Slip Amount is within available grant:

- $\text{Grant\_Share} = 60\% \text{ of } \text{E\_Slip\_Amount}$
- $\text{BC Loan} = 40\% \text{ of } \text{E Slip Amount}$

Example: E Slip No. 1 to 4

**Case 2:** If 60% of the E Slip basic amount exceeds the remaining grant share:

- $\text{Grant Share} = \text{Remaining Grant} = 1.2$
- $\text{BC Loan} = 40\% \text{ of } (\text{Remaining Grants} / 60\%)$ 
  - $= 40\% (1.2 / 60\%) = 0.8$
- $\text{Own Contribution} = \text{E Slip Amount} - (\text{Remaining Grants} / 60\%)$ 
  - $= 50 - (1.2 / 60\%) = 48$

Example: E Slip No. 5 and 6

This ensures that the payments follow the 60-40 rule until the grant allocation is exhausted. Beyond that, the remaining amount is covered under Own Contribution and Total e slip amount is same after calculating the Grants + BC Loan + Own Contribution

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### Summary of Key Conditions

- Grant allocation should not exceed the total project cost (100% limit).
- Each payment (E Slip) follows the 60% Grant - 40% BC Loan rule, unless the grant fund is exhausted.
- Once Grant funds are fully utilized, any excess amount is covered by Own Contribution, which is Tranche 4 Reimbursement.

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### For Tranche 4 Check list to be added

- The CBO audit report must be submitted as part of the compliance documentation.
  - Approval from the respective PIU is necessary to verify that the amount designated as the fourth tranche is eligible for release, ensuring that no audit objections remain unresolved.
  - The Project Completion Report should be uploaded.
  - Compliance with the specified conditions outlined in the FMM is required.
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## Pre-requisites and Corresponding Checklist of Documents

| <b>Sr. No.</b> | <b>Pre-requisites</b>                                | <b>Required Documents</b>  |
|----------------|--|--|
| 1              | Audit conducted by the CA appointed for the Project. | 1) Audit report with Compliance SMART Project and audited UC by the designated CA.<br>2) CBO-certified copies of invoices related to expenditures. |
| 2              | On-site inspection by the project's technical team.  | Field visit report along with geo-tagged photographs.  |
| 3              | Request from the CBO.                                | Copy of the demand letter submitted by the CBO.  |
| 4              | Approval from the respective PIU.                    | Copy of the recommendation letter issued by the PIU.   |

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