

				(iv) For low-income housing or projects having important social welfare implications, Government may consider appropriate mix of loans and grants.
7.Exploration of Natural Resources	“	“	“	These projects bear high risk and uncertainty. Such projects should, therefore, continue to be financed on grant basis. But the cost of exploration should be reflected in the sale price of such resources if and when commercially viable extraction/production becomes possible.
8. Tourism/Service Industry :				
(a) Parjatan Corporation	5	6	15 Years (Grace period 3 Years)	(i) BPC's projects should have short gestation period. (ii) When projects for infrastructural development are undertaken at the instance of Government loan and grant may be mixed in proportions corresponding with the relative importance of infrastructural and commercial components in the total cost of the projects. Government will determine the appropriate mix.

General Conditions :

- (1) For Aided Projects relending terms (rates of interest, repayment period, grace period etc.) will be as agreed in the negotiated Credit Agreement.
- (2) Relending rates indicated here will not apply in case of Suppliers' Credit where it could be arranged in more favourable terms and conditions. Concerned Institution/Corporation will bear foreign exchange risk to repay the loan as per Credit Agreement.
- (3) Grace period may be varied when the gestation period of a project is longer with or without changing the repayment period.
- (4) Feasibility studies should normally be undertaken by Autonomous Bodies and Public Corporations out of their own resources. In appropriate cases Government may also direct such agencies to undertake feasibility studies for various projects. In the later case, funds will be provided by the Government as grant.

Sd/-
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