

**PROCEEDINGS OF THE 10<sup>TH</sup> MEETING OF THE BOARD OF TRUSTEES OF ODISHA URBAN INFRASTRUCTURE DEVELOPMENT FUND (OUIDF) HELD UNDER THE CHAIRMANSHIP OF CHIEF SECRETARY, ODISHA & CHAIRPERSON, OUIDF ON 05.01.2017 AT 10:30 A.M. IN THE 2<sup>ND</sup> FLOOR CONFERENCE HALL OF SECRETARIAT, BHUBANESWAR**

**Members Present:** As per list Annexed.

Secretary, OUIDF & Ex-Officio Special Secretary, H&UD Department welcomed the Chief Secretary and Chairperson OUIDF, Board of Trustees and other participants present.

Chief Secretary presided over the Meeting. Leave of Absence was granted to the Trustees who could not attend the Meeting. After detailed discussions, the following decisions were taken.

Agenda-I: Confirmation of the Proceedings of the 9<sup>th</sup> Board Meeting held on 19.08.2016.

- 1.1. As no comments have been received, the Board confirmed the Minutes of the 9<sup>th</sup> Meeting of Board of Trustees held on 19.08.2016.

Agenda-2: Action Taken Report of the decisions taken in the 9<sup>th</sup> Meeting of Board of Trustees, dated 19.08.2016 and General Observations

- 2.1. The Sanction and Disbursement Status of Projects were reviewed in detail.
- 2.2. The Chief Secretary advised to expedite Amendment of the Municipality Act and initiate action for improvement in Credit Rating of ULBs
- 2.3. The Board desired to monitor post-disbursal Status of Implementation along with Physical/ Financial Progress of the Sanctioned Projects at regular intervals.
- 2.4. It was decided that the Minutes of the Monthly Review Meetings by the Commissioner-cum-Secretary, H&UDD be placed for information of the Board.
- 2.5. H&UD Dept. may advise ULBs to improve their Credit Rating. Subsequent to introduction of GST, the possibility of levying Entertainment Fee by the ULBs may be explored obtaining the views of the Law Dept. under the relevant Municipal Acts.
- 2.6. H&UD Dept. and Panchayati Raj Deptt. may examine in co-ordination with Finance Department the likely implication of GST on ULB Revenue.
- 2.7. The Board observed that as there may be delay in Sanction and Disbursement of funds under the 2<sup>nd</sup> Line of Credit of KfW, and as such the Lending Rates of the Banks have decreased substantially. Hence the options of Commercial Borrowings may be explored and evaluated and funding options determined accordingly.
- 2.8. The Board approved that the Supervision Consultants may be appointed by OUIDF and the Charges for the same shall be paid out of the Project Development Fund.
- 2.9. Any additional cost escalation beyond the Tendered Project Cost shall be borne by the Borrower.



### Agenda Item 3: Approval of New Projects

The Board stipulated that Appraisal Notes, documents and relevant information be made available and placed before the Board as a part of Agenda Notes for Approval of New Projects.

3.1, 3.2. & 3.3 - Rehabilitation Projects of Slums and Informal Settlements under Housing for All Scheme for Economically Weaker Sections (EWS) at 3 locations, viz., Subudhipur, Satyanagar & Gadakana in Bhubaneswar:

The Board of Trustees of OUIDF decided that Project Supervision and Management shall be undertaken by OUIDF and paid out of PDF. Accordingly a Lender's Engineer will be appointed by OUIDF for such purpose. The Supervision Charges estimated @10% of the Construction Cost shall therefore be not considered, for which the Project Cost would stand reduced to that extent. The Board also desired that the repayment period of the Loan shall be reduced to 3 years including a Construction Moratorium period of 2 years.

The Board further decided that the Sanction of the above Housing Projects is subject to availability of funds and with the condition that BDA shall not issue Letter of Award the Contractor(s) unless Funds are released by OUIDF for the Project.

With the above observation and based on the Revised Total Project Cost, the Board sanctioned the Loan and Grant for each of the 3 Projects as below:

- i. Subudhipur – The Total Project Cost (TPC) excluding the Supervision Charges stands reduced to Rs. 2,122.24 lakh. Based on the revised TPC, the Board of Trustees sanctioned a Loan and Grant of Rs. 955.00 lakh each subject to the conditions stipulated above and the standard terms and conditions, in favour of Bhubaneswar Development Authority, with the Loan to be repaid over a period of 3 years including moratorium of 2 years and carrying Interest Rate of 9.5% per annum with a rebate of 1% per annum for timely payment of instalments.
- ii. Satyanagar – The Total Project Cost (TPC) excluding the Supervision Charges stands reduced to Rs. 6047.11 lakh. Based on the revised TPC, the Board of Trustees sanctioned a Loan and Grant of Rs. 2721.20 lakh each subject to the conditions stipulated above and the standard terms and conditions, in favour of Bhubaneswar Development Authority, with the Loan to be repaid over a period of 3 years including moratorium of 2 years and carrying Interest Rate of 9.5% per annum with a rebate of 1% per annum for timely payment of instalments
- iii. Gadakana – The Total Project Cost (TPC) excluding the Supervision Charges stands reduced to Rs. 8,661.01 lakh. Based on the revised TPC, the Board of Trustees sanctioned a Loan and Grant of Rs. 3897.45 lakh each subject to the conditions stipulated above and the standard terms and conditions, in favour of Bhubaneswar Development Authority, with the Loan to be repaid over a period of 3 years including moratorium of 2 years and carrying Interest Rate of 9.5% per annum with a rebate of 1% per annum for timely payment of instalments

### 3.4 Solid Waste Management Project in Berhampur:

The Board of Trustees sanctioned Loan of Rs. 1743 lakh and Grant of Rs. 1743 lakh in favour of Berhampur Municipal Corporation with the Loan to be repaid over a period of 11.5 years (in 20 half-yearly instalments) including a moratorium period of 1.5 years and carrying an interest rate of 9.5% p.a. with a rebate of 1% p.a. for timely payment of instalments.

In order to expedite the Project execution, the Board also suggested that Berhampur Municipal Corporation may seek the assistance of the District Administration as well as the law and order authorities in the event of any possible local resistance.

### 3.5 Sewerage System of Sambalpur Town:

The Board of Trustees sanctioned a Grant of Rs. 4,000 lakh in favour of Orissa Water Supply & Sewerage Board (OWSSB). The Board further stipulated that the Repayment of the 1<sup>st</sup> Loan Instalment shall be deferred from 30.06.2018 to 30.06.2020 and that the 1<sup>st</sup> Instalment shall be payable on 30.06.20, and this shall be subject to the standard terms and conditions.

#### Agenda 4: Conclusion of KfW 1<sup>st</sup> Line of Credit

The Board noted and approved the Disbursement Status as on 31.12.16 and the Action Plan up to December, 2017 for disbursement under the 1<sup>st</sup> Line of Credit together with the Budgetary Support required in the Financial Year 2017-18.

#### Agenda-5: Review of Progress of Sanctioned Projects.

The Board reviewed the status of Sanctioned Projects in detail and advised for regular monitoring of the progress of all the Projects.

#### Agenda 6: Approval of Proposed Budget for the year 2017-18 & Expenditure for the year 2016-17

The Board approved the Annual Budget of Rs. 83 lakh for FY 2017-18.

#### Agenda 7: Reimbursement of 1M Euro to BDA out of Project development Fund of OUIDF (1<sup>st</sup> Line of Credit) towards Mobility Proposals under Smart City Bhubaneswar

The Board of Trustees approved disbursement of a sum of 1 Million Euro out of OUIDF PDF to Bhubaneswar Development Authority for the preparation of Green Urban Development Projects for Smart City, Bhubaneswar.

#### Agenda 8: Annual increment on the consolidated remuneration of OUIDF Officials / Staff:

The Board approved the proposed lump-sum increase in the consolidated remuneration to OUIDF Officials / Staff with effect from 05.01.2017.

Meeting ended with vote of thanks to the Chair and the participants present.



**(A. P. Padhi)**  
Chief Secretary, Odisha  
& Chairperson, OUIDF

