

**Minutes of the 9<sup>th</sup> Loan Committee Meeting held on 06/02/2016 at 04:00 P.M in the Conference Hall of H&UDD under the Chairmanship of Commissioner-cum-Secretary H&UDD**

List of Participants is given in the Annexure.

Commissioner-cum-Secretary H&UDD presided over the meeting. After detailed review, following decisions were taken:

**General observations**

- Transparency in allotment process needs to be followed for the market complex & wet market projects ensuring the allotment to the right beneficiaries as notified by Housing and Urban Development Department circular No.1211/MB-1-20-2004 dated 23/06/2004, 12111/SPL-T-44/08/H&UD dated 11 June 2008. OUIDF may frame the draft detailed guidelines of allotment procedure for the market complex and the Department may issue the same.
- The detailed guidelines for allotment as given in the Odisha Gazette Notification of H&UDD dated 6<sup>th</sup> July 2015 with S.R.0 No. 310/2015 and 311/2015 are to be adopted for Vending Zone Projects.
- In case of Market Complexes if the land is not belonging to Urban Body it should be taken on lease from Revenue Authorities under the provisions of Orissa Government Land Settlement (OGLS) Act.
- Demand and supply shall match.
- OUIDF Sanction Order shall clearly specify all these conditions.
- Project structuring with repayment on ballooning installment basis shall be explored for servicing debt out of project revenues wherever there is deficit in debt service in initial years.
- Provision for escrow of only one installment and the same shall be provided for during the disbursement of the last installment giving 6 months cushion for building the same.
- DSRF provision may be dispensed with.
- Moratorium period shall be generally increased for all the projects so that the ULBs are able to adjust for any delay.
- Repayment period shall be increased for the projects which have deficit in debt servicing in the initial years.
- Vending Zones are semi permanent structures. The repayment period including moratorium of these project shall therefore be restricted to 4 years and not more.
- While planning for a vending zone or a market complex due attention should be given by the ULB to ensure right of way so that traffic congestions are not encountered in the immediate future. If at any point of time, during the currency of the loan, if the vending zones are required to be demolished, the ULBs in such an event shall pay the OUIDF loan out of their own resources immediately.
- The Security Deposits to be collected shall be utilized for repayment of OUIDF debt soon after its receipt.

*A. Jais*  
19/2/16

## 1. Establishment of Modern Wet Market at Unit IV, Bhubaneswar

- Modern Abattoir project to be completed within one year since it is an upstream project for Wet Markets. NBCC agreement with BMC to be amended to this effect.
- The plan of proposed wet market to be included in the presentation before the Board of Trustees of OUIDF
- There is a deficit in debt servicing in the initial 3 years.
- The security deposit amount for Unit-IV may be increased to Rs. 4 lakhs per shop
- Project deficit to be met by increasing the security deposits as well as the repayment period. Ballooning of principal repayment shall be explored to avoid negative cash flow.

Considering the increase in security deposit and also ballooning of principal repayment (constant half yearly installment of principal and interest), the debt servicing is comfortable with DSCR of 1.5. The deposits from Lessees will be utilized in the following order:

- Towards outstanding interest
- One Half Yearly Installment
- Balance payment towards outstanding principal

The Committee recommended to sanction a Loan of Rs.94.88 lakhs and a Grant of Rs. 94.88 lakhs in favour of Bhubaneswar Municipal Corporation with the Loan to be repaid over a period of 12 years including a moratorium of 2 years and carrying an interest rate of 9.5% p.a. with a rebate of 1% p.a. for timely payment of instalments.

## 2. Establishment of Modern Wet Market at Ghatikia, Bhubaneswar

- There is a deficit in debt servicing for the entire 10 years repayment period. The project revenues are not sufficient to meet the interest payment obligation
- The security deposit amount for Ghatikia may be increased to Rs. 3 lakhs per shop
- Project deficit to be met by increasing deposits, increase in repayment period, ballooning of principal repayment and increase in Borrower contribution thereby reducing the debt.

Even after considering increased security deposit, enhancing the repayment period to 15 years and ballooning of principal repayment there is a deficit in debt servicing.

However, the loan component may be reduced to 35% of project cost and increasing Borrower contribution to 20% of the Project cost, such that the debt service requirement is met from project revenues. The deposits from the Lessees shall be utilized in the similar manner mentioned above for Wet Market at Unit IV.

The Committee recommended to Sanction a Loan of Rs. 58.54 lakhs and a Grant of Rs. 75.26 lakhs in favour of Bhubaneswar Municipal Corporation with the Loan to be repaid over a period of 17 years including a moratorium of 2 years and carrying an interest rate of 9.5% p.a. with a rebate of 1% p.a. for timely payment of instalments.

*li. 4 years  
19/12/16*

**3. Construction and Set Up of 56 Nos. of Vending Shops in front of Quarter VI/5 to Engineering School in Cuttack**

- These being semi-permanent structures, the debt repayment to be restricted to 4 years.
- As the project revenues are insufficient to meet the debt service requirement, the ULBs contribution should be increased and the security deposit received from the allottees should form the part of the CMCs contribution
  - After discussion with the Commissioner of Cuttack Municipal Corporation it was decided that the OUIDF Loan and Grant Component was restricted to Rs 15 lacs each and the balance amount of Rs. 20.50 Lacs would be provided by CMC towards its contribution. The lease rentals were also increased in consultation with him to Rs. 750 per month. In case of any deficit in revenue generation the same would be provided by CMC from its own source.
  - Taking the above fact into account, the Committee recommended a Loan of Rs. 15 lakhs and a Grant of Rs. 15 lakhs in favour of Cuttack Municipal Corporation with the Loan to be repaid over a period of 4 years including a moratorium of 6 months and carrying an interest rate of 9.5% p.a. with a rebate of 1% p.a. for timely payment of instalments.

**4. Construction of 152 Nos. Vending Units at Thana Chaka and High School Chaka in Udala**

- To check whether the land falls in ROW.
- Status of transfer of land from PWD to Udala NAC to be checked

The proposal is deferred.

**5. Construction of Market Complex at Bangala Pokhari and Ganesh Market in Udala**

- It was informed that market complex at Bangala Pokhari is under construction. Due diligence needs to be done again for this project with regards to selection of contractor, payment status etc. Hence, this proposal may be deferred.
- Udala NAC has applied for Land alienation for Ganesh Market which has been forwarded to Sub Collector on dated 09.02.2015. However, since the land is not belonging to the ULB, the same should be obtained on lease from Revenue Authority as per the provisions under the OGLS Act.

The Committee recommended to Sanction a Loan of Rs. 67 lakhs and a Grant of Rs. 26 lakhs in favour of Udala NAC for construction of Ganesh Market with the Loan to be repaid over a period of 11.5 years including a moratorium 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.

*S. Yashwanth*  
19/11/16

#### **6. Construction of Market Complex in Sundergarh**

- Land Lease Deed has been made between Collector Sundergarh and Sundergarh Municipality on 26th June 2012 for the proposed site.
- The deposits from the vendors will be utilized for debt servicing.

The Committee recommended to Sanction a Loan of Rs. 68.60 lakhs and a Grant of Rs.26.39 lakhs in favour of Sundergarh Municipality with the Loan to be repaid immediately after the moratorium period of eighteen months and carrying an interest rate of 9.5% p.a. with a rebate of 1% p.a. for timely payment of instalments.

#### **7. Sewerage System of Rourkela Town – East**

The Committee recommended to Sanction a Grant of Rs. 40.00 crore in favour of OWSSB and also assigning the Loan for Rourkela Sewerage System Project towards Sewerage System of Rourkela Town East project with the Loan to be repaid as per the terms of original sanction for the Rourkela Sewerage System Project.

#### **8. Sewerage System of Rourkela Town – West**

The Committee Recommended to Sanction a Loan of Rs. 40.00 crore and a Grant of Rs. 40.00 crore in favour of OWSSB with the Loan to be repaid over a period of 15 years including a moratorium of 3 years and carrying an interest rate of 9.5% p.a. with a rebate of 1% p.a. for timely payment of instalments.

#### **9. Improvement of Water Supply to Greater Berhampur**

The Committee recommended the Change of Borrower from PHEO to Berhampur Municipal Corporation and the Committee recommended Sanction a Loan of Rs.40.00 crore and a Grant of Rs.40.00 crore in favour of Berhampur Municipal Corporation with the Loan to be repaid over a period of 13 years including a moratorium of 3 years and carrying an interest rate of 9.5% p.a. with a rebate of 1% p.a. for timely payment of instalments.

#### **10. Augmentation of Water Supply to Gopalpur NAC**

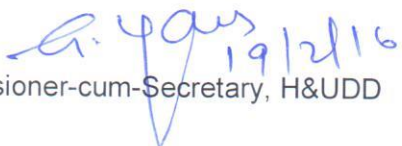
The Committee recommended the Change of Borrower from PHEO to Berhampur Development Authority and the Committee recommended Sanction a Loan of Rs.3.60 crore in favour of Berhampur Development Authority with the Loan to be repaid over a period of 8 years including a moratorium of 2 years and carrying an interest rate of 9.5% p.a. with a rebate of 1% p.a. for timely payment of instalments subject to willingness of BeDA to avail the Loan.

*G. Das*  
12/16

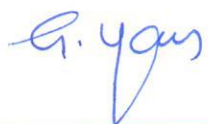
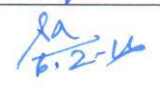





**11. Relaxation in conditions of sanction for Housing projects of BDA**

The relaxations to the terms of sanction approved by the Chief Secretary and Chair Person, OUIDF was placed before the Committee for its kind information and the Committee agreed for the same to be placed before the Board of Trustees of OUIDF for ratification.

The Meeting ended with thanks to the Chair and other Participants

  
Commissioner-cum-Secretary, H&UDD

**Attendance Sheet of the 9<sup>th</sup> Loan Committee Meeting held on 06.02.2016 in the  
Conference Hall of H&UD Deptt., Secretariat, Bhubaneswar at 04:00 P.M.**

Sl. No.	Name of the Officer	Designation	Signature
1.	Shri G.Mathivathanan	Commissioner-cum-Secretary, H&UD Deptt., Trustee, OUIDF & Chairman of the Loan Committee	
2.	Shri Sishir Kumar Ratho	Secretary, OUIDF & Ex-Officio Special Secretary to Govt., H&UD Deptt.	
3.	Shri Rajib Sekhar Sahoo, C.A	Independent Trustee, OUIDF	
4.	Shri B.P. Rayaguru	Sr. Project Manager, OUIDF Convenor	
5.	Shri R.Manivannan	Team Leader, PDA	
6.	Shri Vivek Jain	Project Appraisal Expert, PDA	
7.	Dr. Krishan Kumar	Commissioner BMC	
8.	R. C. Kar	IFA cum AO OUIDF	