



GOVERNMENT OF KERALA

Abstract

Local Self Government - Life Mission - Restructuring of HUDCO loan of Rs. 3000 Cr. sanctioned to phase II project under rural sector for availing Rs. 550 Cr. for State Share through KURDFC - Sanctioned-Orders issued.

LOCAL SELF GOVERNMENT (DB) DEPARTMENT

G.O.(Ms)No.47/2020/LSGD Dated,Thiruvananthapuram, 17/03/2020

Read 1 Letter No. 07/LF/Fin/2018 dated 19.10.2019 &11/02/2020 from the Chief Executive Officer, Life Mission.

2 LetterNo. HUDCO/TRO/KURDFC/21263/2019-20/731 & 1740 dated 20/02/2020 & 25/02/2020 from Dy. GM, HUDCO.

3 Letter No. KURDFC/A2/289/2018(196) dated 26/02/2020 from MD, KURDFC.

ORDER

As per letter read as 1st paper above ,Chief Executive Officer, LIFE Mission submitted a proposal for restructuring the HUDCO loan of Rs. 3000 Cr. sanctioned to phase II project under rural sector for availing Rs. 550 Cr. of State Govt share necessitated by a re- calibrated reduction of number of beneficiaries, the urgency of the housing stress generated in the post flood scenario and the non availability of the remaining state share for the scheme.

CEO ,LIFE MISSION as per letter read as first paper reported that in the LIFE MISSION Project construction of house to the

homeless having land was planned for 1,36,000 beneficiaries in the Rural Sector and for 50000 PMAY-LIFE (Urban) Sector . An amount of Rs.4,000 Cr was sanctioned by HUDCO through Kerala Urban and Rural Development Finance Corporation (KURDFC) (Rs 3000 crores for Rural and Rs 1000 crores in Urban) . But based on the criteria fixed for the eligible beneficiaries the entire beneficiaries could not be included in the project. Out of the total 136000 beneficiaries in rural sector the number of eligible beneficiaries is quantified as around 90,000 and it is expected that the total eligible beneficiaries in Rural Sector for phase II of the project will be 1,10,000 . Therefore, the loan amount required for revised list of 110000 beneficiaries at Rs.2.20 lakh will be Rs.2420 Cr.against the sanctioned amount of Rs 3000 cr. The state share at the rate of Rs.One lakh will also to be given to each eligible beneficiary and this amounts to Rs.1100 Cr.

An amount of Rs.425 Cr. as State share of assistance to the beneficiaries has already been disbursed to local bodies. The additional amount needed for disbursing state share of assistance will be around Rs.675 Cr. Hence CEO, Life Mission has proposed that out of this, an amount of Rs.550 Crore can be met by restructuring the existing HUDCO loan and balance Rs.125 crore can be met out of the budget provision under SC and ST departments in the current financial year exclusively for SC/ST beneficiaries approved by LIFE Mission.This loan amount along with interest would have to be repaid by Govt in 15 years.

As per letter read as 2nd paper above Deputy General Manager, HUDCO has informed that HUDCO agrees to the revision of the scheme for availing Rs. 550 Crore towards the State Government

share by enhancing the loan per housing unit from Rs. 2.20 Lakhs to Rs. 2.70 Lakh in lieu of reduction in number of housing units from 1,36,000 to 1,10,000 entailing curtailment of total loan amount to Rs. 2970 crores as against original sanctioned loan of 3000 crores with repayment mechanism of Rs. 2420 crore as per original sanctioned terms and repayment of balance loan component of Rs 550 crores from the budgetary provision by Government of Kerala along with interest . It was also requested therein to amend the loan agreement and quadripartite Escrow Agreement executed earlier by Govt with KURDFC , HUDCO & SBI .

As per letter read as 3rd paper above Managing Director, KURDFC also has agreed to the above restructuring.

Government have examined the matter in detail and are pleased to accord sanction for availing Rs. 550 crores (Rupees Five hundred and fifty crores only) from HUDCO through KURDFC by restructuring of HUDCO loan of Rs. 3000 crores sanctioned to Rural Sector for Phase II Project of LIFE Mission for meeting the State Share to the beneficiaries of Phase II Project. The repayment of Principal and interest of the above Rs. 550 crores will be met from the budgetary provision by the Government of Kerala and the loan amount will be repaid in 15 years.

(By order of the Governor)
SARADA MURALEEDHARAN IAS
PRINCIPAL SECRETARY

To:

Chief Executive Officer, Life Mission.

Deputy General Manager, HUDCO Regional Office, 3rd Floor,
"Saphalyam", Palayam, Thiruvananthapuram-695034.

The Managing Director, KURDFC, 5th Floor, Trans Towers
Vazhuthacaud, TVPM-695014.

The Principal Accountant General(Audit/A&E/LBA&A).(This issues with
the concurrence of Finance Dept).

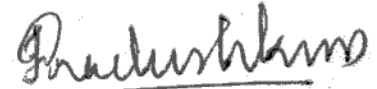
Finance Department(vide Note No. DEV-2/237/2019-FIN dated
30.11.2019).

The Information Officer, I&PRD(Web & New media).

Executive Director, Information Kerala Mission.

Stock File/Office Copy.

Forwarded /By order



Section Officer