

CHAPTER - IX
HUDCO ASSISTANCE

9.1 HUDCO Assistance for infrastructure development

UT Administration approached HUDCO for loan assistance to a tune of Rs.615.428 crore at concessional rate of interest of 6.5% per annum to undertake the following projects :-

(Rupees in Crore)

Table – 9.1

Sl. No.	Name of the Project	Amount
(i)	Sewerage Project to cover remaining urban areas of Pondicherry	278.770
(ii)	Sewerage Project for the urban areas of Karaikal	43.461
(iii)	Improvement to Water Supply Schemes at Yanam	44.943
(iv)	Construction of Road Over Bridge over Upper Drain connecting Kamaraj Salai and Maraimalai Adigal Salai, Pondicherry.	28.254
(v)	Infrastructural development of Temple Town of Thirunallar at Karaikal	153.000
(Vi)	Construction of tenements in Karaikal under slum upgradation programme	37.000
(vii)	Development of beach roads and other infrastructure at Mahe	30.000
	Total	615.428

HUDCO has already issued loan sanction letter to 90% of the project cost i.e., Rs.553.88 crore and it will be repaid over a period of 20 years with moratorium of 3 years.

It was programmed to avail loan assistance of Rs.247 crore from HUDCO for various infrastructure development projects in the current year. It is now proposed to avail loan assistance to implement the following six projects:-

Table – 9.2

(Rupees in crore)

Sl. No.	Name of the Project	Revised Cost of Project	Annual Plan 2008-09
(i)	Sewerage Project for the urban areas of Karaikal	69.00	40.00
(ii)	Improvement to Water Supply Schemes at Yanam	80.00	42.00
(iii)	Construction of Road Over Bridge over Upper Drain connecting Kamaraj Salai and Maraimalai Adigal Salai, Puducherry.	28.00	28.00
(iv)	Infrastructural development of Temple Town of Thirunallar at Karaikal	163.00	112.00
(v)	Construction of tenements in Pondicherry and Karaikal under slum upgradation programme	40.00	13.00
(vi)	Development of beach roads and other infrastructure at Mahe	30.00	12.00
	Total	410.00	247.00

It is proposed to avail funds under JNNURM to undertake the Underground Sewerage Project to cover remaining urban areas of Puducherry. Similarly, it is also proposed to avail funds under JNNURM for construction of tenements in Puducherry region.

The following condition have been laid down by the Ministry of Home Affairs, Government of India to borrow funds from Financial Institution.

- (a) At the time of plan projection for any one year, the Government of Puducherry will have to exercise diligence that Plan loans + Open market Borrowings + Small Savings Loans + Negotiated loans less prepayments do not result in a debt stock twice its anticipated level of revenue.
- (b) The consolidated debt of the Government of Puducherry, including the outstanding guarantees, should not exceed twenty per cent of GSDP (Gross State Domestic Product) of Puducherry.
- (c) The guarantees shall not be given for financially unviable ventures which may result in a financial loss to the Central Government.
- (d) The total level of the outstanding guarantees shall be in no case exceed the monetary limits as may be specified by the Central Government from time to time as per the recommendations made by the Technical Committee on State Guarantees set up by the Revenue Bank of India; and
- (e) A statement of guarantees will be prepared and included in the Annual Budget of the Government of the Union Territory of Puducherry.

Since outstanding loan as on 31st March 2007 of this Union Territory exceeds 20% of GSDP, the matter has been referred to Ministry of Home Affairs, Government of India for relaxation of conditions to avail loan assistance from HUDCO for the implementation of infrastructure projects in this Union Territory. The reply is still awaited.

A brief write up on projects are given below :-

1. *Sewerage Project for the urban areas of Karaikal*

The Karaikal town does not have an organized sewerage system and the waste water generated flows into the Vanjiar River through various drains. With a view to preventing the pollution and improving the quality of water the Public Works Department has taken up the

work of collection and treatment of sewage at Karaikal town. In order to improve the hygiene in and around the Karaikal town, it is essential to have a comprehensive sewerage scheme. Considering the drainage pattern of the town and based on the survey conducted, the department has proposed to implement a comprehensive sewerage scheme of the Karaikal town divided into five sewerage zones. The revised estimated cost is Rs.69 crore.

2. *Improvement to Water Supply Schemes at Yanam*

Though there are irrigation canal and water supply scheme implemented in Yanam, it is felt that the irrigation canals are to be strengthened and improved for the purpose of irrigation and similarly there is lot of scope for improvement to the water supply scheme to cater the need of the public. Therefore, the department has proposed to implement the comprehensive project for improvement of water supply scheme for Yanam. The project is proposed to be implemented in two years. The revised estimated cost is Rs.80 crore.

3. *Construction of Road Over Bridge over Upper Drain connecting Kamaraj Salai and Maraimalai Adigal Salai, Pondicherry.*

Due to heavy inflow of heavy vehicles as well as four-wheelers and two-wheelers used by office-goers, businessmen and students in peak hours, acute traffic congestions are experienced. Heavy traffic causes accidents resulting in loss of human life sometime. Hence, in order to avoid the traffic congestion in the West Boulevard of the town and to ease the traffic particularly for those going to and from the bus stand, it is proposed to link Kamaraj Salai and Maraimalai Adigal Salai by constructing a road over bridge over Uppar drain. Assurances to implement the scheme have also been made in the Assembly. It is also proposed to widen the existing two lane bridge at Newtown Theatre in Maraimalai Adigal Salai as a four lane bridge to regulate free flow of traffic. The revised estimated cost is Rs.28 crore.

4. *Infrastructural development of Temple Town of Thirunallar at Karaikal*

It is proposed to develop Thirunallar as Temple Town at an estimated cost of Rs.153 crore and a project report has been prepared accordingly. The proposed plan basically calls for the Development of an outer ring road and inner ring road around the temple premises.

Tollgates and Tourist Information Centres are to be provided at the extremities of the outer ring road and eastern and western side of the present town. They will be provided with parking lots. Transport infrastructure such as bus stand with dormitories, railway station and accommodation facilities are to be developed near each other to have multi modal transport access to Thirunallar. The inner ring road will encapsulate the temple complex and its four car streets and much of the present habitation of Thirunallar town. This requires large land acquisition. The core area of the temple with four car streets will be the subject of extensive relocation and redevelopment especially all the seven ancient Tanks surrounding the temple. The roads of the car streets should be clear from encroachments. Extensive accommodation facilities for about 10000 people will be developed into two phases. Infrastructure for tents at temporary events will be provided. There is also a relocation programme for those who are affected by the changed use of land around the temple precincts. The revised estimated cost is Rs.163 crore.

5. *Construction of tenements in Karaikal under slum upgradation programme*

Under Slum Upgradation Programme, it is proposed to construct tenements in Karaikal. The revised estimated cost is Rs.40 crore.

6. *Development of beach roads and other infrastructure at Mahe*

It is also proposed reconstruction of beaches, roads and other infrastructure at Mahe at an estimated cost of Rs.30 crore.