

VIII. Loan proposed from Financial Institutions (Negotiated Loan)

a) NABARD

The National Bank for Agriculture and Rural Development (hereinafter referred to as “NABARD”) has sanctioned / agreed to sanction loans and advances from the Rural Infrastructure Development Fund (RIDF - XIV) to the Government of Puducherry. One of the conditions for grant of the said loans and advances is that the Union Territory of Puducherry will issue an irrevocable letter of authority addressed to the Central Government authorizing them that upon receipt of written requisition from NABARD the Central Government of India shall on first priority deduct the amount mentioned in the requisition from the share of grants / central revenue or other amounts allocated / payable or as may be allocated / payable to the Union Territory of Puducherry and remit the same to NABARD in such manner as may be specified by NABARD in its requisition.

The rate of interest charged presently under RIDF is 6.50%. The repayment period is 7 years including a grace period of 2 years. Loans will be available upto 95% in respect of activities related to Agriculture and allied activities related to Agriculture and allied activities and for Social Sector projects and Rural connectivity, it is 85% and 80% respectively.

It is proposed to avail Loan assistance of Rs.100 crore in the Annual Plan 2008-09 and Rs.550 crore in the Annual Plan 2009-10 for various RIDF activities in this Union Territory as indicated below:

Implemented through PWD

Rural Roads / Bridges
Rural Water Supply
Irrigation / Flood control
Construction of class rooms in schools
Fishing Harbour

Implemented through LAD

Rural Roads and other rural infrastructure
Rural water supply

In the current year, it is proposed to avail loan assistance in respect of unfinished works that have been taken up for implementation and limited new works implemented through Commune Panchayats / Municipalities in Rural areas and works relating to arresting of sea erosion through Public Works Department. The utilised funds of the current year will be carried forward to the next year. Ministry of Home Affairs, Government of India was also addressed vide Letter No.6519/2008/PRD/JD(PF)/S1 dated 12.12.2008 seeking approval to avail loan assistance to a tune of Rs.100 crore from NABARD. Approval from the Ministry of Home Affairs, Government of India, is awaited.

b) HUDCO

For Infrastructure Development of Thirunallar Temple Town at Karaikal

Planning Commission has already approved the proposal to avail Loan Assistance from HUDCO for infrastructure development in this Union Territory. Accordingly, it is proposed to avail Loan Assistance from HUDCO for infrastructure development of temple town of Thirunallar at Karaikal at an estimated cost of Rs.146 crore. A brief description of the project is given below:

It is proposed to develop Thirunallar as Temple Town 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. There is also a relocation programme for those who are affected by the changed use of land around the temple precincts. It is proposed to avail Rs.103.18 crores as loan assistance from HUDCO during 2009-10.