


No.EXC/MTG/Spl.

MUMBAI METROPOLITAN REGION
DEVELOPMENT AUTHORITY,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Date : 1st September, 1999.

The minutes of the Special Meeting of the Executive Committee of the Mumbai Metropolitan Region Development Authority, held on 9th August, 1999 are enclosed.


(S.V.Asgaonkar)
Secretary,
Executive Committee

To :

- | | | | |
|------|---|---|----------|
| The | Chief Secretary to the Government of Maharashtra, General Administration Department, Mantralaya | - | Chairman |
| Shri | D.M.Sukthankar
'Priya', Worli Sea-Face,
Worli, <u>Mumbai-400 018</u> | - | Member |
| Shri | R.Y.Tambe
A/600, Shivam Apartments,
R.P.T.S.Road, Surendranagar,
<u>NAGPUR - 440 015</u> | - | Member |
| Shri | Deepak Parekh
Chairman,
H.D.F.C.Ltd., Churchgate,
<u>Mumbai-400 020.</u> | - | Member |
| The | Principal Secretary to the Government of Maharashtra, Urban Development Department, Mantralaya. | - | Member |

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|---|---|--------|
| The Secretary to the Government of Maharashtra
Housing & Special Assistance Department,
Mantralaya. | - | Member |
| The Municipal Commissioner
Municipal Corporation of
Brihanmumbai. | - | Member |
| The Managing Director,
C.I.D.C.O., Mumbai. | - | Member |
| The Metropolitan Commissioner
M.M.R.D.A. | - | Member |

INVITEES :

The Secretary to Government of Maharashtra,
Urban Development Department,
Mantralaya.

The Secretary to Government of Maharashtra,
Industries Department, Mantralaya.

The Secretary to Government of Maharashtra,
Environment Department, Mantralaya.

Copy to :-

The Legal Adviser, M.M.R.D.A.

The Officers of the M.M.R.D.A

**MINUTES OF THE SPECIAL MEETING OF THE
EXECUTIVE COMMITTEE, MMRDA.**

DATE : 9TH AUGUST, 1999 (MONDAY)
TIME : 4.00 P.M.
PLACE : CHIEF SECRETARY'S
COMMITTEE ROOM,
5TH FLOOR, MANTRALAYA.

MEMBERS PRESENT:

Shri Arun Bongirwar : Chairman
Chief Secretary to Government

Shri D.M. Sukthankar : Member

Shri R. Y. Tambe : Member

Dr. Suresh Joshi : Member
Principal Secretary to Government,
Urban Development Department

Shri K. Nalinakshan : Member
Municipal Commissioner
Brihanmumbai Municipal Corporation

Shri Ajit Warty : Member
Metropolitan Commissioner

INVITEES:

Shri K.N. Patel
Legal Adviser, MMRDA

Shri V.K. Phatak
Chief, Town & Country Planning Division, MMRDA

Shri S.P. Pendharkar
Chief, Planning Division, MMRDA

Shri S.B. Pardeshi,
Chief Accounts Officer & Financial Adviser, MMRDA.

Shri S.V. Asgaonkar, Secretary, Executive Committee, MMRDA.

Item : Investment with Public Sector undertakings / Financial Institutions/Banks and proposed action against defaulting organisations.

While placing the Item before the meeting, the Metropolitan Commissioner recapitulated the following:-

- (1) There are two distinct sets of provisions in MMRDA Act, relating to (1) investment of surplus funds of MMRD Fund and (2) giving loans, advances, grants or sharing of expenses with any local authority or other authority within MMR performing the functions mentioned in Section 12 of the Act.
- (2) The first set of provisions empower the Executive Committee to make investments (Section 7(3)(v) of the Act) as prescribed or in the manner approved by the State Government (Section 18(2) of the Act). The Executive Committee by its Resolutions has delegated its powers in respect of Investments to the Metropolitan Commissioner. Government in Urban Development Department under letter No.1093/39/CR-4/93/UD-10, dated the 4th September, 1995 has accorded sanction to invest the surplus funds with EXIM Bank, LIC, HDFC, IDBI, NABARD, UTI, SIDBI, ICICI, I-SEC, IFCI, Public Sector Undertakings, SCICI, etc. and has further directed that the MMRDA need not approach the State Government for each transaction. Subsequently Government in Finance Department under Resolution No.PSU-1195/CR-3/PSU, dated 6th October, 1995 and 10th October, 1996 have issued the investment guidelines to all Public Sector Undertakings.
- (3) Sec 21 A of the Act empowers the Metropolitan Authority to sanction loans, etc. for the purposes mentioned in Section 12 of the Act.
- (4) Accordingly Rs.1725.37 crores have been invested with various Public Sector Undertakings. Out of those, deposits with the MSEB (Rs.100 crores) and the SICOM (Rs.517.15 crores) are refunded on maturity and interest is paid regularly. In respect of remaining deposits of Rs.1109.10 crores various difficulties such as non refund on maturity, repeated requests of renewal of the same deposits; non-payment of interest, payment of interest arbitrarily at reduced rate, etc. were experienced.

- (5) These details were placed before the Executive Committee in the past, ~~and~~ at the meeting held on the 7th August, 1998 the Executive Committee decided certain measures to recover the amount of deposits and accrued interest from defaulting Public Sector Undertakings.
- (6) Finding that there was no response to these measures, the matter was again placed before the Executive Committee at its Meeting held on the 25th January, 1999 when the Committee desired that opinion of the Legal Adviser, MMRDA be obtained and the same along with details about various investments be placed before the Special Meeting of the Committee. Accordingly, this Item was placed before this Meeting.
- (7) Deposits aggregating to Rs.786.22 crores are placed with the State Government and its Undertakings. These investments were as per sanction accorded by the Metropolitan Authority from time to time as per Government directives and delegation made to the Metropolitan Commissioner by the Executive Committee, for which approval of the Executive Committee was requested in the Item Note placed before this Meeting.
- (8) Fourteen deposits aggregating to Rs.265 crores were made with the CIDCO during the period from the 22nd May, 1996 to the 7th November, 1997 which are not refunded on maturity but renewal thereof was sought and interest at arbitrarily reduced rate is paid on these deposits. Besides the request for not charging additional interest of 2% and time table for refund of deposit was not furnished by the CIDCO in spite of number of requests from the MMRDA.
- (9) Government in Urban Development Department by its letter No. CID-1098/708/Case No.138/98/UD-10 dated 22nd July, 1999 accorded sanction to MMRDA making investments in Public Sector Undertakings for a period of one year and one day instead of one year.

2. After discussion, the Committee decided as under :-

- (i) As regards deposits of Rs.786.22 crores with Government and Public Sector Undertakings for which the Committee's approval was requested. The Committee desired that Legal Adviser's advice on specific issues including the legality of these deposits of Rs.786.22 crores be obtained.
- (ii) The CIDCO in developing Navi Mumbai and other parts of the Mumbai Metropolitan Region is also generally performing

objectives mentioned in Section 12 of the Act. It is experiencing difficulties in refund of deposits due to declining prices of house properties. As such the desirability of taking lenient view in respect of CIDCO within the provisions of the MMRDA Act may be considered.

- (ii) The Committee accorded approval to not giving additional funds to defaulting Public Sector Undertakings and for requiring them to furnish Government guarantee, for early recovery of term deposits and safety of investments as may be decided from time to time.
- (iv) The Committee reiterated that deposits with defaulting Public Sector Undertakings should not be renewed and 2% p.a. additional interest be charged to them for extended period of term deposits.

This concluded the business before the Special Meeting. The Meeting then ended with a vote of thanks to the Chair.
