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**MINUTES OF THE 185TH MEETING OF THE EXECUTIVE
COMMITTEE, MMRDA**

DATE : 15TH MARCH, 2000 (WEDNESDAY)
TIME : 10.30 A.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 Vishwas Dhumal : Member
Secretary to Government
Housing & Special Assistance
Department

Shri A.K. Lakhina : Member
Managing Director
CIDCO

Shri Ajit Warty : Member
Metropolitan Commissioner

INVITEES :

Shri Ramanand Tiwari,
Secretary to the Government
Urban Development Department

Shri Yashwant Bhawe,
Secretary to the Government
Industries Department

Dr. Pramod Deo
Secretary to the Government
Environment Department

Shri Sunil Porwal,
Managing Director,
Maharashtra State Co-op. Cotton Growers' Marketing Federation

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
Secretary, Executive Committee, MMRDA (Addl. Charge)

Item : Placement of Term Deposit of Rs.300 crores with the Maharashtra State Co-Op. Cotton Growers Marketing Federation Limited.

While presenting the proposal it was clarified that the three points which the Executive Committee desired to be examined have been incorporated in the Item Note. The same were reiterated in the meeting. According to the Legal Adviser's opinion, the Executive Committee was competent to consider the application received from the Cotton Federation for placement of the additional term deposit. The Cotton Federation too was legally competent to accept deposits under Section 43 of the Maharashtra Co-op. Society's Act, 1961. Further, the deposit requested and borrowing so far are within the limits specified by the Director of Agriculture Marketing and Additional Registrar, Co-op. Societies, Maharashtra State, Pune.

2. The salient features of the Cotton Federation's application were also highlighted as follows :-

- (a) Government has decided to recoup the deficit under Cotton Monopoly Scheme through the budgetary support. This fact was also highlighted by the Chief Secretary in the meeting.
- (b) The Maharashtra State Co-op. Bank has assured repayment of maximum amount of Rs. 45 crores every month from the Sales Proceeds deposited by the Cotton Federation towards the recovery of deposits placed by the MMRDA subject to recovery of proportionate amount due to MSCB Ltd. And Member Banks under consortium in a ratio of 80:20.
- (c) The interest will be paid at the rate of 11.50% p.a. payable half yearly of which amounts to an annual yield of 11.83%.
- (d) The Principal Secretary, Urban Development Department has indicated that Government guarantee will be given for repayment of the term deposit along with the interest.

3. Shri R.Y. Tambe pointed out that in the agenda item dated 7.3.2000 which was placed before the Executive Committee, it was mentioned that the Authority had decided not to give the additional funds to the defaulting Public Sector Undertakings. He therefore questioned the competence of the Executive Committee to consider the proposal of placing additional surplus funds to the Cotton Federation. The Legal Adviser, however, clarified that under Clause (v) of sub-section (3) of Section 7 of the MMRDA Act, 1974, the Executive Committee alone was empowered to invest the surplus funds.

4. In response to the query about monthly sale realisations, the Managing Director, Cotton Federation stated that the realisation during February 2000 was Rs.400 crores. He further stated that the Government had given Rs.743 crores by way of grant in aid to the Cotton Federation. It was also clarified that Cotton worth Rs. 3000 crores available

now will be sold in next 12 months which would reasonably enable payment of Rs.45 crores per month.

5. It was emphasised that the word "maximum" used in the assurance of the MSC Bank Ltd. Must be eliminated and assurance of maintaining a three monthly average of Rs.45 crores should be included as a condition.

6. As regards interest due on earlier deposit of Rs.200 crores it was agreed that it may be reckoned at a rate obtained in April-May 1999 instead of 18% p.a. as stipulated earlier. Further such interest may be deducted at source while placing the additional deposit.

After a detailed discussion, following resolution was passed.

RESOLUTION NO. 787 :

"It is Resolved that, in exercise of powers conferred under Clause (v) of sub-section (3) of Section 7 of the MMRDA Act, 1974 and all other powers enabling it in this behalf, the Executive Committee hereby approves to place a term deposit of Rs.500 crores (inclusive of Rs. 200 crores deposited earlier), at a rate of interest of 11.50% p.a. (payable half-yearly) for a period of one year, subject to the following terms and conditions:-

- (a) The Cotton Federation will provide Government Guarantee for the repayment of deposit and interest thereon.
- (b) The deposit along with the interest due shall be repaid by the Cotton Federation in monthly instalments of Rs. 45 crores (each) through the Maharashtra State Co-operative Bank Ltd., from the sale proceeds deposited by the Cotton Federation subject to recovering the proportionate amount due to Maharashtra State Co-operative Bank Ltd. and member banks under the consortium, in the ratio of 80:20.
- (c) Notwithstanding the above condition, a 3 monthly average of Rs. 45 crores as the monthly instalment or repayment shall be maintained, failing which a penal rate of interest @2% p.a. will be charged.

- (d) The total amount of interest shall be calculated and adjusted with the last instalment of repayment.
- (e) The repayment by way of monthly instalments shall start from 1st April, 2000.

“It is further Resolved that the interest due on the earlier deposit of Rs. 200 crores, from April, 1999 shall be reckoned at the market rate of interest prevailing in April-May, 1999 i.e. 12% p.a. and shall be deducted at a source from the further (additional) deposit of Rs.300 crores to be placed with the Cotton Federation.

“It is further Resolved that the additional deposit with usual terms and conditions, may be placed in suitable tranches as the funds deposited by MMRDA elsewhere become available on maturity.

“It is further Resolved that the earlier decision taken by the Executive Committee not to give additional deposit to the defaulting organisations is relaxed to the above extent in case of the Maharashtra State Co-op. Cotton Growers’ Marketing Federation Ltd.”

The meeting then concluded with a vote of thanks to the Chair.

Sr No.	Item No.	Subject in brief	Present status of action
10	10	Approval to the tender for the work of construction of foot-path and storm water drains along the Bandra-Kurla Link Road in Bandra-Kurla Complex.	Work has been started .
11	11	Development of Oshiware District Centre – Construction of Nalla work (closed type) on East & West of S.V.Road.	The Item was withdrawn.
12	12	Construction of Sewage Pumping Station in IFBC-Expenditure towards Price Variation and Reimbursement of part expenditure towards use of Ready Mix Concrete.	As approved payment of Rs.9.17 lakhs is released.
13	13	Approval to the tender for the work of construction of road from entrance of Phase-II to Sion Koliwada Connector Road along Phase-IV boundary at Truck Terminal, Wadala.	The site visit to Sion-Koliwada Connector Road of Metropolitan Commissioner is being arranged shortly to initiate further action.
14	Table Item	Placement of Term Deposit of Rs.300 crores with the Maharashtra State Co-Operative Cotton Growers Marketing Federation Limited.	Information received from Cotton Federation was submitted in 185 th Meeting of the Executive Committee.

(b) Action taken on the minutes of the 185th Meeting of the Executive Committee held on the 15th March, 2000.

Sr No.	Item No.	Subject in brief	Present status of action
1	--	Placement of Term Deposit of Rs.300 crores with the Maharashtra State Co-Operative Cotton Growers Marketing Federation Limited.	The terms & conditions approved by the Executive Committee were intimated to the Cotton Federation. The terms & conditions are acceptable to them. They are submitted Government Guarantee for term deposit. Additional term deposit of Rs.300 crores is placed with the Cotton Federation after deducting outstanding interest and first instalment of Rs. 45 crores on account of repayment which was due on 1 st April.
