

MAHARASHTRA WATER SUPPLY AND SEWERAGE BOARD.

Minutes of the Sixth Meeting held on 11-10-77.

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Present :

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| 1. Shri R.S.Pal,
Secy. to Government
(UD), UD&PHD. | Chairman. |
| 2. Shri Navanithbhai Barshiker,
President, Ahmednagar
Municipal Council. | Member. |
| 3. Shri R.B.Gupta,
President,
Narkhed M.C. | Member. |
| 4. Shri V.C.Sane,
Aurangabad. | Member. |
| 5. Shri S.T.Khare,
C.E. (EME) & Jt. Secy.
to Govt. Urban Dev.
and Public Health
Department. | Member-Secretary. |
| 6. Shri A.M.Deosthale
Jt. Secy. R.D.D. | Member. |
| 7. Shri D.S.Godbole,
D.S. to Govt.,
Planning Deptt. | Member. |
| 8. Shri W.C.Joshi
D.S. to Government
Finance Department. | Member. |
| 9. Shri S.D.Pradhan
D.S. to Government,
UD&PHD. | Member. |

Sarvaswari T.S.Swamy, Adviser (PHE) & Sonavane, had expressed their regret to attend the meeting and leave of absence was granted to them.

Item No. 1

Confirmation of the minutes.

The minutes of the Fifth Meeting of the Board held on 11th August 1977 as circulated were confirmed without any modifications.

[Signature]
11/10/78
Member Secretary

**Maharashtra Water Supply & Sewerage Board
BOMBAY.**

Item No. 2.Follow-up action

Actions taken by the Board on the decisions taken by the Board at its earlier meetings were noted.

Item No. 3.Open Market Borrowing Issue of Bonds.

The following Resolution was approved

Resolution No. 6:1

"Resolved that the Board approves the proposal to raise OMB of Rs.75 lakhs plus 10% excess on such terms and conditions as may be specified by the Government. Resolved further that the Board approves the draft regulations, the bond prospectus and the bond Script."

Item No.4.

To note the statement of Accounts of
the Board for the period upto August 1977.

The item was noted.

Item No. 5.

To approve the Budget Estimates for the
the year 1978-79.

Budget estimates were discussed. It was noted that this budget essentially did not provide for any expansion of the Board's activities. In fact the Board proposes to expand its activities on the following lines :

(a) The Superintending Engineers in their meeting held at Pune on 2nd and 4th October 1977 had recommended that the Bombay Circle of the Environmental Engineering be transferred to the Board and based on that transfer, the Board should take up actual execution. Based on the experience, the question of how to rationalise the working of the Board and whether to take over further Circles and if so, under what conditions would be discussed.

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Maharashtra Water Supply & Sewerage Board
BOMBAY

(b) It was noted that the Board would begin sanctioning loans to various local bodies from the current year and this operation could be expected to expand during the next year. For this purpose, staff would be required to examine proposals and a provision would have to be made for showing the income from this financing operation.

(c) Government was committed to give Rs.1 crore as per section 30 of the Act and a demand for Rs. 50 lakhs should be made for the next year. This demand would presume that an initial contribution would be made during the current year.

Taking these factors into account, the following decisions were taken :

Resolution No. 6:3.

"Resolved that the budget should be modified to include the following provisions :

- (a) The transfer of Bombay Circle to the Board and the execution of works by that Circle.
- (b) The allotment of Rs.50 lakhs under Section 30 of the Act.
- (c) The development of finance operation including provision of minimal staff and provision for receipts.

Resolved further that

Government be moved to transfer the Bombay Circle of Environmental Engineering Organisation to the Board.

Resolved further that

Government be moved to sanction not adequate but minimal staff for effecting the finance operation.

Resolved further that

the Chairman and Member-Secretary should take further action to modify the budget proposals and take action on the lines suggested above."

Member Secretary

Maharashtra Water Supply & Sewerage Board



Item No. 6.

To note the requirement of OMB for
next year i.e. 1978-79.

The item was noted.

Additional Item No. 1.

It was noted that the Board is a commercial organisation. Its objective was to raise finances from the banking sectors. It must, therefore, function on the basis of the sound finances in order to attract bank finances. If any subsidies are to be provided, such subsidies should be given by the State Government where possible through the agency of the Board. Based on this discussion, it was then decided to adopt the following conditions for financing :

(a) A uniform rate of interest of 10% be charged. The question of whether to give a rebate for prompt payment was not examined and would be examined at the next meeting.

(b) Loans would not be sanctioned for a period not exceeding ten years.

(c) Loans would be sanctioned against adequate security which would include the mortgage of Municipal property, adequate charge of municipal income and where possible Government guarantee. A detailed proposal on this would be placed before the Board at its next meeting.

(d) Loans would be sanctioned only to financially viable schemes. If a municipal council wishes to subsidize its own scheme from its own resources, the Board should resolve to subsidize that portion bringing to the notice of the Municipal Council the cost of the subsidy. The Board would then examine the scheme in the light of the ability of the Municipal Council to subsidize its scheme from the overall financial position.

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(e) Board would examine schemes based on financial viability of the schemes and repayment capacity of the Municipal authorities. Based on its own experience, the report of the Local Fund Audit may be considered as one source of information for examination.

(f) The Board would examine the total availability of funds for completion of the project. Where the DPDC has not given a commitment for the grant-in-aid portion and where the Municipal Council gives a commitment that they will meet from grant-in-aid portion pending release of the grant-in-aid the Board would examine the ability of the Municipal Council to release the grant-in-aid.

(g) In the light of these discussions, the question of whether to sanction the 13 schemes listed was discussed. It was noted as follows :

(a) The total cost of these projects would be Rs.9.67 crores. Initially it would not be desirable to sanction all projects for want of adequate financial resources.

(b) Priorities should be given to those projects which are under execution and urgently require funds. It was noted that Serial Nos. 3,6,7,10,12 have either not been started or completed and therefore need not be considered.

(c) As regards the remaining units we would examine the individual cases as indicated above and place the matter before the next meeting.

(d) It was noted that proposals largely related to Western Maharashtra. An effort would be made to provide regional planning to the extent practicable and in that context the Chairman agreed to re-examine the list and see whether funds were required in other cases which had not been brought to the Notice of the Board.

g. 11/12/88
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It was therefore resolved as follows :

Resolution No. C.4

"Resolved that the following terms and conditions be agreed to for sanction of loans.

(a) A uniform rate of interest of 10% be charged. The question of whether to give a rebate for prompt payment was not examined and would be examined at the next meeting.

(b) Loans would not be sanctioned for a period not exceeding ten years.

(c) Loans would be sanctioned against adequate security which would include the mortgage of Municipal property, adequate charge of Municipal income and where possible Government guarantee.

(d) Loans would be sanctioned only to financially viable schemes, after examination of the capacity of repayment of the Municipal Council and for that purpose the report of the Local Fund Audit may be considered as one source of information for examination.

(e) The Board would examine the total availability of funds for completion of the project.

Resolved further that individual cases be examined and separately placed before the Board at its next meeting."

Additional Item No. 2.

Opening of additional Bank Account in
Bank other than the State Bank of India.

The item was approved.

The next meeting would be held on 6-12-77 at 11.30.

11/12/78
Member Secretary
Maharashtra Water Supply & Sewerage Board
BOMBAY.

[Signature]
CHAIRMAN
Maharashtra Water Supply & Sewerage Board
BOMBAY.