

TELANGANA URBAN FINANCE AND INFRASTRUCTURE DEVELOPMENT
CORPORATION LIMITED

From:
Sri.Navin Mittal, IAS,,
VC & Managing Director

To
The CDMA,
The Commissioners of ULBs,

Lr.Roc.No. 436 /New Infrastructure Project/TUFIDC/2017, dt.04/12/2017

Sir,

Sub: TUFIDC- Permission granted by Government to obtain Loan for an amount of Rs.2000.00 Cr from various financial institution to take up Project in ULBs -- Vijaya Bank sanctioned a term loan of Rs. 500 crores - submitted - Reg

Ref: 1) G.o.Rt. No. 185 dt 25.03.2017, Municipal Administration & Urban Development (UBS) dept.,Government of Telangana.
2) Sanction Letter from Branch Manager, Corporation Banking Branch, Vijaya Bank(Code:4193)

Vide reference 1st cited , the Government of Telangana State accorded permission to the Vice Chairman & Managing Director, TUFIDC, Hyderabad for obtaining loan up to an amount of Rs.2000.00 Cr (Rupess Two thousand Crores only) from various financial institution so as take up infrastructure projects in Urban Local Bodies(ULBs) of the State. The Government of Telangana State has consented to extend its guarantee for such loans granted by the financial institutions.

Vide reference 2nd cited, Vijaya Bank has sanctioned an amount of Rs. 500.00 Cr loan to TUFIDC as a part of the above Rs. 2000.00 Cr permitted by the State Government for taking up infrastructure projects in Urban Local Bodies(ULBs) in Telangana.

Further, the Board of TUFIDC during 11th Board meeting on 03-06-2017 has resolved that a Loan be sanctioned to the ULBs on the following terms and conditions:

- (i) ULB to pay TUFIDC an upfront amount equal to 2% of the Loan amount towards administrative and service charges
- (ii) ULB to pay TUFIDC an interest on the loan amount at a rate equal to 1% above the rate of interest at which TUFIDC borrowed the funds from bank which equals to 10.20% p.a.
- (iii) ULB to pay TUFIDC an upfront amount equal to 2% of the loan amount towards reimbursement of guarantee commission paid by TUFIDC to the GoTS for obtaining its guarantee for borrowing funds from the bank.

Further, the ULB shall enter into a Loan agreement with TUFIDC for the above loan amount and also an escrow agreement with TUFIDC whereby the revenues of the municipality are escrowed for repayment of loan installments.

In view of the above, the Loan proposals for projects if any may be forwarded through CDMA along with the following information /document required for processing of loan.

1. Council Resolution for obtaining Loan from TUFIDC.
2. Financial Statements for last five years (Income and Expenditure statement, Balance Sheet and DCB).
3. Cash flow statements during construction period and repayment period.
4. Repayment schedule along with expected recoveries from the project and from any other sources with a rate of interest of 10.20%. p.a.
5. Internal Rate of Return (IRR) for the investments made and returns obtained.
6. Loan outstanding statement as on date.
7. Copy of DPR/Sanctioned estimate for arriving the loan amount.

Yours faithfully

-Sd-

VC& Managing Director


Executive Director

Copy to:

- 1) The Secretary, MA & UD
- 2) ENC (Public Health)