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Breather for contractors as MC pays long-pending bills

The contractors hired by the Ludhiana Municipal Corporation for various projects in the city have finally got a breather as the civic body paid their long-pending bills running into crores recently.

The first instalment of Rs 100-crore loan sanctioned to MC around 10 days back by Canara Bank arrived and so did the smile on the face of contractors, who had threatened to stall work in various parts of the city due to non-payment.

Reportedly, the MC has cleared contractors' bills till November 2012 while the bills of the maintenance contractors for sewerage, tubewell and water supply have been cleared till March.

Confirming the development, Mayor Harcharan Singh Gohalwaria told Ludhiana Newslite, "Although we have got the first instalment of around Rs 40 crore from Canara Bank, we have already paid Rs 80 crore to the contractors till now."

He added that the "bills of the maintenance wing have also been cleared till March 2013".

As per Gohalwaria, the MC has cleared the payment of the

contractors till November 2012 and soon more payments will be cleared as they get another instalments of the loan.

Reportedly, while for Rs 100-crore loan till now MC has mortgaged buildings of Zone B and Zone D, some more sites are being shown to the bank for mortgaging purpose.

"We have shown some other sites to bank officials and as per their choice, the loan value and mutual understanding, some of them will be mortgaged for loan," added the mayor.

Sources said while the bank had given the first instalment to the MC, the documentation process of Zone D building was still not complete.