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GVMC to borrow more for urban mission

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With one and a half years remaining to complete the projects taken up under the Jawaharlal Nehru National Urban Renewal Mission, the Greater Visakhapatnam Municipal Corporation has plans to borrow an additional Rs.150 crore.

It is biding its time in view of the money to be released by the State government. The State government has to pay Rs.126 crore, including its share of 20 per cent towards the works completed under the urban mission project so far. “For works worth Rs.40 crore completed by contractors, bills are due. If the government releases the amount, it will see through the works for now. That’s why we are weighing the timing of the loan,” said an official of the GVMC on Monday.

The corporation has so far borrowed about Rs.300 crore to meet its 30 per cent share for the Rs.1,895-crore urban mission works. Of the cost, Rs.180 crore is towards 15,500 houses for which no share of the corporation is required. But, an additional water supply project estimated to cost Rs. 80 crore has been included. Altogether, the corporation’s share comes to Rs.540 crore. The corporation has raised Rs.100

crore from its own resources.

With the corporation expecting the money to be released by the government, putting off taking the Rs.150-crore loan will help it save on interest as the rates presently are ruling high. But three, four months from now the corporation has no alternative but going in for the loan, say sources. The corporation general body had already given its consent for the borrowing before its term ended this February and the government issued a GO.