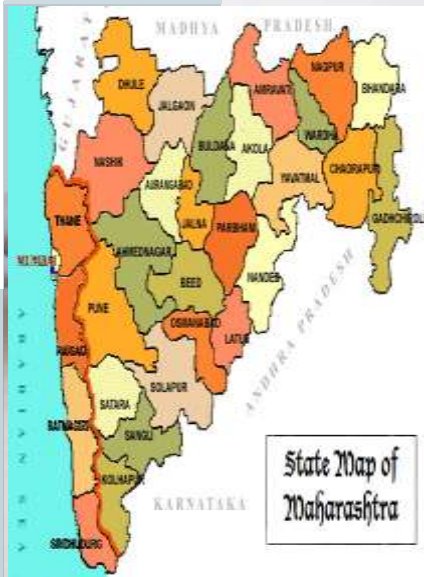




# Pradhan Mantri Awas Yojana (Urban) Government of Maharashtra

## Central Sanctioning and Monitoring Committee (CSMC) Meeting 24<sup>th</sup> July 2017



# **RAYNAGAR**

**DPR for construction of 30,000 Houses**

**at Raynagar, Solapur**

# Project Information at a glance

<b>Dwelling Units</b>	<b>30,000</b>
Housing Cost (Rs in crores)	1500
Infrastructure Cost (Rs in crores)	311
Other	
Total (Rs in crores)	1811
GOI share	450
GOM Share	300
Sale Price (without grant) Rs. In Lakhs	6,03,777
Sale Price with PMAY grant	3,53,777
Area of Land	188.75 Acre
Carpet area of EWS unit	27.94 Sq mt

## Project Cost Summery

Sr. No.	Description	Total Amount (in Crores)	Cost per DU (in Rs.)	OPTION -1 (PMAY+AMRUT)				OPTION -2 (PMAY + VARIOUS SCHEMES of GOI & GOM)				OPTION-3
				Name of Scheme	GOI Sub-sidy	GOM Sub-sidy	Benefi- ciary Contri-bution	Name of Scheme	GOI Sub-sidy	GOM Sub-sidy	Benefi- ciary Contri-bution	Beneficiary Contribution in Rs. (If schemes of GOI &GOM not Sanctioned)
A)	Dwelling Unit	1500	500000	PMAY	150000	100000	250000	PMAY	150000	100000	250000	250000
B)	<b>Infra Cost</b>											
2	Int. and Ext. Roads + Storm Water drain	139.88	46627	Pradhan Mantri Gram Sadak Yajana (GoI)	46627	0	0	Pradhan Mantri Gram Sadak Yajana (GoI)	46627	0	0	46627
					<b>100%</b>	<b>0%</b>	<b>0%</b>		<b>100%</b>	<b>0%</b>	<b>0%</b>	
3	Paver (Path way)	6.47	2157		1078	539	539		0	0	2157	2157
					<b>50%</b>	<b>25%</b>	<b>25%</b>		<b>0%</b>	<b>0%</b>	<b>100%</b>	
4	Water Supply	72.86	24287	AMRUT	12143	6072	6072	Water Supply & Sanitation dept. (GoM)	0	19429	4857	24287
					<b>50%</b>	<b>25%</b>	<b>25%</b>		<b>0%</b>	<b>80%</b>	<b>20%</b>	
5	Rain Water Harvesting	2.76	920		460	230	230		0	0	920	920
					<b>50%</b>	<b>25%</b>	<b>25%</b>		<b>0%</b>	<b>0%</b>	<b>100%</b>	
6	Sewerage (Drainage)	54.59	18197		9098	4549	4549		0	0	18197	18197
					<b>50%</b>	<b>25%</b>	<b>25%</b>		<b>0%</b>	<b>0%</b>	<b>100%</b>	
7	Waste Bin	1.27	423		0	0	423		0	0	423	423
					<b>0%</b>	<b>0%</b>	<b>100%</b>		<b>0%</b>	<b>0%</b>	<b>100%</b>	
8	External and Internal Electricity	33.5	11167	Rural Electrification Co. Ltd. (GoI)	10050	0	1117	Rural Electrification Co. Ltd. (GoI)	10050	0	1117	11167
					<b>90%</b>	<b>0%</b>	<b>10%</b>		<b>90%</b>	<b>0%</b>	<b>10%</b>	
	<b>(B) Total =</b>	311	103777		79457	11390	12930		56677	19429	27671	103777
	<b>Total Cost (A + B) =</b>	<b>1811</b>	<b>603777</b>		<b>229457</b>	<b>111390</b>	<b>262930</b>		<b>206677</b>	<b>119429</b>	<b>277671</b>	<b>353777</b>

**As per the Resolution No.5 on dated 11.05.2016 of Managing Committee Meeting of RAY Nagar Federation, Solapur –If the Option No.1 is not available then Option No.2 will be adopted & If the Option No.2 is not available then Option No. 3 will be adopted.**

# CSMC OBSERVATIONS

Following were the observations of Hon'le Committee in meeting held on 28<sup>th</sup> April 2016

1. Funding for Infrastructure.
2. Institutional Arrangement between the Development Authority and the private entity for –
  - Anchoring the project implementation with adequate representation from State owned agency, and
  - To have effective administrative and financial control mechanism
3. A state Level Co-operative Federation can borrow funds for the projects. RAY Nagar housing Federation not being a State level entity, the federation may not be able to borrow funds for the project.

# CSMC OBSERVATIONS

Contd...

4. An Arbitration and Dispute Resolution (ADR) committee needs to be formed to address the disputes, if any.
5. Representative of NHB highlighted that extending credit/finance to Co-operative Housing Federation is an issue because of concerns based on past lending.
6. The record for the land may need to be updated. The land will have to be transferred to the Implementation Agency/SPV.

# Compliance

Point No.	Observations of CSMC	Compliance of observations
1	Funding for Infrastructure	<p><b>Option 1 - Considering PMAY + AMRUT + Various schemes</b> for infrastructure works.</p> <p><b>Option 2 - Considering PMAY + Various schemes</b> of GOI &amp; GOM applicable to rural area for infrastructure works.</p> <p><b>Option 3 - Considering only PMAY scheme.</b> ((No subsidy for infrastructure under any Govt. scheme)</p> <p>RAY Nagar Federation has submitted the resolution stating that- if Option no 1 is not available then Option No 2 will be adopted and if Option no 2 is not available then option no 3 will be adopted.</p>

## Project Cost Summery

Sr. No.	Description	Total Amount (in Crores)	Cost per DU (in Rs.)	OPTION -1 (PMAY+AMRUT)				OPTION -2 (PMAY + VARIOUS SCHEMES of GOI & GOM)				OPTION-3
				Name of Scheme	GOI Sub-sidy	GOM Sub-sidy	Benefi- ciary Contri-bution	Name of Scheme	GOI Sub-sidy	GOM Sub-sidy	Benefi- ciary Contri-bution	Beneficiary Contribution in Rs. (If schemes of GOI &GOM not Sanctioned)
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					<b>100%</b>	<b>0%</b>	<b>0%</b>		<b>100%</b>	<b>0%</b>	<b>0%</b>	
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**As per the Resolution No.5 on dated 11.05.2016 of Managing Committee Meeting of RAY Nagar Federation, Solapur –If the Option No.1 is not available then Option No.2 will be adopted & If the Option No.2 is not available then Option No. 3 will be adopted.**



# Compliance

Point No.	Observations of CSMC	Compliance of observations
2	<p>Institutional Arrangement between the Development Authority and the private entity for</p> <ul style="list-style-type: none"> <li>• Anchoring the project implementation with adequate representation from State owned agency</li> <li>• To have effective administrative and financial control mechanism</li> </ul>	<p>Institutional Arrangement between MHADA on behalf of State of Maharashtra and RAY Nagar Federation is being done by executing following documents –</p> <ul style="list-style-type: none"> <li>• <b>Formation of SPV</b> <ul style="list-style-type: none"> <li>• Will act as a Governing Body</li> <li>• It is a Body of Association, registered under Societies Registration Act 1860, comprising of representatives from MHADA, RAY Federation, and Special Invitees from various Government Departments required for Execution ( such as Executive Engineer from MJP, MSEDCL, etc) and is headed by VP &amp; CEO, MHADA</li> </ul> </li> <li>• <b>Deed of performance Guarantee</b> <ul style="list-style-type: none"> <li>• Given by MHADA to Ministry of HUPA.</li> </ul> </li> <li>• <b>Deed of Agreement between MHADA and RAY Federation</b> <ul style="list-style-type: none"> <li>• Binding on Ray Nagar Federation for maintaining timelines, specification with desired Quality and bonafide fund utilization.</li> </ul> </li> <li>• <b>Indemnity Bond by RAY Federation</b> <ul style="list-style-type: none"> <li>• RAY Federation giving to MHADA for Fund utilization</li> </ul> </li> </ul>

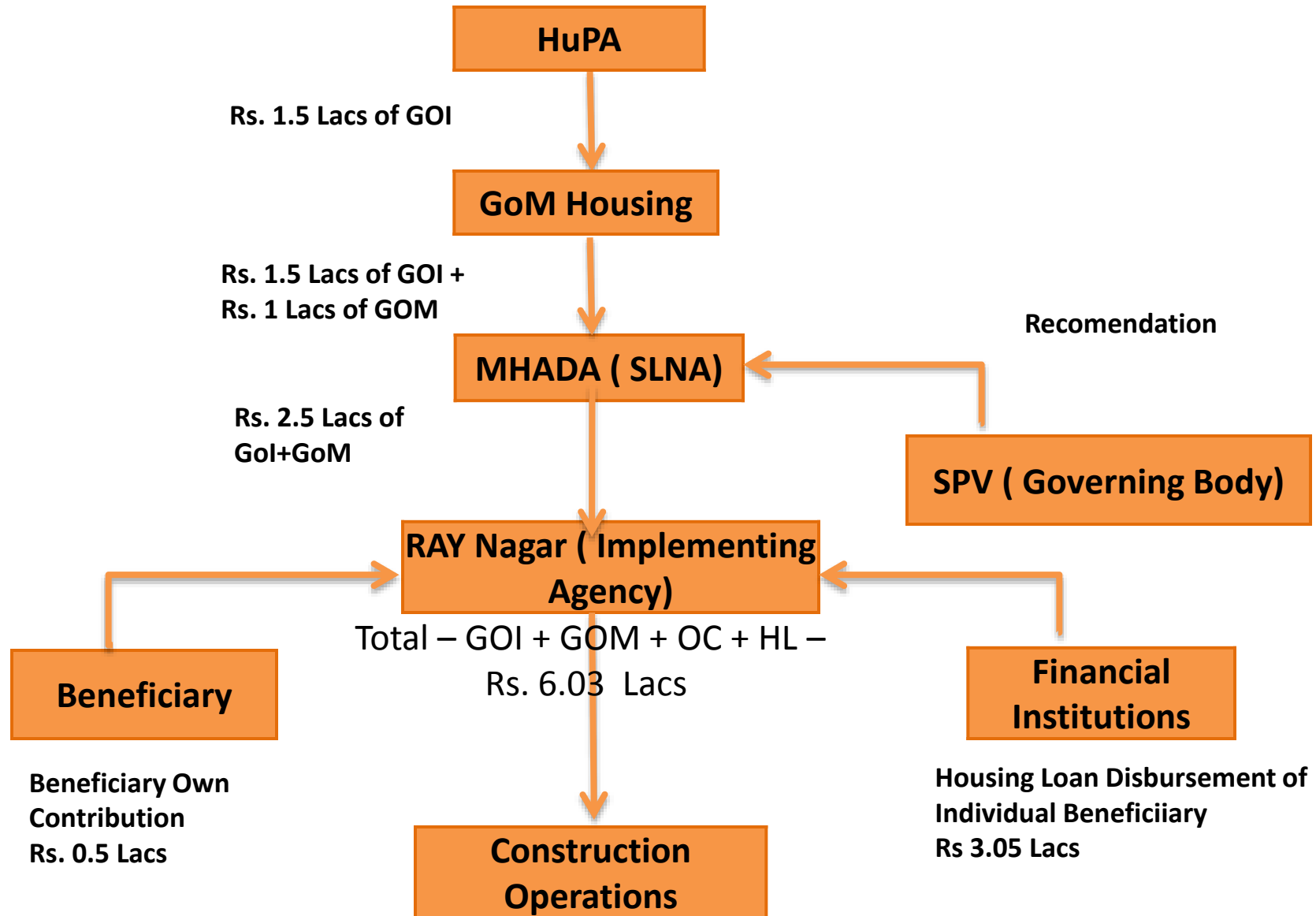
# Compliance

Point No.	Observations of CSMC	Compliance of observations
3	<ul style="list-style-type: none"><li>A state Level Co-operative Federation can borrow funds for the projects</li><li>RAY Nagar housing Federation not being a State level entity, the federation may not be able to borrow funds for the project.</li></ul>	<ul style="list-style-type: none"><li>RAY Nagar Federation is not registered with State/National Level Co-op Federation. Hence the RAY Nagar Federation is not going to borrow funds for the project from State/National Level Co-op Federation.</li><li>The beneficiaries of RAY Nagar Federation are taking individual housing loan from Bank.</li><li>The Federation is registered under Maharashtra Cooperative Societies Act 1960.</li></ul>
4	An Arbitration and Dispute Resolution (ADR) committee needs to be formed to address the disputes, if any.	An Arbitration and Dispute Resolution (ADR) committee is formed and it is mentioned in the draft of SPV (Governing Body).

# Compliance

Point No.	Observations of CSMC	Compliance of observations
5	<p>Representative of NHB highlighted that extending credit/finance to Co-operative Housing Federation is an issue because of concerns based on past lending.</p>	<ul style="list-style-type: none"> <li>The beneficiaries of RAY Nagar Federation/societies are taking individual housing loan from Bank, so the RAY Nagar Federation is not going to take credit/finance for the project</li> <li>The banks had already given us the consent letters for lending the housing loan to individual beneficiary. Copies of letter received from banks are enclosed herewith .</li> </ul>
6	<ul style="list-style-type: none"> <li>The record for the land may need to be updated</li> <li>the land will have to be transferred to the Implementation Agency/SPV.</li> </ul>	<ul style="list-style-type: none"> <li>The record of rights of the land is updated</li> <li>The RAY Nagar Federation i.e. the implementing Agency holds the rights of the entire land. Total land admeasures 75.50 Ha.</li> <li>The lands are purchased from the contribution of the individual beneficiaries/members for the housing purpose</li> <li>Out of the construction cost of 6.03 lac / each house (including infrastructure), Rs 0.5 Lacs is beneficiary contribution and 3 lac is to be raised by the members from housing loans. Following banks have given its consent to give housing loans – Union Bank of India, Ghru Finance, Tata Capital Financial Services Ltd, Micro Housing Finance.</li> </ul>

# Fund Flow for construction of 30000 houses



# Compliance OF CSMC 9<sup>th</sup> meeting

Point No.	Observations of CSMC	Compliance of observations
2	Notification of the State Government setting up the SPV & Notification of the planning area.	<p>The proposal for formation of SPV under Companies Act 2013- Section 8 is submitted with Memorandum of Association &amp; Articles of Association for approval.</p> <p><b><u>A copy of letter dated 26/5/2016 from Town Planning department</u></b> regarding Kumbhari, Tal. S. Solapur comes under development area or in fringe/planning area is enclosed.</p>

# Compliance OF CSMC 9<sup>th</sup> meeting

Point No.	Observations of CSMC	Compliance of observations
3	The minutes of interdepartmental meeting regarding support for infrastructure from concern department.	The Secretary of Hon. Chief Minister /GOM has issued a letter dated 10/8/2016 to Hon. Secretary, MHUPA/GOI stating that State Govt. will extend its full support for all infrastructure & social amenities through various schemes.
4	The DPR should be appraised by SLAC.	The SLAC meeting was held on 2 <sup>nd</sup> July. The SLAC appraised the project & submitted to SLMC with recommendation.
5	List of the 30000 beneficiaries linked to Adhar	List of 30000 beneficiaries with Adhar Card No. is submitted.
6	Only such land will be considered for ownership of dwelling units that are free from encumbrances and have a clear title.	Entire land is clear and free from encumbrances.

# Compliance OF SLAC

Point No.	Observations of SLAC	Compliance of observations
1	Demand Survey data not available. Firm demand to this project location needs to be assessed before start of the project.	Solapur Municipal Corporation (SMC) has issued a public notice for participating in HFAPoA on 11/9/2016 in local newspapers which is valid till 24/10/2016. Members of RAY Nagar Federation are doing online registration for housing demand in HFAPoA.
2	Beneficiaries to be identified and validated by competent authority as per PMAY norms by transparent procedure before start of the work.	Beneficiaries identification is done by RAY Nagar Federation and Solapur Municipal Corporation will validate the same as it is a part of HFAPoA.

# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
3	Since RAY Nagar Co-op Housing Federation is a private entity, an SPV or similar arrangement responsible for implementation of project need to be made amongst RAY Federation and State/MHADA/Solapur Municipal Corporation for effective finance and administrative control as per suggestion of CSMC.	The proposal is for formation of SPV under Companies Act 2013- Section 8 is submitted with Memorandum of Association & Articles of Association for approval.
4	This is beneficiaries owned land and this proposal is initiated by them. The project is proposed to be implemented by Federation of beneficiaries. There are following points need to be ensured by SLNA.	The land has been purchased by the beneficiaries of RAY Federation with their own contribution.



# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
	a) Confirmation of collection of beneficiaries' contribution in time.	a) RAY Federation has proposed that the beneficiaries will contribute their own part in cash of Rs.50000/- (which will be collected in stages) and remaining part will be contributed through bank loans. Following Banks –1) Union Bank of India 2) TATA Finance 3) Gruh Finance 4) Micro Housing Finance are ready to provide the housing loans to beneficiaries & disburse the installment as per their guidelines.
	b) Confirmation of funding for social amenities by Govt.	The Secretary of Hon. Chief Minister /GOM has issued a letter dated 10/8/2016 to Hon. Secretary, MHUPA/GOI stating that State Govt. will extend its full support for all infrastructure & social amenities through various schemes.
	c) Confirmation of funding for civil infrastructures by GOI and GOM through AMRUT.	<p>The Secretary of Hon. Chief Minister /GOM has issued a letter dated 10/8/2016 to Hon. Secretary, MHUPA/GOI stating that State Govt. will extend its full support for all infrastructure &amp; social amenities through various schemes.</p> <p>It Secretary (UD) has recommended to Center for consideration of subsidy under Amrut</p> <p>Ray Nagar Federation has also submitted the copy of the minutes of meeting with Hon. Minister of Energy/GOM. In this MoM it is directed by Hon. Energy Minister to release the power supply in phases as per demand.</p>

# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
	d) Confirmation of funds due to cost escalation by beneficiaries.	d) Ray Nagar Federation is already passed the resolution regarding confirmation of the funds due to cost escalation by the beneficiaries.(Copy of same is enclosed )
	e) Administrative, Financial, Technical capability of Federation, cash flow needs confirmed by MHADA so that the project should not get stuck up in between.	e) The various bankers have studied the profile of the beneficiaries and are only then have given assurance for the giving the housing loans through their letters and the Federation has assured that the enhance funds required if any due to cost escalation and any other reason will be paid by the beneficiaries. The SPV is being formed to monitor the progress of work.
	f) Proper mechanism for maintaining and monitoring the quality of the work.	f) The SPV is being formed to monitor the progress of work. SPV will take care for proper mechanism for maintaining & monitoring the quality of project. Also as per PMAY guidelines there is a third party inspection from GOI.
	g) Security and proper utilization of Govt. funds monitoring is required.	g) SPV will monitor proper utilization of funds.

# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
	h) Before entering into SPV MHADA shall assess financial capacity of the Federation and obtain adequate security from them.	h) The various Bankers have studied the profile of the beneficiaries and thereafter they have given assurance for the giving the housing loans.
5	Confirmation of assurance of Water Supply, Electricity from Local authority required. Solid Waste Management, STP effluent disposal needs to be proper planned. Governance of maintenance activities after possession needs to be structured. All civil infrastructures shall be completed simultaneously with the building work.	<p>The Secretary of Hon. Chief Minister /GOM has issued a letter dated 10/8/2016 to Hon. Secretary, MHUPA/GOI stating that State Govt. will extend its full support for all infrastructure &amp; social amenities through various schemes.</p> <p>Jt. Secretary (UD)/GOM has recommended &amp; issued letter to Jt. Secretary, GOI for inclusion of infrastructure under AMRUT.</p> <p>Ray Nagar Federation has also submitted the copy of the minutes of meeting with Hon. Minister of Energy/GOM. In this MoM it is directed by Hon. Energy Minister to release the power supply in phases as per demand.</p> <p>Further the Federation will maintain these social infrastructure by taking the contribution from beneficiaries after possession.</p>

# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
6	Social infrastructure work needs to be ascertained as per state norms and needs to be provided in project and completion be ensured simultaneously with completion of building work so that DUs should not remain unoccupied for want of social infrastructure.	The Secretary of Hon. Chief Minister /GOM has issued a letter dated 10/8/2016 to Hon. Secretary, MHUPA/GOI stating that State Govt. will extend its full support for all infrastructure & social amenities through various schemes.
7	All statutory approvals to be obtained before start of work.	Ray Nagar Federation will be taken all statutory approvals before start of the work.
8	Minimum specifications prescribed in NBC for EWS house and infrastructure norms as per state .	Minimum specifications prescribed in NBC for EWS house and infrastructure norms as per state Norms/CPHEEO/NBC are followed.

# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
9	<p>The cost of the project is to be updated with due consideration to all incidental charges, cost of social amenities, cost of offsite infrastructure and unforeseen liabilities, if anticipated Govt. Assistance from various departments is not received.</p>	<p>The cost other than subsidy of GOI, GOM will be contributed by the beneficiaries. The resolution for the same is passed.</p>
10	<p>Project cost be worked out by considering all the components of projects like building, onsite infra, offsite infra, onsite social, statutory approval fees, Q &amp; A Charges, O &amp; M charges, Administrative charges, PMC charges, escalation, overheads/outgoings etc. then wherever Govt. Assistance, bank loan etc. is possible and/or approved be taken into consideration for working out requirements and affordability of beneficiaries contribution to assess the financial viability of the project.</p>	<p>Project cost includes building, onsite and offsite infrastructure, Q&amp;A charges. Statutory approval fees is already collected from the beneficiaries. O&amp;M Charges will be collected by monthly contribution once the beneficiaries start residing. Ray Nagar Federation has reported that all the respective bankers have studied the profile of the beneficiaries and then have given assurance for the giving the housing loans through their letters.</p>

# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
11	Sale price be restricted to Rs.21700/-per sq.m. on carpet area as proposed. However, if beneficiary contribution is required to be increased due to time overrun and reasons mentioned above then beneficiary's consent be obtained.	Ray Nagar Federation has passed the resolution regarding additional contribution of additional cost due to time overrun etc.
12	It is assured in the project proposal that 20,000 houses will be occupied by Dec.2018. This requires meticulous planning, monitoring by competent Authority (to be decided by SLSMC).	The Bar-Chart is submitted by Federation. It is planned to complete 20,000 houses by the end of Dec 2018. Federation has proposed to adopt Pre-Cast technology for timely completion of work.

# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
13	<p>Planning: As per Govt. Urban Development Notification dated 14/03/2016 new provision 2.5(5) was added in Regulations. As per the said sanctioned Development Regulations, Residential use for the persons, who are under EWS has been permitted in Agriculture/ No Development Zone (NDZ) subject to certain conditions. However permissible FSI for EWS has not been mentioned in the said Regulations. Therefore, Urban Development Department (UDD) may clarify about permissible FSI &amp; subject to it, the proposal may be accepted.</p>	<p>Under Secretary / UD/GOM vide letter dated 8/8/2016 has issued clarification stating that the permissible FSI is as admissible in residential &amp; commercial use as per Development Control Rules of Solapur regional plan.</p>

# Compliance of SLAC

Point No.	Observations of SLAC	Compliance of observations
14	The release of Govt. subsidy be phase wise and as per progress of work.	The release of Govt. subsidy should be as per the guidelines of <b>Pradhan Mantri Awas Yojna</b> (GOI & GOM). Federation has also mentioned that the amount of subsidy should be given to Federation as all the 30,000 tenements are being constructed by them and thereafter the possession will be handed over to beneficiaries.
15	Observations and directions of CSMC in 8 <sup>th</sup> & 9 <sup>th</sup> meeting so also directions given in 2 <sup>nd</sup> SLSMC meeting shall be complied.	All the compliances are submitted except notification for the formation of SPV by State Govt.



# BRIEF NOTE ON SPV

## ▪ OBJECTS OF SPV

SPV is having its main object as to monitor control & supervise the progress of work, finance and administrative work of RAY Nagar Federation in execution of construction of houses under Pradhan Mantri Awas Yojana and timely completion of the project.

## ▪ CONSTITUTION OF SPV

1. SPV will be a company incorporated under Section 8 of Companies Act.2013.
2. Section 8 Companies are mainly incorporated for carrying out non-profit activities.
3. There will be no share capital of the company and it will be **'company limited by guarantee.'**
4. This means that the members will not be liable for any financial obligation in the company.
5. SPV will have 7 members who will be the representative of respective organization/ Department.-

Member from Solapur Municipal Corporation	- 1 Member
Members from Ray Nagar Federation	- 2 Members
Members from MHADA	- 3 Members
Project Management Consultant fro RAY Nagar	- 1 Member
6. The Liability of Members is limited by way of guarantee of Rs.1000/-only. (that too in the case of winding up only)

# BRIEF NOTE ON SPV

7. Administrative and other expenses of SPV will be met by RAY Nagar Federation.
8. Company will not be having any type of financial/ commercial activity therefore there will be no financial obligation.

- **NAME APPROVAL**

- After considering all the above factors the ministry of corporate Affairs (Govt. of India) has given the approval to the name of the company viz. 'Asanghtit Kamgar Housing Awas Foundation". (AsaMGaTIt kamagaar haOisaMga fa}MDoSana)
- After signing of Memorandum & Articles of Association the company will be ready for incorporation.
- As per Section 8, the Memorandum & Articles of Association of SPV can not be changed/ amended without prior approval of Central Government.



Thank you