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## HMDA seeks 450 cr. from State

Staff Reporter

### Plans to utilise funds for Outer Ring Road project

A generous contributor to the government coffers when real estate was booming, the Hyderabad Metropolitan Development Authority (HMDA) has now been reduced to looking forward for assistance.

Given the prevailing real estate scenario and the demand for its plots failing to get restored to the boom phase and also the continuing inactivity on layout and permissions front, the Authority has sought Rs.450 crore from the government for meeting financial requirements for the ongoing Outer Ring Road (ORR) project.

The debts of the HMDA stand at Rs.1,100 crore, of which Rs.700 crore is to the Housing and Urban Development Corporation (HUDCO) and the rest to different financial institutions.

The interest being paid every month towards this amount works out to be around Rs.10 crore. “The amount of Rs.450 crore we sought from government is towards annuity payments of the ORR,” said an official.

To tide over its financial crunch, the HMDA had made repeated efforts at raising money through auction of its plots but except for once last year, it failed to get much response.

Though toying with the idea of placing plots that earlier failed to get bidders, again for auction, the prevailing real estate scenario has been acting as a deterrent for such a course of action, another official said.

The HMDA also looks at enhancing its land bank and is hoping that the government will provide it adequate tracts. “We may not be able to auction them immediately and raise money, but it will be a good asset for us,” the officials maintained. Apart from sale of land, the planning department of the HMDA happens to be a major contributor of revenue through layouts and regularisations.

The HMDA describes its financial status as neither good nor bad and one official said, “It is just standstill”.

The basic revenue and day to day requirements were being met but it left no scope to look beyond to consider any new project. “If the government comes to our help with say around Rs.700 crore, we will really be in comfortable situation,” the official added.

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- ***Debts stand at Rs.1,100 crore; plans to enhance its land bank***
  - ***HMDA describes its financial status as neither good nor bad***