

PMDO Corpus enhancement to Rs. 5,000 cr

The funding corpus of the Pooled Municipal Debt Obligation (PMDO) facility, an unique initiative for raising senior debt resources for the Urban Infrastructure sector in the Public Private Partnership (PPP) format has been enhanced

Earlier in October 2006, fifteen Banks and Financial Institutions had pooled together a Line of Credit, designated as PMDO, through an execution of a Memorandum of Agreement (MoA) for an amount of Rs 2750 crore. This initial corpus has been fully committed, earlier this year. The above commitments have been made across a wide spectrum of urban infrastructure space - solid waste management, power production from urban municipal waste, water supply and sewage, effluent treatment and disposal, cluster development for textile and leather parks, rehabilitation and resettlement of slums located in urban areas. This distinctive funding programme has received praise from Government agencies, as well as the Lenders to the programme. In this context, and the critical need to finance urban infrastructure with innovative solutions, it was agreed by the Lenders to enhance the Facility corpus to an amount of upto Rs. 5,000 crore

An amended Memorandum of Agreement was executed on Monday, May 11, 2011, documenting the enhanced commitments and extension of the Commitment Period to October 2013. Indian Overseas Bank, a new Bank to the Facility, has provided a commitment of Rs. 250 crore to the PMDO. With the above execution of documents, the aggregate commitment of the PMDO Facility currently stands at Rs. 4,755 crore.



Mr L Krishnan, CEO, IUIML, explained and unveiled a website format to provide interactive online MIS on the various operational needs of the Lenders, Clients and potential Borrowers at the Signing Ceremony on May 11, 2011

Left to Right: Mr P Venugopal, Chief (Investment), LIC; Mr Rajesh Kotian, ED, IFIN; Mr KK Soni, GM, Indian Overseas Bank and Mr L Krishnan, CEO, IUIML at the signing ceremony

A few other Banks are likely to join the facility and it is expected that the target of Rs. 5,000 crore will be achieved shortly. With an endeavour to provide corporate support to the various IL&FS Group initiatives, IFIN has also been part of the PMDO facility, in terms of conceptualizing, advising and managing relationships with Lenders to the programme