



ABSTRACT

Tamil Nadu Road Development Company Limited – IT Expressway Limited – Sanction of loan of Rs.17.00 crore for undertaking development works in East Coast Road and Rs.160.00 crore for completing balance works of IT Expressway Limited and repayment of outstanding term loan – Revalidation – Orders – Issued

Highways & Minor Ports (HF2) Department

G.O. (Ms) No. 104

Dated: 03.09.2014

Read:

1. G. O. (Ms) No. 17, Highways & Minor Ports department, dated 25.02.2013.
2. From the Managing Director, Tamil Nadu Road Development Company Limited, Letter No. TNRDC/FIN/85/2013, dated 13.03.2013.
3. From the Chairman and Managing Director, Tamil Nadu Road Development Company Limited, Letter No. TNRDC/FIN/376/2014, dated 17.06.2013.

ORDER:-

In the Government order first read above, orders were issued sanctioning a sum of Rs. 160.00 crore as loan to IT Expressway Limited and a sum of Rs. 17.00 crore as loan to the Tamil Nadu Road Development Company Limited subject to the following conditions:

1. The above said loan shall carry an interest of 8% per annum. The penal interest for non-payment of loan shall be 2.50%.
2. Tamil Nadu Road Development Company Limited should withdraw its claim for compensation as per concession agreement till 31.03.2014
3. The option vested with IT Expressway (ITEL) for drawl from Financial Servicing Fund (FSF) should be scrapped.
4. Consequent on the sanctioning of loan the Concession Agreement with IT Expressway (ITEL) and Tamil Nadu Road Development Company Limited should be amended accordingly or a supplementary agreement should be signed.
5. The toll account of IT Expressway (ITEL) should escrowed to Government, so as to address the future prompt repayment issues.

2. During the Board meeting held on 17-12-2012, the subject, sanction of loan of Rs.17 crore for undertaking development works in East Coast Road and Rs.160 crore for completing balance works of IT Expressway Limited and

Repayment of Outstanding term loans was discussed and the board had approved availing the loan for Rs.177 crore.

3. The Chairman and Managing Director, Tamil Nadu Road Development Company Limited has stated that in the Board meeting held on 12-06-2014, the Board discussed in detail the development activities in the two projects and the interest savings that would accrue to IT Expressway Limited from drawing the loans and to draw the Loan of Rs.177 crore as per the conditions of the G. O. The drawing of loans would support the cash flows in the projects to undertake the development activities and for IT Expressway Limited by drawing Rs.160 crore loan would enable the company to save on the finance costs on account of higher interest rates being paid on the existing loans.

4. The Chairman and Managing Director, Tamil Nadu Road Development Company Limited has requested the Government to disburse the loans as already sanctioned in G.O. first read above.

5. Under Article 50 of the Tamil Nadu Financial Code Volume-I, the Government hereby revalidate the orders issued in the Government Order first read above for a period of one year from the date of issue of this order.

6. This order issues with the concurrence of Finance Department vide its U. O. No. 7/DS(PW)/PW-I/2014, dated: 27.08.2014.

(By Order of the Governor)

Rajeev Ranjan,
Principal Secretary to Government

To

The Managing Director, Tamil Nadu Road Development Company Limited, Chennai-28
The Managing Director, IT Expressway Limited, Egmore, Chennai-8
The Chief Engineer (Construction and Maintenance), Highways Department, Chennai-5
The Accountant General, Chennai – 9 / 18
The Resident Audit Officer, Chennai-9
The Pay and Accounts Officer, Chennai-9

Copy to:

The Secretary II to Hon'ble Chief Minister, Chief Minister's Office, Chennai-9
The Special Personal Assistant to Hon'ble Minister for Finance Department, Chennai-9
The Special Personal Assistant to Minister for Highways and Minor Ports Department, Chennai-9
The Private Secretary to Principal Secretary, Highways and Minor Ports Department, Chennai-9
The Finance (PW-I/BG-I/BG-II/L&A Cell) Department, Chennai-9
G. O. (Ms) No. 17, Highways & Minor Ports department, dated 25.02.2013.
C. No. 3245/HF2/2013
Sf / Sc

//Forwarded by Order//



Section Officer.