



ABSTRACT

Tamil Nadu Road Infrastructure Development Corporation - Widening the Madurai Ring Road from double lane to four lane from Km 0/0 – 27/2 (BOT-Toll) – Revised proposal for an amount of Rs.11,51,37,054/- by superseding the earlier approval of Rs.6.07 Crore , as additional financial implication on implementation of GST, in accordance with clause 41.1 and Article 41 of the Concession agreement – Recommended by TNRIDC Board through Circular Resolution - Additional Grant – Sanction – Accorded - Orders - Issued.

Highways and Minor Ports (EAP-II(1)) Department

G.O. (Ms) No.73

Dated:03.09.2021

பிலவ, ஆவணி- 18, திருவள்ளூர் ஆண்டு 2052

Read:-

1. G.O.(Ms).No.146, Highways and Minor Ports (HS1) Department, dated 08.12.2014.
2. G.O.(Ms).No.74, Highways and Minor Ports (HS1) Department, dated 14.07.2015.
3. G.O.(Ms).No.76, Highways and Minor Ports (HS1) Department, dated 25.09.2017.
4. G.O.(Ms).No.82, Highways and Minor Ports (HS1) Department, dated 16.05.2018.
5. G.O.(Ms).No.31, Highways and Minor Ports (HS1) Department, dated 05.03.2019.
6. G.O.(Ms).No.149, Highways and Minor Ports (HS1) Department, dated 29.11.2019.
7. From the Executive Director, Tamil Nadu Road Infrastructure Development Corporation, Letter No. TNRIDC/MRR/GST Claim/2019-3, dated.26.02.2021.

ORDER:

In the Government Order first read above, orders have been issued according Administrative Sanction of Rs.200.00 Crore for the work of **“Widening the Madurai Ring Road from double lane to four lane from km 0/0–27/2”**. In the Government Order second read above the Government had ordered to take up the above project through Tamil Nadu Road Infrastructure Development Corporation (TNRIDC) under BOT using suitable Viability Gap Funding.

2. In the Government Order third read above, orders were issued allocating Viability Gap fund of Rs.80.00 Crore as 40% of Administrative Sanction amount of Rs.200.00 Crore for this project along with the financial sanction of Rs.24.00 Crore for the year 2017-18 for the above work.

3. In the Government Order fourth read above, orders were issued to accord additional grant for a sum of Rs.18,57,69,039/- towards the cost for shifting of utilities of the owning entities such as TANGEDCO, TWAD Board, Madurai Corporation (for sewer lines) and BDO, Thiruparankundram Panchayat (Water supply) and for maintaining the project road by the authority (Tamil Nadu Road Infrastructure Development Corporation) before the appointed date of 17.04.2017.

4. In the Government Order fifth read above, orders were issued according administrative sanction for a sum of Rs.67,13,667/- for the acquisition of 5238 sq. mts. of wet lands in Vandiyur Bit-1 Village, 5094 sq. mts. of wet lands in Chinthamani Village and 6426 sq. mts. of Dry lands in Valayankulam Village (totaling 16758 sq. mts.) in Madurai District to provide additional toll lanes at the proposed 3 toll plaza locations for the above work. In the Government Order sixth read above, Financial sanction was accorded for a sum of Rs.67,13,667/-.

5. The Executive Director, Tamil Nadu Road Infrastructure Development Corporation has stated that the concession agreement for the above project was executed between Tamil Nadu Road Infrastructure Development Corporation and M/s. Sri Balaji Toll ways (Madurai) Private Limited under BOT-Toll Basis on 29.02.2016 vide Concession Agreement No.1/2016 dated 29.02.2016. Concession Period for this project is 20 years including the construction period of 2 years. The Concessionaire had commenced the project on 17.04.2017 i.e., the appointed date / commencement of concession period. The Project Highway completed on 21.08.2020 and the project road has been put into commercial operation from 22.11.2019 onwards, in accordance with the provisions made in the Concession Agreement. As mentioned above the Concessionaire have commenced the project construction on 17.04.2017, while mobilising the machineries and preliminary arrangements, the new tax pattern of GST came into force on 01.07.2017. Due to implementation of GST from 01.07.2017 the Concessionaire had requested claim of Rs.21,95,04,856/- at the rate of 12% GST for the value of work done for Rs.182,92,07,133/- till 15th October 2018. In addition, applicable GST of 18% for Independent Engineer's service of Rs.19,02,592/- has also been claimed. The authority had requested the Concessionaire to furnish the details of item wise value of work done by segregating the same from inception to 30.06.2017 and from 01.07.2017 to May 2019 for scrutinizing the reimbursement of additional amount expended by the Concessionaire towards GST. As requested by the authority, the Concessionaire has submitted the certified GST claims of Rs.11,51,37,054/- duly verified and certified by his Statutory Auditor on 11.01.2021 in pursuant to the clause 33.3 of Article 33 of Concession Agreement. The Concessionaire has also furnished an Indemnity Bond towards GST Return and Liabilities and given an undertaking that "GST claim if later found false, we shall be held responsible for any loss incurred out of the payment towards this claim".

6. The above revised proposal of GST claim for an amount of Rs.11,51,37,054/- was placed before the Sub Committee on 29.01.2021 The Sub Committee considered the additional financial implication of Rs.11,51,37,054/- on implementation of GST in the

work of Widening the Madurai Ring Road from double lane to four lane from km 0/0-27/2 BOT-Toll project and recommended it to the Tamil Nadu Road Infrastructure Development Corporation Board for taking further course of action. Based on the recommendation of Sub Committee, this proposal was placed before the Tamil Nadu Road Infrastructure Development Corporation Board through circular resolution for its consideration and approval.

7. The Board considered the proposal and approved the revised proposal for an amount of Rs.11,51,37,054/- by superseding the earlier approval of Rs.6.07 Crore made in the 57th Board Meeting, as additional financial implication on implementation of GST, in accordance with clause 41.1 and Article 41 of the Concession agreement for the work of "Widening the Madurai Ring Road from double lane to four lane from km 0/0 – 27/2". The Board resolved further to authorize the Executive Director, Tamil Nadu Road Infrastructure Development Corporation to send necessary revised proposal to the Government to obtain sanction for an amount of Rs.11,51,37,054/- as against the earlier proposal sent to Government for an amount of Rs.6.07 Crore.

8. The Executive Director, Tamil Nadu Road Infrastructure Development Corporation has therefore furnished the revised proposal and requested to accord sanction for an amount of Rs.11,51,37,054/- by superseding the earlier approval of Rs.6.07 Crore made in the 57th Board Meeting, as additional financial implication on implementation of GST, in accordance with clause 41.1 and Article 41 of the Concession agreement for the work of "Widening the Madurai Ring Road from double lane to four lane from km 0/0 – 27/2.

9. The Government after careful examination, accept the proposal of the Executive Director, Tamil Nadu Road Infrastructure Development Corporation and accord sanction for an amount of Rs.11,51,37,054/- (Rupees Eleven crore fifty one lakh thirty seven thousand and fifty four only) by superseding the earlier approval of Rs.6.07 Crore made in the 57th Board Meeting, as additional financial implication on implementation of GST, in accordance with clause 41.1 and Article 41 of the Concession agreement for the work of "Widening the Madurai Ring Road from double lane to four lane from km 0/0 – 27/2.

10. The expenditure sanctioned in para 9 above shall be debited under the following head of account :

"5054. Capital Outlay on Roads and Bridges – 03. State Highways – 337. Road Works – State's Expenditure – JM. Widening to four lane of Madurai Ring Road through Tamil Nadu Road Infrastructure Development Corporation – 416. Major Works – 01. Major Works".
(IFHRMS DPC : 5054-03-337-JM-41601)

11. The Chief Engineer (Construction and Maintenance), Highways Department is authorized to incur the expenditure sanctioned in para 9 above.

12. The expenditure sanctioned in Para 9 above shall constitute an item of "New Instrument of Service" and approval of the Legislature will be obtained in due course. Pending approval of the Legislature, the expenditure will be initially met by an advance

from the Contingency Fund. The Chief Engineer (Construction and Maintenance), Highways Department is directed to calculate the actual amount required from the period upto next supplementary estimates and apply for sanction of the same as advance from the Contingency Fund to Finance (B.G-I) Department directly in Form 'A' appended to the Tamil Nadu Contingency Fund Rules, 1963 along with a copy of this order. Orders for sanction of an advance from the Contingency Fund will be issued from Finance (B.G-I) Department. The Chief Engineer (Construction and Maintenance), Highways Department is also directed to send a draft explanatory notes for inclusion the above expenditure in the Supplementary Estimates 2021 – 2022 to Finance (BG-I) Department without fail.

13. This order issues with the concurrence of Finance Department vide its U.O.No.27123/PW-I/2021, dated:28.08.2021 and Additional Sanction Ledger No.369 (Three hundred and sixty nine).

(By Order of the Governor)

Dheeraj Kumar,
Principal Secretary to Government

To

The Executive Director, Tamil Nadu Road Infrastructure Development Corporation, Chennai-2.

The Chief Engineer (Highways), Construction and Maintenance, Chennai-25.

The Accountant General, Chennai-18/35.

The Pay and Accounts Officer (South) Chennai-35.

The Pay and Accounts Office, Madurai.

Copy to:-

The Office of the Hon'ble Chief Minister, Chennai-9.

The Special Personal Assistant to Hon'ble Minister for Public Works, Chennai-9.

The Private Secretary to Principal Secretary to Government, Highways and Minor Ports Department, Chennai-9.

The Personal Assistant to Deputy Secretary to Government, Highways and Minor Ports Department, Chennai-9.

The Finance (PW-1/ BG-I / BG-II / W.M.-I) Department, Chennai-9.

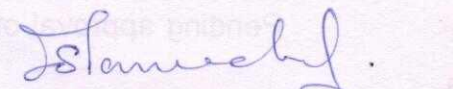
The Resident Audit Officer / O/o. the Principal Accountant General, General and Social Sector Audit) Tamil Nadu, Secretariat, Chennai-9.

The Director, Anna Institute of Management, Chennai - 28.

(C.No.3008/EAP-II(1)/2021)

SF/SC.

// Forwarded / By Order //


Section Officer 31/9/2021