## ABSTRACT

**CHENNAI METRO RAIL PROJECT** – Release of additional Subordinate Debt of Rs.598.22 crores to Chennai Metro Rail Limited for implementing the Chennai Metro Rail Project during 2014-15 – Orders – Issued.

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**PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES (S.I) DEPARTMENT**

G.O.Ms.No.16 Dated 3.2.2015.

Read:

From the Managing Director, Chennai Metro Rail Limited, Letter No.CMRL/Fin/Land/F-60A/2014, dated 17.9.2014.

**ORDER:**

As per the approved pattern of funding for the Chennai Metro Rail Project, a sum of Rs.855 crores towards land and Rs.80 crores towards Rehabilitation and Resettlement would be required and that the same could be met from the interest free subordinate debt of Rs.844 crores and an equity of Rs.91 crores out of Rs.2190 crores from the State Government. The State Government has so far sanctioned the subordinate debt of Rs.844 crores to Chennai Metro Rail Limited and the entire equity of Rs.2190 crores including Rs.91 crores earmarked for land and Rehabilitation and Resettlement expenditure.

2. As per clause 10.3 of the Memorandum of Understanding entered between Government of India, Government of Tamil Nadu and Chennai Metro Rail Limited on 15.2.2011, the Government of Tamil Nadu will provide Rs.844 crores by way of subordinate debt to meet out land and Rehabilitation and Resettlement cost partially, subject to the condition that the subordinate debt will suitably be enhanced, if the cost of the land finally works out to be more than that of Rs.844 crores. As per clause 12.1, the residual land cost amounting to Rs.91 crores will be met by Government of Tamil Nadu by way of equity capital.

3. In the reference read above, the Managing Director, Chennai Metro Rail Limited has indicated that the requirement of funds towards land and Rehabilitation and Resettlement as at the end of 31.3.2014 has increased to Rs.2205.14 crores due to increase in land value and the extent. He also pointed out that the Chennai Metro Rail Limited has already incurred a sum of Rs.1533.22 crores as against the allocation of Rs.935 crores and that there is a shortfall of Rs.598.22 crores towards subordinate debt to meet the increase in the cost of land and Rehabilitation and Resettlement as of 31.3.2014.

4. The Government after careful consideration of the proposal of Chennai Metro Rail Limited and the provision of Memorandum of Understanding entered between Government of India, Government of Tamil Nadu and Chennai Metro Rail Limited on 15.2.2011, has decided to release a subordinate debt of Rs.598.22 crores during 2014-15 to meet the expenditure incurred by Chennai Metro Rail Limited towards land cost and Rehabilitation and Resettlement expenditure.

5. The Government accordingly issue the following orders:-

(i) Sanction is accorded for incurring an expenditure of Rs.598.22 crores (Rupees Five hundred and ninety eight crores and twenty two lakhs only) towards the Subordinate Debt to Chennai Metro Rail Limited for meeting the expenditure towards land cost and Rehabilitation and Resettlement expenses relating to the Chennai Metro Rail Project during 2014-15.

(ii) The terms and conditions of the loan shall be as indicated in the Annexure to this Government Order.

(iii) The Government also direct that the loan assistance sanctioned in para 5(i) above will not be paid in cash but shall be credited into the Public Deposit Account in respect of Chennai Metro Rail Limited.

6. The expenditure sanctioned in para 5(i) above shall be debited to the following heads of account:

"6217 Loans for Urban Development – 60 Other Urban Development Schemes – 190 Loans to Public Sector and Other undertakings – II State Plan – PH Loans for Metro Rail Project in Chennai with assistance of Japan International Co-operation Agency (JICA) (DPC 6217 60 190 PH 0005)".

7. The expenditure shall be treated as 'New Service'. The expenditure shall be brought to the notice of the Legislature by specific inclusion in the Supplementary Estimate 2014-15 for approval in due course. Pending approval of the Legislature, the expenditure shall be met initially from a Contingency Fund Advance. The Principal Secretary, Planning, Development and Special Initiatives Department is requested to apply for the required funds from Contingency Fund to the Finance (BG.I) Department in the prescribed format along with a copy of this order. The Principal Secretary, Planning, Development and Special Initiatives Department is requested to send necessary explanatory note to include this expenditure in the Supplementary Estimates 2014-15 to Government in Finance (BG.I) Department without fail.

8. The Section Officer, Planning, Development and Special Initiatives (Bills) Department shall draw the Subordinate debt amount of Rs.598.22 crores (Rupees Five hundred and ninety eight crores and twenty two lakhs only) sanctioned in para 5(i) above and contra-credited into the following head of account by means of a Account Payee cheque drawn in favour of Public Deposit Account of "Chennai Metro Rail Limited" bearing Account No.30317331180.

"K. Deposits and Advances (b) – Deposits not bearing interest – 8443.00 Civil Deposits – 800 Other Deposits – DC Deposits of Chennai Metro Rail Limited".
(DPC 8443 00 800 DC 0006) (Outgo) (DPC 8443 00 800 DC 000E) (Receipts)

9. The Section Officer, Planning, Development and Special Initiatives (Bills) Department directed to intimate the date of drawl of the loan sanctioned in para 5(i) above directly to Finance (L&A Cell) Department.

10. This order issues with the concurrence of Finance Department vide its U.O.No.4821/Hg/15, dated 3.2.2015 with Additional Sanction Ledger No.2387 (Two Thousand Three Hundred and Eighty Seven) and Loan Sanction Ledger No.40/2014-2015.

**(BY ORDER OF THE GOVERNOR)**

**S. KRISHNAN,**
**PRINCIPAL SECRETARY TO GOVERNMENT.**

To
The Managing Director, Chennai Metro Rail Limited, Chennai-107.
The Secretary to Government, Housing & Urban Development Department, Chennai-9.
The Member-Secretary, Chennai Metropolitan Development Authority, Chennai-8.
The Pay and Accounts Officer (Secretariat), Chennai-9.
The Principal Accountant General (A&E), Chennai-18.
The Principal Accountant General (Civil Audit), Chennai-18.
The Accountant General (CAB), Chennai-9.
The Section Officer (Bills), Planning, Development and Special Initiatives Department, Chennai-9. (2 copies)

Copy to:
Finance (Ways and Means-II/Housing/Resources/BG.I/BG.II/L&A Cell) Department, Chennai-9.
Housing and Urban Development (Budget) Department, Chennai-9.
Stock file / Spare copies.

**//FORWARDED BY ORDER//**

G. Sebastian 4/2/2015

**SECTION OFFICER.**

4.2.15

## ANNEXURE

## LOANS SANCTIONED BY GOVERNMENT OF TAMIL NADU
## LOAN LEDGER No.40/ 2014-2015.

| | | |
|---|---|---|
| 1 | Name of Borrower | Chennai Metro Rail Limited |
| 2 | H.O.D. Controlling the Borrower | Managing Director, Chennai Metro Rail Limited, Chennai-107. |
| 3 | Amount Sanctioned | Rs.598.22 crores (Rupees Five hundred and ninety eight crores and twenty two lakhs only) |
| 4 | Sanctioned valid upto | 31.3.2015 |
| 5 | Purpose of Loan | To meet the expenditure towards Land cost, Rehabilitation and Resettlement as on 31.3.2014 for implementation of the Chennai Metro Rail Project during 2014-2015. |
| 6 | Payable in Cash or Adjustment | Adjustment in P.D. Account. |
| 7 | Demand No. Sub-head, Detailed head under which loan is sanctioned (Both Outgo and Receipt) | Demand No.26, Housing and Urban Development Department.<br><br>"6217-Loans for Urban Development – 60 Other Urban Development Schemes – 190-Loans to Public Sector and other undertakings – II State Plan – PH Loans for Metro Rail Project in Chennai with assistance of Japan International Co-operation Agency" (DPC 6217-60-190-PH 0005 (O) (DPC 6217-60-190-PH 000F (R) |
| 8 | Repayment period | 10 years |
| 9 | Moratorium towards repayment if any | Till repayment of JICA loan is over |
| 10 | Date on which Repayment is to commence | 2043 or whenever the senior debt is repaid, which ever is earlier. |

| | | |
|---|---|---|
| 11 | Mode of Re-payment | Semi Annual |
| 12 | Interest | |
| | a)Normal Rate (Subject to orders of Government on fixing of Rate on Interest for the financial year) | Interest free loan |
| | b) Penal Rate of Interest | Does not arise |
| | c) Mode of Recovery of Interest | Does not arise |
| 13 | The Head of Account to which interest has to be credited | Does not arise |
| 14 | G.O.Ms.No. and Date | G.O.Ms.No.16, Planning, Development and Special Initiatives (SI) Department, dated 3.2.2015. |

**//TRUE COPY//**

4/2/2015

**SECTION OFFICER.**

4.2.15