



ABSTRACT

Transport – Merger of Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli with Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai – Orders - Issued.

Transport (T1) Department

G.O.(Ms) No.172

Dated: 11.05.2018

விளம்பி, சித்திரை 28,
திருவள்ளூர் ஆண்டு, 2049

Read :

- 1) G.O. (Ms) No.276, Transport (T1) Department, dated 12.10.2010.
- 2) From the Managing Director, Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli in Letter No. 2724/CA3/TNSTC/TNV/2016, dated 22.04.2016 and 11.01.2017.
- 3) G.O. (Ms) No.482, Transport (T1) Department, dated 27.11.2017.

ORDER:

In G.O first read above, it was ordered to bifurcate Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai into two Corporations viz., Tamil Nadu State Transport Corporation (Madurai) Limited and Tamil Nadu State Transport Corporation (Tirunelveli) Limited in which, Madurai, Virudhunagar, Dindigul and Theni Districts come under the control of Tamil Nadu State Transport Corporation (Madurai) Limited and Tirunelveli, Kanniyakumari and Thoothukudi Districts come under the control of Tamil Nadu State Transport Corporation (Tirunelveli) Limited with some terms and conditions.

2. In the letter second read above, the Managing Director, Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli has informed that while discussing the financial position of the Corporation and also about the inability position of the Corporation to service the loans of Tamil Nadu Transport Development Finance Corporation Limited, Chennai during the 25th Board Meeting held on 30.03.2016, the Board of Directors have suggested to address the Government to explore the possibility of merging the Corporation with Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai. Hence, as suggested by the Board of Directors, the Managing Director, Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli has requested the Government to consider the proposals to explore the possibility of merging Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli with Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai, in order to improve the financial viability and also to reduce the cost considerably, by taking a suitable decision accordingly.

3. In G.O. third read above, orders have been issued to form a committee consisting of Deputy Secretary to Government, Transport Department as Chairman and six other members to study the feasibility of the merger. In its report, the Committee have discussed various factors affecting the liquidity position of Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli duly factoring certain details like Topography, Locational Factor, Loss Position, Cash Loss, settlement of dues to employees, outstanding loans, etc., The Committee has also discussed the advantage of merging the above two Corporations and were of the opinion that Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli may not be able to survive on its own due to inherent drawbacks for rendering efficient transport service to the public and have also recommended for merging the Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli with Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai.

4. Based on the recommendation of the Committee and after careful examination, the Government hereby direct to merge the Tamil Nadu State Transport Corporation (Tirunelveli) Limited, Tirunelveli with Tamil Nadu State Transport Corporation (Madurai) Limited, Madurai.

5. The Managing Directors of the respective Corporations are directed to complete the merger formalities immediately by duly following the relevant provisions of the Companies Act 2013.

6. This order issues with the concurrence of Finance (BPE) Department, vide U.O.No.24633/Fin(BPE)/2018, dated 11.05.2018.

(BY ORDER OF THE GOVERNOR)

**P.W.C. DAVIDAR,
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT**

To

The Managing Directors of all State Transport Undertakings.

Copy to

The Chief Minister's Office, Chennai-9.

The Special P.A. to Deputy Chief Minister, Chennai-9.

The Special P.A to Minister (Transport), Chennai-9.

The Senior Private Secretary to Additional Chief Secretary to Government,
Transport Department, Chennai-9.

Tamil Nadu Transport Development Finance Corporation Limited, Chennai-2

The Institute of Road Transport, Taramani, Chennai-113.

The Pallavan Transport Consultancy Services Limited, Chennai-42.

All Departments of Secretariat, Chennai-9.

All Sections of Transport Department, Chennai-9.

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

The Accountant-General, Chennai-18/9

The Accountant-General, Chennai-18/9 (By name).

The National Informatics Centre, Chennai-9.

Spare copies / Stock file.

// Forwarded By order //

M.D. 11/5/18
Section Officer