



## **ABSTRACT**

Water Resources Department – Extension, Renovation and Modernization (ERM) of Lower Bhavani Sub division in Cauvery Basin Release of the State's share of 10% of the project cost i.e., Rs.93.31 crore - Sanction accorded – Orders issued.

---

### **Water Resources (S1) Department**

**G.O. (4D) No.9**

**Dated 23.02.2022**

பிலை, மாசி 11

திருவள்ளூர் ஆண்டு 2053

Read :

1. G.O (4D) No.66, Public Works (W1) Department, dated 17.08.2020.
2. G.O (Ms) No.276, Public Works (W1) Department, dated 09.11.2020.
3. G.O (Ms) No.34, Public Works (W1) Department, dated 02.02.2021.
4. G.O (Ms) No.40, Finance (Loans and Advances Cell) Department, dated 10.02.2021.
5. From the Engineer in Chief, Water Resources Department and Chief Engineer (General), Public Works Department, Letter No. S6(4) / 27528 / 2020, dated: 26.02.2021
6. From the NABARD Letter No. NB (TN) BID / 4382 / NIDA4-2 dated:26.03.2021.
7. From the Chairman and Managing Director (FAC), Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited, Letter No. 60 / 2021 / TNWRCRRC / CE, dated: 29.04.2021.

•/•/•

### **ORDER:**

In the Government Order 1<sup>st</sup> read above, the Government have permitted the Tamil Nadu Water Resources Conservation and Rivers

Restoration Corporation Limited to apply to NABARD under NABARD Infrastructure Development Assistance (NIDA) seeking Loan Assistance for the Work of Extension, Renovation and Modernisation of the Lower Bhavani Project System at an estimated cost of Rs.933.10 crore.

2. In the Government Order 2<sup>nd</sup> read above, the Government have accorded sanction for the Work of Extension, Renovation and Modernisation of the Lower Bhavani Sub Basin Irrigation system at an estimated cost of Rs.933.10 crore, in anticipation of loan assistance for NABARD under NIDA and also accorded sanction to the Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited to entrust the Work to the Chief Engineer, Coimbatore Region, Water Resources Department as a deposit work and for splitting up the following Work into six packages:

Package No	Name of Package	<b>Sanctioned</b> Amount (in Crore)
Package- I	Extension, Renovation and Modernisation of Lower Bhavani Project main canal from Mile 0-0-373 to 18-1-375 in Erode District.	194.15
Package- II	Extension, Renovation and Modernisation of Lower Bhavani Project main canal from Mile 18-1-375 to 39-0-000 in Erode District.	127.65
Package- III	Extension, Renovation and Modernisation of Lower Bhavani Project main canal from Mile 39-0-000 to 63-0-560 in Erode District.	198.25
Package- IV	Extension, Renovation and Modernisation of Lower Bhavani Project main canal from Mile 63-0-560 to 124-2-560 in Erode, Tiruppur and Karur Districts.	189.55
Package- V	Extension, Renovation and Modernisation of Kalingarayan Channel from mile 15-4.5-195 to 56-5.5-328 in Erode District.	76.80

Package -VI	Extension, Renovation and Modernisation of Thadappalli Channel and Arakkankottai Canal in Kodiveri Anicut System in Erode District.	146.70
	Total	933.10

3. In this regard, NABARD have communicated the sanction of a term loan of Rs.839.79 crore (90% of the project cost) and requested the acceptance of the Corporation for the above term loan along with Terms and Conditions. Based on the acceptance of terms and conditions of NABARD, the loan of Rs.839.79 crore has been sanctioned by NABARD under NIDA to Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited for execution of the above Work.

Loan details as follows:

a)	Project Cost	-	Rs.933.10 crore
b)	NABARD Loan under NIDA	-	Rs.839.79 crore
c)	State share (Margin Money 10%)	-	Rs. 93.31 crore
d)	Rate of interest	-	7.8%
e)	Tenor	-	10 years (including 2 years Moratorium)
f)	Repayment	-	8 years
g)	Security	-	1. Undertaking from the Finance Department, Government of Tamil Nadu to Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited for providing adequate annual budgetary support for repaying both principal and interest till the entire loan outstanding availed under NIDA is fully repaid.

			2. Unconditional and irrevocable guarantee from the Government of Tamil Nadu covering repayment of loan and payment of interest.
--	--	--	--

4. Accordingly, in the Government Order 3<sup>rd</sup> read above, the Government have issued unconditional and irrevocable Government Guarantee to the Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited for the Principal amount of Rs.839.79 Crore (Rupees Eight Hundred and Thirty Nine Crore and Seventy Nine Lakh only) along with the interest thereon sanctioned by NABARD under NIDA along with the General and Specific Terms and Conditions for the NIDA loan and the remaining 10% of the project cost i.e., Rs.93.31 Crore (Rupees Ninety Three crore and Thirty One Lakh only) is to be borne by the State Government, subject to the condition that the Engineer in Chief, Water Resources Department and Chief Engineer (General), Public Works Department shall monitor and review the prompt debt servicing of the guaranteed loan by the Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited and also ensure remittance of Guarantee fee due to the Government on time. The Government have also directed the Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited to pay Guarantee Fee of 0.50% (half percent) per annum of the total guaranteed amount / outstanding Guarantee together with interest payable from time to time into the Government account calculated on half year basis on 30<sup>th</sup> September and 31<sup>st</sup> March every year and remitted before the 15<sup>th</sup> of the succeeding month.

5. Thereafter, in the Government Order 4<sup>th</sup> read above, the Government have authorised the Deputy Secretary (Budget), Finance Department to execute the agreement as "Guarantor" on behalf of the Government of Tamil Nadu.

6. In the letter seventh read above, the Chairman and Managing Director (FAC), Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited, has requested orders for release of the State's share of 10% of the project cost i.e. Rs.93.31 Crore for making necessary payment in full / then and there during execution of the work of Extension, Renovation and Modernization of Lower Bhavani Sub basin in Cauvery basin at an estimated cost of Rs.933.10 crore.

7. The Government, after careful examination, have decided to accept the proposal of the Chairman and Managing Director, Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited and accordingly Administrative Sanction is accorded to release of

State's share of 10% of the project cost i.e., Rs.93.31 crore (Rupees Ninety three crore and thirty one lakh only) for the work of Extension, Renovation and Modernisation of Lower Bhavani Sub basin in Cauvery Basin. Further, financial sanction is accorded for a sum of Rs.5,00,00,000/- (Rupees Five crore only) for the year 2021 -2022 and the balance amount will be earmarked for the subsequent financial years based on requirements.

8. The above expenditure sanctioned in para 7 above, shall be debited into the following head of account. (40-01)

4700 - Capital Outlay on Major Irrigation 01 Cauvery Basin - 800 Other expenditure- State's Expenditure - CA - Canals 416 Major works - 01 Major Works.

(IFHRMS DPC 4700 - 01 - 800 - CA - 41601)

9. The expenditure sanctioned in para 7 above shall constitute an item of "New Instrument of Service" and the approval of the Legislature will be obtained in due course. Pending approval of the Legislature, the expenditure will be met by drawal of an advance from the Contingency Fund. The Engineer-In-Chief and Chief Engineer (General), Water Resources Department, Chennai-5, is directed to send necessary proposals to Government in Finance (BG-I) Department directly in Form "A" appended to the Tamil Nadu Contingency Fund Rules, 1963 along with copy of this order for sanction of an advance from the Contingency Fund. Orders regarding which will be issued by Finance (BG-I) Department separately. He is also directed to send necessary explanatory notes for inclusion of the above expenditure in Supplementary Estimate 2021 - 2022 to Finance (PW-II / BG-I) Department at an appropriate time.

10. This order issues with the concurrence of Finance Department vide its U.O. No.1468/PW-II/2022, dated. 03.02.2022 and Additional Sanction Ledger No.1541 (One thousand five hundred and forty one)

**(BY ORDER OF THE GOVERNOR)**

**SANDEEP SAXENA,  
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT.**

**To**

The Chairman and Managing Director, Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited, Chennai-5.

The Engineer-in-Chief and Chief Engineer (General), Water Resources Department, Chennai-5.

The Chief Engineer, Plan Formulation, Water Resources Department, Chennai-5.

The Chief Engineer, Water Resources Department, Coimbatore Region, Coimbatore -1.

The Principal Chief Conservator of Forests, Panagal Maligai, Saidapet, Chennai-15.

The Chief General Manager, NABARD, 48 Mahatma Gandhi Road, Nungambakkam, Chennai- 34.

The Pay and Accounts Officer (East), Chennai-8.

The Principal Accountant General (A&E/ Audit-I/ E &RSA), Chennai-18.

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

Copy to

The Secretary-II to the Hon'ble Chief Minister, Secretariat, Chennai-9.

The Additional Chief Secretary to Government, Environment, Climate Change and Forests Department, Secretariat, Chennai- 9.

The Special Personal Assistant to Hon'ble Minister (Water Resources), Secretariat, Chennai-9.

The Finance (P.W.II / B.G.I / II / Res.II / W&M-I) Department, Secretariat, Chennai-9.

The Water Resources (OP-II), Department, Secretariat, Chennai-9.

Stock File / Spare Copy.

**// Forwarded by Order //**

*J. Manickam*  
23/02/2022  
**Section Officer**  
K28  
23/02/2022