



ABSTRACT

New Tirupur Area Development Corporation Limited - Interim support to New Tirupur Area Development Corporation Limited – Orders issued.

Municipal Administration and Water Supply(MA3)Department

G.O.Ms.No.187

Dated: 08 .10.2009

Read:

From the Managing Director, New Tirupur Area Development Corporation Limited, letter dated 20.3.2009.

ORDER:

The Managing Director, New Tirupur Area Development Corporation Limited in the letter read above has requested the following support from Government so as to enable the company to get the approval of lenders for the proposed second debt restructuring proposal:-

- (a) To regulate the extraction of ground water for non-domestic purposes in Tirupur Region through notification of the Tamil Nadu Ground Water Act, 2003 within a period of one year.
- (b) Interim support to New Tirupur Area Development Corporation Limited (until the above mentioned notification is passed) in the form of cash support of Rs.79 lakhs per month.
- (c) Contribution of additional funds into Tamil Nadu Water Investment Company Limited (TWICL) to the tune of Rs.15.3 crores as proportionate contribution of Government of Tamil Nadu for the overall estimated requirement of Rs.33.2 crores. The balance Rs.17.9 crore is proposed to be contributed by Infrastructure Leasing & Financial Services Ltd.

2. The Government have carefully examined the proposal of the Managing Director, New Tirupur Area Development Corporation Limited. Regarding Interim support to New Tirupur Area Development Corporation Limited in the form of cash, it is stated that the average supply for villages today is 21 MLD and to Tirupur Municipality is 18 MLD, being supplied at a rate of Rs.3.5/kl and Rs.5/kl respectively.

The variable charge (including operation charges) is reported to be Rs.12/kl. However, the New Tirupur Area Development Corporation Limited has requested revision of rates to Rs.8.4/Kl for villages and Rs.12/Kl for municipality. At this rate, the total requirement per month (30 days) would be:

| | |
|--------------|----------------|
| Villages | Rs.30.87 lakhs |
| Municipality | Rs.37.80 lakhs |
| | ----- |
| | Rs.68.67 lakhs |
| | ----- |

At the above rate, the total amount needed to take care of cash losses for one year would be Rs.8.2 crores. Hence the Government accord sanction for an amount of Rs.8.20 crores (Rupees Eight Crores and twenty lakhs only) as a subordinate debt at the prevailing rate of interest of 2009-2010 (it is 12% for 2008 – 2009), with the payment of interest being deferred for 3 years, and the principal payment deferred till the Company is able to service the principal debt and has surplus for servicing the subordinate debt.

3. The expenditure sanctioned in para.2 above shall be debited to the following head of account under Demand No.34 -02:-

“ 6215. LOANS FOR WATER SUPPLY AND SANITATION 01 Water supply – 190. Loans to Public Sector and Other Undertakings – JF Subordinate debt to Tamil Nadu Water Investment Company Ltd. for Investment in New Tirupur Area Development Corporation Ltd., as equity (DPC 6215 – 01-190 – JF – 000C) (Receipt) (DPC 6215 – 01-190 – JF – 0008) (Outgo)

4. The amount sanctioned in para 2 above shall not be paid in cash but it shall be Contra- credited to the following Head of account:

“K. Deposits and Advances (b) Deposits not bearing interest – 8443-00. Civil Deposits – 800 Other Receipts – CS – Deposits of New Tirupur Area Development Corporation Ltd.” (DPC 8443- 00- 800- CS- 0005) (Outgo) (DPC 8443- 00 -800- CS -000F) (Receipt)

5. The interest receipt on the loan amount sanctioned at para 2 above shall be credited to the following new head of account opened under Demand No: 34-02 :-

“ 0049. Interest Receipts – 04. Interest Receipts of State / Union Territory Governments – 190. Interest from Public Sector and Other Undertakings – DV. Interest Receipts from New Tirupur Area Development Corporation Ltd.. (DPC.0049 – 04 -190 – DV – 0007)

6. The expenditure sanctioned in para 2 above is a “New Service” and the approval of the Legislature will be obtained in due course. Pending approval of the Legislature, the expenditure will be met by an advance from Contingency Fund. Orders regarding this will be issued by Finance (BG-I) Department separately. The Director of Municipal Administration is instructed to apply to the Finance (BG-I) Department in the prescribed proforma for the sanction of an advance from Contingency Fund.

7. Notification under sub section (3) of Section 1 of Tamil Nadu Ground Water (Development and Management) Act, 2003, will be issued by the Government in Public Works Department separately.

8. This order issues with the concurrence of Finance Department vide its U.O. No.58322/BPE/09 dated 08.10.2009 and ASL No.859 (Eight hundred and fifty nine) and Loan Sanction Ledger No.15/2009-2010.

(BY ORDER OF THE GOVERNOR)

NIRANJAN MARDI,
SECRETARY TO GOVERNMENT.

To

The Managing Director, New Tirupur Area Development Corporation Limited , Chennai – 600 018.

Director of Municipal Administration, Chennai – 600 005.

The Pay and Accounts Officer, Chennai – 9/35.

The Accountant General Officer (Audit) Chennai – 18/35.

Copy to:

The Finance (MAWS/ BPE/ LACell/ BG.I/ BG.II/ W&M.I/ W&M.II) Department, Chennai -600 009.

The Law Department , Chennai – 600 009.

The Public Works Department, Chennai – 600 009.

The Secretary to Chief Minister, Chennai – 600 009.

The Secretary to Deputy Chief Minister, Chennai – 600 009.

The Senior Personal Assistant to Minister(Fin) Chennai-600 009.

The Personal Secretary to Secretary, Municipal Administration & Water Supply Department, Chennai -600 009.

SF/SC

//FORWARDED BY ORDER//

SECTION OFFICER.

ANNEXURE**LOANS SANCTIONED BY GOVERNMENT OF TAMIL NADU****LOANS SANCTION LEDGER NO 15 / 2009-2010**

| | | |
|----|---|---|
| 1 | Name of the Borrower | New Tirupur Area Development Corporation Limited. |
| 2 | H.O.D Controlling the Borrower | Director of Municipal Administration, |
| 3 | Amount Sanctioned | Rs.8.2 crores (Rupees eight crores and two lakhs only |
| 4 | Sanction valid upto | 31.3.2010 |
| 5 | Purpose of Loan | Interim support to New Tirupur Area Development Corporation Limited for the approval of lenders for the proposed restructuring proposal. |
| 6 | Payable in cash or adjustment | Cash |
| 7 | Demand No., Sub Head, Detailed Head under which loan is sanctioned (Both Outgo and Receipt) | Demand No.34 “ 6215. LOANS FOR WATER SUPPLY AND SANITATION 01 Water supply – 190 public sector and other undertakings Subordinate debt to Tamil Nadu Investment Company for Investment in Tirupur Area Development Corporation Ltd equity – 01 loans to New Tirupur Area Development Corporation Ltd (DPC 190 – JF - 0008) (Outgo) – (6215 – 000C) (Receipts) |
| 8 | Repayment period | |
| 9 | Moratorium towards repayment if any | Payment of interest being deferred for 6 months and the principal payment deferred for 12 months. The Investment Company is able to service the principal debt and has surplus for servicing the subordinate debt. |
| 10 | Date on which repayment is to commence | Till the New Tirupur Area Development Corporation Limited is able to service the principal debt and has surplus for servicing the subordinate debt. |
| 11 | Mode of Repayment | Quarterly |
| 12 | Interest | |

| | | |
|-----|--|--|
| (a) | Normal Rate (subject to orders of Government on fixing of Rates of interest for the financial year) | 12% |
| (b) | Penal Rate of Interest | 2.5% |
| (c) | Mode of Recovery of Interest | Quarterly |
| 13 | The Head of Account to which interest has to be credited | “0049 – Interest Receipts – 04 Interest Receipt of State/ Union Territory Governments 190-Interest from Public Sector and Other Undertakings – DV. Interest receipts from New Tirupur Area Development Corporation Ltd. (DPC 0049- 04-190-DV-0007) |
| 14 | G.O.No and date | G.O.Ms.No.187, Municipal Administration and Water Supply Department, Dated: 08.10.2009 |

NIRANJAN MARDI,

SECRETARY TO GOVERNMENT.

//FORWARDED BY ORDER//

SECTION OFFICER.