ABSTRACT

Tiruchirappalli Corporation – Construction of wholesale and retail market at Panjappur in Tiruchirappalli Corporation at a cost of Rs.236.00 crore – Administrative sanction and permission for mobilization of funds upto Rs.100.00 crore through issuance of Municipal bonds - Accorded - Orders – Issued.

Municipal Administration and Water Supply (MC.5) Department

G.O. (D) No.267 **Dated. 06.05.2025**

திருவள்ளுவராண்டு 2056

விசுவாவசு, சித்திரை – 23

Read:

1. G.O(D)No.497, Municipal Administration and Water Supply (MC-2) Department, dated 28.12.2021.
2. Minutes of the 22nd State Infrastructure and Amenities Promotion Committee meeting held on 06.12.2024 vide Agenda item No.5
3. From the Director of Municipal administration, letter Roc.No.13354/2024/TP-1, dated 17.12.2024.
4. From the Managing Director, Tamil Nadu Finance and Infrastructure Development Corporation Limited, Letter No. TUFIDCO/AMRUT 2.0/AM(M)/2022, dated 21.01.2025.

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ORDER:

The Hon'ble Minister for Finance and Human Resources Management has made the following announcement in the Revised Budget, 2021-2022:

"An integrated bus stand cum commercial centre will be established in Tiruchirappalli with the financial assistance of Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO)".

2. Accordingly, in the Government Order first read above, 'in-Principle' approval has been accorded for the construction of integrated bus stand and other infrastructure facilities at Panjappur in Tiruchirappalli City Municipal Corporation.

3. The project on Construction of wholesale and retail market at Panjappur in Tiruchirappalli Corporation at an estimated cost of Rs.236.00 crore with a request to sanction a sum of Rs.150.00 crore under Infrastructure and Amenities fund was placed before the State Infrastructure and Amenities Promotion Committee at its 22nd meeting held on 06.12.2024. The Committee resolved to sanction a sum of Rs.120.00 crore under Infrastructure and Amenities fund and advised to meet the remaining cost of the project from other sources of funds, as per the minutes of the meeting 2nd read above.

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4. The Director of Municipal Administration in his proposal 3rd read above has requested the Government to accord administrative and financial sanction for the above project with the following funding pattern:

(Rs. in crore)

Funding Pattern				Total
Infrastructure and Amenities fund	**Funds from Municipal (Corporation) Bonds**	**Urban Local Body share**	**Capital Grant Fund (2025-26)**	
120.00	100.00	8.00	8.00	236.00

5. The Council of Tiruchirappalli City Municipal Corporation through its resolution No.488, dated 24.07.2024 has accorded necessary permission to raise Rs.100.00 crore through municipal bond for the above project.

6. In this connection, it may be stated that rule 237 of the Tamil Nadu Urban Local Bodies Rules, 2023 framed under the Tamil Nadu Urban Local Bodies Act,1998 contains provisions relating to debentures and sinking fund.

7. The Managing Director, Tamil Nadu Finance and Infrastructure Development Corporation Limited has therefore stated that considering the above, the Corporation has sought the approval of the Government on the following for going ahead with the issuance of Municipal Bonds for a sum of Rs.100.00 crore:

(a) Approval for funding through Bonds for the partial financing of the project "Construction of Wholesale and Retail Market at Old Madurai Road at Panjappur at an estimated Cost of Rs.236.00 crore" at Tiruchirappalli City Corporation.

(b) Approval for borrowing of Rs.100.00 crore through issuance of Municipal Bonds by Tiruchirappalli City Corporation and for servicing/repaying the debt through internal resources.

(c) Approval for creation of appropriate Escrow Mechanism, Interest Payment Mechanism, Sinking Fund Mechanism (Debenture Redemption Reserve), Debt Service Reserve Amount, etc. as required in due course.

(d) Authorization for Corporation Commissioner and /or any member of the Bond Issue Committee formed for the purpose of the bond issue and also for deciding and entering into and signing of various agreements, deeds, relevant documents, bond allotment, meeting the listing requirements, ring fencing of appropriate revenue resources and the appropriate escrow mechanism in favour of Bond Trustee, pay stamp duty as per the applicable Acts, laws and regulations, delegation of above powers to a senior official from the bond committee as decided by the Corporation Commissioner and to meet all other requirements/ appointments, related to pre and post bond issue process.

8. The Director of Municipal Administration and the Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) have requested permission of the Government for issuance of Municipal Bonds for a sum of Rs.100.00 crore

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for partial financing of the above project.

9. The Government, after careful examination, have decided to accept the proposal of the Director of Municipal Administration and accord administrative sanction for construction of wholesale and retail market at Panjappur in Tiruchirappalli Corporation at a cost of Rs.236.00 crore, with the funding pattern of Rs.120 crore under Infrastructure and Amenities fund; Rs.100 crore from Corporation funds; and Rs.8.00 crore each from Urban Local Body share and Capital Grant Fund 2025-26, subject to the following conditions:

(a) The allotment of space in the proposed market at Panjappur shall not be resulting in any transfer of ownership.
(b) Suitable model of leasing the land may be developed.
(c) Government shall be able to resume the land in future whenever required.

10. The Government have also decided to accept the proposal of the Director of Municipal Administration and the Managing Director, Tamil Nadu Finance and Infrastructure Development Corporation Limited requesting necessary permission of the Government for mobilization of funds to the tune of Rs.100.00 crore by the Tiruchirappalli Corporation through issuance of Municipal bonds for partial financing of the above project and the matters connected therewith, as specified at para 7 above and order accordingly.

11. This order issues with the concurrence of the Finance Department vide its U.O.No.5234(e)/Finance (Infra.III)/2024-44, dated 05.03.2025 and U.O.No307(e)/Finance(Infra.III)/2025-15, dated 05.03.2025.

(BY ORDER OF THE GOVERNOR)

D. KARTHIKEYAN
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Municipal Administration, Chennai – 600 028.
The Managing Director, Tamil Nadu Finance and Infrastructure Development Corporation Limited, Chennai – 35.
The Commissioner, Tiruchirappalli Corporation.
The Accountant General (A&E), Chennai-600 018.
The Director of Local Fund Audit, Chennai – 600 035.

Copy to

The Hon'ble Chief Minister's Office, Chennai-600 009.
The Special Personal Assistant to Hon'ble Minister (Municipal Administration), Chennai – 600 009.
The Special Personal Assistant to Hon'ble Minister (Finance and ECC), Chennai – 600 009.
The Principal Private Secretary to the Principal Secretary to Government, Municipal Administration and Water Supply Department, Chennai – 600 009.
The Finance (Infra.III) Department, Chennai-600 009.
The Municipal Administration and Water Supply (OP-II) Department, Chennai – 600 009.

// FORWARDED BY ORDER //

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DEPUTY SECRETARY TO GOVERNMENT

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