PROCEEDING OF GOVERNMENT OF KARNATAKA

Sub:- Issue of Government Guarantee for the borrowing programme of KBJNL to the extent of Rs.750.00 crores- reg.

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Preamble:

Managing Director, Krishna Bhagya Jala Nigam Limited vide their letter above had requested Government for giving Government Guarantee for borrowing Rs.900.00 crores by issue of bonds and/or through raising term loans from Banks, Financial Institutions.

The request of Krishna Bhagya Jala Nigam Limited has been carefully examined by the Government and hence the following orders:

GOVERNMENT ORDER NO.WRD 236 KBN 2013, DATED:16/12/2013

Government Guarantee and approval is now given to Krishna Bhagya Jala Nigam Limited to mobilize Rs.750.00 crores (Rupees Seven hundred fifty crores only) subject to the following:

i. This Government Guarantee is unconditional, irrevocable and irreversible till the redemption of Bonds / the repayment of loans, with the permission to roll-over these guarantees in case of debt restructuring in future.

ii. To enter into Tripartite Agreement (s), Trust deed(s) and/ or Loan agreement(s) with the Trustees to the Bond Holders and / or Lenders and such other documents as may be required.

iii. The Government of Karnataka will make budgetary provision for payment of interest and repayment of principal on due dates.

iv. Approval is accorded to hypothecate assets of the Company on pari passu basis in favor of Trustees and / or Lenders and for release of necessary funds to pay the stamp duty on hypothecation in the event the stamp duty cannot be waived off.
v. Guarantee commission at 1% p.a. of the amount mobilized and outstanding should be remitted to the Government.

This order is issued with the concurrence of the Finance Department vide No. PWD 510 FC-1/13 dated 22/11/2013.

By order and in the name of
Governor of Karnataka

(T.D.DHAMAN) 16.12.13
Officer on Special Duty (KBGN),
Water Resources Department

To:
Compiler, Karnataka Gazette, Government Sub-urban press, Mysore Road, Bangalore to publish in the special gazette.

Copy to:
1. Accountant General (Audit 1 & 2), Karnataka, Bangalore.
2. Principal Secretary to Government, Finance Department, Vidhana Soudha, Bangalore.
3. Principal Secretary to the Hon’ble Chief Minister, Vidhana Soudha, Bangalore.
4. Principal Secretary to Government, Water Resources Department, Vikasa Soudha, Bangalore.
5. Secretary to Government, Water Resources Department, Vikasa Soudha, Bangalore.
7. Special Officer & Ex-officio Deputy Secretary, PWD (FC), Vidhana Soudha, Bangalore.
8. Deputy Secretary (MMI)/(KBGN), WRD, Vikasa Soudha.
9. Officer on Special Duty (MMI-2) WRD, Vikasa Soudha.
10. SGF/Spare copies.