



ABSTRACT

Smart Cities Mission – Special Purpose Vehicle for Madurai, Salem, Vellore and Thanjavur Corporations – Initial Activities – Permission Accorded - Orders – Issued.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT

G.O.(Ms) No.174

Dated 01.12.2016

திருவள்ளூர்வராண்டு, 2047

துன்முகி வருடம், காந்த்திகை 16

Read:

1. G.O.(Ms.)No.112, Municipal Administration and Water Supply Department, dated 31.07.2015.
2. G.O.(Ms.)No.77, Municipal Administration and Water Supply Department, dated 24.05.2016.
3. From the Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited, Letter No.TUFIDCO/Smart City/44/AM(S) 2015, dated 26.09.2016 and 13.10.2016.

ORDER:

For the implementation of the Government of India Sponsored Smart Cities Mission in the State, Administrative Sanction has been issued, vide the Government Order first read above.

2. The Corporations of Greater Chennai and Coimbatore are among the 20 Cities which have qualified as Smart Cities for the year 2015-16.

3. The Government of India has announced the list of 27 cities selected for development as Smart Cities in Round Two of Smart City Programme for the year 2016-2017 which includes the following cities of Tamil Nadu :-

- i. **Madurai City Municipal Corporation**
- ii. **Salem City Municipal Corporation**
- iii. **Vellore City Municipal Corporation**
- iv. **Thanjavur City Municipal Corporation**

4. As per Para 10 of the Smart Cities Mission Guidelines, to plan, implement, manage and operate the Smart City development projects, a **City Level Special Purpose Vehicle (SPV)** is required to be established. The **important aspects** of the Special Purpose Vehicle are as below:-

- i. The Special Purpose Vehicle will plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects.
- ii. The Special Purpose Vehicle will be a limited company incorporated under the Companies Act, 2013 at the city-level, in which the State and the Urban Local Body will be the promoters having 50:50 equity share holding.
- iii. The initial paid up capital of the Special Purpose Vehicle will be Rs.200 crore. (Urban Local Body share Rs.100 crore and State share - Rs.100 crore). The Government of India will release Rs.194 crore for the first year.
- iv. As per the guidelines, the Chief Executive Officer of the Special Purpose Vehicle will be appointed with the approval of the Ministry of Urban Development, for a fixed term of three years and will be removed only with the prior approval of Ministry of Urban Development.
- v. The guidelines suggest that the key functions and responsibilities of the Special Purpose Vehicle contained therein will be included in the Articles of Association of the Special Purpose Vehicle.
- vi. An important aspect is 'Delegating the rights and obligations' of the municipal council with respect to the Smart City project to the Special Purpose Vehicle.

5. Further, based on the Mission Guidelines, Special Purpose Vehicles have already been established for Chennai and Coimbatore Corporations vide the Government Order second read above.

6. The Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) has stated that Special Purpose Vehicles are to be established for the recently approved Smart Cities viz., Vellore, Salem, Thanjavur and Madurai. The Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) has also suggested that the

composition of Special Purpose Vehicle of Coimbatore may be adopted for the cities of Vellore, Salem, Thanjavur and Madurai, as below:-

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|-------|--|---|-------------------|
| i. | Madurai Special Purpose Vehicle | Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited | Chairman |
| | Vellore Special Purpose Vehicle | Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited | Chairman |
| | Salem Special Purpose Vehicle | Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited | Chairman |
| | Thanjavur Special Purpose Vehicle | Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited | Chairman |
| ii. | The Commissioner of concerned Corporations | | Managing Director |
| iii. | The Chief Executive Officer of the Special Purpose Vehicle | | Director |
| iv. | Representative of the Ministry of Urban Department, Government of India | | Director |
| v. | Representative of the Finance Department, Government of Tamil Nadu | | Director |
| vi. | The City Engineer of the Urban Local Body | | Director |
| vii. | The Deputy Commissioner of Police, (Traffic) of the City | | Director |
| viii. | The Superintending Engineer/ Executive Engineer, Public Works Department of the City | | Director |

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| ix. Representative of the Managing Director, Tamil Nadu Urban Infrastructure Financial Services | Director |
| x. The Superintending Engineer, Tamil Nadu Generation and Distribution Corporation of the City | Director |
| xi. Representative of the Managing Director, Electronics Corporation of Tamil Nadu Limited | Director |
| xii. Independent Director - Urban Expert | Director |
| xiii. Independent Women Director | Director |

7. The Government has already approved Memorandum of Agreement and Articles of Association for Chennai and Coimbatore Smart City Special Purpose Vehicles. The Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) has requested that the Government may permit the four Mission cities namely Madurai, Salem, Vellore and Thanjavur to adopt the same to their Special Purpose Vehicle.

8. The Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) has requested the Government to issue necessary orders enabling Madurai, Salem, Vellore and Thanjavur Corporations to form the Special Purpose Vehicle as mandated in the Guidelines of Smart Cities Mission.

9. The Government after careful examination of the proposal of Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) have decided to accept the same and accords permission for the establishment of Special Purpose Vehicles for the Smart Cities viz., Vellore, Salem, Thanjavur and Madurai in Tamil Nadu. The Government also permit the Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) to adopt Memorandum of Agreement and Articles of Association approved for Chennai and Coimbatore Smart City Special Purpose Vehicles for the four Mission cities namely Madurai, Salem, Vellore and Thanjavur Corporations.

10. The composition of Special Purpose Vehicle for Vellore, Salem, Thanjavur and Madurai as follows:-

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|--------------|--|---|-------------------|
| i. | Madurai Special Purpose Vehicle | Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited | Chairman |
| | Vellore Special Purpose Vehicle | Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited | Chairman |
| | Salem Special Purpose Vehicle | Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited | Chairman |
| | Thanjavur Special Purpose Vehicle | Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited | Chairman |
| ii. | The Commissioner of concerned Corporations | | Managing Director |
| iii. | The Chief Executive Officer of the Special Purpose Vehicle | | Director |
| iv. | Representative of the Ministry of Urban Department, Government of India | | Director |
| v. | Representative of the Finance Department, Government of Tamil Nadu | | Director |
| vi. | The City Engineer of the Urban Local Body | | Director |
| vii. | The Deputy Commissioner of Police, (Traffic) of the City | | Director |
| viii. | The Superintending Engineer/ Executive Engineer, Public Works Department of the City | | Director |

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|--|----------|
| ix. Representative of the Managing Director, Tamil Nadu Urban Infrastructure Financial Services | Director |
| x. The Superintending Engineer, Tamil Nadu Generation and Distribution Corporation of the City | Director |
| xi. Representative of the Managing Director, Electronics Corporation of Tamil Nadu Limited | Director |
| xii. Independent Director – Urban Expert | Director |
| xiii. Independent Women Director | Director |

11. The Commissioner of Municipal Administration is directed to pursue necessary action with reference to the orders issued in paras 9 and 10 above, in consultation with the Mission Director, Smart Cities Mission/ the Chairperson, the Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO).

12. This order issues with the concurrence of the Finance Department vide its U.O.No.190/S(E)/Fin(MAWS)/2016, dated 28.10.2016.

(BY ORDER OF THE GOVERNOR)

**K. PHANINDRA REDDY
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Chairman and Managing Director,
Tamil Nadu Urban Finance and Infrastructure Development Corporation
Limited, Chennai –600 035.

The Commissioner of Municipal Administration, Chennai–600 005.

The Managing Director,

Tamil Nadu Urban Infrastructure Financial Services Limited ,
Chennai-600 028

The Commissioner, Corporation of Vellore / Thanjavur / Salem / Madurai.

Copy to :

The Municipal Administration and Water Supply Department
(MCII/MCVI/OPII) Department, Chennai-600 009.

The Finance (MAWS) Department, Chennai-600 009

Sf/Sc.

/FORWARDED BY ORDER/

Dhale Ladipak
SECTION OFFICER 11/12/16

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11/12/16