



ABSTRACT

Smart Cities Mission – Greater Chennai Corporation and Coimbatore Corporation – Special Purpose Vehicle – Initial Activities – Permission Accorded – Orders – Issued.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT

G.O.(MS)No.77

Dated 24.05.2016

Read:

1. G.O. (Ms.) No. 112, Municipal Administration and Water Supply (MAII) Department, dated 31.7.2015.
2. From the Chairperson and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited, Letter No. TUFIDCO/Smart City/44/AM(S) 2015, dated 04.2.2016.
3. From the Commissioner, Greater Chennai Corporation, Letter S.P.D.C.No. B1/ 100/ 2016, dated 15.2.2016.
4. From the Director of Municipal Administration, D.O. Letter No. 21718/ 2015/ IHSDP 3, dated 18.2.16.

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. Based on the Stage II National Level Competition, the Corporations of Greater Chennai and Coimbatore are among the 20 Cities which have qualified as Smart Cities for the year 2015-16.

3. 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.200.00 crore. (Urban Local Body share - Rs.100.00 crore and State share - Rs.100.00 crore). The Government of India will release Rs.194.00 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.

4. The Mission Director, Smart Cities Mission/ the Chairperson, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) in the letter second read above, has suggested certain Initial Activities in connection with the Mission.

5. Accordingly, the Commissioner, Greater Chennai Corporation and the Director of Municipal Administration, respectively, vide the letters third and fourth read above, have sent proposals to the Government. The Government, after careful examination of the said proposals, have decided to accept the same and accords permission for the following:

- i. In respect of Chennai Corporation, to appoint the Additional /Joint/ Deputy Commissioner (Works) as officer on Special duty to create the Special Purpose Vehicle and to manage the Special Purpose Vehicle till the Chief Executive Officer is appointed. In respect of Coimbatore Corporation, the Commissioner of Municipal Administration may post a suitable Officer on Special Duty (OSD) to take care of formation of the Special Purpose Vehicle and its proceedings.
- ii. To accommodate the Smart City Special Purpose Vehicle, in respect of Chennai Corporation in Amma Maaligai at Ripon Building Complex and in respect of Coimbatore Corporation within the Corporation office complex and to treat them as the Registered Office of the respective Corporation.

- iii. To modify the model Articles of Association suggested by Government of India to suit the Greater Chennai Corporation/ Coimbatore Corporation and obtain approval from appropriate authority.
- iv. To register the Special Purpose Vehicle as a limited company under the Companies Act.
- v. To open a separate Bank Account for operation of Special Purpose Vehicle.
- vi. To appoint separate Chief Executive Officer (CEO) for Special Purpose Vehicle.
- vii. To appoint functional specialists and staff for each sector either on deputation basis or by recruitment.
- viii. To appoint consultants for preparation of Detailed Project Reports for identified project components under Smart City proposal.
- ix. In respect of **Greater Chennai Corporation** to name the Special Purpose Vehicle as Chennai Smart City Limited (CSCL) and to constitute the Board of Directors as below:
 - a. The Commissioner, Greater Chennai Corporation Chairperson
 - b. The Chief Executive Officer, Chennai Smart City Limited Director
 - c. Representative of the Ministry of Urban Department, Government of India Director
 - d. Representative of the Finance Department, Government of Tamil Nadu Director
 - e. The Managing Director, Chennai Metro Water Supply and Sewerage Board Director
 - f. The Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited Director
 - g. The Additional / Joint / Deputy Commissioner (Works), Greater Chennai Corporation Director
 - h. The Managing Director, Tamil Nadu Slum Clearance Board Director
 - i. The Chief Engineer, Tamil Nadu Generation and Distribution Corporation Director

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| j. | The Additional Commissioner of Police, Chennai City | Director |
| k. | The Managing Director, Electronics Corporation of Tamil Nadu Limited | Director |
| l. | The Member Secretary, Chennai Metropolitan Development Authority | Director |
| m. | Independent Director – Urban Expert | Director |
| n. | Independent Women Director | Director |
| x. | In respect of Coimbatore Corporation to name the Special Purpose Vehicle as Coimbatore Smart City Limited (CSCL) and to constitute the Board of Directors as below: | |
| i. | The Commissioner of Municipal Administration | Chairperson |
| ii. | The Commissioner, Coimbatore Corporation | Managing Director |
| iii. | The Chief Executive Officer, Coimbatore Smart City Limited | 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, Coimbatore Corporation | Director |
| vii. | The Deputy Commissioner of Police, (Traffic), Coimbatore City | Director |
| viii. | The Superintending Engineer/ Executive Engineer, Public Works Department, Coimbatore | Director |
| ix. | Representative of the Managing Director, Tamil Nadu Urban Infrastructure Financial Services Limited | Director |
| x. | The Superintending Engineer, Tamil Nadu Generation and Distribution Corporation, Coimbatore | Director |

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| xi. Representative of the Managing Director,
Electronics Corporation of Tamil Nadu
Limited | Director |
| xii. Independent Director – Urban Expert | Director |
| xiii. Independent Women Director | Director |

6. The Commissioner, Greater Chennai Corporation and the Commissioner of Municipal Administration are directed to take up necessary action with reference to the orders issued in para 5 above, in consultation with the Mission Director, Smart Cities Mission/ the Chairperson, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO).

7. This order issues with the concurrence of the Finance department vide its U.O.No.38/DS(PW)/16, dated 24.3.2016.

(BY ORDER OF THE GOVERNOR)

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

To

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

The Commissioner, Greater Chennai Corporation, Chennai-600 003.

The Commissioner of Municipal Administration, Chennai –600 005.

The Commissioner, Coimbatore Corporation, Coimbatore.

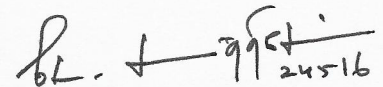
Copy to :

The Ministry of Urban Development, Government of India, New Delhi-110 011.

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

The Finance (MAWS) Department, Chennai-600 009.

/FORWARDED BY ORDER/



SECTION OFFICER