



## **Government Of Tamilnadu**

### **Abstract**

Special Purpose Vehicle (SPV)- Incorporation of a SPV under The Indian Companies Act, 1956 to execute a seawater-desalination project on Build, Own, Operate and Transfer (BOOT) basis- Appointment of Tamilnadu Water Investment Company Ltd (TWICL) as the promoter of the project- Approval of the initial composition of the Board of Directors for the SPV- Sanction of an amount of Rs.25.00 lakhs for meeting the initial expenses- Orders- Issued

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### **Municipal Administration and Water Supply [MW] Department**

**G.O.Ms.No.125**

**Dated:20-02-2004**

Read:-

1. From the Managing Director, TWICL Letter dated: 19-01-2004
2. From the Managing Director, TWICL Letter dated: 27-01-2004

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**order:-**

In the reference first read above, the Managing Director, TWICL has sent a proposal to Government for incorporation of a SPV to execute a Desalination Project to augment water supply to Chennai City. He has indicated in his proposal that the scope of the SPV would include turnkey responsibility for developing, designing, financing, constructing, operating and maintaining the project during the Concession Period for which it would enter into a Concession Agreement with the Government of Tamil Nadu.

2. The Managing Director, TWICL has requested the Government to

1. (i) appoint TWICL as the promoter of the project;
2. (ii) approve the initial composition of the Board of Directors for the SPV; and
3. (iii) sanction an amount of Rs.25.00 lakhs for meeting initial expenses.

3. The Government in their G.O.(Ms).No.8, MAWS(MA-3) Dated:31-1-2003 have approved the draft Pledge Agreement dated 18th October, 2002 whereby the existing and future shareholdings of TWICL were pledged to the lenders of the Tirupur project so as to enable the lenders to exercise their right to take over the operations of TWICL in the event of default by New Tirupur Area Development Corporation Ltd (NTADCL). The Managing Director, TWICL, in his letter second read above, has stated that the IDBI has agreed "in principle" to exempt the future shares of TWICL from the purview of the Pledge agreement and that equity can be mobilized for the proposed scheme.

4. The Government have considered the proposal of the MD, TWICL carefully and hereby issues the following orders:-

(a) The Government appoint TWICL as the promoter of the project. The MD, TWICL should ensure necessary amendments are carried out formally in the above mentioned Pledge Agreement in such a way that TWICL's commitments therein do not impinge on its interests in the proposed SPV.

(b) The SPV shall be registered under The Indian Companies Act, 1956.

(c) The Government also approve the initial composition of the Board of Directors of the SPV as follows:-

(i) three directors on behalf of the TWICL,

(ii) three directors on behalf of the Government (Secretary to Government, Municipal Administration and Water Supply Department, Secretary to Government, Finance Department and the District Collector, Tiruvallur); and

(iii) Managing Director, Chennai Metro Water Supply and Sewerage Board

5. Separate orders shall issue regarding sanction of funds to TWICL.

6. This order issues with the concurrence of Finance Department vide its U.O.No 264 / FS / P / 04 / 2004 Dated:19-02-2004.

(By order of the Governor)

**L N Vijayaraghavan,**  
**Secretary to Government**

To

The Managing Director, Tamil Nadu Water Investment Corporation Limited, WESCARE TOWERS, III Floor, 18, Cenotaph Road, Teynampet, Chennai-600 018

The Commissioner of Municipal Administration, Chennai-5

The Managing Director, Chennai Metro Water Supply and Sewerage Board, Chennai-2

The District Collector, Tiruvallur District, Tiruvallur

Accountant General (A&E), Chennai-600 035

Accountant General (Audit), Chennai-600 018

Accountant General (CAB), Chennai-600 009

Pay and Accounts Officer (EAST), Chennai-600 005

Copy to:-

Finance Department, Chennai-600 009

Secretary-II to Chief Minister, Chennai-600 009

Senior Personal Assistant to M(Finance) / M (Information, Publicity and Local Administration), Chennai-600 009.

SF/SC

Forwarded/By Order

**Section Officer**