

PRESS RELEASE

The Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa chaired the Second Board meeting of the Tamil Nadu Infrastructure Development Board (TNIDB) held at the Secretariat on Tuesday (23.9.2014).

The TNID Board reviewed the progress of various infrastructure projects and initiatives undertaken by various departments and agencies of Government of Tamil Nadu including the projects identified in Phase 2 of the Vision Tamil Nadu 2023. The Board noted that considerable progress has been made on 217 projects/programmes identified under Vision Tamil Nadu 2023, Phase 2. 173 projects/programmes are at various stages of preparation and implementation with work having commenced on 64 projects/programmes.

The TNID Board under the Chairpersonship of Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa approved the 24x7 Water Supply Project for Coimbatore. The project is to be developed at an approximate cost of Rs.556.57 crore would

improve and revamp the present feeder mains and distribution system of Coimbatore. The project would provide 24×7 water supply to 1.5 lakh households in Coimbatore with 100% household coverage. The project would be implemented on a Build-Transfer-Operate basis under the public private partnership mode with an innovative staggered annuity model of financing.

The Board under the Chairpersonship of Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa approved setting up of two desalination Sea Water Reverse Osmosis (SWRO) plants with a capacity of 400 MLD and 150 MLD to be located at Perur and Nemmeli, respectively. The 400 MLD desalination plant at Perur would be built at a cost of about Rs. 4,070 crore while the project cost for the 150 MLD plant at Nemmeli would be about Rs.1,371 crore. Both these projects would be built on Design-Build-Operate (DBO) basis. These projects would enable Chennai to secure the supply of high quality drinking water which would be available even during the dry season. It would also provide an alternative source of water, diversifying the supply and making it less vulnerable to interruptions. Central Government grant financing is being sought for the project.

The Board under the Chairpersonship of Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa approved the project structure for the proposed Madurai-Thoothukudi Industrial (MTI) Corridor. 29 projects spanning the southern districts of the State namely, Madurai, Sivaganga, Virudunagar, Thoothukudi, Tirunelveli, Ramanathapuram and Kanyakumari have been planned along the industrial corridor. The total outlay envisaged for this mega project is about Rs.1,83,819 crore which is 12 % of the total investment envisaged in the Vision Tamil Nadu 2023. The MTI Corridor Project would improve business activity and facilitate economic development in the southern region of the State. The core nodes of development would be spread across 4 Manufacturing and Business Investment Regions (MBIR), 2 Manufacturing and Business Investment Areas (MBIA), 1 Agri Business Investment Region (ABIR), 2 Knowledge Hubs and 3 Special Tourism Investment Zones. In addition, the corridor would have an 800 MW thermal power project at Thoothukudi; a greenfield port in the Manappad region, an entrepreneurship development centre for small and medium enterprises and a world class medi city at Madurai. The MTI Corridor is envisioned to attract additional industrial

investments of about Rs.1,90,000 crore from private sector over a period of 10 years.

The Tamil Nadu Vision 2023 envisages huge investment requirement in various Infrastructure projects to the tune of Rs.15,00,000 crore. New Financing mechanisms are needed to tap into private and institutional financial resources through infrastructure financing options. Recent regulatory changes enable new and innovative Infrastructure Finance Vehicles (IFVs). The Hon'ble Chief Minister Selvi J Jayalalithaa has pioneered and nurtured many financial initiatives and placed Tamil Nadu in the forefront of setting up financial institutions contemporaneous to the needs of State's development. Keeping in mind the financing needs of infrastructure projects envisaged under Tamil Nadu Vision 2023, the Board under the Chairpersonship of Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa approved the establishment of the Tamil Nadu Infrastructure Fund Management Company Limited (TNIFMC). The TNIFMC will be enabled to roll out and manage new Infrastructure Finance Vehicles (IFV) viz., Infrastructure Debt Fund (IDF), Alternative Investment Fund (AIF) and Infrastructure Investment Trust (InvIT) as per SEBI guidelines.

This would be a fourth generation financial institution in Tamil Nadu and will be set-up in partnership with Banks, Insurance Companies and reputed Private Financial Institutions. These funds would be used to lend to/invest in public projects, PPPs and private projects. The potential investor groups identified for IFVs are Sovereign Wealth Funds, Banks and Financial Institutions, Multilateral/Bilateral Institutions, Pension Funds, Insurance Funds, Impact Funds, Endowments / Foundations, Family Trusts, Foreign Portfolio Investors, High Networth Individuals (HNIs), Overseas Corporate Bodies, Private Equity, Fund of Funds and other investors with KYC compliance.

The Board under the Chairpersonship of Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa accepted draft Phase 3 of the Vision Tamil Nadu 2023 Document, which details the policy and administrative action plan for Infrastructure Development in State. The Document was referred to the Executive Committee to consider the specific recommendations for appropriate follow up action.

The Board under the Chairpersonship of Hon'ble Chief Minister of Tamil Nadu Selvi J Jayalalithaa approved budget

of Rs.2000 crore for the Tamil Nadu Infrastructure Development Fund and Rs.200 crore for project preparatory fund (PPF) of TNIDB for the Financial Year 2014-15.

The meeting was attended by the Hon'ble Minister for Finance and Public Works, Hon'ble Minister for Electricity, Prohibition and Excise, Hon'ble Minister for Housing and Urban Development, Minister for Highways and Minor Ports, Hon'ble Minister for Rural Industries and Labour, Hon'ble Minister for Higher Education, Hon'ble Minister for Industries, Hon'ble Minister for Transport, Hon'ble Minister for Municipal Administration, Rural Development, Law, Courts and Prisons, Hon'ble Minister for Tourism, Hon'ble Minister for Health, Government of Tamil Nadu; Chief Secretary to Government of Tamil Nadu and Member Secretary, TNIDB; Adviser to Government and other senior officials.

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