



ABSTRACT

Tamil Nadu Urban Development Programme – III – Water Supply Improvement Scheme to Pallavaram, Pammal and Theni- Allinagaram Municipality – at an estimated cost of Rs.211.88 Crores – Administrative Sanction – Issued.

Municipal Administration and Water Supply (WS2) department

G.O.(Ms)No.12

Dated: 28.01.2013

Read:

From the Commissioner of Municipal Administration Lr. Roc. No.6958/2012/ WS2, dated 28/9/12.

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ORDER:

In the letter read above, the Commissioner of Municipal Administration has stated that Water Supply Improvement Scheme to Pallavaram, Pammal and Theni – Allinagaram Municipalities has been sanctioned in the State Level Project Sanctioning Committee under the Chairmanship of Chief Secretary to Government at a cost of Rs.211.88 Crores with the following funding pattern:

Loan from TNUDP – III and TNUDF -	60%
Grant from TNUDP – III	-30%
Urban Local body Contribution	-10%

2. The Commissioner of Municipal Administration has further stated that, the State Level Scheme Sanctioning Committee meeting has approved 101 Sub – projects with a commitment of Rs.1375.95 Crores. Among 101 Sub – Projects , 73 have been completed and 28 are under various stages of implementation. An amount of Rs.934.58 Crores has been disbursed so far to the Urban Local Bodies. Considering the exchange rate variation and savings from completed projects, the balance

amount available under TNUDP – III is Rs.137.70 Crores with Rs.117.47 Crores as loan and Rs.20.23 crores as grant. Considering the left out period of 18 months for closure of TNUDP – III and towards utilizing the balance fund available, it is proposed to take up Water Supply Improvement Schemes for Pallavaram, Pammal and Theni – Allinagaram Municipalities at an estimated cost of Rs. 99.95 Crores, Rs.43.10 Crores and Rs.68.83 Crores respectively totalling to Rs.211.88 Crores. The financial viability and sustainability has been worked out by TNUIFSL and financial structuring of the projects with the means of finance and tariff as at para 4 below has been suggested by TNUIFSL.

3. The details of the expenditure of the project and funding pattern are as follows:

The State Level Project Sanctioning Committee has resolved to approve the following in its circulation note dated 24.9.2012 for providing Water Supply Improvement Schemes for Pallavaram, Pammal and Theni – Allinagaram Municipalities with the following means of finance and tariff:

(Rs. in Crores)

Name of the ULB	Loan from TNUDP-III and TNUDF (60%)	Grant from TNUDP-III (30%)	ULB Contn. (10%)	Total Project Cost	Tariff per month (Rs.)		Industrial
					Domestic	Non-domestic Commercial	
Pallavaram	59.97	29.99	9.99	99.95	285	855	-
Pammal	25.86	12.93	4.31	43.10	280	560	840
Theni	41.30	20.65	6.88	68.83	235	705	-
Total	127.13	63.57	21.18	211.88			

4. The tariff has been worked out by TNUIFSL to make the project financially sustainable on a stand-alone basis so that the project revenues will cover the O&M cost and debt servicing. Though it may not be practically possible to collect such a huge tariff from the public, the ULBs have agreed in-principle to take up the projects immediately with the above funding pattern and requested to provide additional grant for swapping a portion of the loan in future so as to reduce the tariff to the level which would be affordable by the public. TNUIFSL has further informed that the excess amount of Rs. 9.66 Crores required for sanction as loan will be met out of TNUDF own funds. The excess amount of Rs. 43.34 Crores required for sanction as grant to the above projects would be met by cancelling an amount of Rs. 44.00 Crores from the grant

already sanctioned for the following projects since the same is not required due to the reasons noted against each of the projects.

Withdrawal of Grant

(Rs. in Crores)

S.No.	Sub-project	Grant sanctioned	Grant to be cancelled	Remarks
1.	Tiruvottiyur UGSS	72.63	20.00	Expected savings from the project.
2.	Tuticorin UGSS	43.58	10.00	Since the STP is proposed to be taken up on PPP mode.
3.	Tiruvarur UGSS	36.84	12.00	Expected savings from the project.
4.	Dharmapuri UGSS	14.02	2.00	Expected savings from the project.
Total		167.07	44.00	

5. The Commissioner of Municipal Administration has further stated that, the implementation of Water Supply Improvement Scheme in respect of Pallavaram and Pammal will be done by Chennai Metropolitan Water Supply and Sewerage Board and Theni – Allinagaram will be done by Tamil Nadu Water Supply and Drainage Board.

6. The Commissioner of Municipal Administration has recommended to Government to accord Administrative Sanction for the implementation of Water Supply Improvement Scheme to Pallavaram, Pammal and Theni – Allinagaram Municipalities at an estimated cost of Rs. 99.95 Crores, Rs.43.10 Crores and Rs.68.83 Crores respectively totalling Rs.211.88 Crore with means of finance as indicated in para 3 above.

7. The Government after careful examination of the proposal of the Commissioner of Municipal Administration accord administrative approval for the scheme for providing Water Supply Improvement Scheme to Pallavaram, Pammal and Theni – Allinagaram Municipalities at an estimated cost of Rs. 99.95 Crores, Rs.43.10 Crores and Rs.68.83 Crores respectively totalling Rs.211.88 Crore with means of finance as indicated in para 3 above.

8. This Order issues with the Concurrence of Finance Vide its U.O.No.390/MA&WS/2013 dated:07.01.2013.

(By Order of the Governor)

C.V.SANKAR
Principal Secretary to Government.

To

The Commissioner of Municipal Administration, Chennai -5.

The Managing Director, Tamil Nadu Water Supply and Drainage Board ,
Chennai – 600 005.

The Municipal Commissioner, Pallavaram Municipality, Pammal
Municipality,Theni – Allinagaram Municipality.

The Managing Director, Tamil Nadu Urban Finance and Infrastructure
Development Corporation Limited, Chennai -35.

The Accountant General, Chennai 18.

The Accountant General (Audit I), Chennai – 18.

The Resident Audit Officer, Chennai -9.

The Director of Local Fund Audit, Chennai – 108.

The Finance (MA&WS) Department, Chennai -9.

The Senior Personal Assistant to Hon'ble Minister for Municipal
Administration and Rural Development,Chennai-9.

Chief Minister's Office, Chennai-9.

The Private Secretary, Principal Secretary to Government, Municipal
Administration and Water Supply Department, Secretariat, Chennai-9.

Municipal Administration and Water Supply (WS1, MA2,Budget, OP2)
Department, Chennai -9.

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/ Forwarded by Order/

Section Officer