



ABSTRACT

Forests – Wildlife – Eco-tourism – Formation of a Special Purpose Vehicle – Tamil Nadu Wilderness Experiences Corporation Private Limited – Formed – Orders issued.

ENVIRONMENT AND FORESTS (FR.5) DEPARTMENT

G.O. (Ms) No.20

Dated: 17.02.2021

சார்வரி, மாசி-5

திருவள்ளூர் ஆண்டு 2052

Read:

1. G.O. (Ms) No.87, Environment and Forests (FR.5) Department, dated: 28.06.2018.
2. G.O. (D) No.217, Environment and Forests (FR.5) Department, dated: 01.08.2018.
3. From the Principal Chief Conservator of Forests and Chief Wildlife Warden Letter No. WL6/12475/2020 dated 19.03.2020.
4. From the Principal Chief Conservator of Forests and Chief Wildlife Warden Letter No. WL6/11481/2020 dated 30.03.2020.
5. From the Principal Chief Conservator of Forests (HoD) letter No.PT/17956/18 dated 15.07.2020.
6. Minutes of the meeting conducted by the Additional Chief Secretary to Government, Environment and Forests Department on 11.09.2020.
7. From the Principal Chief Conservator of Forests (HoD) letter No. PT/17956/18 dated 11.12.2020.
8. Board Proceeding No.348 dated 25.01.2021 of Tamil Nadu Infrastructure Development Board, Finance Department, Chennai-9.

ORDER:-

In the Government Order first read above, the Government, among others things, have framed the Eco-Tourism Policy of Tamil Nadu.

2. In the Government Order second read above, the Government have permitted the Tamil Nadu Infrastructure Fund Management Corporation Ltd., to conduct the feasibility studies on conducting eco tourism in 5 sites at (1) Topslip, (2) Sethumadai, (3) Valparai which are coming under core / critical tiger habitat of Anamalai Tiger Reserve and other two, viz. (4) Thadiyankudisal and (5) Mannavanur in Dindigul District based on the recommendation made by the Principal Chief Conservator of Forests and Chief Wildlife Warden.

(P.T.O.)

3. The Principal Chief Conservator of Forests (HoD) in the letter fourth read above had stated that during the visit of Hon'ble Chief Minister to Arignar Anna Zoological Park on 10.08.2019, discussed the feasibility of establishing a Night Safari project for enhancing the conservation awareness among general public and students. In continuance, the Hon'ble Chief Minister during the reply to the Governor address made in the Legislative Assembly on 09.01.2020, has announced that infrastructure facilities at Arignar Anna Zoological Park, Vandalur would be upgraded to international standard.

4. The Hon'ble Chief Minister has also made the following announcement during the Budget session of the Legislative Assembly, on 13.3.2020, under rule 110 of the Legislative Assembly:-

வண்டலூரில் உள்ள அறிஞர் அண்ணா உயிரியல் பூங்காவில் வன உயிரினங்களை மிக அருகில் காணும் வகையில் விலங்குகள் உலாவிட உலகம் 11 கோடியே 50 இலட்சம் ரூபாய் மதிப்பீட்டில் அமைக்கப்படும்.

5. With reference to the announcement in para 3 above, in the reference third read above, the Principal Chief Conservator of Forests and Chief Wildlife Warden has sent a concept note for establishing a Night Safari in the unused portion of Reserve Forests (RF) under the management control of Arignar Anna Zoological Park at Vandalur along the Vandalur-Kelambakkam Road.

6. With reference to the announcement in para 4 above, in the letter fourth read above, the Principal Chief Conservator of Forests and Chief Wildlife Warden has sent a proposal for sanction of necessary funds for establishment of Safari World at Arignar Anna Zoological Park, Vandalur.

7. In this connection, a meeting was convened by the Additional Chief Secretary to Government, Environment and Forests Department on 11.09.2020 with the officials of the Forest Department and the team of Tamil Nadu Infrastructure Fund Management Corporation Limited along with Chief Executive Officer, Tamil Nadu Infrastructure Fund Management Corporation Limited to discuss the above projects. The following decisions were taken during the meeting:-

- (1) Formation of Night Safari and Zoo Safari under Public Private Partnership model through the Executive partner and Government.
- (2) Formation of a special purpose vehicle and or suitable subsidiary company and to follow Public Private Partnership model for the execution of the projects.
- (3) Tamil Nadu Infrastructure Fund Management Corporation Limited will guide the financial structures to be followed.
- (4) Preparation of appropriate documents to invite Zoological Park / Night Safari Experts.
- (5) Formation of an in-house team under Tamil Nadu Infrastructure Fund Management Corporation Limited on long term basis for guiding the projects at all stages in the construction, maintenance and operation.

- (6) Identification and appointment of Zoological Park/ Night Safari Experts by inviting their detailed CVs as Consultants at the earliest.
- (7) Formation of a High Powered Committee to finalise the bidders at the stage of execution of the project.
- (8) Tender Transparency Act provisions to be followed at all stages.
- (9) Tamil Nadu Infrastructure Fund Management Corporation Ltd. will guide with regard to raising loan, equity structure etc.

8. Accordingly, the Principal Chief Conservator of Forests (HoD) vide his letter seventh read above has sent a proposal for formation of a Special Purpose Vehicle as per the decision taken during the meeting held on 11.09.2020 in order to supplement and strengthen the promotion of ecotourism in the State in line with the Vision 2023 and the Eco-tourism policy for successful implementation and operation of the projects which would include the proposed Safari world and the Night Safari in the current phase. It was found that Government Departments, such as, the Forest, Horticulture, Sericulture among others have developed various infrastructure over the years, most of which require a lot of funding support and physical inputs for maintenance and use.

Local communities remain important stakeholders in the management of ecotourism. Revenues from the projects could in turn be utilized towards developing a wider range of activities for empowering the local communities, creating local employment, skill development program in hospitality and tourism related areas, and also managing human-wildlife conflicts.

Forests land under the control of the Forest department cannot be leased to the private operators due to the restrictive legal frameworks. Further, development of projects and related infrastructure, require investments of money from time to time by investors with long gestation periods to reap the benefits of the investment. In the given scenario, a Special Purpose Vehicle would be the one best mechanism to implement the ecotourism projects. This Special Purpose Vehicle would operate like an umbrella for all types of ecotourism projects to be taken up by the Forest Department in collaboration with other departments of the Government. The Special Purpose Vehicle will operate on two distinct models with respect to land. In cases where the land can be leased by the Government Department to the Special Purpose Vehicle, a clear case of lease agreement would be executed between the Special Purpose Vehicle and the land owning department for a predetermined period as required for the project. Whereas in the case of Government departments who are restricted in land leasing by the laws of land, such as a forest land, the Special Purpose Vehicle could enter into a license agreement for developing the project with the ownership of the land vesting solely with the Forest department. The license agreement will be for a predetermined period as required for the project.

(P.T.O.)

9. Main objectives for the formation of the Special Purpose Vehicle are as follows:-

- (i) Examining financial and physical viability of the assigned projects
- (ii) Professional and efficient management of an ecotourism project.
- (iii) Coordination and mobilization of expert resources from various parts of the country and internationally
- (iv) Mobilizing capital and funding support from various financial sources.
- (v) Coordinate amongst the stakeholders and the linked Government departments
- (vi) Planning and executing various project instruments and conducting periodic monitoring and evaluation exercises to keep the project viable and productive.

10. Project Implementation Structure

The Special Purpose Vehicle will be formed with equity shareholding from three entities, viz., Tamil Nadu Forest Department, the Tamil Nadu Infrastructure Fund (TNIF) through the Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), and the Tamil Nadu Infrastructure Development Board (TNIDB). In addition to the equity shareholding, Tamil Nadu Infrastructure Fund would be investing through debt instruments on a project to project basis. Further, since greater proportion of the investment would be made by Tamil Nadu Infrastructure Fund along with the private partner, the demand risks associated with such projects be borne by the two investing entities without the land owning departments having to bear the inherent market risks. Such a structure would yield higher returns for Government Department / Entities on their assets i.e., land, without bearing any significant investment risk, while simultaneously ensuring continued ownership and security of their valuable lands.

Necessitating professional and quality operations of the facilities, it is proposed that each destination would be developed in partnership with external expert partner specializing in the field of eco-tourism and related activities. Each destination would be setup as a Joint Venture Company (JVC) between the Special Purpose Vehicle and the expert partner, under the ambit of prevalent laws and regulations. The Special Purpose Vehicle shall invite leading professional groups from the field of eco-tourism and related sectors to participate in the bids for development and operations on each location. The procurement shall be done through an open and competitive bidding process. The revenue sharing would be determined from project to project basis ensuring that rational portion goes to the local communities and in conservation initiatives.

11. Special Purpose Vehicle Shareholding Structure

As mentioned above, the premise on which the Special Purpose Vehicle has been structured is such that the control of the Special Purpose Vehicle is retained by the Government, simultaneously allowing flexibility to manage the Special Purpose

Vehicle in a professional manner. The Special Purpose Vehicle will have an equity share capital of Rs.4.00 crores (Rupees Four Crores) with shareholding as mentioned in the table below:

Shareholder	Equity (in Rs. Crs)	% Equity Holding
Tamil Nadu Infrastructure Development Board	0.08	2
Forest Department	1.96	49
Tamil Nadu Infrastructure Fund (through Tamil Nadu Infrastructure Fund Management Corporation Limited)	1.96	49
Total	4.00	100

Tamil Nadu Infrastructure Development Board has been mandated to act as the coordinating agency between various departments / agencies of the Government. Government of Tamil Nadu has promoted the Tamil Nadu Infrastructure Fund Management Corporation Limited (TNIFMC), through Tamil Nadu Infrastructure Development Board, to establish and manage Infrastructure Finance Vehicles (IFVs) and innovative means of financing, such as Alternative Investment Funds (AIFs), viz., Tamil Nadu Infrastructure Fund. The main objective is to raise funds from domestic and international financial institutions and invest in infrastructure projects in the State. By partnering with Tamil Nadu Infrastructure Fund, the means of revenue optimization, risk mitigation, sourcing of appropriate capital, continuous professional supervision etc. can be achieved. Tamil Nadu Infrastructure Fund Management Corporation Limited also brings synergy between Government's social obligations and commercial concerns in financing property development, mitigating the risk of land alienation and ensuring professionalism in management of the assets.

12. Special Purpose Vehicle Governance Structure

It is proposed that the Board of the Special Purpose Vehicle shall consist of 8 Directors, as given below:

- Promoter Director (s)
 - Secretary, Environment & Forest Department, Government of Tamil Nadu, or his nominee
 - Principal Chief Conservator of Forest (HoD), Tamil Nadu Forest Department, or his nominee
 - One Nominee shall be from the Finance Department, Government of Tamil Nadu
- Investor Directors
 - Three nominees shall be from Tamil Nadu Infrastructure Fund (Investor)
- Independent Directors
 - 2 Independent Directors

(P.T.O.)

The Chairman of the Board of the Special Purpose Vehicle shall be the Secretary, Environment & Forest Department. The Chairman of Nomination and Remuneration Committee would be nominated by the Investor. The Chairman of the Audit Committee would be nominated from one of the Independent Directors.

13. Functions of the Special Purpose Vehicle

- i. Nodal agency for the development of the ecotourism infrastructure facilities in lands owned by various Government Departments / Entities.
- ii. Special Purpose Vehicle would enter into lease agreements with the respective land-owning Government Departments / Entities.
- iii. Special Purpose Vehicle would be responsible for the identification of the expert partners and engaging them in the project. The Special Purpose Vehicle will ensure that the communities get the benefits of projects and conservation is benefitted.
- iv. Special Purpose Vehicle would coordinate with the State Eco-tourism Board and the Tamil Nadu Forest Department to ensure that these experiences follow the best practices of conservationists.
- v. The Special Purpose Vehicle shall ensure that all development and activities do completely conform to the Acts and Regulations, such as, Forest (Conservation) Act 1980, Wildlife (Protection) Act 1972, Environment (Protection) Act 1986, Coastal Regulation Zone Guidelines, Hon'ble Supreme Court and High Court Orders from time to time, National Green Tribunal Orders from time to time, amongst others.

Facilitating Committees

The Principal Chief Conservator of Forests (HoD) has requested to form a high level committee that could examine and recommend suitable projects in future to the Special Purpose Vehicle for development and implementation as above. Accordingly, following committee is proposed.

- 1) Secretary, Environment and Forests Department - Chairperson.
- 2) One nominee from Finance Department
- 3) One nominee from Tourism Department
- 4) Principal Chief Conservator of Forests (HoD)
- 5) Chief Executive Officer, Tamil Nadu Infrastructure Fund Management Corporation.

14. Projects identified for development in current Phase.

Based on the proposals received from the Principal Chief Conservator of Forests (HoD) and after careful consideration ten projects have been identified for development in the first phase. The projects are as listed below:

S. No.	Site	Landowner	Lease / License to SPV	Proposed by the Principal Chief Conservator of Forests (HoD)
1	Sethumadai	Forest Department	License	As per orders in G.O. (Ms) No.217, Environment and Forests (FR.5) Department, dated: 01.08.2018.

2	Mannavanur		License	As per orders in G.O. (Ms) No.217, Environment and Forests (FR.5) Department, dated: 01.08.2018.
3	Thadiyankudisai		License	As per orders in G.O. (Ms) No.217, Environment and Forests (FR.5) Department, dated: 01.08.2018.
4	Yelagiri		License	As proposed by the Principal Chief Conservator of Forests (HoD).
5	Night Safari at Arignar Anna Zoological Park		License	As proposed by the Principal Chief Conservator of Forests (HoD).
6	Safari World at Arignar Anna Zoological Park		License	As per the announcement made by the Hon'ble Chief Minister.
7	Thagarakuppam	Department of Horticulture & Plantation Crops	Lease	As proposed by the Principal Chief Conservator of Forests (HoD).
8	Karumandurai		Lease	As proposed by the Principal Chief Conservator of Forests (HoD).
9	Kolatti	Department of Sericulture	Lease	As proposed by the Principal Chief Conservator of Forests (HoD).
10	Madahalli		Lease	As proposed by the Principal Chief Conservator of Forests (HoD).

15. The Principal Chief Conservator of Forests (HoD) has sent the draft Equity term sheet, Shareholders Agreement, Memorandum of Association (MOA) and Articles of Association (AOA) and has requested the approval of Government on the following:-

- Approval for the formation of the umbrella Special Purpose Vehicle - **Tamil Nadu Wilderness Experiences Corporation Private Limited.**

(P.T.O.)

- ii. Approval for the proposed equity structure and governance structure of the Special Purpose Vehicle.
- iii. Approval for the Tamil Nadu Forest Department to invest Rs.1.96 crore as equity in the Special Purpose Vehicle.
- iv. Approval for the Special Purpose Vehicle to take up projects in the niche segment of ecotourism, adventure, wildlife tourism and other related activities coupled with requisite infrastructure development in lands owned by Government Departments / Entities.
- v. Approval for the formation of a High level Committee to examine and recommend the future proposals for conducting ecotourism in Tamil Nadu.

16. In the mean time, the Tamil Nadu Infrastructure Development Board vide their proceedings 8th read above, have accorded approval as per section 14 (6) of TNID Act, 2012 and subject to the condition to the Principal Chief Conservator of Forests (HoD) to undertake the required public notifications for receiving objections and suggestions as mandated under Regulation 13 of the Tamil Nadu Infrastructure Development Board Regulations, 2013, subject to the condition of approval for formation of Special Purpose Vehicle i.e. **Tamil Nadu Wilderness Experiences Corporation Private Limited**. A sum of Rs.8.00 Lakhs towards 2% equity, in the Special Purpose Vehicle from the Tamil Nadu Infrastructure Development Fund as per Section 24 (4) of the TNID Act, 2012 and Rule 10 (d) of the Tamil Nadu Infrastructure Development Board Rules, 2012 has also been sanctioned.

17. Accordingly, the Government have examined the proposal of the Principal Chief Conservator of Forests (HoD) in detail and issue orders on the following:-

- (i) A Special Purpose Vehicle (SPV), namely, the **Tamil Nadu Wilderness Experiences Corporation Private Limited** for developing and implementing eco-tourism projects in Tamil Nadu is formed.
- (ii) The equity structure and governance structure of the Special Purpose Vehicle as below is approved:-

Shareholder	Equity (in Rs. Crs)	% Equity Holding
Tamil Nadu Infrastructure Development Board	0.08	2
Forest Department	1.96	49
Tamil Nadu Infrastructure Fund (through Tamil Nadu Infrastructure Fund Management Corporation Limited)	1.96	49
Total	4.00	100

Governing Structure of the Special Purpose Vehicle as below:-

- Promoter Director(s)
 - Secretary, Environment and Forest Department, Government of Tamil Nadu, or his nominee
 - Principal Chief Conservator of Forest (HoD) / (HoFF), Tamil Nadu Forest Department, or his nominee
 - Principal Chief Conservator of Forests and Chief Wildlife Warden
 - One nominee from the Finance Department, Government of Tamil Nadu.
- Investor Directors
 - 2 nominees from the Tamil Nadu Infrastructure Fund Management Corporation (Investor)
- Independent Directors
 - 2 Independent Directors.
- The Secretary, Environment & Forest Department as the Chairman of the Board of the Special Purpose Vehicle.

(iii) The Equity Term Sheet, Shareholders Agreement, Memorandum of Association and Articles of Association as per the Annexure I, II, III and IV to this order respectively is approved.

(iv) The Government permits the Special Purpose Vehicle to take up projects in the niche segment of ecotourism, adventure, wildlife tourism and other related activities coupled with requisite infrastructure developments owned by Government Departments / Entities.

(v) Each individual project will be subjected to required Acts and Regulations by the concerned agency.

(vi) The Government forms, a High level Committee to examine and recommend the future proposals for conducting ecotourism in Tamil Nadu with the following members:-

- 1) Secretary, Environment and Forests Department – Chairperson.
- 2) Principal Chief Conservator of Forests (HoD) – Member.
- 3) One nominee from Finance Department – Member.
- 4) One nominee from Tourism Department – Member.
- 5) Chief Wildlife Warden – Member Secretary

(vii) The Tamil Nadu Wilderness Experiences Corporation Private Limited is directed to adhere to the Acts and Regulations, such as, Forest (Conservation) Act 1980, Wildlife (Protection) Act 1972, Environment (Protection) Act 1986, Coastal Regulation Zone Guidelines, Hon'ble Supreme Court and High Court Orders from time to time, National Green Tribunal Orders from time to time, amongst others.

(viii) Necessary orders are issued separately for sanction and release of a sum of Rs.1.96 Crore towards the equity share capital for Forest Department.

(P.T.O.)

18. This order issues with the concurrence of the Law Department vide its U.O. No.1125/S/2020, dated 05.12.2020 and the Finance (BPE) Department vide its U.O. No.275/FS/P/2021, dated 16.02.2021.

(BY ORDER OF THE GOVERNOR)

SANDEEP SAXENA
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT

To

The Principal Chief Conservator of Forests (HoD), Chennai-15.
The Principal Chief Conservator of Forests and Chief Wildlife Warden, Chennai-15.
The Chief Executive Officer,
Tamil Nadu Infrastructure Fund Management Corporation, Chennai-28.
The Chief Executive Officer,
Tamil Nadu Infrastructure Development Board, Chennai-09.
Agriculture Department, Chennai-9.
The Handlooms, Handicrafts, Textiles and Khadi Department, Chennai-9.
Tourism Culture and Religious Endowments department, Chennai-9.
The Additional Principal Chief Conservator of Forests and Director,
Arignar Anna Zoological Park, Chennai-48.
Accountant General, Chennai-18.

Copy to:

The Finance (AHD&F / BPE) Department, Chennai-9.
The Law Department, Chennai-9.
The Office of the Hon'ble Chief Minister, Chennai-9.
The Special Personal Assistant to Hon'ble Minister (Forests), Chennai-9.
The Private Secretary to the Additional Chief Secretary,
Environment and Forests Department, Chennai-9.
All Sections, Environment and Forests Department, Chennai-9.
C.No.16367/FR.5/2020
SF/SC.

/FORWARDED BY ORDER/

B. Subochan
Section Officer
[Signature]