

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:120

ANSWERED ON:24.02.2016

Formation of Joint Venture Companies

Adsul Shri Anandrao ;Boianapalli Shri Vinod Kumar;Chinnaraj Shri Gopalakrishnan;Gavit Dr. Heena Vijaykumar;George Shri (Adv.) Joice;Gutha Shri Sukender Reddy;Mahadik Shri Dhananjay Bhimrao;Mullappally Shri Ramachandran;Patil Shri Shivaji Adhalrao;Patil Shri Vijaysinh Mohite;Pradhan Shri Nagendra Kumar;Radhakrishnan Shri T.;Raut Shri Vinayak Bhaurao;Satav Shri Rajeev Shankarrao;Shewale Shri Rahul Ramesh;Shinde Dr. Shrikant Eknath;Shrirang Shri Chandu Barne;Sule Smt. Supriya Sadanand;Yadav Shri Dharmendra

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Indian Railways has signed any Memorandum of Understanding (MoU) with the State Governments to form Joint Venture (JV) companies for speedy implementation of rail projects;
- (b) if so, the details thereof and the criteria fixed for setting up of such JV companies;
- (c) the manner in which these Joint Venture companies will work and areas identified for joint venturing with the States and the extent to which the Railways will be able to mobilize funds for their projects with these agreements;
- (d) the details of the State Governments who have signed MoU with Railways for formation of JV companies and the time by which JV companies are likely to be formed; and
- (e) the other steps taken/being taken by the Government for effective and speedy implementation of rail projects in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 120 BY SHRI GUTHA SUKENDER REDDY, SHRIMATI SUPRIYA SULE, SHRI VINAYAK BHAURAO RAUT, SHRI T. RADHAKRISHNAN, DR. C. GOPALAKRISHNAN, SHRI B. VINOD KUMAR, DR. HEENA VIJAYKUMAR GAVIT, SHRI MOHITE PATIL VIJAYSINH SHANKARRAO, SHRI RAHUL SHEWALE, SHRI DHANANJAY MAHADIK, SHRI MULLAPPALLY RAMACHANDRAN, SHRI SATAV RAJEEV, SHRI SHRIRANG APPA BARNE, ADV. JOICE GEORGE, SHRI NAGENDRA KUMAR PRADHAN, SHRI DHARMENDRA YADAV, DR. SHRIKANT EKNATH SHINDE, SHRI ADHALRAO PATIL SHIVAJIRAO AND SHRI ANANDRAO ADSULTO BE ANSWERED ON 24.02.2016 REGARDING FORMATION OF JOINT VENTURE COMPANIES.

(a) to (e): Ministry of Railways (MoR) has signed Memorandum of Understanding (MoU) for formation of Joint Venture Companies with six State Governments viz. Odisha, Maharashtra, Andhra Pradesh, Kerala, Chhattisgarh and Telangana.

Joint Venture Company will be formed with equity participation of MoR (limited to maximum 50%) and concerned State Government(s). JVs can form project specific subsidiary companies (Project SPVs), which may have equity holding by other stakeholders like banks, PSUs, Ports, mining companies etc. as well, to cater to a specific project.

Each JV would have an initial paid up capital of ` 100 crore. Based on the quantum of projects to be undertaken, the authorized equity share capital and the paid up capital can be enhanced from time to time with the approval of Railway Board and the State Government.

JVs would undertake project development works for an identified basket of projects, which will inter-alia include surveys, preparation of Detailed Project Report (DPR) and getting requisite approvals, processing for sanctioning of identified projects and monitoring. Projects will be implemented by the concerned Zonal Railway, any Railway PSU or any other agency as decided by the JV/Project SPV in consultation with Ministry of Railways.

Various other steps taken/being taken by the Government for effective and speedy implementation of rail projects in the country are (i) substantial increase in allocation of funds, (ii) prioritisation of projects, (iii) delegation of powers at field level, (iv) nomination of nodal officers for improved co-ordination with the State Governments etc.
