

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1697
ANSWERED ON:03.12.2014
COMPANIES FOR METRO RAIL
Charitra Shri Ram

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government has floated/proposes to float companies jointly with State Governments on an equal sharing basis to undertake metro rail projects;
- (b) if so, the details thereof;
- (c) whether some of the State Governments have expressed their interest in this regard; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI BABUL SUPRIYO)

(a) to (d): In terms of National Urban Transport Policy, 2006 (NUTP), Central Government encourages high speed public transport system including Metro Rail Projects and offers financial support either in the form of Equity including Subordinate Debt or Grant or Viability Gap Funding (VGF) subject to a ceiling of 20% of the capital cost of the Project. Urban transport is intertwined with urban development which is a State subject and hence as per policy, Metro Rail Projects in cities which also entails the financing and implementation model for the Metro Rail Projects are to be initiated / proposed by the concerned State Governments. Accordingly, such proposals received from the concerned State Governments are considered for sanction or otherwise by the Central Government. The following Metro Rail Projects have been sanctioned by the Central Government to be implemented through Special Purpose Vehicle (SPV) on 50:50 Joint Venture (JV) model with 50% Equity held by the Central Government and 50% of Equity by the concerned State Government in the implementing SPV:-

- (i) Delhi Metro Rail Projects and its extensions
- (ii) Mumbai Metro Rail Project Line-3
- (iii) Chennai Metro Rail Project
- (iv) Bangalore Metro Rail Project Phase-1 and Phase-2
- (v) Kochi Metro Rail Project
- (vi) Nagpur Metro Rail Project
- (vii) Ahmedabad Metro Rail Project

It is pertinent to mention that Equity or Grant or VGF by Central Government remains capped to 20%.