

Cabinet okays funding of Delhi Metro's three Priority Corridors of Phase IV

By TIOL News Service

NEW DELHI, DEC 11, 2019: THE Union Cabinet has given its approval for revision in the funding pattern of three approved priority corridors of Delhi Metro Phase-IV projects, namely, (i) Aerocity to Tughlakabad, (ii) R.K Ashram to Janakpuri (West) and (iii) Mukundpur - Maujpur with sharing of land cost in the ratio of 50:50 between Government of India (GoI) and Government of National Capital Territory of Delhi (GNCTD). This is in pursuance of the amendments to Metro Rail Policy, 2017 applicable only for Delhi, in compliance to the Supreme Court order dated 06.09.2019.

The total cost of the project which is Rs. 24,948.65 crore remains unchanged. The contribution from GoI increases from the existing Rs. 4,154.20 crore to Rs. 4,643.638 crore resulting in a net increase of Rs. 489.438 crore. The amount of external loan from bilateral/multilateral agencies which DMRC has to repay increases from the existing Rs. 11,462.60 crore to Rs.12,930.914 crore with a net increase of Rs. 1,468.314 crore.

Background:

Three priority corridors of Delhi Metro phase-IV project were approved by the Government of India in March, 2019 at a completion cost of Rs. 24,948.65 crore. The funding pattern was kept in line with provisions of Metro rail policy, 2017. GNCTD in April, 2019 directed DMRC not to start work on the sanctioned corridors unless MoHUA revises the cost sharing pattern in tune with approval concurred by them.

After intervention of the Supreme Court, the work was started in July, 2019. The Supreme Court in its order dated 06.09.2019, upheld the provisions of Metro Rail Policy, 2017 regarding bearing of operational losses and repayment of external loan and currency fluctuation cost by the State in case the Special Purpose Vehicle (DMRC in this case) fails. The Supreme Court directed to make a departure from the Policy to be applicable only in the case of Delhi and to share land cost in the ratio of 50:50 between GoI and GNCTD. The relevant para of Metro Rail Policy, 2017 is also amended accordingly.