



ABSTRACT

Special Initiatives – Implementation of Chennai Metro Rail Project –Ownership structure of the Project as Public Sector Undertaking - Orders Issued

PLANNING, DEVELOPMENT & SPECIAL INITIATIVES (SI) DEPARTMENT

G.O. Ms. No. 24

Dated : 22-02-2007

READ:

1. G.O.Ms.No.36, Transport (E) Department, dated 5.07.2006
2. G.O.Ms.No.10, Planning, Development & Special Initiatives (CSS) Department, dated 18.1.2007

ORDER:

In the Orders first cited, the Government have commissioned the Delhi Metro Rail Corporation (DMRC) to prepare a detailed project report for implementation of a Metro Rail Project in Chennai. In the Orders second cited, Government have decided to treat this project as a Special Initiative.

2. Before proceeding with the planning and implementation of the Project, it is necessary to take a decision on the ownership structure of the project.

3. The DMRC has submitted a "Brief Project Profile" in which it has recommended that the Chennai Metro Rail project be implemented following the Delhi Model in which ownership of the "Special Purpose Vehicle" (SPV) would be with the State and Central Government.

4. The proposal of the DMRC has been carefully examined with reference to economic principles as well as practices prevailing in India and abroad, in relation to metropolitan railway projects.

5. Taking into account the success of the Delhi Metro, the advantages and disadvantages of public sector vs Public-Private Participation (PPP) modes and the experience of other countries in implementation of Metro Rail systems, the

Government, after careful consideration, direct that the **Chennai Metro Rail Project may be owned and operated through a Special Purpose Vehicle as a public sector undertaking.** The total equity ownership of the Central & State Governments together shall be not less than 51% of the equity of the SPV, though it may go up to 100%. The precise level of equity holding may be decided later depending on financial needs and structures. While overall ownership of the SPV shall be in the public sector, outsourcing or PPP may be considered by the SPV for minor components of the project including (but not limited to) stations, shopping areas, advertising rights, parking spaces, etc.

(BY ORDER OF THE GOVERNOR)

T.V. SOMANATHAN
SECRETARY TO GOVERNMENT

To
The Secretary to Government, Transport Department, Chennai- 9
The Secretary to Government, Finance Department, Chennai- 9.
The Member Secretary, Chennai Metropolitan Development Authority, Chennai- 8
The Chief Engineer (General), Highways Department, Chennai-5
The Managing Director, Metropolitan Transport Corporation, Chennai-2
The Director of Evaluation and Applied Research Department and
Officer on Special Duty, Chennai-108

Copy to:

The Secretary to Government, Housing and Urban Development Department, Chennai- 9
The Secretary to Government, Highways Department, Chennai- 9.
Thiru E.Sreedharan, Managing Director, Delhi Metro Rail Corporation, New Delhi
The Secretary to Chief Minister, Chennai- 9
The Additional Secretary to Minister (Finance), Chennai- 9
The Private Secretary to Chief Secretary, Chennai- 9.
The Personal Assistant to Secretary to Government, Planning, Development & Special Initiatives Department Chennai- 9.
SF/SC

/Forwarded : By Order/

M. Sampath
Section Officer

25/12/15