

State readies for work on Metro Phase-II

Approaches Centre for meeting a portion of the cost component

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The State government, which announced that work on Chennai Metro's Phase-II project would begin shortly, is bracing itself to meet the entire non-debt component of the project out of its funds.

As done in the case of Phase-I, it has approached the Centre for meeting a portion of the component. As of now, there is no word from the Centre about the approval. At the same time, there has not been any communication of rejection either.

State hopeful

"We are hopeful of securing the Union government's nod during the course of the next five years, which would be the period of execution of Phase-II," said a senior official handling the project.

The project cost for Phase-I was revised at ₹19,058 crore, of which about 60% came from the Japan International Cooperation Agency (JICA) as loan



A total of 119 km will be covered under Metro's Phase-II project. ■ FILE PHOTO

assistance. The balance 40% has been shared by the Central and State governments. If one were to take into account the cost of land acquisition and rehabilitation and resettlement of the project-affected people, the share of the State government is around 25% while that of the Centre is 15% of the project cost, points out the official.

So far, a similar arrangement in cost sharing has not been worked out for Phase-II, which is expected to cost ₹79,961 crore. The total dis-

bursement to be covered under this phase is about 119 km.

Of the total cost, the portion covering Madhavaram-Sholingannallur and Madhavaram-Koyambedu bus terminus will account for ₹40,941 crore. For this portion, JICA will provide ₹20,196 crore and an agreement to this effect was signed a couple of months ago. But it is for meeting the rest of the cost that the State government is awaiting the Centre's funds. "As we have firmed up funds for 85% of the project cost, we are going ahead with our plan of launching the work on Phase-II. If the Centre does not provide the part of the project cost for this phase, we will absorb it too," explained the official.

Negotiations held

As for meeting the cost of the remaining part of the project, which includes the Light House-Koyambedu terminus stretch, the State government is holding talks with three multilateral institutions - Asian Develop-

ment Bank, Asian Infrastructure Investment Bank and the New Development Bank (an organisation being floated by Brazil, Russia, India, China and South Africa). Negotiations were in an "advanced stage," said the official, adding that authorities were working on various options to bring down the provisional cost of this portion from around ₹39,000 crore to about ₹30,000 crore.

Meanwhile, on Sunday afternoon, Prime Minister Narendra Modi and Chief Minister Edappadi K. Palaniswami will launch, through video-conferencing in Tiruppur, services for the last 10-km stretch of Phase-I between Teynampet (AG-DMS office complexes) and Washermanpet. Concurrently, Union Minister of State for Housing and Urban Affairs (independent charge) Hardeep Singh Puri, along with State Industries Minister M.C. Sampath and Fisheries Minister D. Jayakumar will take part at an event at the Chennai Central station.