

# Tamil Nadu seeks 15% share capital for Metro phase II project

The estimated cost has been brought down to ₹61,843 cr.

**STAFF REPORTER**

**CHENNAI**

Tamil Nadu has urged the Centre for 15% of share capital for the Metro Rail phase II project, for which Union Home Minister Amit Shah laid the foundation on Saturday, sources said.

It was a rather challenging time for Chennai Metro Rail Limited (CMRL) with exchanges between the Centre and the State requesting funds, sources said.

On Saturday, Chief Minister Edappadi K. Palaniswami said the project was estimated to cost ₹61,843 crore and the State had already sought funds from the Centre for executing it. While the State requested 15% share capital, the Centre said 10% would be given as grant.

“Since the contribution of the Government of India as grant will affect the present share holding pattern and such a grant is also revenue



The foundation stone being laid for the Metro phase II at Villivakkam. ■ K. PICHUMANI

expenditure, we have been requesting it to consider the support as share capital, which is taken as capital expenditure with a sharing pattern of 50:50 between the Centre and the State,” Mr. Palaniswami said in a letter to Mr. Shah.

The original cost of the phase II project had run up to nearly ₹88,000 crore; later, it was trimmed to nearly ₹80,000 crore. But sources said the Centre had asked to

cut down the cost drastically as the investment seemed massive. After making a host of changes, the estimate was brought down to nearly ₹69,000 crore.

However, the Centre insisted that the cost be cut even further.

“It was an extremely difficult task but we managed to lower it even further to ₹61,843 crore. We are now only hoping at least this gets sanctioned,” a source said.

This apart, CMRL has also sought loans from the Japan International Cooperation Agency, the Asian Development Bank, the Asian Infrastructure Investment Bank and the New Development Bank.

With a length of 118.9 km, the phase II project will comprise three corridors – Madhavaram to SIPCOT, Madhavaram to Shollinganallur and Light House to Poonamallee.